HOUSE OF REPRESENTATIVES—*Monday, February 28, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. LONG of Louisiana).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
February 24, 1983.

I hereby designate the Honorable GILLIS W. LONG to act as Speaker pro tempore on Monday, February 28, 1983.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

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

Gracious God, You have promised to be with all people wherever they are, whatever their need. We reach out in prayer for the homeless, the poor, those anxious about the future, those who are ill, or those to whom freedom has been denied. Instill in us, O God, the will to labor for justice and righteousness in our world that people will know Your fullness of spirit that gives peace and comfort to all. In Your name, we pray. Amen.

THE JOURNAL

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

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 143. An act to authorize the Twenty-nine Palms Band of Luiseno Mission Indians to lease for 99 years certain lands held in trust for such band;

S. 304. An act to hold a parcel of land in trust for the Burns Paiute Tribe;

S. 366. An act to settle certain claims of the Mashantucket Pequot Indians;

S. 419. An act to provide that per capita payments to Indians may be made by tribal governments, and for other purposes;

S.J. Res. 15. Joint resolution designating month of March 1983 as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 27. Joint resolution authorizing and requesting the President to designate the week of March 13 through 19, 1983, as "National Employ the Older Worker Week."

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries.

TRIBUTE TO FORMER STAFF MEMBER, DR. WILLIAM R. PITTS, SR.

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

Mr. MICHEL. Mr. Speaker, it is my sad duty to inform the House of the passing this morning of Dr. William R. Pitts, Sr., one of the most dedicated and distinguished individuals ever to serve this House and its Members.

Bill Pitts, Sr., whose son continues to follow in his footsteps today, was a public servant in the truest and best sense of the words.

Bill devoted more than 40 years to the House, serving for a quarter century with Les Arends, my predecessor as minority whip. I know that Les admired him and depended upon him for everything. Being on staff back then was not what it is today.

Bill was a jack of all trades and superb at every task assigned him. If there was ever a staff member who could be described as indispensable, it was the old professor, Dr. Pitts.

Bill retired from the House in 1973, a scholar, a doctor of law, a counselor to statesmen and politicians and a citizen of great stature. He was wise, yet warm, intellectual, yet common in his approach. He was a great man, yet a humble man.

For all that he was and did, I suspect Bill would consider it an honor to be recorded in the history of the House as simply a dedicated public servant who left his mark on the institution he loved.

Bill may have lived his life behind the headlines, behind the spotlight, and in the shadow of the Members of this body, but he stood above us all. He contributed more to this country and more to the American way of life than most of us will ever hope to.

Services for Bill will be Friday at Fort Myer Chapel at 1 p.m. Memorials may be made to Arlington, Community Residences, Inc., 3136 North 10th Street, Arlington, Va. 22201.

CRISIS IN SCIENCE AND MATH EDUCATION, SHORTAGE OF SCIENTISTS, ENGINEERS AND TECHNICIANS

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

Mr. McCURDY. Mr. Speaker, later this week the House is scheduled to consider two of the most critical issues facing our Nation: The crisis in science and math education and the shortage of scientists, engineers, and technicians. I urge my colleagues on both sides of the aisle to support H.R. 1310, the Emergency Mathematics and Science Education Act and the National Engineering and Science Personnel Act. This bipartisan initiative will go far toward attracting new teachers and upgrading the skills of current math and science teachers. This legislation will also insure an adequate supply of well-trained scientists, engineers and technicians to carry America into the technological age.

H.R. 1310 does not, however, address the problem of retaining math and science teachers. Thousands of math and science teachers leave the classroom each year for higher paying jobs in industry. If we do not eliminate the salary differential, the people we invest in with H.R. 1310 will apply their skills in industry rather than in the classroom. I have introduced legislation which directly attacks this problem. H.R. 836, the Math and Science Education Act, grants a tax credit to high-tech firms that hire math and science teachers during the summer. This initiative would supplement teacher salaries and provide them with hands-on-high-technology experience to prepare their students for future jobs.

H.R. 836 is an essential component of the solution to our education crisis. I urge my colleagues to support and cosponsor this initiative so vital to our Nation's future.

BAN ANY LAND DISPOSAL OF LIQUID HAZARDOUS WASTES

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

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

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. BREAUX. Mr. Speaker, the real problem with liquid hazardous waste in this country is simply not being addressed, in my opinion. The real problem is not that we are dumping chemical wastes in violation of existing regulations, but rather that we are continuing to dump them at all.

Our entire country is sick and tired of having toxic chemical wastes injected into our soil or dumped onto the ground. Those methods do not dispose of hazardous chemicals; they only store them so they can continue to haunt us like some dark cloud hanging over our heads.

I have, therefore, introduced legislation which will immediately ban any land disposal of liquid hazardous waste unless EPA finds there is no other technologically feasible means of doing it located within 500 miles.

Within 5 years no person could dispose of these chemical wastes by any land method, period.

Also, immediately the Federal Government, which is the largest generator of liquid hazardous waste is directed to dispose of these wastes by means other than land storage.

I would offer this legislation and ask other Members who are interested in taking an approach which eliminates the real problem to join me in cosponsoring this legislation.

SPECIAL SCREENING OF FILM, "ACID RAIN: REQUIEM OR RECOVERY"

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

Mr. D'AMOURS. Mr. Speaker, I would like to advise Members that I have arranged a special screening of the film, "Acid Rain: Requiem or Recovery." The film will be shown at 10:30 a.m., Tuesday, March 1, in the House Merchant Marine and Fisheries Committee hearing room, 1334 Longworth House Office Building.

"Acid Rain: Requiem or Recovery," produced by the National Film Board of Canada, has been showing in the United States for over 9 months, and has won top honors in a competition sponsored by the American Society of Foresters. The Justice Department has now classified this film as political propaganda.

In view of this extreme action, I think it is important that Members avail themselves of the opportunity to see this film irrespective of their personal positions on this issue in order to judge for themselves the propriety or impropriety of the administration's action.

WHISTLE BLOWERS USUALLY ARE DEMOTED, TRANSFERRED, AND REPRIMANDED

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

Mr. DICKS. Mr. Speaker, there is a phenomenon in this city which I find particularly distasteful. Whenever one of the courageous members of the bureaucracy, be it the EPA or the Defense Department, tells the truth—the whole truth—to Congress, we rarely hear from that person again. The internal pressures of the bureaucracy have a way of responding to the so-called whistle blowers which usually results in demotion, transfer, and reprimand. Recently we have seen this occur with Hugh Kaufman of the Environmental Protection Agency, and I fear that our next candidate now appears on this week's cover of Time magazine. Franklin Charles Spinney testified last Friday before the Senate Budget Committee and was candid, honest, and thorough in saying that our vaunted defense buildup is a house of cards. In typical fashion, the Defense Department tried to cancel, postpone, and downplay the Budget Committee meeting last week; and since it has issued several confusing clarifications and denials of parts of Mr. Spinney's statement. But once again we are fortunate that the national media has revealed the importance of Mr. Spinney's remarks. Unfortunately, however, I fear that the picture of Mr. Spinney on the front cover of Time magazine may preclude further comment from Spinney to congressional committees. As a member of one of those interested committees, the Defense Appropriations Subcommittee, I would like to state that I hope we will be seeing a lot more of Mr. Spinney around Capitol Hill.

SYNFUELS PROGRAM SHOULD BE RESEARCH AND DEVELOPMENT

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

Mr. CORCORAN. Mr. Speaker, today I am introducing legislation which would change the statutory character of the U.S. Synthetic Fuels Corporation.

Mr. Speaker, you may remember that back in 1980 when the Congress first created this agency, it had originally begun here in the House of Representatives as an R&D activity at a cost of some $3 billion. However, when it came back from the Senate, a tremendous amount of additional money, some $85 billion, had been added to it and the character had been changed from an R&D activity to a commercial-scale development.

In my judgment, Mr. Speaker, this needs to be changed. Our legislation would convert it back strictly to research and development. In today's energy marketplace, we certainly do not need to be spending the billions upon billions of dollars that we are now spending in order to finance the synfuels program. In my judgment, Mr. Speaker, we can use that money in a much better way, particularly to reduce the large deficits.

THE INTERNATIONAL DEBT PROBLEM

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

Mr. LEWIS of California. Mr. Speaker and my colleagues: One of the most critical issues facing the Congress this year involves the international monetary crises, the reality that the Third World presently finds itself in some $700 billion of debt largely extended by allied and American bankers—a good portion of which will not likely be repaid.

Recently I had the privilege of meeting with a group of distinguished American economists who had come together in Washington to analyze this situation. Following their discussions, they prepared a paper which I would add to my remarks today. This is, in my judgment, the most lucid and the most objective analysis of this circumstance, with clear recommendations as to what policy changes ought to be a part of the decisions we will be making in the months ahead.

Mr. Speaker, I commend this paper to my colleagues and suggest they evaluate it in depth before they are asked to vote on the international financial issues that confront this Congress.

The analysis follows:

THE INTERNATIONAL DEBT PROBLEM, INSOLVENCY AND ILLIQUIDITY: A POLICY PROPOSAL

(A Statement prepared by the Ad Hoc Committee on International Debt and U.S. Financial Policies—Jan. 14, 1983—Karl Brunner, Michele Fratianni, Morris Goldman, Jerry L. Jordan, Allan H. Meltzer, Anna J. Schwartz)

I. THE PROBLEM

The total volume of international debt of developing nations rose from about $340 billion in 1978 to about $640 billion in 1982. This increase of almost 90 percent over four years, even after adjustment for world inflation, has outpaced the debtor nations' real growth. Interest payments measured in current dollars exploded from about $20 billion to approximately $66 billion over the same period. A marked increase in the average rate of interest payable on outstanding loans, reflected in a more than 300 percent rise of interest payments compared to the 90 percent increase in debt, aggravated the debtor nations' real debt burden. Over the

same four years the proportion of international reserves to imports of developing nations fell from 27 percent to 17 percent.

A change in the debtor nations' structure of outstanding debt worsened their position. One-third of the $300 billion addition to developing nations' indebtedness was short term. The proportion of short-term debt in total international indebtedness of developing nations rose from about 18 percent in 1978 to approximately 28 percent in 1982. Commercial banks dominated international lending during the past four years. "Official sources" supplied less than one-third of total international loans.

The surge of international indebtedness exceeded any relevant real economic prospects and could be validated only by an acceleration of world-wide inflation, or at least, by an acceleration of inflationary policies in the United States. When major industrial nations shifted around 1980 to an anti-inflationary policy there were severe adjustment problems in all economies, and particularly for debtors, domestic and international, who had extended their debt position on the assumption that inflationary policies would continue.

The change from an inflationary to a disinflationary regime was not the only change affecting debtor nations. The variations in the real price of oil observed over the past four years first disappointed expectations of oil-importing and subsequently of oil-exporting nations. That change did not dominate their economic fate, however. The variety of experiences among developing nations points to the decisive role of domestic economic policies. Fiscal and monetary policies in some countries raised inflation above the worldwide average, and induced a flight of capital or stimulated hoarding of foreign currency. Economic policies frequently obstructed exports and encouraged imports. Policies to control food prices discouraged agricultural expansion so foreign exchange has been used to import food.

The complex network of international credit began to crack with the suspension of payments on Poland's debt. The fissures widened last year and the events in Argentina, Brazil and other nations, foremost in Mexico, threatened a chain reaction of insolvencies in debtor and creditor nations and a spreading liquidity crisis. Many feared that the world economy would be pushed into a disastrous depression.

II. THE SEARCH FOR A POLICY

A sense of emergency has gripped policymaking in Washington and Europe. Complex negotiations are under way to prevent defaults: to ward off the insolvency of creditors, and to exorcise the threat of financial collapse. Central banks have provided new credits and regulators have assured banks that they would disregard the low quality of de facto defaulted claims. Commercial banks have been urged and even prodded to extend additional credit to finance overdue interest payments. Perhaps most indicative of the current mood are the moves to enlarge the borrowing facilities of the IMF and related international institutions. The magnitude of the planned expansion of the IMF's facilities has been repeatedly raised over the past twelve months, particularly by the US government.

There is little evidence and almost no assurance that the series of piecemeal improvisations will provide a solution to the international debt problem. A policy dominated or publicly justified by panicky fears of a "debt bomb" or a deflationary collapse will most likely produce serious new problems in the future. The improvisations may obscure de facto defaults on actually prevailing moratoria, preventing deflation, but risking a drift into a new round of worldwide inflation or the wasteful use of potentially productive resources in various forms of a bailout.

The rush to improvise some urgent actions should not blur policymakers' vision. A long-run strategy is required to guide the tactical choices to be made in the more immediate future. The following criteria constitute a viable long-run strategy to overcome the current problem and provide a framework for the future.

No deflation: There is no reason tc let the world or the creditor nations slide into a deflation and deep depression. A financial collapse or a major collapse in the financial industry should be, and can be, avoided.

No inflation: Similarly, there is not justification for recourse to inflationary policies to alleviate the debtor nations' real debt burden or to "provide additional liquidity" to debtors and creditor banks. Inflationary policies "solve" the debt problem by shifting the losses associated with the current state of international debt to the ultimate creditors, i.e., the holders of money and other nominal liabilities issued by banks and governments. This "solution" would reenforce the tendencies toward permanent inflation and impose high social costs.

No bailouts: There should be neither bailouts of debtor nations nor of creditor banks. The losses experienced or expected by the banks should be borne by their management and shareholders. Each case of potential default should be judged separately to determine the relative permanence of the underlying conditions. Additional loans cannot solve the permanent underlying problem of countries that have borrowed to maintain consumption above their prospective income; additional loans can assist countries faced with transitory adjustment difficulties. Poland and Brazil exemplify the two alternative cases. The probability that citizens of creditor nations will pay a tribute to the debtor nation under the guise of additional loans is comparatively small when loans are made to adjust to a transitory problem. The failure of the creditor nations to cope with de facto permanent default encourages the taxing of citizens in the creditor nations and imposing on them a corresponding loss of wealth. The loss could be contained if the permanence of the problem would be recognized now and acknowledged by policy makers, regulators, and banks.

The provision of additional loans without discrimination between permanent and transitory problems of debtors fosters incentive among debtor nations to continue policies that contribute to the current problem. Under the circumstances they find it useful to raise their demand for loans, to reject requests for domestic adjustments, or renege on implementing the policies that are agreed to when loans are extended.

The long-run consequences of negative incentives produced by piecemeal improvisations seriously affect the productive use of our resources. A persistent stream of bailout funding directs portions of our savings away from the most productive use. The savings absorbed in bailouts most probably will be used by debtor nations to maintain consumption in excess of their expected income or to protect a large political apparatus that makes little contribution to real economic growth.

The requirement that short-run measures be formulated in the context of an explicit longer-run strategic conception helps to assure that policy will not decay into imaginatively camouflaged bailouts. The longer-run strategy imposes obligations on both creditor and debtor nations. The creditor nations must seek a stable pattern of financial policymaking to prevent major swings between inflationary and disinflationary phases of policymaking. Creditor nations must oppose protections. The expansion of world trade forms a necessary condition for the resolution of the longer-run debt problem.

Debtor nations also bear an important responsibility. Variations in the financial fate observable among many nations in the "Third World" direct our attention to the role of domestic policies. This overhaul is an important condition for the economic viability of the debt. Without the needed changes in the course of domestic policies the probability of de facto default remain high.

III. ASPECTS BEARING ON DEBTOR NATIONS

The accumulated volume of international debt contains liabilities of both government and private institutions usually contracted in terms of a foreign currency. This latter condition exposes the debt to risks beyond those associated with the fate of a private business.

The financial failure of a private firm does not destroy the real resources it owns. These resources will remain intact and can still be operated to produce output in the future. The financial failure simply means that the balance sheet must be reevaluated and union contracts possibly renegotiated. Procedures exist to adjust valuations and to distribute the loss. Nothing in the procedures prevents the continued operation of productive resources. On the contrary, the adjustments described create an opportunity for a new management to put productive resources to work and to scrap unproductive processes. Financial failure of a private firm need not involve a social loss. It always involves a redistribution of wealth however.

Our current problem has an additional dimension that arises from the fact that foreign debt must be serviced in foreign currency. This exposes both private debt and government debt demoninated in foreign currency to the risks of government policy. With all debt denominated in domestic currency the government can always prevent explicit default by taxation or inflation. International indebtedness closes this route. Servicing of foreign debt requires conversion of domestic money into foreign money at exchange rates that reflect the government's policies. Policies that obstruct activities with comparative advantage, that guide the allocation of investable resources to raise consumption at the cost of investment for political convenience, and lastly, that support highly inflationary monetary actions, all contribute to raise the cost of conversions into foreign currency. Whatever other conditions may have contributed, or may contribute in the future, the domestic policies pursued by the debtor nations are generally sufficient to create or avoid a permanent problem of de facto default on a nation's international debt.

The best opportunities for productive investments in private firms can be turned into highly risky prospects by a government's general economic or financial policies. The pattern of policies pursued by governments determines the usefulness of continued lending. There is clearly no justification to lend additional funds without a clear understanding that a debtor nation's policy

if pernicious, will be substantially changed. Without such a commitment the underlying pattern will persist. Under such conditions it is advisable to recognize the actual default. The default acknowledges that the creditor nations have suffered a loss and that further lending will not prevent a future default. The creditors must be made to recognize that they have suffered a permanent loss that cannot be recouped by further transfers of wealth camouflaged as loans.

IV. ASPECTS BEARING ON CREDITOR NATIONS

The improvisations emerging under the pressures of concerned policymakers and banks confronted with potential insolvency offer no assurance that they will not drift into an international Ponzi scheme. The absence of any lien on government assets, in contrast to what is customary in private borrower-lender relations, makes the problem of an insolvent government debtor very difficult indeed. The dependence of private debt servicing on government policy amplifies the problem. It becomes tempting under the circumstances to develop bailout policies benefiting both creditors and debtors at the expense of the ordinary citizen.

Once more, an explicit default without bailout is the better course whenever debtor nations show little prospect of accepting conditions that are consistent with the long-term economic viability of their international debt. This admission of default means recognition and acceptance of a loss in wealth by creditors. This loss, even in the case of a temporary insolvency, need not destroy the real resources used in the financing industry. Banks, like other firms that are temporarily insolvent, can operate after appropriate adjustments and pursue a prospective stream of earnings. The human and non-human resources would still be available to generate future earnings that would absorb the current losses over time. The losses would thus be borne by those groups responsible for them.

There is of course the possibility that recognition of such losses may invite liquidity problems. A run on banks, as in the early 1930's, may emerge. In contrast to the 1930's, the liquidity problem would appear as a consequence of insolvencies.

Governments have a responsibility to prevent such runs. The appropriate central bank's response to bank runs has been clearly defined since Bagehot's Lombard Street, published more than one hundred years ago. The central bank needs to act promptly as a lender of last resort, offering whatever advances of base money may be required to finance the conversion of deposits into currency. The execution of this function presents no basic problem and can be carried out in various ways without recourse to accelerated monetary expansion and inflation.

Some confusion apparently prevails in the public arena about the distinction between a bailout and the execution of a lender-of-last resort function. Lending base money as a "last resort function" does not, and should not, mean that the loss of wealth is transferred to the central bank or the taxpayers. Nor should the central bank hesitate in extending loans because of inadequate collateral. Such hesitation would be entirely inappropriate as the banks involved would still, over time, have to bear their own losses.

V. THE COMPONENTS OF A POLICY

The characterization of the problem and the associated issues leads us to make seven recommendations.

1. Explicit formulation of a long-term strategy

The government has not formulated a long-term plan to guide its short-run actions. We run the risk of drifting into a policy of accelerated inflation and bailouts with burdensome long-term consequences. To stop this drift, governments must discriminate between countries that are unlikely to repay in the future and countries that can be expected to earn enough foreign exchange to repay principal and interest if payments are rescheduled. Countries that are unlikely to repay should be declared in default.

2. Rescheduling the maturity structure of outstanding debt

Insistence on repayment of maturing debt lowers any chance of a longer-run solution. Maintaining the flow of interest payments should be the immediate concern to protect the economic value of the loans. The magnitude of the problem and the long-term requirements of the solution suggest that rescheduling should be arranged at regular intervals. This approach offers an opportunity to monitor and assess the execution of commitments to adjust domestic policies that debtor countries accept as a condition of rescheduling.

3. Gradual adjustment of new loan extensions

This aspect is similar to a shift from an inflationary to a disinflationary policy. A sudden halt in international loan extension is likely to aggravate the problem. It contributes to uncertainty and confusion. But further loan extensions by governments and the financial industry without attention to a long-run strategy will worsen future problems. Loan extensions need to be tied to the debtor nations' commitment to alter their domestic policies. In the absence of such a commitment, interest payments may depend on further loan extensions even after the improvements expected with recovery from the current recession. This is not a viable solution. The veil of financial operations covering the de facto moratorium would rip open at some point in the future. Bailouts without reform merely postpone the day of reckoning. The ultimate reckoning would involve even larger losses of wealth for the western nations as a result of the implicit tribute or capital levy they paid to debtor nations.

4. The role of the IMF

Monitoring and assessment of domestic policies of both debtor and creditor nations form a crucial element in our program. The IMF seems the only institution equipped to perform this duty. However, this task requires a reexamination of the IMF's usual "austerity programs" that encourage countries to reduce imports. Concurrent reductions of imports by several debtor nations shifts the burden of adjustment onto other countries. Financial policies and the creation of incentives to produce and export should be the major targets of the IMF.

We admit at this point to some unease and reservations about a permanent increase in the IMF quota. The institutional interests of its bureaucracy contribute to the likelihood of massive expansion of lending facilities with a disposition for bailout under one guise or another. The only justification for loans is to assist countries to solve a temporary problem. Temporary problems do not require a permanent increase in the IMF quota.

5. Illiquidity

No liquidity crisis has thus far emerged and no such crisis need be tolerated. The prevention of such a crisis with the consequent threat of deflation does not require inflationary actions by the central banks. The central banks, as lenders of last resort, should make a commitment in advance to provide the required amounts in central bank money to all banks suffering mass conversion of deposits into currency. This operation can proceed without accelerating monetary growth and without abandoning a policy of gradually moving to a stable price level.

6. Insolvency

The potential spread of insolvency in the financial industry presents a state of affairs very different from the 1930's. Insolvency then resulted from the mismanagement of the liquidity crisis by the Federal Reserve. In contrast, a liquidity crisis would probably result now from defaults by borrowers.

Insolvency involves a loss of wealth. The loss must be suffered by some group. Our stand against its "socialization" i.e., a bailout, means that owners of banks (i.e., their shareholders), management, and some groups of creditors (owning non-liquid claims) must bear the loss. This does not require a formal bankruptcy and a closure of the banks involved in all cases. Banks that possess capital in the form of human resources, organization and connections may be able to operate profitably. They should be enabled to continue as operating units if they can be expected to cover their losses from prospective earnings and reestablish their solvency within a stipulated number of years.

7. Long-term consequences

A proper long-run policy will induce a sharpened risk evaluation of the competing banks by borrowers and depositors. It will reward management with a better sense of the risks associated with various loans and penalize incompetent or reckless management. Divergent movements in share values, in the cost of capital for various banks, and in their respective liability costs will express these evaluations. The currency ratio maintained by the public will probably be somewhat larger for some time as a result. The average spread between asset yields and interest rates offered on liabilities will also increase. These adjustments to a long-term plan will reduce the risk of a reoccurrence. A bailout, with losses borne by the taxpayers, will teach the lenders and borrowers that there is little risk to them in international lending and low costs of following imprudent policies.

EPA DELAYED CLEANUP OF HAZARDOUS WASTES IN MINNESOTA

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

Mr. SIKORSKI. Mr. Speaker, this weekend a UPI story confirmed my worst suspicion that the highest officials of EPA delayed cleanup of hazardous wastes at the Reilly Tar Site in Minnesota because of politics. It seems our site was a victim of EPA's political response to the Stringfellow site in California.

Although EPA Administrator Anne Gorsuch Burford has claimed her "program has been aggressive and free of politics," at least four EPA officials have now confirmed it is simply untrue. This is a classic, immoral example of what happens when a public official departs from her oath of office and makes decisions based on politics.

Even more shocking is today's disclosure that the Justice Department is not aggressively pursuing prosecution of just this type of political manipulation of Superfund money.

I call on the President to fire the EPA Administrator and instruct the Justice Department to undertake the aggressive, thorough investigation that is needed to get this mess cleaned up.

ISRAEL

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

Mr. McNULTY. Mr. Speaker, recent events in the international waters of the Gulf of Sidra, the deployment of four AWAC's to Egypt, and the continuing presence of 1,200 marines in the international peacekeeping force in Lebanon remind all of us of the volatile problems in the Eastern Mediterranean.

In international affairs it is most important to remember the art of getting done what can be done.

Perhaps the most fruitful opportunity in the region is to encourage King Hussein of Jordan to begin direct negotiations with Israel.

The example set by the late President Sadat of Egypt ought to be followed in entering discussions: That no attempt ought to be made by either party to dictate the outcome before the negotiation process begins.

Direct discussions must be held. The Jordanian Government cannot expect to negotiate through American proxies with Israel. America can support the beginning of the process but neighbors must talk with neighbors.

There is no linkage between the issues outstanding between Israel and Jordan to other myriad problems of the Middle East. Matters between these two States are sufficiently complicated as it is.

Mr. Speaker, America has an abiding and permanent interest in the security of the Israeli democracy. It is in pursuit of that interest that America can and must act to see that negotiations begin.

□ 1215

NATURAL GAS CONSUMER REGULATORY REFORM AMENDMENTS OF 1983—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-23)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and ordered to be printed:

(For message, see the proceedings of the Senate of today, Monday, February 28, 1983.)

HEALTH INCENTIVES REFORM PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-24)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and the Committee on Energy and Commerce and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, February 28, 1983.)

SYNFUELS: R&D ONLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 20 minutes.

Mr. CORCORAN. Mr. Speaker, since 1980, we have learned much about the way this Nation produces and consumes oil. We know now that it was not the political turmoil in Iran that put Americans in gasoline lines in 1979, but a misguided system of federally imposed price and allocation controls. We also know that when domestic price controls on oil were removed, domestic oil production held steady, rather than declined as had been occurring under price controls. We have seen consumers large and small devise ways to use energy more efficiently. As a result, oil consumption has fallen 13 percent since 1979 in the non-Communist world while U.S. demand has fallen 19 percent. This decline in demand, in conjunction with the development of non-OPEC crude oil supplies, has brought OPEC to the brink where it now teeters.

There are those professional doomsayers who forecast that with economic recovery, America will return to its oil-guzzling ways. Certainly some oil demand will come back with increasing economic activity. However, people are not going to take off their storm windows or rip out their insulation. More importantly, since they are larger consumers, industries are not about to undo the steps they have taken to reduce their engrgy costs. A February 24, 1983, Wall Street Journal article reported that most oil companies predict flat demand or small increases this year and "unspectacular gains even during an extended economic recovery."

Why? As the article explains:

> Commercial airlines are unlikely to burn more than the 10 billion gallons of oil they used last year even if traffic gains appreciably, because new planes on order use about 35 percent less fuel * * * new-model autos also are likely to continue emphasizing fuel efficiency even if they start growing in size again * * *

Celanese Corp., reports that conservation steps have made one of its chemical plants 79 percent more fuel efficient. Ford Motors is now monitoring heat flow by computers to save energy. According to Ford's energy engineering manager, these changes are part of basic operations and are not going to be reversed.

These basic changes in operating have completely turned the tables on OPEC and the conventional wisdom of ever-increasing oil prices. On February 22, John Lichtblau, president of the Petroleum Industry Research Foundation, testified before the Senate Energy Committee that OPEC will probably be able to hold a new price floor at $28 to 30 per barrel. He noted, however, that "the possibility of a price collapse is a very real one and will remain so for a number of years, given the likely demand for OPEC oil in the 1980's."

With this background, it should not be surprising that after more than 2 years, the Synthetic Fuels Corporation has been unable to find a single commercial synthetic fuel project upon which to bestow some of the nearly $15 billion in authorized funding authority that is available to it. As the cost of synthetic fuel projects soared and the cost of oil dropped, major equity sponsors withdrew from project after project. Now, the SFC has been reduced to issuing "letters of intent," and "letters of interest." With these letters in hand, the SFC hopes that project sponsors will be able to round up the remaining equity partners that they need.

Judging from the two letters of intent that have been issued, we may be better off it they do not. The first offers $465 million in loan guarantees and price guarantees to the first colony peat-to-methanol project in Creswell, N.C. This was done in December over the objection of SFC staff who warned that the limited availability of peat moss and its location in wetlands areas prevent any technology based on peat moss from making a significant contribution to our domestic

energy production capability. Moreover, there currently exists substantial excess methanol production capability capacity in this country and the price support subsidy ($1.05 per gallon as of January 1983 plus inflation plus 2 percent annually) is more than double the cost of methanol on the spot market.

The SFC has also signed a letter of intent with sponsors of the Santa Rosa tar sands project in New Mexico to provide up to $41 million in loan and price guarantees for the production of 4,000 barrels per day of oil. Apparently the SFC has some misgivings about how meritorious this project really is because the Santa Rosa sponsors must construct and operate a pilot project for 90 days "to confirm the technical and economic feasibility of the project" before any final assistance contracts are signed.

In January, the SFC issued a "targeted" solicitation for western oil shale projects, which promises up to $1.6 billion per project in price guarantees, up to an average of $67 per barrel in March 1983 dollars, with incremental prices as high as $95 per barrel. Offering such extravagant price guarantees, the SFC is putting itself in the same position as the banks who made liberal loans to oil producing nations on the security of ever-rising oil prices. In effect, the American people will be forced to pay for falling oil prices when they ought to be benefiting from them.

The potential for billion dollar outlays under such price guarantees is not idle speculation. Union Oil is constructing a plant near Parachute, Colo., that is expected to begin producing 10,000 barrels of oil from shale daily by late 1983. In July 1981, the Department of Energy guaranteed Union a floor price of $42.50 a barrel escalated for inflation and increases in natural gas costs, up to a total of $400 million. When the SFC became formally operational, the Union project was transferred to it from DOE.

In a February 18, 1983, report, "Analysis of U.S. Liability for Payments Under the Union Oil Shale Purchase Agreement," CRS analysts Larry B. Parker and Lawrence C. Kumins determined that the initial subsidy to Union will be $13 per barrel during 1983. This is the difference between the market price of $39.48 per barrel for the products specified in the DOE agreement and the guaranteed price of $52.57 per barrel to which Union is entitled under the agreement.

Although any oil price projections must be regarded as speculative, CRS indicates that the "most likely outcome will be that $342 million will be paid out in subsidies by 1989." Even with higher oil price assumptions, more than a quarter of a billion dollars will be paid to Union by 1989. Lower oil prices will cause the entire $400 million to be expended before 1989. With this kind of a deal, it is not surprising that Union has applied for additional SFC assistance to expand its oil shale facilities.

I have been studying the synthetic fuels program for some time. I have met with members of the SFC Board and I respect their competence and integrity. They are doing their best to implement the Energy Security Act of 1980, a law based on the conventional petroleum wisdom of 1980. I am now convinced that we must change that law. One look at the current and projected budget deficits is enough to show that we cannot afford to spend $88 billion or $50 billion or even $15 billion on synthetic fuels now or in the foreseeable future.

This does not mean we should abandon synthetic fuels entirely. I voted for the original Moorhead synthetic fuels research and development bill in 1979 and I continue to believe in the desirability of synthetic fuel research and development. The Chairman of the Synthetic Fuels Corporation, Edward Noble, notes that 90 percent of the Nation's fossil energy reserves are either oil shale, tar sands, or coal. We should be working to prepare the technology to utilize these reserves when they are needed.

Therefore, I am introducing today legislation to retool and redirect our synthetic fuels program from synfuel commercialization to synfuel research and development. Up to $3 billion of the funding authority currently available to the SFC may be used by the SFC, preferably for the purpose of funding synthetic fuel research and development. The remaining $11.9 billion now available to the SFC would revert to the Treasury. There would be no additional funds for the SFC and its ability to enter into new commitments would terminate on June 30, 1984, rather than September 30, 1992, as provided by the Energy Security Act. Finally, the Corporation would not be authorized to enter into joint ventures or to own synthetic fuel projects as it now may do.

This legislation would save more than $12.2 billion, assuming as the Executive Vice President of the SFC, Jimmie Bowden, has said, that the Corporation "will have to make good on most of the $15 billion in contingent liabilities it is expected to commit" and that the SFC's operating budget between 1988, when the Corporation would phase out entirely, and 1997, when the Corporation ends under present law, would be $35 to $40 million per year. At the same time, we will be using the expertise the SFC has developed to advance the state of synthetic fuel technology and hopefully to bring us closer to the time when commercial production of synthetic fuels does make sense.

With your support, we can make a change that is good energy policy, good environmental policy, and good budget policy.

Mr. Speaker, in view of the changed conditions, I would hope that not only would I have the support of my good friend, the gentleman from Massachusetts (Mr. MARKEY) but also that we would be able soon to get hearings in the Committee on Energy and Commerce on which both of us are privileged to serve.

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

Mr. CORCORAN. I am pleased to yield to my good friend, the gentleman from Massachusetts.

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

Mr. Speaker, I, too, support the general thrust of the proposal of the gentleman from Illinois (Mr. CORCORAN). I believe that the Synthetic Fuels Corporation, from the very first day, was a poor concept. It was one that said we were going to substitute Federal intervention for the workings of the free market principles that I think all of us in this body espouse.

My belief, as I am sure is that of the gentleman from Illinois, is that either we do one of two things. Either we put all energy sources out there to compete equally for scarce private investment dollars or we give all the same kinds of subsidies. In fact, there are many energy sources in this country that are starved for financing and cannot possibly compete for the development of new energy resources, as can those people who are able to benefit from having the life support system of the Federal Government being strapped on to a synthetic fuels industry that in fact could not survive otherwise.

There are many other better ways in which that money could be spent. I feel that the gentleman from Illinois (Mr. CORCORAN) in his philosophy is correct, and that is that the reordering of the energy markets in this country are better served by allowing those free market forces that he spoke of to operate freely rather than having us substitute our judgment as to which energy sources ought to be given preference.

In this particular instance I think that $3 billion is better than $88 billion. I would prefer to see it even less, but if in fact that is the best we can do, I think it is an approach that we ought to accept. So we ought to allow Adam Smith to rest comfortably, because I am sure he would be spinning in his grave if he ever saw a free market administration also simultaneously supporting a synthetic fuels program.

Mr. Speaker, I do support the direction of the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, I thank my good friend, the gentleman from Massachusetts (Mr. MARKEY), for his comments and I look forward to having his support on this issue.

A MEXICAN CUBA?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

● Mr. GONZALEZ. Mr. Speaker, human grievances are piling up in Mexico, and they threaten to create violent disorder there. The kind of poverty that exists is beyond most American understanding, and the fact is that Mexico is getting more—not less—poor. In the smooth phrasing of bankers and economists, Mexico is experiencing real losses in living standards. Put in more realistic terms, hunger is turning into starvation. Mass misery and mass despair are the ingredients of instability and the feeding ground of revolution, the match that sets off the fire of violence.

We have already seen disaster in the case of Mexico's neighbors—Guatemala and El Salvador. The Government of Honduras burst like a rotten corpse, and the new government could not today be said to be exactly a close friend of the United States. These events did not happen overnight; they were the result of years of neglect, malign and benign alike. They were the result of corrupt government, of grievances left unredressed. They were the result of poverty that finally turned to desperation.

Mexico is in very great trouble. We speak of it here as economic trouble, but it is more than that; it is human and political trouble as well. The pressure is building up in Mexico like steam in a closed vessel. Left untended, that pressure may well burst. If it does, El Salvador will look like a county fair, and the Cuban boat exodus like a Sunday excursion.

We need not face all this idly; in fact, we cannot afford to do so. If we want a friendly and stable neighbor in Mexico, we have to act. We have to be constructive and positive. We cannot afford to wait until the dam bursts; that will be too late.

Last October, and again in November, I urged the President to undertake an effort to build strength and stability in Mexico and elsewhere in Latin America. I asked that the President convene a summit conference for that purpose. I suggested that the organization of American States could be strengthened and vitalized, and that it could be a source of great strength. All of these suggestions were rejected by the administration.

I believe that it is not too late to overcome the problems in Mexico and elsewhere in Latin America, but the day is growing late. It will not be possible to solve those problems without American leadership and commitment. It will not be possible to solve those problems without hemispheric cooperation and commitment. It will not be possible to solve those problems by continuing to ignore the need for human hope and progress. It will not be possible to solve those problems without creative action.

I renew my suggestion to the President, and make part of the RECORD my correspondence with him, and also comments that I made in San Antonio on February 21, as reported in the San Antonio Express of the following day.

If we know what is happening, it is incumbent on us to act. We do know what is happening. We have a responsibility to act, and I urge the President to convene a hemispheric conference to exert American leadership, through the Organization of American States. That, and that alone, would be the kind of action that is broad enough, deep enough, and of a range long enough, to quell the fires that are raging in Latin America today, and not only in Mexico—though certainly it is there that our interests are greater, most exposed, and most vulnerable.

[From the San Antonio Express, Feb. 22, 1983]

HBG WARNS MEXICO COULD BE NEW CUBA

(By James McCrory)

The United States cannot afford to have a Cuba next door in Mexico, and if it reaches that point the United States will have an Afghanistan on its hands, U.S. Rep. Henry B. Gonzalez declared Monday.

DISORDER

Speaking out as he prepared to leave San Antonio for Washington, the 11th District congressman said that given the conditions of the economy in Mexico and the resulting social problems, there is a potential for serious disorder in Mexico.

Whether this disorder is seen as Marxism or Castroism, the congressman said, is beside the point point once things get out of control.

Gonzalez said the United States cannot continue to unilaterally intervene in countries to the south, as it has, without tragic results.

"We have viable international agencies like the OAS (Organization of States) we could cooperate with in an effort to stabilize the continent," Gonzalez said.

"What it means is, America is abdicating its responsibilities as leader in this part of the world. We have vital stakes in our front porch and we can't turn our backs on it. Of course, we can't tolerate a hostile government—fascist, communistic, vegetarian, or what have you."

Gonzalez's remarks came after U.S. Sen. Henry Jackson, member of the Senate Armed Services Committee, appeared on CBS's "Face the Nation" and said Mexico is the real target of Castro-Soviet activity to the south.

Jackson also said the fragile situation in Mexico is one of the prime concerns of the United States and warned of the possibility of a revolution and a Castro government on the border if the government is destabilized.

Gonzalez said Jackson's concern is proper but that it is unfortunate that the senator didn't speak out against what he said were the bankrupt policies of former Secretary of State Alexander Haig and President Reagan and others making the potential dangers a reality.

SUMMIT DENIED

He said the White House turned a deaf ear to his suggestion for an inter-American summit conference with the leaders of Mexico and other countries, saying the suggestion was not valid or feasible.

The congressman warned it is inexcusable for the United States to wait until things have reached a point calling for intervention with American soldiers in Mexico when corrective measures could be taken now.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 6, 1982.

Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Though for the past two years national attention has been concentrated on domestic economic issues, these are momentous times in the realm of foreign policy. Your planned meetings with heads of state in Washington, and your forthcoming journey to Latin America, clearly evidence the scope and depth of urgent problems.

I am, as you know, gravely concerned about the economic and social problems of our neighboring countries—problems that are reflected in grave political events. It was this concern that led me to suggest earlier a hemispheric version of the Bretton Woods talks. Concentrating on economic problems, these talks produced the framework of economic growth, international cooperation, and political stability that blessed the industrial world in postwar times. Since President Nixon ended the Bretton Woods monetary policy in 1971, there has been nothing to replace it. During the intervening years, we have seen an explosive growth in debt, a rapid erosion in trade terms for developing countries, and a steady march toward protectionism and similar beggarthy-neighbor policies. It is no secret that the prospect for world economic growth is not very bright today, nor that country after country is finding itself unable to repay debt, resist the drift toward trade warfare (for example, the threat only this week by Secretary Block to dump U.S. dairy products on the world market; Japan's deliberate cheapening of the yen; unwarranted European and Japanese export subsidies), or maintain political stability. More and more, it seems, there is a drift toward radical schemes that promise something different—though the radical is not often something that works. All of this, I think, reflects a growing kind of anarchy. This trend can be stopped, and must be. It can only be done if the world finds within itself the leadership and discipline to agree on sensible problems of the beneift of all—which is what Bretton Woods was all about. It ever there was a time when new arrangements were needed, it is now. If ever there was an opportunity for American leadership, it is now. Opportunity is at hand, and you can grasp it by the forelock, and I urge that you do.

Not only do I think that you should propose a Hemispheric Conference, on the order of Bretton Woods, I believe you should reassert American commitment to democracy and human rights. This could be done by revising the Haig policy of vast arms sales. This could be done by maintaining insistence (for example) that the Gov-

ernment of El Salvador make genuine progress toward redressing the grievances of that country's people. Violence is no substitute for honest government, and no substitute for necessary reform. The flight of hundreds of thousands of political refugees to our country signifies but one thing: that ours is a land of honest government, a land of open voices, a land where peaceful changes is possible.

Our country is frequently blamed for all the problems of neighboring nations. Mexican politicians, no less than Fidel Castro, are prone to blame their ills on the United States. Yet everywhere, the great mass of people look to the United States as the hope for reform, for progress, for a better world. To the extent that our policy nourishes those hopes, helps to realize them, we remain true to our Revolution, our national principles. But if we merely peddle arms, ignore abuse and grievance, and stand silent in the face of overwhelming abuse, we not only fail to live up to our own ideals, we promote enmity elsewhere. Therefore, I hope that you will use your forthcoming journey to revise the Haig arms sales drive, call for a Hemispheric Conference on economic and human progress, and hold high the American dream of freedom for all people.

With all good wishes, I am,

Respectfully yours,

HENRY B. GONZALEZ,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 27, 1982.

Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Between 1975 and this year, the foreign indebtedness of Latin American countries quadrupled. During that same time, American bank lending in Latin America doubled. U.S. bank loans to Argentina increased sixfold in that period, while loans to Mexico increased fourfold. Neither Argentina nor Mexico is able to repay its debt. Brazil is also in great difficulty.

The extraordinary problems in Mexico caused the United States to take emergency action to stave off an outright collapse of the Mexican economy. There is still considerable question about Mexico's future. The future course of Mexico and other hard-pressed nations is very much an open question. These are not matters that trouble only the affected countries; economic crises do not respect national borders, they affect us all.

The problems of Mexico, for example, have caused U.S. citizens to take large losses on debts owed to them by Mexico. One constituent of mine is owed almost $200,000 for goods sold in Mexico. He has been told that he can be paid only in pesos, at a rate that would cause him to lose forty per cent of the amount due. The result will be ruinous. Another individual, a wholesaler, has found his business wiped out because his Mexican customers can no longer obtain currency to deal with him. Dozens of others who had a large Mexican retail trade now find their business in grave difficulty. Thousands of U.S. citizens with dollar deposits in Mexico are unable to recover their deposits. Hundreds of businesses throughout the border region are near collapse, unemployment is up, and there is no prospect for relief. At the same time, massive unemployment, rapid inflation, and growing desperation is sure to cause a large increase in illegal immigration from Mexico. These are matters that affect Americans, and as such they are of real and immediate concern to our country.

You know, I am certain, that economic disintegration soon leads to social unrest and political disorder. The threat facing Mexico is real. There is no question that disorder in Mexico would create enormous problems in our own country, and pose serious challenges to our policy.

The United States cannot ignore the problems of Mexico, Your clear recognition of this fact is evidenced by the emergency action that you took earlier this year. But more than emergency action is needed. It is necessary now for the United States to work with Mexico and other Latin American nations to forge a blueprint for the future. United States leadership and cooperation is essential if the economic problems of Latin America are to be resolved. Failure to address these problems will only complicate our already difficult domestic situation.

I know that you are planning a trip to Latin America at the end of November. Before that time, I believe that the United States should propose a mini-Bretton Woods Conference, to devise workable programs to deal with the debt crisis facing Latin America, to devise programs for recovery, and to establish mechanisms for cooperation. The problems that exist are too complex to be dealt with on an ad hoc, bilateral basis. They are too difficult to be resolved with emergency actions. They require a genuine program, and a genuine commitment of United States leadership. It was just such a program, just such leadership, and just such commitment at Bretton Woods that enabled the world to recover from the chaos and destruction of World War II, and to benefit from the longest and greatest economic growth of all time.

As matters now stand, the world is threatened with trade warfare, more so than at any time in the past five decades. We know, from long and bitter experience, that beggar-thy-neighbor actions not only fail to resolve domestic problems, but lead down the road to universal tragedy. This need not happen. We can best help ourselves, and our neighbors, by positive and responsive leadership. I urge that you act at once to establish a Western Hemisphere Conference on economic recovery, stabilization and cooperation. This type of conference, like Bretton Woods, offers the best hope of exerting the leadership that is essential to resolving the very great problems that our country and our neighbors must face together.

Respectfully yours,

HENRY B. GONZALEZ,
Member of Congress.●

NATURAL GAS DECONTROL—A FREE LUNCH

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

Mr. MARKEY. Mr. Speaker, the natural gas decontrol bill which the Reagan administration is introducing today is hailed by the President as that rarest of all commodities—a free lunch. According to the President, prices will go down, supplies will go up, the free market will operate perfectly to bring buyers and sellers together in harmony—in short, everyone will be fat and happy.

Mr. Speaker, that "free lunch" will be cooked with gas, but it will not be free. It is the American consumer who is going to pick up the $50 billion tab.

We are in our present predicament, with demand down and prices soaring up, because natural gas producers and natural gas pipelines used current legislation and an inactive Federal Energy Regulatory Commission to bid prices out of reason on contracts which pass costs on to the consumers whether or not the gas is actually shipped or consumed.

Those same companies now claim that the contracts which they negotiated are the blame of regulation and not their own greed. So how does the administration respond?

□ 1230

Take away any ceilings on gas discovered before 1977, which was never to be decontrolled.

The administration's proposal for extinguishing a fire is to pour on more fuel. It is like saying "We are going too fast; step on the gas."

What we need is a solution to the current gas price increases that treats all Americans fairly, that assures adequate supplies, adequate incentive for gas exploration and reasonable prices.

The President's proposal assures none of these basic criteria. His proposal is only a fool's rush to stuff more dollars into the pockets of the major oil companies. There is no free lunch. There can be none. When the President learns that basic lesson, then and only then will the American people accept his word on energy policy.

The residential consumer and America's small businesses and farmers deserve the assurance that their livelihoods will not be endangered by the cost of keeping warm. They deserve the help in the midst of their peril. They deserve much more than the wolf of decontrol in the attractive wrapping of consumer protection.

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

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

Mr. CORCORAN. Mr. Speaker, I am somewhat hesitant to risk the newfound alliance that we have by commenting on what my good friend from Massachusetts has said. However, I think, upon his examination of the actual language of the legislation, which I understand the President has submitted to the Congress today, he will find that the impact of the changes will not be borne by the residential user of natural gas or the industrial user of natural gas because of the change in current law, which I think is absolutely essential.

Today, you know, as a result of the Natural Gas Policy Act of 1978, which I voted against, I would say to my

good friend from Massachusetts, there is in section 601 of the law the automatic opportunity for the pipeline company to pass through to the consumer, which is exactly what is being done with Algerian high-priced gas, Canadian gas, Mexican gas, and the like. What the President is proposing to do is to tighten that up so that you do not get the added passthrough to the consumer. I think that is the basis why the consumer will be benefited from this legislation. And, as I started to say, the President is correct in saying that this is really a consumer protection bill.

Mr. MARKEY. Mr. Speaker, I will reclaim my time to briefly comment, because I do not want to strain our alliance any more than is necessary either, and the point is this: Somebody is going to have to pay. The illusory promises of the increase in the cost of natural gas and oil back in the late 1970's and the accompanying programs for low income fuel assistance and funding for rapid transit and conservation and renewable energy source programs have proven to be false. And just as I believe that the same kind of inevitable, inexorable eventual increase in the price of natural gas to those end use customers, whether they be residential, commercial or industrial, has to eventually transpire; that there is no way in which the kinds of revenues that the gas companies are looking for can be generated without having someone pay the bill. And what we are talking about now is, again, something that is very much akin to Reaganomics, which is that there is some kind of major change in the way in which we deal with a significant economic program in this country without any dislocation whatsoever, that somehow or other prices come down, supply goes up and everybody is fat and happy. There is not any such thing. Somebody has to pay the price to get the kind of result that the President is looking for, and I believe that whether it be now or in the future a couple of years from now, that that will be the eventual result. FERC has shown absolutely no desire, no willingness to take the kinds of protective action that the gentleman is talking about in order to assure that the consumer is not affected.

Mr. CORCORAN. Well, Mr. Speaker, that is because of the law.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLF) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 20 minutes, today.

(The following Members (at the request of Mr. SIKORSKI) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. FISH.

Mr. YOUNG of Alaska in three instances.

Mrs. HOLT.

Mr. KEMP.

Mr. SCHULZE.

Mr. GREEN in two instances.

Mr. BEREUTER.

(The following Members (at the request of Mr. SIKORSKI) and to include extraneous matter:)

Mr. FORD of Michigan.

Mr. HERTEL of Michigan.

Mr. MAZZOLI.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DORGAN.

Mr. DOWNEY of New York.

Mr. STRATTON in two instances.

Mr. COELHO in two instances.

Mr. BENNETT in two instances.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 143. An act to authorize the Twenty-nine Palms Band of Luiseno Mission Indians to lease for 99 years certain lands held in trust for such band; to the Committee on Interior and Insular Affairs.

S. 304. An act to hold a parcel of land in trust for the Burns Paiute Tribe; to the Committee on Interior and Insular Affairs.

S. 366. An act to settle certain claims of the Mashantucket Pequot Indians; to the Committee on Interior and Insular Affairs.

S. 419. An act to provide that per capita payments to Indians may be made by tribal governments, and for other purposes; to the Committee on Interior and Insular Affairs.

S.J. Res. 15. Joint resolution designating the month of March 1983 as "National Eye Donor Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 27. Joint resolution authorizing and requesting the President to designate the week of March 13 through 19, 1983, as "National Employ the Older Worker Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. SIKORSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 1, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

425. A letter from the Secretary of Housing and Urban Development, transmitting a report on the administration of the Interstate Land Sales Full Disclosure Act, pursuant to section 1421 of the act, as amended; to the Committee on Banking, Finance and Urban Affairs.

426. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the assessment of the United Nations Educational, Scientific and Cultural Organization, pursuant to section 108(d) of Public Law 97-241, and a report on the United Nations Educational, Scientific and Cultural Organization's policies that would restrict the free flow of information, pursuant to section 109(b) of Public Law 97-241; to the Committee on Foreign Affairs.

427. A letter from the Chairman for the Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

428. A letter from the Assistant Secretary of Defense (Public Affairs), transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

429. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations governing the inclusion of disclaimer notices in political communications and advertising, pursuant to 2 U.S.C. 438(d)(1); to the Committee on House Administration.

430. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refunds of $46,666.40 to the Exxon Co., U.S.A., Chevron U.S.A. Inc., Sonat Exploration, and General American Oil Co. of Texas of excess royalty payments, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

431. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation Radio Broadcasting to Cuba Act; jointly, to the Committee on Foreign Affairs and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolu-

tions were introduced and severally referred as follows:

By Mr. PERKINS (for himself, Mr. FUQUA, Mr. SIMON, Mr. GOODLING, Mr. HAWKINS, Mr. FORD of Michigan, Mr. BURTON of California, Mr. GAYDOS, Mr. CLAY, Mr. BIAGGI, Mr. ANDREWS of North Carolina, Mr. MILLER of California, Mr. MURPHY, Mr. CORRADA, Mr. KILDEE, Mr. WILLIAMS of Montana, Mr. KOGOVSEK, Mr. WASHINGTON, Mr. MARTINEZ, Mr. OWENS, Mr. HARRISON, Mr. BOUCHER, Mr. WALGREN, Mr. ROE, Mr. BROWN of California, Mr. SCHEUER, Mr. HARKIN, Mr. WIRTH, Mr. GLICKMAN, Mr. YOUNG of Missouri, Mr. VOLKMER, Mr. NELSON of Florida, Mr. LUNDINE, Mr. MCCURDY, Mr. DYMALLY, Mr. MINETA, Mr. DURBIN, Mr. ANDREWS of Texas, Mr. VALENTINE, Mr. REID, Mr. TORRICELLI, and Mr. CHANDLER):

H.R. 1699. A bill to provide assistance to improve elementary, secondary, and postsecondary, education in mathematics and science; to provide a national policy for engineering, technical, and scientific personnel; to provide cost sharing by the private sector in training such personnel; to encourage creation of new engineering, technical, and scientific jobs; and for other purposes; jointly, to the Committees on Education and Labor and Science and Technology.

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 1700. A bill amending title I of the Marine Protection, Research and Sanctuaries Act of 1972, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Energy and Commerce.

By Mr. CORCORAN (for himself and Mr. BROWN of Colorado):

H.R. 1701. A bill to eliminate phase II of the U.S. Synthetic Fuels Corporation, to support synthetic fuel research and development, to eliminate the authority of the Corporation to enter into joint ventures or own corporation construction projects, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. DOWNEY of New York:

H.R. 1702. A bill to amend title 23, United States Code, to require the Secretary of Transportation to reduce the apportionments of certain Federal-aid highway funds to any State in which highway motor vehicles displaying a handicapped parking sticker issued by any other State are not allowed to park in the parking spaces in which highway motor vehicles displaying a handicapped parking sticker issued by such State are allowed to park; to the Committee on Public Works and Transportation.

By Mr. FAZIO (for himself, Mr. MATSUI, Mr. PORTER, Mr. BARNARD, Mr. COELHO, Mr. BEREUTER, Mr. WILSON, Mr. EDGAR, Mr. RAHALL, Mr. HOWARD, Mr. MARTINEZ, Mr. DWYER, of New Jersey, and Mr. ROYBAL):

H.R. 1703. A bill to modify the mandatory sentence structure for the use of a firearm in the commission of a Federal felony, to establish a mandatory sentence for the use of a cutting or stabbing weapon in the commission of a Federal felony, and for other purposes; to the Committees on the Judiciary.

By Mr. HEFTEL of Hawaii (for himself, Mr. SUNIA, Mr. DE LUGO, Mr. WON PAT, Mr. CORRADA, and Mr. YOUNG of Alaska):

H.R. 1704. A bill to amend the Agricultural Act of 1949 to provide that the Secretary of Agriculture may not require deductions from the proceeds of sale of milk produced and commercially marketed in jurisdictions other than the 48 contiguous States and the District of Columbia; to the Committee on Agriculture.

By Mr. JACOBS (for himself, Mr. ROSTENKOWSKI, Mr. CONABLE, and Mr. MOORE) (by request):

H.R. 1705. A bill to provide for prospective payment rates under medicare for inpatient hospital services, and for other purposes; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. PANETTA, Mr. BARNARD, Mr. BONER of Tennessee, Mr. BONKER, Mr. BROOKS, Mr. BROWN of California, Mr. CORRADA, Mr. DAUB, Mr. DWYER of New Jersey, Mr. EMERSON, Mr. FLIPPO, Mr. FLORIO, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. HOPKINS, Mr. HORTON, Mr. HUGHES, Mr. JEFFORDS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. MCHUGH, Mr. MARTINEZ, Mr. MATSUI, Mr. MONTGOMERY, Mr. MORRISON OF WASHINGTON, , Mr. O'BRIEN, Mr. RATCHFORD, Mr. REID, Mr. ROBINSON, Mr. ROE, Mr. SHARP, Mr. SHELBY, Mr. STANGELAND, Mr. TALLON, Mr. VANDERGRIFF, Mr. VENTO, Mr. WAXMAN, Mr. GUARINI, and Mr. DANIEL):

H.R. 1706. A bill to designate the square dance as the national folk dance of the United States to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. HOWARD, Mr. SNYDER, Mr. HAMMERSCHMIDT, Mr. ANDERSON, and Mr. SHUSTER) (by request):

H.R. 1707. A bill to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1984, 1985, and 1986, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mrs. ROUKEMA:

H.R. 1708. A bill to require that the fourth Presidential certification with respect to El Salvador include a determination that the Government of El Salvador has made every effort to bring to justice those responsible for the murder of journalist John Sullivan; to the Committee on Foreign Affairs.

By Mrs. SNOWE:

H.R. 1709. A bill to amend chapter 44 of title 18 of the United States Code (relating to firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 1710. A bill to amend the Clean Air Act to exempt electric power generating facilities on Guam from certain provisions of the Clean Air Act; to the Committee on Energy and Commerce.

H.R. 1711. A bill to amend the Immigration and Nationality Act to permit nonimmigrant alien crewmen on U.S.-flag fishing vessels to stop temporarily at ports in Guam; to the Committee on the Judiciary.

H.R. 1712. A bill to amend the Immigration and Nationality Act to permit waiver of the nonimmigrant visa requirement in the case of certain visitors to Guam; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

16. The SPEAKER presented a memorial of the General Assembly of the State of Arkansas, relative to mineral leases on Federal-owned lands; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES:

H.R. 1713. A bill for the relief of Yelizaveta Fankukhina; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 1714. A bill for the relief of Antonio Callejo Carsola; to the Committee on the Judiciary.

By Mr. FAZIO:

H.R. 1715. A bill for the relief of Margaret Patricia Lind; to the Committee on the Judiciary.

H.R. 1716. A bill for the relief of Divinia Manatad and Jeuerita Manatad; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. GORE.

H.R. 42: Mr. HALL of Ohio, Mr. HAMILTON, Mr. GRAY, Mr. SABO, Mr. CORRADA, and Mr. BARNARD.

H.R. 50: Mr. LEWIS of Florida.

H.R. 52: Mr. LEWIS of Florida.

H.R. 53: Mr. LEWIS of Florida.

H.R. 70: Mr. LEWIS of Florida and Mr. STENHOLM.

H.R. 836: Mr. DURBIN and Mr. GOODLING.

H.R. 1015: Mr. SOLARZ, Mr. LEVIN of Michigan, and Mr. DE LUGO.

H.R. 1016: Mr. SOLARZ, Mr. LEVIN of Michigan, and Mr. DE LUGO.

H.R. 1078: Mr. BEREUTER and Mr. DONNELLY.

H.R. 1147: Mr. STOKES.

H.R. 1176: Mr. WRIGHT, Mr. RANGEL, Mr. GORE, Mr. SHANNON, Mr. DASCHLE, Mr. STUDDS, Mr. COYNE, Mr. BERMAN, Mr. DE LA GARZA, Mr. MRAZEK, Mr. GILMAN, Mr. JONES of Tennessee, Mr. FORSYTHE, Mr. BOSCO, Mr. DURBIN, Mr. LUJAN, Mr. DYSON, Mr. HERTEL of Michigan, Mrs. SCHROEDER, Mr. SUNDQUIST, Mr. COOPER, Mr. AUCOIN, Mr. EDGAR, Mr. SPENCE, Mr. RICHARDSON, Mrs. BYRON, Mr. THOMAS of Georgia, Mr. DAVIS, Mr. VENTO, Mr. JEFFORDS, Mr. ANDREWS of North Carolina, Mr. RAHALL, Mr. CARR, Mr. CLAY, Mr. SEIBERLING, Mr. BARNARD, Mr. KILDEE, Mr. LUKEN, Mr. MCCURDY, Mr. SHELBY, Mr. MCKINNEY, Mr. DWYER of New Jersey, Mr. COELHO, Mrs. SCHNEIDER, Mr. TORRICELLI, Mrs. HOLT, Mr. NICHOLS, Mr. JONES of North Carolina, Mr. PERKINS, and Mr. WORTLEY.

H.R. 1285: Mr. WIRTH, Mr. MARTINEZ, Mrs. HALL of Indiana, Mr. EDGAR, Mr. SCHULZE, Mr. MRAZEK, Ms. MIKULSKI, Mr. CARR, Mr. OWENS, Mr. GILMAN, Mrs. COLLINS, Mr. GEJDENSON, Mr. FRENZEL, Mr. YATES, Mr. GREGG, Mr. D'AMOURS, Mr. LOWRY of Washington, Mr. WAXMAN, Mr. DASCHLE, Mr. BEDELL, Mr. MCNULTY, Mr. FORD of Tennessee, Mr. PANETTA, Mr. TORRICELLI, Mr. FAZIO, Mr. WOLPE, Mr. TOWNS, Mr. ROE,

Mrs. BOGGS, Mr. FOGLIETTA, and Mr. DE LUGO.

H.J. Res. 1: Mr. LEWIS of California.

H.J. Res. 2: Mr. OLIN, Mr. HORTON, Mr. VOLKMER, Mr. LONG of Louisiana, and Mr. ROSE.

H.J. Res. 22: Mr. DELLUMS, Mr. SILJANDER, and Mr. LOWERY of California.

H. Con. Res. 39: Mr. SCHEUER, Mr. SHELBY, Mrs. KENNELLY, Mr. BATES, Mr. TORRICELLI, Mr. BORSKI, Mr. FAZIO, Mr. FISH, Mr. ROE, and Mr. MOLLOHAN.

H. Con Res. 46: Mr. BLILEY, Mr. CORCORAN, Mr. DANNEMEYER, Mr. TAUKE, and Mr. WEAVER.

H. Res. 50: Mr. ANDREWS of North Carolina, Mr. OWENS, Mr. SMITH of Florida, Mr. LOWRY of Washington, Mr. MITCHELL, Mr. TOWNS, Mr. SHANNON, Mr. FRANK, Mr. HOWARD, Mr. STOKES, Mr. FAUNTROY, Mr. WEISS, Mr. DELLUMS, Mr. RATCHFORD, Mr. EDWARDS of California, Mr. MARKEY, Mr. SUNIA, Mr. FASCELL, Mr. ROE, Mr. FROST, Mr. DWYER of New Jersey, Mr. EVANS of Illinois, Mr. MRAZEK, Mr. OBERSTAR, Mr. LEVIN of Michigan, Mr. FAZIO, Mr. YATES, Mr. HALL of Ohio, Mr. OTTINGER, Mr. SCHEUER, Mr. BERMAN, Mr. WYDEN, Mr. MOODY, Mr. HUGHES, Mr. TORRICELLI, Mr. MORRISON of Connecticut, Mr. ADDABBO, Mr. MINETA, Mr. BATES, and Mrs. HALL of Indiana.

SENATE—*Monday, February 28, 1983*

(Legislative day of Wednesday, February 23, 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).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious Father in Heaven, we have so much for which to be grateful. We thank Thee for breath and life—for health and strength—for clear intellect—the ability to reason and the freedom to choose. We thank Thee for our families, our most precious asset. Help us to honor them—to love them—to be to them all that strengthens enduring family ties. We thank Thee for peers, associates and staffs. May we never presume upon their dedicated, untiring service. Help us never to impose upon them more than body, mind and heart can bear. We thank Thee for the privilege of serving in the Senate. May we never forget that we are here by the suffrage of the people and that behind their choice is the appointment of the One from whom derives all power and authority.

Help us never to forget Thee, Loving God, and the common benefits which Thou hast so uncommonly lavished upon us and our beloved land. Receive our profound gratitude and consecrate us to the supreme destiny to which Thy perfect will calls us. In the name of the Sovereign Lord of History we pray. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

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

SENATE SCHEDULE

Mr. STEVENS. Mr. President, today the Senate will continue consideration of S. 47, the shipping bill.

An amendment is pending, and we anticipate amendments to be offered and rollcall votes to occur throughout the day—that is, if it is possible. Debate is scheduled to continue on this bill through Tuesday. Under the previous order and the cloture motion filed, there will be a vote on the question of cloture, in relation to S. 47, at 4 p.m. tomorrow.

The schedule for the remainder of the week may include a number of bills reported by the Committee on Energy and Natural Resources, consideration of Senate committee budgets and, it is hoped, the Montreal Aviation Protocols.

Mr. President, in order for the Senate to complete necessary business by July 1, the leadership urges all Senators to be diligent and to seek the reporting of legislation from the various committees at the earliest possible date.

We do have looming on the horizon issues that will undoubtedly require a substantial amount of time during March—the first concurrent budget resolution, the urgent supplemental, which has a jobs proposal, and social security.

Again, as to the plan for this week, we do anticipate that the Senate will see a series of votes this week. The majority leader will make a further announcement later in the day concerning the legislative schedule.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the time for the two leaders, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m. today, during which Senators may speak for not to exceed 5 minutes each.

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

Mr. STEVENS. Mr. President, I reserve the remainder of our time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary of the Senate proceeded to call the roll.

Mr. STEVENS. 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 RUMOR

Mr. BAKER. Mr. President, this week's poem, "The Rumor," was written by Liam Rector. Mr. Rector's poems have appeared in Paris Review, Partisan Review, Shenandoah, the Reaper and other magazines. He is currently teaching at Phillips Academy in Massachusetts.

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

I am busy doing drawings
for the upcoming publication
Drawings of Schizophrenics In Closed Institutions.
I am busy doing drawings
for the upcoming publication
Drawings of Schizophrenics In Closed Institutions.
because angelic voices will sing
if I draw lost enough to listen
and because it quiets the doctors down
since they are anxious
to see the book published
and to have my efforts included. . . .
If I could find the right line, I could balance
the entire design.
Not everyone has a career,
but the doctors have one, each of them,
and the publication of the book *should* help
to secure
that section of their lives.
Alice, across the hall, is doing
a goodbye drawing. The doctors
are wary of this impulse
on her part, noting that Alice
says goodbye
too often. They encourage her to talk
of her plans, should she be released,
or of her past,
should she end up staying.
Alice tells them it's a "picnic,
a picnic in a light drizzle."
Here in the hospital Alice,
who killed Frank, crosses the hall each
night
into my doorway and says,
"Frank, is that *you*, Frank?"
In my drawings I omit Alice
and concentrate
on calling forth the hall. Schizophrenia,
in this book, is another way of saying
across the hall.
In the public room, the section where we sit
and watch,
some read the newspaper while getting
the national news off the tube.
That way, if you read and listen,
you get the feeling
that the news is really coming at you,
that it might really amount to something.
Of late I have begun to think,
I get the impression,
that our lives are being moved
by some very public rumor.
We, in darkness, picture ourselves alone
with some sort of headline: *Man Claims He Got Away*
With Murder, that sort of thing. . . .
We read as if dreaming and are then
dreamt as if living. Between
the solitary and the public, the rumor.
We picture ourselves closed-in, whirring,
but I doubt that.
In the drawings I stress
(and then surrender to) the fact

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

that there is some very "hard news"
in all of us, a murderer
for each of us, and that this is how
all these reports, these *mayhems*,
finally do manage to reach us.
Pavese, the Italian, said that each
murderer is a timid suicide. Alice,
who killed Frank, wanders each night
for all of us, wondering who Frank
really is.
If I could find the right line, I could balance
the entire design.
George, who lost his mind after losing
Carol, lives far down the hall. George says
Carol's infidelities first made him want
to do away with himself, to surrender, but
that later,
through the help of the doctors,
he realized it was Carol
that he wanted to kill
all along, that his impotence
was caused by a gun
that he didn't want to point
towards her, a thing he didn't want to see
go off.
None of this surprises me.
The drawings get so lost because the hall
is so wide. You come through a cauldron
before you ever sight home. . . .
My own crime bears no mention.
It was an argument, a debate gone wrong,
an affection historied into the beserk.
My work here now, my *calling*,
is to get these lines down right, to *delineate*
their deep gossip, that precise chamber
where they, right or wrong, do yak sub-
lime. . . .
The doctors say the book will receive
national distribution and I'm glad,
yes glad with all my heart,
for that. Ambition,
which is finally what we do to each other,
will undoubtedly see this project
into its rise and quiet. . . .
And the lines, they go off, they wander. . . .
If I could find the right line, it could bal-
ance, balance
this riot, that hall, that vacancy and pres-
sure
wherein we draw towards goodbye.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the remainder of the leadership time be reserved for the majority leader and the minority leader, for their use later today, and that the Senate now proceed with a period for morning business.

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

A NEW REPORT ON HUMAN RIGHTS VIOLATIONS

Mr. PROXMIRE. Mr. President, on Wednesday, February 16, the United Nations issued a report stating that in the past 15 years, over 2 million people have been put to death without due process of law. These victims were executed without a fair trial, without the right to a lawyer, and without the right to appeal their sentences.

This appalling statistic was gathered by the U.N. Human Rights Commission and represents findings from 37 countries. The murders include officially authorized executions ranging from scattered slayings to mass purges. While some killings were politically inspired, many others clearly resulted from religious, racial, ethnic or national prejudice. Torture and unjustified imprisonment preceded a number of these murders.

Mr. President, I think this terrible condition is another reason why the Senate should give serious consideration to action on the Genocide Convention.

I point out to the Senate that if we are to act on this kind of treaty, we should act at the beginning of a session, for obvious reasons, because there could be the problem of having it delayed later on. I have found in the past that it is impossible to call this up once we move into the body of the session, particularly in the second year. So this is an ideal time to act on it, and I hope the leadership will give it consideration.

The Commission based its report on information received from governments, international organizations, and human rights groups. Although the report refrains from giving individual figures for each country, it does indicate that these killings were almost equally frequent in Latin America, Africa, and Asia.

Mr. President, the growing scorn for human life has reached a point where it has become an international problem which must be confronted quickly. In its report, the United Nations reminds us that the principles of nondiscrimination and equality before the law and the right to freedom of thought, conscience, religion, and belief are the inalienable rights of every human being. As the world's foremost leader in the fight for justice, equality, and freedom, the United States must heed the message of the United Nations and take bold and meaningful steps to assure the protection of human rights throughout the world.

What can we do here in the Senate to respond to the U.N. call to defend the rights of the world's people? We can ratify the Genocide Convention. This treaty, which declares genocide of a national, ethnic, racial or religious group an international crime, stands for the same vital principles outlined in the United Nations' report.

Mr. President, let us take swift action toward giving our advice and consent to the Genocide Convention.

CONGRESSMAN GORE'S LOGICAL INTEGRATION OF ARMS CONTROL AND STRATEGIC ARMS POLICY

Mr. PROXMIRE. Mr. President, Congressman ALBERT GORE, JR., recently wrote the New York Times to propose a thoughtful integration between our arms control policies and our strategic weapons policies. Congressman GORE contends that a shift to single warhead missiles could reduce our vulnerability to Soviet attack provided we could achieve suitable changes in Soviet ICBM deployment through sensible arms control initiatives. Certainly, the purpose of arms control is to diminish the likelihood of nuclear war. Arms control can help greatly to achieve this by persuading both countries to adopt weapons that will provide effective deterrence with as little threat to the other side's deterrence as possible. To do this, we should work toward an enforceable arms control agreement to forgo or destroy weapons that pose a threat to the survival of the other side's deterrent.

Congressman GORE ably makes the case in his letter that appeared last Friday in the New York Times, and I ask unanimous consent that it be printed in the RECORD.

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

FOR A COURSE CHANGE ON ARMS AND THEIR CONTROL

To the Editor:

Leslie Gelb reports that the Scowcroft Commission may recommend a significant departure from earlier Administration plans for a new ICBM, i.e., that some MX ICBM's should be deployed in existing silos, but that we should also deploy small ICBM's, designed to carry only single warheads (news story Feb. 8).

I have thought for some time that a move to single-warhead missiles could help resolve our most difficult strategic problem—fears concerning the theoretical vulnerabilities of U.S. ICBM's to a Soviet first strike.

Single-warhead missiles would be less profitable targets for the Soviets than MIRV'd missiles. Moreover, it would require a great many single-warhead ICBM's to pose a first-strike threat against Soviet ICBM silos. Single-warhead ICBM's could be deployed in a variety of mobile modes, if that were necessary to prevent them from becoming targets. But they might also be deployed in fixed silos if suitable changes in Soviet ICBM deployments were to be worked out through arms control.

This last point is crucial. The proper context for this, or any other deployment, is a clear and sensible arms-control initiative. If the Administration hopes to put together a durable consensus in the Congress, and in the country, in support of a new proposal for strategic weapons, it must come to grips with political as well as technical realities.

The country wants arms control to be pursued vigorously. It is prepared to support new strategic weapons only with reluctance and only if the relationship between those weapons and our arms-control objectives has been made understandable in a manner that has so far eluded this Administration.

The Administration's efforts have heretofore been directed toward deploying new weapons that would put Soviet ICBM's at theoretical risk, just as ours are currently at theoretical risk—meanwhile, exempting from reductions new categories of weapons, such as the cruise missile, where the U.S. has an advantage.

Such an approach offers the prospect of mutual vulnerability, mutual instability and mutual fear. That objective is strategically

unwise and has become politically insupportable. In presenting any new approach to weapons, the Administration must display more restraint in its planning and much more initiative in its arms-control efforts.

The overall objective of U.S. policy for nuclear weapons and for arms control must be to combine the two in a manner which points us toward a strategically stable relationship with the Soviet Union, at sharply and progressively reduced numbers of weapons.

ALBERT GORE, JR.,
Member of Congress,
Fourth District, Tenn.,
Washington, Feb. 10, 1983.

REPORT ON THE ACTIVITIES OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE AND RULES OF PROCEDURE

Mr. GOLDWATER. Mr. President, I send to the desk a report on the activities of the Senate Select Committee on Intelligence, and I ask unanimous consent to have 1,000 copies of this report printed.

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

Mr. GOLDWATER. The Senate Intelligence Committee submits this report of its activities covering the period January 1, 1981, to December 31, 1982. Under the provisions of Senate Resolution 400, the committee has been charged with the responsibility to carry out oversight over the intelligence activities of the United States. Most of the work of the committee is, of necessity, conducted in secrecy. Nonetheless, the committee believes that intelligence activities should be as accountable as possible. Therefore, we submit this public report to the Senate in order to meet this responsibility.

I believe this report will reflect my view that the intelligence community is alive and well, and getting better every day despite the turmoil it experienced in the 1970's. This committee was formed 7 years ago as a result of that turmoil and, I am happy to say, the recovery process started following the committee's formation.

Mr. President, we are the only nation in the world that makes the intelligence community accountable to the general public. No other government produces the kind of public report that summarizes the activities of its intelligence oversight. In effect, we have made our intelligence services the most public secret services in the world. This action, along with the well established budget authorization procedure, has made the American system of legislative oversight of the intelligence community unique.

The budget authorization process is standard procedure now. No other nation in the world does this. I believe it is the best method of accountability there is in our Government. This method makes it clear that our constitutional responsibilities are fulfilled, while at the same time maintaining the confidentiality necessary for an effective intelligence system.

We examine in detail the budgets of the Central Intelligence Agency, the National Security Agency, and the intelligence activities of the Department of Defense, State, and Treasury, and of the Federal Bureau of Investigation, and the Drug Enforcement Administration. This function is a key aspect of effective congressional oversight of the intelligence community. Through this process, we can determine if intelligence continues to be well managed and responsive to our needs. It gives us a chance to focus on a wide range of issues, all important to our national interests, such as international trade and monetary policy, nuclear proliferation, energy, political developments in Third World countries, international terrorism, and narcotics.

Mr. President, even covert action, the most secret and sensitive activity of the intelligence community, comes under the scrutiny of the Intelligence Committee. The committee has received detailed reports and has heard testimony on covert action programs, and has actively monitored the progress of those programs once launched. Certain covert action programs have been modified to take into account views expressed by the committee. Under the provisions of Senate Resolution 400, the committee has also provided briefings on some programs to members of other committees.

In addition, the committee has been active in reviewing covert action during the annual budget authorization process. In that connection, the committee has continued its practice of annual review of each covert action line-item by line-item. Given the sensitivity of information regarding covert action, and the Presidential findings regarding it, this report does not discuss the details of these matters although they occupied a substantial amount of time and attention of our committee members.

This report shows that the committee and staff were involved in many areas of interest to our national security and foreign policy. For example, we have examined whether the intelligence community was effectively responding to the situation in Central America. The committee also made an inquiry into the conduct of the Director of Central Intelligence. It looked into the serious problems of technology transfer and it supported legislation to protect our agents' indentities from being disclosed.

Recent years have witnessed a growth in public awareness of the importance of intelligence that is timely, relevant, and of the highest quality. Accurate intelligence is required for informed decisionmaking on many critical defense and foreign policy issues, such as the development of national nuclear weapons programs or Soviet use of chemical agents in warfare.

Mr. President, my firm belief has always been that good intelligence is needed to protect the kind of freedom we enjoy in our great country. I believe this report will also show that we are getting good intelligence information which is so vital to our survival as a people and a Nation. I hope that this report will also show that congressional oversight of intelligence activities is effective, and that the American people are better off because of it.

In concluding, I would like to thank all of the staff for its fine work over the course of the 97th Congress. As well, I would like to thank Robin Cleveland, a professional staff member of the committee, who bore the major burden of preparing this report and coordinating its production with the members of our committee.

Mr. President, in accordance with rule XXVI of the Standing Rules of the Senate, requiring the publication of the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I submit the procedural rules of the Senate Select Committee on Intelligence and ask unanimous consent that they be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE

RULE 1. CONVENING OF MEETINGS

1.1 The regular meeting day of the Select Committee on Intelligence for the transaction of committee business shall be every other Wednesday of each month, unless otherwise directed by the chairman.

1.2 The chairman shall have authority, upon proper notice, to call such additional meetings of the committee as he may deem necessary and may delegate such authority to any other member of the committee.

1.3 A special meeting of the committee may be called at any time upon the written request of five or more members of the committee filed with the clerk of the committee.

1.4 In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If five members of the committee have made a request in writing to the chairman to call a meeting of the committee, and the chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, these members may call a meeting by filing a written notice with the clerk of the committee who shall promptly notify each member of the committee in writing of the date and time of the meeting.

RULE 2. MEETING PROCEDURES

2.1 Meetings of the committee shall be open to the public except as provided in Senate Resolution 9, 94th Congress, 1st session.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all committee proceedings.

2.3 The chairman of the committee, or if the chairman is not present the vice chairman, shall preside over all meetings of the committee. In the absence of the chairman and the vice chairman at any meeting the ranking majority member, or if no majority member is present the ranking minority member present shall preside.

2.4 Except as otherwise provided in these rules, decisions of the committee shall be by majority vote of the members present and voting. A quorum for the transaction of committee business, including the conduct of executive sessions, shall consist of six committee members until that date of the sine die adjournment of the 1st session of the 95th Congress, and thereafter, shall consist of five committee members, except that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the committee with respect to any measure or matter being considered by the committee may be cast by proxy if the proxy authorization (1) is in writing; (2) designates the member of the committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

2.6 Whenever the committee by roll vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

RULE 3. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee and by such other rules they may adopt which are consistent with the rules of the committee.

RULE 4. REPORTING OF MEASURES OR RECOMMENDATIONS

4.1 No measures or recommendations shall be reported, favorably or unfavorably, from the committee unless a majority of the committee is actually present and a majority concur.

4.2 In any case in which the committee is unable to reach a unanimous decision, separate views or reports may be presented by any member or members of the committee.

4.3 A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three workings days in which to file such views, in writing with the clerk of the committee. Such views shall than be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

RULE 5. NOMINATIONS

5.1 Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 14 days before being voted on by the committee.

5.2 Each member of the committee shall be promptly furnish a copy of all nominations referred to the committee.

5.3 Nominees who are invited to appear before the committee shall be heard in public session, except as provided in rule 2.1.

5.4 No confirmation hearing shall be held sooner than seven days after receipt of the background and financial disclosure statement unless the time limit is waived by a majority vote of the committee.

5.5 The committee vote on the confirmation shall not be sooner then 48 hours after the committee has received transcripts of the confirmation hearing unless the time limit is waived by unanimous consent of the committee.

5.6 No nomination shall be reported to the Senate unless the nominee has filed a background and financial disclosure statement with the committee.

RULE 6. INVESTIGATIONS

No investigation shall be initiated by the committee unless at least five members of the committee have specifically requested the chairman or the vice chairman to authorize such an investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

RULE 7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records or any other material may be issued by the chairman, the vice chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman, vice chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of State Resolution 400, 94th Congress, 2d session, and a copy of these rules.

RULE 8. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

8.1 *Notice.*—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

8.2 *Oath or affirmation.*—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee.

8.3 *Interrogation.*—Committee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman, vice chairman, or the presiding member.

8.4 *Counsel for the witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his appearance before the committee the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee may use such questions and dispose of such suggestions as it deems appropriate.

8.5 *Statements by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the committee.

8.6 *Objections and Rulings.*—Any objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair.

8.7 *Inspection and Correction.*—All witnesses testifying before the committee shall be given a reasonable opportunity to inspect, in the office of the committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his expense.

8.8 *Requests to Testify.*—The committee will consider requests to testify on any matter or measure pending before the committee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his reputation, may request to appear personally before the committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

8.9 *Contempt Procedures.*—No recommendation that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the Senate.

8.10 *Release of Name of Witness.*—Unless authorized by the chairman, the name of any witness scheduled to be heard by the committee shall not be released prior to, or after, his appearance before the committee.

RULE 9. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

9.1 Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

9.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony, and in conformity with Section 10.3 hereof.

9.3 Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

9.4 Whenever the Select Committee on Intelligence makes classified material available to any other committee of the Senate or to any member of the Senate not a member of the committee, the clerk of the committee shall be notified. The clerk of the committee shall maintain a written record identifying the particular information transmitted and the committee or members of the Senate receiving such information.

9.5 Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director and minority staff director.

9.6 No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session including the name of any witness who appeared or was called to appear before the committee in executive session, or the contents of any papers or other materials or other information received by the committee except as authorized by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

9.7 Before the committee makes any decision regarding the disposition of any testimony, papers, or other materials presented to it, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the members of the committee or the committee staff.

RULE 10. STAFF

10.1 For the purpose of these rules, committee staff means employees of the committee, employees of the members of the committee assigned to the committee, consultants to the committee, employees of other government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

10.2 The appointment of committee staff shall be confirmed by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the financial clerk of the Senate in writing.

10.3 The committee staff works for the committee as a whole, under the general supervision of the chairman and vice chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed, and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director. The minority staff director and the minority counsel shall be kept fully informed regarding all matters and shall have access to all material in the files of the committee.

10.4 The committee staff shall assist the minority as fully as the majority in the expression of minority views, including assistance in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the Senate.

10.5 The members of the committee staff shall not discuss either the substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial, or otherwise, either during his tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

10.6 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to abide by the conditions of the nondisclosure agreement promulgated by the Senate Select Committee on Intelligence pursuant to section 6 of Senate Resolution 400 of the 94th Congress, 2d Session.

10.7 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, to notify the committee or in the event of the committee's termination the Senate of any request for his testimony, either during his tenure as a member of the committee staff or at any time thereafter with respect to information which came into his possession by virtue of his position as a member of the committee staff. Such information shall not be disclosed in response to such requests except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the Senate.

10.8 The committee shall immediately consider action to be taken in the case of any member of the committee staff who fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

RULE 11. PREPARATION FOR COMMITTEE MEETINGS

11.1 Under direction of the chairman and the vice chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee member might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

11.2 The staff director shall recommend to the chairman and the vice chairman the testimony, papers, and other materials to be presented to the committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the rules of the Senate and rules of the committee.

RULE 12. LEGISLATIVE CALENDAR

12.1 The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures; nominations referred to the committee and their status; and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

12.2 Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

RULE 13. COMMITTEE TRAVEL

13.1 No member of the committee or committee staff shall travel abroad on committee business unless specifically authorized by the chairman and vice chairman. Requests for authorization of such travel shall state the purposes and extent of the trip. A full report shall be filed with the committee when travel is completed.

13.2 When the chairman and the vice chairman approve the foreign travel of a member of the committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel, of its extent, nature and purpose. The report referred to in rule 13.1 shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13.3 No member of the committee staff shall travel within this country on committee business unless specifically authorized by the staff director as directed by the committee.

RULE 14. CHANGES IN RULES

These rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

S. RES. 400

Resolved, That it is the purpose of this resolution to establish a new select committee of the Senate, to be known as the Select Committee on Intelligence, to oversee and make continuing studies of the intelligence activities and programs of the United States Government, and to submit to the Senate appropriate proposals for legislation and

report to the Senate concerning such intelligence activities and programs. In carrying out this purpose, the Select Committee on Intelligence shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisons affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.

SEC. 2. (a)(1) There is hereby established a select committee to be known as the Select Committee on Intelligence (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of fifteen members appointed as follows:

(A) two members from the Committee on Appropriations;

(B) two members from the Committee on Armed Services;

(C) two members from the Committee on Foreign Relations;

(D) two members from the Committee on the Judiciary; and

(E) seven members to be appointed from the Senate at large.

(2) Members appointed from each committee named in clauses (A) through (D) of paragraph (1) shall be evenly divided between the two major political parties and shall be appointed by the President pro tempore of the Senate upon the recommendations of the majority and minority leaders of the Senate. Four of the members appointed under clause (E) of paragraph (1) shall be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate and three shall be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(3) The majority leader of the Senate and the minority leader of the Senate shall be ex officio members of the select committee but shall have no vote in the committee and shall not be counted for purposes of determining a quorum.

(b) No Senator may serve on the select committee for more than eight years of continuous service, exclusive of service by any Senator on such committee during the Ninety-fourth Congress. To the greatest extent practicable, one-third of the Members of the Senate appointed to the select committee at the beginning of the Ninety-seventh Congress and each Congress thereafter shall be Members of the Senate who did not serve on such committee during the preceding Congress.

(c) At the beginning of each Congress, the Members of the Senate who are members of the majority party of the Senate shall elect a chairman for the select committee, and the Members of the Senate who are from the minority party of the Senate shall elect a vice chairman for such committee. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. Neither the chairman nor the vice chairman of the select committee shall at the same time serve as chairman or ranking minority member of any other committee referred to in paragraph 6(f) of rule XXV of the Standing Rules of the Senate.

(d) For the purposes of paragraph 6(a) of rule XXV of the Standing Rules of the Senate, service of a Senator as a member of the select committee shall not be taken into account.

SEC. 3. (a) There shall be referred to the select committee all proposed legislation, messages, petitions, memorials, and other matters relating to the following:

(1) The Central Intelligence Agency and the Director of Central Intelligence.

(2) Intelligence activities of all other departments and agencies of the Government, including, but not limited to, the intelligence activities of the Defense Intelligence Agency, the National Security Agency, and other agencies of the Department of Defense; the Department of State; the Department of Justice; and the Department of the Treasury.

(3) The organization or reorganization of any department or agency of the Government to the extent that the organization or reorganization relates to a function or activity involving intelligence activities.

(4) Authorizations for appropriations, both direct and indirect, for the following:

(A) The Central Intelligence Agency and Director of Central Intelligence.

(B) The Defense Intelligence Agency.

(C) The National Security Agency.

(D) The intelligence activities of other agencies and subdivisions of the Department of Defense.

(E) The intelligence activities of the Department of State.

(F) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

(G) Any department, agency, or subdivision which is the successor to any agency named in clause (A), (B), or (C); and the activities of any department, agency, or subdivision which is the successor to any department, agency, bureau, or subdivision named in clause (D), (E), or (F) to the extent that the activities of such successor department, agency, or subdivision are activities described in clause (D), (E), or (F).

(b) Any proposed legislation reported by the select committee, except any legislation involving matters specified in clause (1) or (4)(A) of subsection (a), containing any matter otherwise within the jurisdiction of any standing committee shall, at the request of the chairman of such standing committee, be referred to such standing committee for its consideration of such matter and be reported to the Senate by such standing committee within thirty days after the day on which such proposed legislation is referred to such standing committee; and any proposed legislation reported by any committee, other than the select committee, which contains any matter within the jurisdiction of the select committee shall, at the request of the chairman of the select committee, be referred to the select committee for its consideration of such matter and be reported to the Senate by the select committee within thirty days after the day on which such proposed legislation is referred to such committee. In any case in which a committee fails to report any proposed legislation referred to it within the time limit prescribed herein, such committee shall be automatically discharged from further consideration of such proposed legislation on the thirtieth day following the day on which such proposed legislation is referred to such committee unless the Senate provides otherwise. In computing any thirty-day period under this paragraph there shall be excluded from such computation any days on which the Senate is not in session.

(c) Nothing in this resolution shall be construed as prohibiting or otherwise restricting the authority of any other committee to study and review any intelligence activity to the extent that such activity directly affects a matter otherwise within the jurisdiction of such committee.

(d) Nothing in this resolution shall be construed as amending, limiting, or otherwise changing the authority of any standing committee of the Senate to obtain full and prompt access to the product of the intelligence activities of any department or agency of the Government relevant to a matter otherwise within the jurisdiction of such committee.

SEC. 4. (a) The select committee, for the purposes of accountability to the Senate, shall make regular and periodic reports to the Senate on the nature and extent of the intelligence activities of the various departments and agencies of the United States. Such committee shall promptly call to the attention of the Senate or to any other appropriate committee or committees of the Senate any matters requiring the attention of the Senate or such other committee or committees. In making such reports, the select committee shall proceed in a manner consistent with section 8(c)(2) to protect national security.

(b) The select committee shall obtain an annual report from the Director of the Central Intelligence Agency, the Secretary of Defense, the Secretary of State, and the Director of the Federal Bureau of Investigation. Such reports shall review the intelligence activities of the agency or department concerned and the intelligence activities of foreign countries directed at the United States or its interest. An unclassified version of each report may be made available to the public at the discretion of the select committee. Nothing herein shall be construed as requiring the public disclosure in such reports of the names of individuals engaged in intelligence activities for the United States or the divulging of intelligence methods employed or the sources of information on which such reports are based or the amount of funds authorized to be appropriated for intelligence activities.

(c) On or before March 15 of each year, the select committee shall submit to the Committee on the Budget of the Senate the views and estimates described in section 301(c) of the Congressional Budget Act of 1974 regarding matters within the jurisdiction of the select committee.

SEC. 5. (a) For the purposes of this resolution, the select committee is authorized in its discretion (1) to make investigations into any matter within its jurisdiction, (2) to make expenditures from the contingent fund of the Senate, (3) to employ personnel, (4) to hold hearings, (5) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (6) to require, by subpena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents, (7) to take depositions and other testimony, (8) to procure the service of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, and (9) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(b) The chairman of the select committee or any member thereof may administer oaths to witnesses.

(c) Subpenas authorized by the select committee may be issued over the signature of the chairman, the vice chairman, or any member of the select committee designated by the chairman, and may be served by any person designated by the chairman or any member signing the subpena.

SEC. 6. No employee of the select committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has (1) agreed in writing and under oath to be bound by the rules of the Senate (including the jurisdiction of the Select Committee on Standards and Conduct and of such committee as to the security of such information during and after the period of his employment or contractual agreement with such committee; and (2) received an appropriate security clearance as determined by such committee in consultation with the Director of Central Intelligence. The type of security clearance to be required in the case of any such employee or person shall, within the determination of such committee in consultation with the Director Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

SEC. 7. The select committee shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines the national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

SEC. 8. (a) The select committee may, subject to the provisions of this section, disclose publicly any information in the possession of such committee after a determination by such committee that the public interest would be served by such disclosure. Whenever committee action is required to disclose any information under this section, the committee shall meet to vote on the matter within five days after any member of the committee requests such a vote. No member of the select committee shall disclose any information, the disclosure of which requires a committee vote, prior to a vote by the committee on the question of the disclosure of such information or after such vote except in accordance with this section.

(b)(1) In any call in which the select committee votes to disclose publicly any information which has been classified under established security procedures, which has been submitted to it by the executive branch, and which the executive branch requests be kept secret, such committee shall notify the President of such vote.

(2) The select committee may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President, personally in writing, notifies the committee that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is of such gravity that it outweighs any public interest in the disclosure.

(3) If the President, personally in writing, notifies the select committee of his objections to the disclosure of such information as provided in paragraph (2), such committee may, by majority vote, refer the question of the disclosure of such information to the Senate for consideration. The committee shall not publicly disclose such information without leave of the Senate.

(4) Whenever the select committee votes to refer the question of disclosure of any information to the Senate under paragraph (3), the chairman shall, not later than the first day on which the Senate is in session following the day on which the vote occurs, report the matter to the Senate for its consideration.

(5) One hour after the Senate convenes on the fourth day on which the Senate is in session following the day on which any such matter is reported to the Senate, or at such earlier time as the majority leader and the minority leader of the Senate jointly agree upon in accordance with section 133(f) of the Legislative Reorganization Act of 1946, the Senate shall go into closed session and the matter shall be the pending business. In considering the matter in closed session the Senate may—

(A) approve the public disclosure of all or any portion of the information in question, in which case the committee shall publicly disclose the information ordered to be disclosed,

(B) disapprove the public disclosure of all or any portion of the information in question, in which case the committee shall not publicly disclose the information ordered not to be disclosed, or

(C) refer all or any portion of the matter back to the committee, in which case the committee shall make the final determination with respect to the public disclosure of the information in question.

Upon conclusion of the consideration of such matter in closed session, which may not extend beyond the close of the ninth day on which the Senate is in session following the day on which such matter was reported to the Senate, or the close of the fifth day following the day agreed upon jointly by the majority and minority leaders in accordance with section 133(f) of the Legislative Reorganization Act of 1946 (whichever the case may be), the Senate shall immediately vote on the disposition of such matter in open session, without debate, and without divulging the information with respect to which the vote is being taken. The Senate shall vote to dispose of such matter by one or more of the means specified in clauses (A), (B), and (C) of the second sentence of this paragraph. Any vote of the Senate to disclose any information pursuant to this paragraph shall be subject to the right of a Member of the Senate to move for reconsideration of the vote within the time and pursuant to the procedures specified in rule XIII of the Standing Rules of the Senate, and the disclosure of such information shall be made consistent with that right.

(c)(1) No information in the possession of the select committee relating to the lawful intelligence activities of any department or agency of the United States which has been classified under established security procedures and which the select committee, pursuant to subsection (a) or (b) of this section, has determined should not be disclosed shall be made available to any person by a Member, officer, or employee of the Senate except in a closed session of the Senate or as provided in paragraph (2).

(2) The select committee may, under such regulations as the committee shall prescribe to protect the confidentiality of such information, make any information described in paragraph (1) available to any other committee or any other Member of the Senate. Whenever the select committee makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the Senate received such information. No Member of the Senate who, and no committee which, receives any information under this subsection, shall disclose such information except in a closed session of the Senate.

(d) It shall be the duty of the Select Committee on Standards and Conduct to investigate any unauthorized disclosure of intelligence information by a Member, officer or employee of the Senate in violation of subsection (c) and to report to the Senate concerning any allegation which it finds to be substantiated.

(e) Upon the request of any person who is subject to any such investigation, the Select Committee on Standards and Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation together with its findings. If, at the conclusion of its investigation, the Select Committee on Standards and Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the Senate, it shall report its findings to the Senate and recommend appropriate action such as censure, removal from committee membership, or expulsion from the Senate, in the case of Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

SEC. 9. The select committee is authorized to permit any personal representative of the President, designated by the President to serve as a liaison to such committee, to attend any closed meeting of such committee.

SEC. 10. Upon expiration of the Select Committee on Governmental Operations With Respect to Intelligence Activities, established by Senate Resolution 21, Ninety-fourth Congress, all records, files, documents, and other materials in the possession, custody, or control of such committee, under appropriate conditions established by it, shall be transferred to the select committee.

SEC. 11. (a) It is the sense of the Senate that the head of each department and agency of the United States should keep the select committee fully and currently informed with respect to intelligence activities, including any significant anticipated activities, which are the responsibility of or engaged in by such department or agency: *Provided,* That this does not constitute a condition precedent to the implementation of any such anticipated intelligence activity.

(b) It is the sense of the Senate that the head of any department or agency of the United States involved in any intelligence activities should furnish any information or document in the possession, custody, or control of the department or agency, or person paid by such department or agency, whenever requested by the select committee with respect to any matter within such committee's jurisdiction.

(c) it is the sense of the Senate that each department and agency of the United States

should report immediately upon discovery to the select committee any and all intelligence activities which constitute violations of the constitutional rights of any person, violations of law, or violations of Executive orders, President directives, or departmental or agency rules or regulations; each department and agency should further report to such committee what actions have been taken or are expected to be taken by the departments or agencies with respect to such violations.

SEC. 12. Subject to the Standing Rules of the Senate, no funds shall be appropriated for any fiscal year beginning after September 30, 1976, with the exception of a continuing bill or resolution, or amendment thereto, or conference report thereon, to, or for use of, any department or agency of the United States to carry out any of the following activities, unless such funds shall have been previously authorized by a bill or joint resolution passed by the Senate during the same or preceding fiscal year to carry out such activity for such fiscal year:

(1) The activities of the Central Intelligence Agency and the Director of Central Intelligence.

(2) The activities of the Defense Intelligency Agency.

(3) The activities of the National Security Agency.

(4) The intelligence activities of other agencies and subdivisions of the Department of Defense.

(5) The intelligence activities of the Department of State.

(6) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

SEC. 13. (a) The select committee shall make a study with respect to the following matters, taking into consideration with respect to each such matter, all relevent aspects of the effectiveness of planning, gathering, use, security, and dissemination of intelligence:

(1) the quality of the analytical capabilities of United States foreign intelligence agencies and means for integrating more closely analytical intelligence and policy formulation;

(2) the extent and nature of the authority of the departments and agencies of the executive branch to engage in intelligence activities and the desirability of developing charters for each intelligence agency or department;

(3) the organization of intelligence activities in the executive branch to maximize the effectiveness of the conduct, oversight, and accountability of intelligence activities; to reduce duplication or overlap; and to improve the morale of the personnel of the foreign intelligence agencies;

(4) the conduct of covert and clandestine activities and the procedures by which Congress is informed of such activities;

(5) the desirability of changing any law, Senate rule or procedure, or any Executive order, rule, or regulation to improve the protection of intelligence secrets and provide for disclosure of information for which there is no compelling reason for secrecy;

(6) the desirability of establishing a standing committee of the Senate on intelligence activities;

(7) the desirability of establishing a joint committee of the Senate and the House of Representatives on intelligence activities in lieu of having separate committees in each House of Congress, or of establishing procedures under which separate committees on intelligence activities of the two Houses of Congress would receive joint briefings from the intelligence agencies and coordinate their policies with respect to the safeguarding of sensitive intelligence information;

(8) the authorization of funds for the intelligence activities of the Government and whether disclosure of any of the amounts of such funds is in the public interest; and

(9) the development of a uniform set of definition is for terms to be used in policies or guidelines which may be adopted by the executive or legislative branches to govern, clarify, and strengthen the operation of intelligence activities.

(b) The select committee may, in its discretion, omit from the special study required by this section any matter it determines has been adequately studied by the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, established by Senate Resolution 21, Ninety-fourth Congress.

(c) The select committee shall report the results of the study provided for by this section to the Senate, together with any recommendations for legislative or other actions it deems appropriate, no later than July 1, 1977, and from time to time thereafter as it deems appropriate.

SEC. 14. (a) As used in this resolution, the term "intelligence activities" includes (1) the collection, analysis, production, dissemination, or use of information which relates to any foreign country, or any government, political group, party, military force, movement, or other association in such foreign country, and which relates to the defense, foreign policy, national security, or related policies of the United States, and other activity which is in support of such activities; (2) activities taken to counter similar activities directed against the United States; (3) covert or clandestine activities affecting the relations of the United States with any foreign government, political group, party, military force, movement or other association; (4) the collection, analysis, production, dissemination, or use of information about activities of persons within the United States, its territories and possessions, or nationals of the United States abroad whose political and related activities pose, or may be considered by any department, agency, bureau, office, division, instrumentality, or employee of the United States to pose, a threat to the internal security of the United States, and covert or clandestine activities directed against such persons. Such term does not include tactical foreign military intelligence serving no national policymaking function.

(b) As used in this resolution, the term "department or agency" includes any organization, committee, council, establishment, or office within the Federal Government.

(c) For purposes of this resolution, reference to any department, agency, bureau, or subdivision shall include a reference to any successor department, agency, bureau, or subdivision to the extent that such successor engages in intelligence activities now conducted by the department, agency, bureau, or subdivision referred to in this resolution.

SEC. 15. For the period from the date this resolution is agreed to through February 28, 1977, the expenses of the select committee under this resolution shall not exceed $275,000, of which amount not to exceed $30,000 shall be available for the procurement of the services of individual consultants, or organizations thereof, as authorized by section 202(i) of the Legislative Reorganization Act of 1946, expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SEC. 16. Nothing in this resolution shall be construed as constituting acquiescence by the Senate in any practice, or in the conduct of any activity, not otherwise authorized by law.

S. RES. 9

Resolved, That paragraph 7(b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.".

SEC. 2. Section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102 (d) and (e) of the Congressional Budget Act of 1974 are repealed.

Mr. MOYNIHAN. Mr. President, I rise to join the Senator from Arizona, Senator GOLDWATER, the distinguished chairman of the Select Committee on Intelligence, in submitting this report of the committee's activities during the 97th Congress.

As vice chairman of the select committee for those 2 years, I believe the report accurately reflects the work done by the committee.

The report is important because it is an opportunity for the Senate and the public to get some sense of the nature of the committee's oversight of the intelligence community. It is also important in that its compilation forces the committee to see where it has been these past 2 years and, implicitly, where it is headed.

We do well to recall the situation in 1976 when the select committee was established. Investigations had revealed that our intelligence agencies abused their authority. In addition, the intelligence community had experienced a 40-percent reduction in personnel in the previous decade. Yet the world was becoming an increasingly dangerous place as the Soviet Union was engaging in an unprecedented military buildup and the Third World presented new challenges to the interests of the United States. Not surprisingly, questions were raised about the ability of the CIA and its sister agencies to supply the President and his advisers the kind of information they need to steer a prudent course for American foreign policy.

During my 6 years on the committee, we have concentrated our efforts on two major tasks. The first of these was to establish effective mechanisms for insuring that the intelligence community stays within the bounds of the law and common decency. The second was to provide the resources necessary for rebuilding our intelligence capabilities. It is to be hoped that the readers of this report will cull from its somewhat cryptic and numerous pages a sense that these tasks are in large part being accomplished.

Mr. President, in 1972, I observed that the public life of our age seems dominated by the unexpected and the unforeseen, while the task of governing seems increasingly that of imposing some measure of order on this less than cosmic chaos. I referred to the task as one of coping—of striving or contending on equal terms with a measure of success. While my remarks then concerned the practice of Government in general, they are entirely applicable to the experience of the Select Committee on Intelligence. I think it can fairly be said that the committee has coped well with the issues it has addressed. But in citing the committee's accomplishments, there is no intent to imply a sense of complacency. Oversight is not a static process. We have lain only the first blocks in the reconstruction of our intelligence community, not the final edifice. We are still a young committee, and during its less than 7 years tenure, there has been a continual effort to identify ways to improve our oversight. This is the spirit in which the members of the committee will continue their work in the 98th Congress.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 86-380, appoints the Senator from Delaware (Mr. ROTH) and the Senator from Minnesota (Mr. DURENBERGER) to the Advisory Commission on Intergovernmental Relations.

The Chair, on behalf of the Vice President, pursuant to Public Law 83-420, appoints the Senator from New York (Mr. D'AMATO) to the Board of Directors of Gallaudet College.

The Chair, on behalf of the Vice President, pursuant to Public Law 81-754, appoints the Senator from Oregon (Mr. HATFIELD) to the National Historical Publications and Records Commission.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94-118, appoints the Senator from Delaware (Mr. ROTH) to the Japan-United States Friendship Commission.

The Chair, on behalf of the President pro tempore, pursuant to Public Law 96-388, as amended by Public Law 97-84, appoints the following Senators to the U.S. Holocaust Memorial Council: The Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Missouri (Mr. DANFORTH), and the Senator from Kansas (Mr. DOLE).

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. PERCY. Mr. President, pursuant to the requirements of Senate Rule XXVI.2, I ask to have printed in the CONGRESSIONAL RECORD the rules of the Committee on Foreign Relations, for the 98th Congress, adopted by the Committee on February 22, 1983.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

RULE 1—JURISDICTION

(a) *Substantive.*—In accordance with Senate Rule XXV.1(j), the jurisdiction of the Committee shall extend to all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Acquisition of land buildings for embassies and legations in foreign countries.
2. Boundaries of the United States.
3. Diplomatic service.
4. Foreign economic, military, technical, and humanitarian assistance.
5. Foreign loans.
6. International activities of the American National Red Cross and the International Committee of the Red Cross.
7. International aspects of nuclear energy, including nuclear transfer policy.
8. International conferences and congresses.
9. International law as it relates to foreign policy.
10. International Monetary Fund and other international organizations established primarily for international monetary purposes (except that, at the request of the Committee on Banking, Housing, and Urban Affairs, any proposed legislation relating to such subjects reported by the Committee on Foreign Relations shall be referred to the Committee on Banking, Housing, and Urban Affairs).
11. Intervention abroad and declarations of war.
12. Measures to foster commercial intercourse with foreign nations and to safeguard American business interests abroad.
13. National security and international aspects of trusteeships of the United States.
14. Ocean and international environmental and scientific affairs as they relate to foreign policy.
15. Protection of United States citizens abroad and expatriation.
16. Relations of the United States with foreign nations generally.
17. Treaties and executive agreements, except reciprocal trade agreements.
18. United Nations and its affiliated organizations.
19. World Bank group, the regional development banks, and other international organizations established primarily for development assistance purposes.

The Committee is also mandated by Senate Rule XXV.1(j) to study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time.

(b) *Oversight.*—The Committee also has a responsibility under Senate Rule XXVI. 8, which provides that ". . . each standing Committee . . . shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of the committee."

(c) *"Advice and Consent" Clauses.*—The Committee has a special responsibility to assist the Senate in its constitutional function of providing "advice and consent" to all treaties entered into by the United States and all nominations to the principal executive branch positions in the field of foreign policy and diplomacy.

RULE 3—MEETINGS

(a) *Regular Meeting Day.*—The regular meeting day of the Committee of Foreign Relations for the transaction of Committee business shall be on Tuesday of each week, unless otherwise directed by the Chairman.

(b) *Additional Meetings.*—Additional meetings and hearings of the Committee may be called by the Chairman as he may deem necessary. If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Immediately upon filing of the request, the Chief Clerk of the Committee

shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk shall notify all members of the Committee that such special meeting will be held and inform them of its date and hour.

(c) *Minority Request.*—Whenever any hearing is conducted by the Committee or a subcommittee upon any measure or matter, the minority on the Committee shall be entitled, upon request made by a majority of the minority members to the Chairman before the completion of such hearing to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

(d) *Public Announcement.*—The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearings, unless the Chairman of the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

(e) *Procedure.*—Insofar as possible, proceedings of the Committee will be conducted without resort to the formalities of parliamentary procedure and with due regard for the views of all members. Issues of procedure which may arise from time to time shall be resolved by decision of the Chairman, in consultation with the Ranking Minority Member and with the advice of the Chief Clerk. The Chairman, in consultation with the Ranking Minority Member, may also propose special procedures to govern the consideration of particular matters by the Committee.

(f) *Closed Sessions.*—Each meeting of the Committee on Foreign Relations, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee or a subcommittee on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the Committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of Committees staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct; to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

A closed meeting may be opened by a majority vote of the Committee.

(g) *Staff Attendance.*—A member of the Committee may have one member of his or her personal staff, for whom that member assumes personal responsibility, accompany and be seated nearby at committee meetings.

Each member of the Committee may designate members of his or her personal staff, who hold a Top Secret security clearance, for the purpose of their eligibility to attend closed sessions of the Committee, subject to the same conditions set forth for Committee staff under Rules 12, 13, and 14.

In addition, the Majority Leader and the Minority Leader of the Senate, if they are not otherwise members of the Committee, may designate one member of their staff with a Top Secret security clearance to attend closed sessions of the Committee, subject to the same conditions set forth for Committee staff under Rules 12, 13 and 14. Staff of other Senators who are not members of the Committee may not attend closed sessions of the Committee.

Attendance of Committee staff at meetings shall be limited to those designated by the Staff Director or the Minority Staff Director.

The Committee, by majority vote, or the Chairman, with the concurrence of the Ranking Minority Member, may limit staff attendance at specified meetings.

RULE 4—QUORUMS

(a) *Testimony.*—For the purpose of taking sworn or unsworn testimony at any duly scheduled meeting a quorum of the Committee and each subcommittee thereof shall consist of one member.

(b) *Business.*—A quorum for the transaction of Committee or subcommittee business, other than for reporting a measure or recommendation to the Senate or the taking of testimony, shall consist of one-third of the members of the Committee or subcommittee, including at least one member from each party.

(c) *Reporting.*—A majority of the membership of the Committee shall constitute a quorum for reporting any measure or recommendation to the Senate. No measure or recommendation shall be ordered reported from the Committee unless a majority of the Committee members are physically present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are physically present at the time the vote is taken.

RULE 5—PROXIES

Proxies must be in writing with the signature of the absent member. Subject to the requirements of Rule 4 for the physical presence of a quorum to report a matter, proxy voting shall be allowed on all measures and matters before the Committee. However, proxies shall not be voted on a measure or matter except when the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

RULE 6—WITNESSES

(a) *General.*—The Committee on Foreign Relations will consider requests to testify on any matter or measure pending before the Committee.

(b) *Presentation.*—If the Chairman so determines, the oral presentation of witnesses shall be limited to ten minutes. However, written statements of reasonable length may be submitted by witnesses and other interested persons who are unable to testify in person.

(c) *Filing of Statements.*—A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least 48 hours prior to his appearance, unless this requirement is waived by the Chairman and the Ranking Minority Member following their determination that there is good cause for failure to file such a statement.

(d) *Expenses.*—Only the Chairman may authorize expenditures of funds for the expenses of witnesses appearing before the Committee or its subcommittees.

(e) *Requests.*—Any witness called for a hearing may submit a written request to the Chairman no later than twenty-four hours in advance for his testimony to be in closed or open session, or for any other unusual procedure. The Chairman shall determine whether to grant any such request and shall notify the Committee members of the request and of his decision.

RULE 7—SUBPENAS

(a) *Authorization.*—The Chairman or any other member of the Committee, when authorized by a majority vote of the Committee, when authorized by a majority vote of the Committee at a meeting or by proxies, shall have authority to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials. When the Committee authorizes a subpoena, it may be issued upon the signature of the Chairman or any other member designated by the Committee.

(b) *Return.*—A subpoena, or a request to an agency, for documents may be issued whose return shall occur at a time and place other than that of a scheduled Committee meeting. A return on such a subpoena or request which is incomplete or accompanied by an objection constitutes good cause for a hearing on shortened notice. Upon such a return, the Chairman or any other member designated by him may convene a hearing by giving two hours notice by telephone to all other members. One member shall constitute a quorum for such a hearing. The sole purpose of such a hearing shall be to elucidate further information about the return and to rule on the objection.

RULE 8—REPORTS

(a) *Filing.*—When the Committee has ordered a measure or recommendation reported, the report thereon shall be filed in the Senate at the earliest practicable time.

(b) *Supplemental, Minority and Additional Views.*—A member of the committee who gives notice of his intentions to file supplemental, minority, or additional views at the time of final Committee approval of a meas-

ure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the Chief Clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

(c) *Rollcall Votes.*—The results of all rollcall votes taken in any meeting of the Committee on any measure, or amendment thereto, shall be announced in the Committee report. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the Committee.

RULE 9—TREATIES

(a) The Committee is the only committee of the Senate with jurisdiction to review and report to the Senate on treaties submitted by the President for Senate advice and consent. Because the House of Representatives has no role in the approval of treaties, the Committee is therefore the only congressional committee with responsibilitiy for treaties.

(b) Once submitted by the President for advice and consent, each treaty is referred to the Committee and remains on its calendar from Congress to Congress until the Committee takes action to report it to the Senate or recommend its return to the President, or until the Committee is discharged of the treaty by the Senate.

(c) In accordance with Senate Rule XXX.2, treaties which have been reported to the Senate but not acted on before the end of a Congress "shall be resumed at the commencement of the next Congress as if no proceedings had previously been had thereon."

(d) Insofar as possible, the Committee should conduct a public hearing on each treaty as soon as possible after its submission by the President. Except in extraordinary circumstances, treaties reported to the Senate shall be accompanied by a written report.

RULE 10—NOMINATIONS

(a) *Waiting Requirement.*—Unless otherwise directed by the Chairman and the Ranking Minority Member, the Committee on Foreign Relations shall not consider any nomination until six calendar days after it has been formally submitted to the Senate.

(b) *Public Consideration.*—Nominees for any post who are invited to appear before the Committee shall be heard in public session, unless a majority of the Committee decrees otherwise.

(c) *Required Data.*—No nomination shall be reported to the Senate unless (1) the nominee has been accorded a security clearance on the basis of a thorough investigation by executive branch agencies; (2) in appropriate cases, the nominee has filed a confidential statement and financial disclosure report with the Committee; (3) the Committee has been assured that the nominee does not have any interests which could conflict with the interests of the government in the exercise of the nominee's proposed responsibilities; (4), for persons nominated to be chief of mission, ambassador-at-large, or minister, the Committee has received a complete list of any contributions made by the nominee or members of his immediate family to any Federal election campaign during the year of his or her nomination and for the four preceding years; and (5) for persons nominated to be chiefs of mission, a report on the demonstrated competence of that nominee to perform the duties of the position to which he or she has been nominated.

RULE 11—TRAVEL

(a) *Foreign Travel.*—No member of the Committee on Foreign Relations or its staff shall travel abroad on Committee business unless specifically authorized by the Chairman, who is required by law to approve vouchers and report expenditures of foreign currencies, and the Ranking Minority Member. Requests for authorization of such travel shall state the purpose and, when completed, a full substantive and financial report shall be filed with the Committee within 30 days. This report shall be furnished to all members of the Committee and shall not be otherwise disseminated without the express authorization of the Committee. Except in extraordinary circumstances, staff travel shall not be approved unless the reporting requirements have been fulfilled for all prior trips. Except for travel that is strictly personal, travel funded by non-U.S. government sources is subject to the same approval and substantive reporting requirements as U.S. government-funded travel. In addition, members and staff are reminded of Senate Rule XXXV.4 requiring a determination by the Senate Ethics Committee in the case of foreign-sponsored travel.

Any proposed travel by committee staff for a subcommittee purpose must be approved by the subcommittee chairman and ranking minority member prior to submission of the request to the Chairman and Ranking Minority Member of the full committee.

When the Chairman and the Ranking Minority Member approve the foreign travel of a member of the staff of the Committee not accompanying a member of the Committee, all members of the Committee shall be advised, prior to the commencement of such travel, of its extent, nature, and purpose.

(b) *Domestic Travel.*—All official travel in the United States by the Committee staff shall be approved in advance by the Staff Director, or in the case of minority staff, by the Minority Staff Director.

(c) *Personal Staff.*—One member of the personal staff of a member of the Committee may travel with that member with the approval of the Chairman and the Ranking Minority Member of the Committee. During such travel, the personal staff member shall be considered to be an employee of the Committee.

RULE 12—TRANSCRIPTS

(a) *General.*—The Committee on Foreign Relations shall keep verbatim transcripts of all Committee and subcommittee meetings and such transcripts shall remain in the custody of the Committee, unless a majority of the Committee decides otherwise. Transcripts of public hearings by the Committee shall be published unless the Chairman, with the concurrence of the Ranking Minority Member, determines otherwise.

(b) *Classified or Restricted Transcripts.*—

(1) The Chief Clerk of the Committee shall have responsibility for the maintenance and security of classified or restricted transcripts.

(2) A record shall be maintained of each use of classified or restricted transcripts.

(3) Classified or restricted transcripts shall be kept in locked combination safes in the Committee offices except when in active use by authorized persons. They must never be left unattended and shall be returned to the Chief Clerk promptly when no longer needed.

(4) Except as provided in paragraph 7 below, transcripts classified secret or higher may not leave the Committee offices except for the purpose of declassification.

(5) Classified transcripts other than those classified secret or higher may leave the Committee offices in the possession of authorized persons with the approval of the Chairman. Delivery and return shall be made only by authorized persons. Such transcripts may not leave Washington, D.C. unless adequate assurances for their security are made to the Chairman.

(6) Extreme care shall be exercised to avoid taking notes or quotes from classified transcripts. Their contents may not be divulged to any unauthorized person.

(7) Subject to any additional restrictions imposed by the Chairman with the concurrence of the Ranking Minority Member, only the following persons are authorized to have access to classified or restricted transcripts:

(i) Members and staff of the Committee in the Committee rooms;

(ii) Designated personal representatives of members of the Committee, and of the Majority and Minority Leaders, with appropriate security clearances, in the Committee's Capitol office;

(iii) Senators not members of the Committee, by permission of the Chairman;

(iv) Members of the executive departments involved in the meeting, in the Committee's Capitol office, or, with the permission of the Chairman, in the offices of the officials who took part in the meeting, but in either case, only for a specified and limited period of time, and only after reliable assurances against further reproduction or dissemination have been given.

(8) Any restrictions imposed upon access to a meeting of the Committee shall also apply to the transcript of such meeting, except by special permission of the Chairman and notice to the other members of the Committee. Each transcript of a closed session of the Committee shall include on its cover a description of the restrictions imposed upon access, as well as any applicable restrictions upon photocopying, note taking or other dissemination.

(9) In addition to restrictions resulting from the inclusion of any classified information in the transcript of a Committee meeting, members and staff shall not discuss with anyone the proceedings of the Committee in closed session or reveal information conveyed or discussed in such a session unless that person would have been permitted to attend the session itself, or unless such communication is specifically authorized by the Chairman, the Ranking Minority Member, or in the case of staff, by the Staff Director or Minority Staff Director. A record shall be kept of all such authorizations.

(c) *Declassification.*—

(1) All restricted transcripts and classified Committee reports shall be declassified on a date twelve years after their origination unless the Committee by majority vote decides against such declassification, and provided that the executive departments involved and all former Committee members who participated directly in the sessions or reports concerned have been consulted in advance and given a reasonable opportunity to raise objections to such declassification.

(2) Any transcript or classified Committee report, or any portion thereof, may be declassified fewer than twelve years after their origination if:

(i) the Chairman originates such action or receives a written request for such action, and notifies the other members of the Committee; and

(ii) the Chairman, Ranking Minority Member, and each member or former member who participated directly in such meeting or report give their approval, except that the Committee by majority vote may overrule any objections thereby raised to early declassification; and

(iii) the executive departments and all former Committee members are consulted in advance and have a reasonable opportunity to object to early declassification.

RULE 13—CLASSIFIED MATERIAL

(a) All classified material received or originated by the Committee shall be logged in at the Committee's offices in the Dirksen Senate Office Building, and except for material classified as "Top Secret" shall be filed in the Dirksen Senate Building offices for Committee use and safekeeping.

(b) Each such piece of classified material received or originated shall be card indexed and serially numbered, and where requiring onward distribution shall be distributed by means of an attached indexed form approved by the Chairman. If such material is to be distributed outside the Committee offices, it shall, in addition to the attached form, be accompanied also by an approved signature sheet to show onward receipt.

(c) Distribution of classified material among offices shall be by Committee members or authorized staff only. All classified material sent to members' offices, and that distributed within the working offices of the Committee, shall be returned to the office designated by the Chief Clerk. No classified material is to be removed from the offices of the members or of the Committee without permission of the Chairman. Such classified material will be afforded safe handling and safe storage at all times.

(d) Material classified "Top Secret," after being indexed and numbered, shall be sent to the Committee's Capitol office for use by the members and authorized staff in that office only or in such other secure committee offices as may be authorized by the Chairman or Staff Director.

(e) In general, members and staff shall undertake to confine their access to classified information on the basis of a "need to know" such information related to their Committee responsibilities.

(f) The Staff Director is authorized to make such administrative regulations as may be necessary to carry out the provisions of these regulations.

RULE 14—STAFF

(a) *Responsibilities.*—

(1) The staff works for the Committee as a whole, under the general supervision of the Chairman of the Committee, and the immediate direction of the Staff Director; provided, however, that such part of the staff as is designated Minority Staff, shall be under the general supervision of the Ranking Minority Member and under the immediate direction of the Minority Staff Director.

(2) Any member of the Committee should feel free to call upon the staff at any time for assistance in connection with Committee business. Members of the Senate not members of the Committee who call upon the staff for assistance from time to time should be given assistance subject to the overriding responsibility of the staff to the Committee.

(3) The staff's primary responsibility is with respect to bills, resolutions, treaties, and nominations.

In addition to carrying out assignments from the Committee and its individual members, the staff has a responsibility to originate suggestions for Committee or subcommittee consideration. The staff also has a responsibility to make suggestions to individual members regarding matters of special interest to such members.

(4) It is part of the staff's duty to keep itself as well informed as possible in regard to developments affecting foreign relations and in regard to the administration of foreign programs of the United States. Significant trends or developments which might otherwise escape notice should be called to the attention of the Committee, or of individual Senators with particular interests.

(5) The staff shall pay due regard to the constitutional separation of powers between the Senate and the executive branch. It therefore has a responsibility to help the Committee bring to bear an independent, objective judgment of proposals by the executive branch and when appropriate to originate sound proposals of its own. At the same time, the staff shall avoid impinging upon the day-to-day conduct of foreign affairs.

(6) In those instances when Committee action requires the expression of minority views, the staff shall assist the minority as fully as the majority to the end that all points of view may be fully considered by members of the Committee and of the Senate. The staff shall bear in mind that under our constitutional system it is the responsibility of the elected Members of the Senate to determine legislative issues in the light of as full and fair a presentation of the facts as the staff may be able to obtain.

(b) *Restrictions.*—

(1) The staff shall regard its relationship to the Committee as a privileged one, in the nature of the relationship of a lawyer to a client. In order to protect this relationship and the mutual confidence which must prevail if the Committee-staff relationship is to be a satisfactory and fruitful one, the following criteria shall apply:

(i) Members of the staff shall not be identified with any special interest group in the field of foreign relations or allow their names be be used by any such group.

(ii) Members of the staff shall not accept public speaking engagements or write for publication in the field of foreign relations without specific advance permission from the Staff Director, or, in the case of minority staff, from the Minority Staff Director. In the case of the Staff Director and the Minority Staff Director, such advance permission shall be obtained from the Chairman or the Ranking Minority Member, as appropriate. in any event, such public statements should avoid the expression of personal views and should not contain predictions of future, or interpretations of past, Committee action.

(iii) Staff shall not discuss their private conversations with members of the Committee without specific advance permission from the Senator or Senators concerned.

(2) The staff shall not discuss with anyone the proceedings of the Committee in closed session or reveal information conveyed or discussed in such a session unless that person would have been permitted to attend the session itself, or unless such communication is specifically authorized by the Staff Director or Minority Staff Director. Unauthorized disclosure of information from a closed session or of classified information shall be cause for immediate dismissal and may, in the case of some kinds of information, be grounds for criminal prosecution.

RULE 15—STATUS AND AMENDMENT OF RULES

(a) *Status.*—In addition to the foregoing, the Committee on Foreign Relations is governed by the standing rules of the Senate which shall take precedence in the event of a clear inconsistency. In addition, the jurisdiction and responsibilities of the Committee with respect to certain matters, as well as the timing and procedure for their consideration in Committee, may be governed by statute.

(b) *Amendment.*—These Rules may be modified, amended, or repealed by a majority of the Committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken. However, rules of the Committee which are based upon Senate rules may not be superseded by Committee vote alone.

S. 145.—ACID RAIN CONTROL LEGISLATION

Mr. COHEN. Mr. President, I am pleased to cosponsor S. 145, legislation introduced by my colleague from Maine, Mr. MITCHELL, to control the spread of acid rain in the Northeast.

I cosponsored similar legislation in the last session of Congress, and want to commend my colleague for his persistent efforts in bringing this important and sensitive issue to the attention of the Senate and the Nation as a whole.

In November 1980, I addressed a conference on "Acid Rain and the Atlantic Salmon" and at that time indicated that the choices Congress makes on controlling the pollution of our atmosphere will determine the extent to which we can prevent an environmental disaster. This legislation provides us with the means to make intelligent choices, which will lead to an improved outlook for this Nation's wildlife, forests, and agriculture. By requiring a 10-million-ton reduction in sulfur dioxide emissions within 10 years of enactment of this legislation, S. 145 provides us with the tools with which we can carve out a better economic and environmental future.

We must act now on the issue of controlling acid rain, and the evidence exists overwhelmingly to support such action. A report published in September 1981 by the National Academy of Sciences concluded that the circumstantial evidence for the role played by powerplant emissions in the production of acid rain is plentiful. Since the publication of that report, additional evidence has been accumulated linking acid rain with crop damage, restricted timber growth, and the death of thousands of fishery habitats in the Northeastern United States.

The phenomenon of acid rain is by no means limited to this country. Canadian scientists have predicted the death of over 48,000 lakes in Canada over the next 20 years because of the effects of acid rain. Researchers in Sweden have estimated that forest growth in the Scandinavian peninsula has been reduced by 15 percent due to the acidification of the soil.

The evidence we have before us, though, hits very close to home. In my home State of Maine, it has been established that the acidity of the lakes in the State, which support valuable sport and commercial fishery activities, has increased eightfold since 1940. In the Adirondack Mountains of New York, 10 percent of the high-altitude lakes can no longer support fish life.

This kind of documented evidence supports the view that the problem of acid rain cannot be neglected any longer. The United States must join other nations of the world in acting to restrict harmful air pollutants. Our northern neighbor, Canada, has been looking to us for leadership on this matter, following on our earlier promises to make an effort to combat acid precipitation. There is no better time than the present to make good on our commitment.

According to the National Academy of Sciences study, the control of sulfur emissions is the key to the reduction in acidification of our soils and lakes. The evidence amassed over the past few years supports this conclusion, and the legislation I am cosponsoring provides the means to take on the responsibility of producing cleaner air.

I am pleased to have the opportunity once again to support such legislation, and I urge my colleagues to act quickly on S. 145.

WEST VIRGINIA STATE LEGISLATURE APPROVES A NUCLEAR WEAPONS MORATORIUM RESOLUTION

Mr. RANDOLPH. Mr. President, on February 25, I received a copy of West Virginia State Senate Resolution No. 8, memorializing Congress to adopt a resolution requesting the President of the United States to propose to the Union of the Soviet Socialist Republics a mutual and verifiable nuclear weapons moratorium.

The West Virginia State Senate passed the resolution on February 2, 1983, by a vote of 28 to 5. The West Virginia House of Delegates approved the same resolution on February 18, 1983, by a voice vote.

The alarming growth of nuclear weapons is a major concern to all of us. It is my belief that every American stands to lose or gain through the mechanisms we are able to set in place to assist us in preventing wars.

Mr. President, I ask unanimous consent that West Virginia State Senate Resolution No. 8 be printed at this point in the RECORD.

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

SENATE CONCURRENT RESOLUTION No. 8

Memorializing Congress to adopt a resolution requesting the President of the United States to propose to the Union of Soviet Socialist Republics a mutual and verifiable nuclear weapons moratorium.

Whereas, The greatest challenge facing the earth is to prevent the occurrence of nuclear war by accident or design; and

Whereas, The nuclear arms race is dangerously increasing the risk of a holocaust which would be humanity's final war; and

Whereas, The United States of America and the Union of Soviet Socialist Republics already have a combined total arsenal in excess of fifty thousand nuclear weapons; and

Whereas, An all-out nuclear exchange between said two nations would result in the deaths of millions of Americans and Soviet citizens and would result, throughout the entire world, in death, injury and disease on a scale that has no precedent in the history of human experience; and

Whereas, There is widespread agreement that the United States of America and the Union of Soviet Socialist Republics currently have equal nuclear fighting capabilities with neither nation having a distinct advantage over the other; and

Whereas, An immediate halt in the testing, production and deployment of new nuclear weapons would help secure world peace and avoid the possibility of a nuclear conflagration and would save our nation, over the next ten years, billions of dollars in military expenditures, which savings could be used to help balance the federal budget, reduce taxes, create employment and improve human services; therefore, be it

Resolved by the Legislature of West Virginia, That the Congress of the United States adopt a resolution requesting that the President of the United States propose to the government of the Union of Soviet Socialist Republics a mutual and verifiable nuclear weapons moratorium by which the said two nations would agree to halt immediately the testing, production and deployment of all nuclear warheads, missiles and delivery systems; and, be it

Resolved further, That the West Virginia delegation to the Congress of the United States introduce such a resolution or join with other members of Congress in its introduction; and, be it

Resolved further, That copies of this resolution be sent to the Clerk and Speaker of the United States House of Representatives, the Secretary and Majority Leader of the United States Senate, and to each member of the West Virginia Congressional delegation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, 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 appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED BLOCK GRANT LEGISLATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 18

Under the authority of the order of the Senate of Thursday, February 24, 1983, the Secretary of the Senate, on February 24, 1983, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which was ordered to lie on the table:

To the Congress of the United States:

I am transmitting to the Congress today four pieces of legislation: the State Fiscal Assistance Block Grant Act; the Local Fiscal Assistance Block Grant Act of 1983; the Federalism Block Grant Highway Act of 1983; and the Rural Housing Block Grant Act.

These four proposals represent a continuation and expansion of the efforts of my Administration to return authority, responsibility and revenue resources to State and local governments.

In my January 25, 1983 State of the Union message, I indicated that I would be sending to the Congress shortly a comprehensive federalism proposal that will continue our efforts to restore to State and local governments their roles as dynamic laboratories of change in a creative society. We have now completed our work on this effort and it is embodied in these four proposed bills.

Therefore, I am requesting today that these bills be referred to the appropriate committees and I urge their early enactment.

THE NEED FOR CHANGE

In a 1957 speech to the National Governors' Conference, President Eisenhower sounded the first words of caution about the trend toward increased central government control. He said:

"Our governmental system, so carefully checked, so delicately balanced, with power fettered and people free, has survived longer than any other attempt to conduct group affairs by the authority of the group itself. Yet, a distinguished American scholar has only recently counseled us that in the measurable future, if present trends continue, the states are sure to degenerate into powerless satellites of the

national government in Washington. That this forecast does not suffer from lack of supporting evidence, all of us know full well. The irony of the whole thing is accentuated as we recall that the national government was itself not the parent, but the creature of the states acting together. Yet today it is often made to appear that the creature, Frankenstein-like, is determined to destroy the creator.

Had he known how prophetic his statement was, his rhetoric undoubtedly would have been far stronger. During the two decades following the Eisenhower Administration, the Federal government increasingly encroached on state and local prerogatives. Narrow and restrictive Federal grant-in-aid programs grew from under 50 to over 500, pervading such obviously local concerns as rat control and sewer extensions. The dollar amount usurped from State and local treasuries to finance these programs ballooned from $7 billion in 1960 to $95 billion in 1981. With increased Federal dollars came suffocating Federal control. Lost was the efficiency and accountability of local spending priorities.

A generation of governors, state legislators, mayors and county officials began to echo President Eisenhower's sentiments throughout the 1960's and 1970's. They came to realize that the mushrooming Federal programs reflected the fact that Presidents and Congresses failed to trust State and local officials as their partners in our Federal system.

The Federal government had too much control, many felt. Programs lacked flexibility. Regulations were restrictive. Federal mandates were depleting State and local treasuries. Expenditures were being made for programs that were not really needed in particular localities. In short, State and local officials believed that they were more capable of making more prudent decisions to run their own jurisdictions than Federal bureaucrats. They started calling for a reordering of priorities and a sorting out of responsibilities among the various levels of government.

INITIATIVES IN 1981-82

During the past two years, hundreds of decisions and proposals have been made by my Administration in an effort to restore balance to our Federal system.

For example, throughout the economic recovery program, which I proposed in 1981, there was the underlying theme of federalism. The spending reductions were a reordering of priorities so that the national budget would address truly national needs. The tax cuts addressed the problem created by the Federal government usurping revenue sources which otherwise would have been available to State and local governments and to individuals. And the regulatory relief effort was directed in large part to removing the regulatory manacles which bind State and local governments.

In a more direct assault on Federal usurpation, we proposed the consolidation of scores of narrow and restrictive categorical grant-in-aid programs into seven broad block grants. The package which was ultimately passed by the Congress, and which I signed, consolidated 57 programs into nine block grants. It is estimated that these block grants resulted in a reduction of 5.4 million manhours (83%) in FY '82 for State and local officials and 5.9 million manhours (91%) in subsequent years from the level required to administer the predecessor categorical programs.

This block grant effort continued in 1982, with enactment of the Job Training Partnership Act and the Urban Mass Transportation Block Grant.

Many other initiatives were taken on the federalism front.

—Of the 119 regulatory reviews targeted by the Task Force on Regulatory Relief, 35 were directed to State and local governments.

—For the first time in many years, the Executive branch actively participated in the Advisory Commission on Intergovernmental Relations (ACIR).

—I created a Federalism Advisory Committee chaired by Senator PAUL LAXALT (R-Nevada). The work of that committee has now been completed and its suggestions have been incorporated into the package which I am today sending to the Congress.

—At the White House, we have pursued an active outreach effort with State and local officials. Personally, I have met with more than 1,000 such officials in the White House during 1981 and 1982.

Finally, early in 1982, I proposed the outline of a major Federalism Initiative. I stated at the time that my package was just a conceptual framework and that I wanted to work out the details following extensive consultation with State and local officials. The process which followed was unprecedented, and I want to thank the many State and local officials who assisted me in the development of the legislation. The package which I am sending to the Congress today reflects the input which we received from State and local officials throughout 1982 and early 1983.

THE 1983 FEDERALISM INITIATIVE

These legislative proposals would consolidate 34 programs into four mega-block grants. The Administration's budget request for these programs for FY '84 is approximately $21 billion.

The following programs would be consolidated into the four mega-block grants.

STATE BLOCK GRANT

Rehabilitation Services.
Vocational Education.
Adult Education.
State Education Block Grant (ECIA, Chapter 2).
WIN.
Low-Income Home Energy Assistance.
Social Services Block Grant.
Community Services Block Grant.
ADAMHA Block Grant.
MCH Services Block Grant.
Rural Water and Waste Disposal Grants (FmHA).
Water and Sewer Facility Loans (FmHA).
Community Facility Loans (FmHA).
CDBG—Non-Entitlement Portion.
Grants for the Construction of Municipal Waste Water Treatment Works (EPA).
Child Welfare Services.
Child Welfare Training.
Adoption Assistance.
Foster Care.
Prevention Health and Health Services Block Grant.
Child Abuse State Grants.
Runaway Youth.

FEDERAL-LOCAL BLOCK GRANT

General Revenue Sharing.
CDBG—Entitlement Portion.

TRANSPORTATION BLOCK GRANT

Urban System.
Secondary System.
Non-Primary Bridges.
Highway Safety (FHWA 402 Grants).
Hazard Elimination.
Rail-Highway Crossing.

RURAL HOUSING BLOCK GRANT

Rural Housing Insurance Fund.
Very Low-Income Repair Grants.
Mutual and Self-Help Grants.
Rental Assistance Program.

This is a five-year program. It would guarantee funding for the programs turned back at the level enacted for FY '84. This funding level would remain in effect through FY '88.

This will provide a stable and certain funding source for State and local governments. It is *not* a vehicle for budgetary savings.

During this five-year period we will carefully monitor the block grants and determine whether it would be feasible to return revenue sources, such as Federal excise taxes or a percentage of the Federal income tax, to State and local governments along with the programs in the block grants. I will appoint a presidential commission to review this issue and to provide recommendations to me.

The proposals have been drafted to avoid dislocations on State and local governments. For example:

—For the Federal-State and Federal-Local block grants, beginning on October 1, 1983, a recipient could take 20 percent of the money from the program and spend it any-

where else within the block. This percentage would increase to 40%, 60%, 80%, and finally 100% in each of the succeeding four fiscal years. Thus, in fiscal year 1988, a recipient would be able to spend 100 percent of the dollars in each block for any of the purposes within the block.

—In the Federal-State block grant, for programs where Federal dollars go to the States but are passed through to some degree by the State to local units of government, each State would be required to pass through the percentage that was available to localities in fiscal years 1981, 1982 and 1983 in that program.

—States would be required to have meaningful consultations with local officials prior to final decisions on the distribution of these pass-through funds.

—For three Farmer's Home Administration (FmHA) programs—rural water and sewer grants, water and sewer loans, and community facility loans—100% of these FmHA program funds will be passed through State governments directly to rural communities of less than 10,000 in population. In addition, at least 70% of the "small cities" funds of the Community Development Block Grant program will be apportioned to communities of less than 20,000 in population.

Implicit in the Federal-local block grant is the assumption that revenue sharing would be reauthorized for 5 years at the current funding level of $4.6 billion annually.

Allocations to States for each program included in the State block grant, would be based on the historical program shares (FY '81-'83), or on the basis of formula allocations.

Funding for the Federal-State block grant would come from three Federal excise taxes on alcohol, tobacco, and telephones. The transportation block grant would be funded by part of the Federal gasoline tax.

The swap of federalization of Medicaid for State assumption of AFDC and Food Stamps, which was included in my January, 1982 framework has been dropped from the package. Reform of these three programs will be considered on a separate track.

Many of the more controversial programs in the original package (such as child nutrition, handicapped education, urban development action grants and others) have been dropped from the initiative.

The block grants include vastly reduced Federal strings and regulations. I strongly urge Congress to provide the flexibility in the programs that State and local officials need and deserve.

I request that Congress give these legislative proposals its immediate attention. With the help of the Congress, we can make government work more effectively for all Americans.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1983.*

NATURAL GAS CONSUMER REGULATORY REFORM AMENDMENTS OF 1983—MESSAGE FROM THE PRESIDENT—PM 19

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to transmit to the Congress today proposed legislation entitled the "Natural Gas Consumer Regulatory Reform Amendments of 1983." The proposal is designed to benefit consumers by creating a system in which gas prices can be responsive to the pressures of the market. Also attached is an associated Statement which I have issued today.

RONALD REAGAN.

THE WHITE HOUSE, *February 28, 1983.*

HEALTH INCENTIVE REFORM PROGRAM—MESSAGE FROM THE PRESIDENT—PM 20

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance:

To the Congress of the United States:

I am today transmitting to the Congress legislation comprising the Health Incentives Reform program. This legislation reforms health care financing policies to constrain rising health care costs and to keep high quality health care affordable for all Americans. Because of the coming shortage in the Medicare Trust Fund, prompt action is particularly important.

This legislative package addresses the underlying causes of excessive increases in health costs: The perverse incentives operating in the market for health services. Cost-based reimbursement, poorly structured cost-sharing, and open-ended tax subsidies for health insurance have contributed to inefficiency and inflation in the health sector. Our proposals correct these incentives. Our plan involves all participants in the health care market in restructuring financing and service delivery arrangements: Providers and patients, physicians and hospitals, and beneficiaries of public programs as well as privately insured workers. Thus it shares the responsibility for bringing down health care costs fairly among all segments of society.

THE HEALTH CARE COST PROBLEM

The need for action now is clear. Health care costs are climbing so fast they may soon threaten the quality of care and access to care which Americans enjoy. In 1982 health care costs went up almost three times the national inflation rate. Taxpayers have seen Federal outlays for Medicare and Medicaid go up nearly 600 percent since 1970. Health care funding is one of the fastest-rising expenditures in the Federal budget. The cost of health insurance rose 15.9 percent in 1982, the biggest increase ever. Health care costs are consuming a growing portion of the Nation's output: 10.5 percent of GNP in 1982, compared with 5.9 percent in 1965.

The cost of the average hospital stay jumped from $316 in 1965 to $2,168 in 1981. American taxpayers (mainly through Medicare and Medicaid) pay a large part of those costs: 40 percent of all hospital bills.

Rising health care costs are a problem that affects everyone. The elderly, who are covered by Medicare, face the threat of catastrophic illness expense, against which Medicare offers no protection. The poor on Medicaid have seen coverage reduced as States have been forced by rising costs to make cutbacks. Workers with employment-based health insurance have received lower cash wages, because of the unchecked cost increases for health benefits. Americans pay for health care costs in other hidden forms, including higher costs for the merchandise they buy, since the costs of employee health care benefits must be included in the price of products.

As is the case with many of our national difficulties, past Federal policy has been a part of the problem. These policies have thwarted normal incentives for efficiency in health care.

—Medicare's cost-based system has actually rewarded inefficiency by paying more to less efficient, higher cost hospitals.

—Cost sharing in Medicare has been backwards. Those who are less ill, and could act to keep their hospital stays shorter have been given no cost incentive to do so, and severely ill patients have been penalized with high cost sharing and no catastrophic coverage.

—Federal tax policy has created a bias for high priced medical coverage instead of wages, since employer contributions to health care benefits are not treated as income to the employee.

—Federal health care programs have made too little use of competitive bidding practices.

—Medicare beneficiaries have been unable to enroll in efficient private health plans.

—Unnecessary regulations have added to higher costs in past years.

THE ELEMENTS OF HEALTH INCENTIVES REFORM

The Health Incentives Reform package contains a number of specific provisions which address each facet of our multi-pronged strategy. First, it initiates Medicare coverage for the catastrophic costs of lengthy hospital stays and improves Medicare's cost-sharing provisions. These reforms encourage efficiency while reducing the cost burden on the severely ill.

The plan establishes a prospectively-set hospital rate structure under Medicare that rewards cost-effective hospital practices. This contrasts with the traditional Medicare policy of reimbursing hospitals retrospectively for whatever "reasonable" costs they incurred.

The plan limits the open-ended tax subsidy of relatively high-cost private health plans, which biases employee compensation towards elaborate health coverage instead of cash wages.

The plan expands opportunities for Medicare beneficiaries to use their benefits to enroll in private health plans as an alternative to traditional Medicare coverage.

The plan freezes payments to physicians under Medicare's reasonable charge system for one year at 1983 levels.

The plan provides for gradual yearly increases in the Medicare Part B premium and deductible once again to cover a sufficient portion of the program's costs through beneficiary payments.

The plan expands authority under Medicare for the use of competitive bidding procedures and other cost efficient approaches for the purchase of laboratory services, durable medical equipment, and other non-physician services and supplies. Furthermore, payment for durable medical equipment provided through home health agencies would be limited to 80 percent, the same percentage covered by Medicare under other circumstances.

A provision of the plan will entitle the elderly to Medicare benefits on the first day of the full month that individuals meet all eligibility conditions. At present, entitlement begins on the first day of the month in which an individual meets the conditions for only one day. This proposal is consistent with initial Social Security eligibilities for individuals who attain age 62. Also, most private insurance coverage now remains in effect until Medicare coverage begins; thus most beneficiaries would not be affected.

Finally, the plan makes two changes in Medicaid. The reduction in Federal payments to States authorized by the Omnibus Budget Reconciliation Act of 1981 would be extended beyond 1984 for an indefinite period. The reduction would be cut, however, from 4.5 percent to 3 percent. In addition, Medicaid beneficiaries would have to make nominal copayments for outpatient visits and hospital stays.

Our legislative package contains additional Medicare and Medicaid provisions to strengthen program management, simplify requirements for program participation, produce savings in program spending, and reduce waste, fraud and abuse in these programs.

MEDICARE CATASTROPHIC COVERAGE AND COSTS-SHARING REFORM

The "Medicare Catastrophic Hospital Costs Protection Act of 1983" improves coverage for long and expensive hospitalizations and introduces modest coinsurance on the initial days of hospitalization.

The current Medicare Hospital Insurance program neither adequately protects beneficiaries in cases of prolonged illness, nor provides financial incentives to minimize unnecessary utilization of services. Medicare covers only 90 to 150 days of hospitalization during a spell of illness (depending on whether a "lifetime reserve" of 60 days has been previously exhausted), even if additional hospitalization is clearly warranted. After the 60th day, cost sharing becomes onerous. Patients pay 25 percent of the inpatient hospital deductible ($88/day) for the 61st to 90th day and 50 percent ($175/day) for lifetime reserve days. On the other hand, after a deductible is paid for the first day, no coinsurance at all is imposed until the 61st day of hospitalization, eliminating any financial incentive for the beneficiary to leave a hospital as soon as it is medically advisable to do so.

The bill provides Medicare reimbursement for unlimited days of hospitalization under the Medicare Hospital Insurance program. At the same time, the bill imposes coinsurance for a maximum of 60 days annually (8 percent of the inpatient hospital deductible for the 2d through 15th day of a spell of illness and 5 percent thereafter) to encourage beneficiary cost-consciousness and the efficient use of health resources. The bill also limits to two the number of inpatient hospital deductibles that could be imposed annually (no matter how many spells of illness occur) and reduces the skilled nursing facility coinsurance rate from 12.5 to 5 percent of the inpatient hospital deductible.

PROSPECTIVE PAYMENT FOR INPATIENT HOSPITAL SERVICES UNDER MEDICARE

The "Medicare Prospective Payment Rates Act" will establish Medicare as a prudent buyer of services and will ensure for both hospitals and the Federal government a predictable payment for services. This system of payment can be implemented in October, 1983.

Medicare traditionally paid hospitals retrospectively determined reasonable costs. This system essentially paid hospitals for whatever they spent. There were, therefore, weak incentives for hospitals to conserve costs and operate efficiently. It is not surprising that under this system hospital expenditures have been and are continuing to increase rapidly. Medicare expenditures for hospital care have increased 19 percent annually from 1979 to 1982. The cost of a service varies substantially from hospital to hospital.

The Tax Equity and Fiscal Responsibility Act (TEFRA) changed this system of hospital reimbursement by placing limits on what hospitals could be paid. My proposal builds upon the TEFRA improvements. This bill establishes a system of prospectively determined rates which will foster greater efficiency in the provision of hospital services. Medicare payments for operating costs will be specifically related to the patient's condition, but will not vary from hospital to hospital (except to allow for differences in area wage rates). Rates will be set for each of 467 diagnosis-related groups. Capital expenditures and medical education costs will be excluded initially from the calculation of basic payments and reimbursed separately. Additional payments will be made for unusual cases involving exceptionally long hospital stays.

To the extent that a hospital operates efficiently it would earn a surplus, and to the extent it operates inefficiently it would show a deficit. Hospitals with higher costs will not be able to pass on extra costs to Medicare beneficiaries and thus will face strong incentives to make cost-effective changes in practices.

CHANGES IN THE TAX TREATMENT OF EMPLOYER CONTRIBUTIONS TO HEALTH PLANS

The Health Costs Containment Tax Act of 1983 is designed to encourage employers to provide an adequate level of health benefits to their employees, while eliminating the open-ended tax preference for health benefits over cash wages.

Under current tax law an employer's contribution to an employee's health plan is not included in the employee's gross income. This bill will limit tax-free health benefits paid by an employer to $175 per month for a family plan and $70 per month for individual coverage. These limits will be indexed to increase yearly in proportion to the Consumer Price Index. Employer contributions above these amounts will be included in the employee's income and taxed (income and Social Security) accordingly. Thus, individuals can choose to purchase as much health insurance as they wish with after-tax dollars, but the tax laws will not subsidize the purchase of unlimited health insurance.

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Elaborate health benefits funded with tax-free, employer-paid contributions are inflationary—they insulate consumers, providers, and insurers from the cost consequences of health care decisions. By doing so, they contribute both to the persistence of inefficient forms of health care financing and delivery and to overuse of health services. The limit on tax-free benefits will help to alleviate these problems while allowing employers to provide adequate tax-free coverage to protect an employee against the serious financial consequences of illness. Employees will be free to purchase more comprehensive health care coverage with after-tax dollars.

The proposal will be effective on January 1, 1984, except with respect to collective bargaining agreements in effect on January 31, 1983, which will not be subject to the new rules until the earlier of January 31, 1986, or the first date on which such agreement is reopened after January 31, 1983.

OPTIONAL MEDICARE VOUCHER

The provision of the Health Incentive Reform package that creates an opportunity for Medicare beneficiaries to enroll in alternative health plans is contained in the "Medicare Voucher Act of 1983."

Last year Congress, with the support of my Administration, amended the Medicare statute to permit payments on a risk basis to HMOs and other competitive medical plans that provide Medicare beneficiaries with coverage at least as extensive as the Medicare benefit package. The optional voucher provision will build on current law by allowing Medicare beneficiaries to use Medicare benefits to enroll in a wider array of private health plans. Medicare will contribute an amount equal to 95 percent of what it would have cost to care for the beneficiary if he or she had elected traditional Medicare coverage. If a beneficiary selects a private health plan with a premium lower than Medicare's contribution, the beneficiary will be eligible for a cash rebate from the private plan. If, on the other hand, the private plan costs more than Medicare's contribution, the beneficiary must pay the difference.

Enrollment in a private health plan will be voluntary. Once a year, beneficiaries will have the opportunity to switch private health plans or to elect traditional Medicare coverage. A qualified health plan may be an HMO, an indemnity insurer, or a service benefit plan. All private plans must cover, at a minimum the services provided under Parts A and B of Medicare, and must participate in a coordinated annual open enrollment period.

MEDICARE PHYSICIAN PAYMENT FREEZE AND HOSPITAL REIMBURSEMENT LIMITS

The other provisions of this package are contained in the "Health Care Financing Amendments of 1983."

Medicare customary and prevailing charges for physician services will be held at 1983 levels for one year beginning in July, 1984. Under current law prevailing charges would otherwise be increased in July, 1984, by the annualized 1984 value of the Medicare Economic Index while increases in customary charges would not be constrained. This limit is consistent with other steps contained in the Budget to reduce the structural deficit.

The Tax Equity and Fiscal Responsibility Act (TEFRA) limited the increase in hospital expenditures under Medicare to the increase in the cost of goods and services hospitals purchase (the hospital "market basket index") plus one percent. This provision amends TEFRA to limit the rate of increase in hospital expenditures for fiscal year 1984 only to the increase in the hospital market basket index.

These proposals are part of a government-wide freeze aimed at reducing the Federal deficit. Medicare spending for physicians increased by 21 percent in 1982 and is expected to rise by 19 percent in 1983 and 17 percent in 1984. As mentioned earlier, Medicare hospital expenditures have grown at comparable rates. In this time of fiscal crisis, we must ask all participants in the health care market, physicians, hospitals, and program beneficiaries, to do their part in slowing increases in spending.

GRADUATED INCREASES IN THE SUPPLEMENTARY MEDICAL INSURANCE (SMI) OR PART B PREMIUM

This provision will freeze the Part B premium at the present $12.20 per month for the remainder of 1983, instead of increasing it to $13.50 in July as was previously announced. The delay coincides with the delay in the cost-of-living increase for Social Security recommended by the National Commission on Social Security.

In January 1984, the Part B premium will be set at 25 percent—the percentage specified in current law—of program costs for aged beneficiaries for that calendar year. Over the next 4 years, the Part B premium will be increased 2.5 percentage points each year, to reach 35 percent of program costs for the elderly in January 1988. Thereafter, the premium for each calendar year would be set at 35 percent of program costs (the actuarially adequate rate) for the elderly for that year. When Medicare began, Congress envisioned that the elderly would bear 50 percent of SMI costs and the law initially required that SMI costs be equally financed by the general taxpayer and the users of SMI services.

By gradually raising the SMI premium to 35 percent of program costs, this provision provides for a more equitable balance between general revenue and premium financing of Medicare Part B.

INDEXING THE PART B DEDUCTIBLE

The Part B deductible will be increased in January of each year based on annual changes in the Medicare Economic Index. This provision would maintain the constant dollar value of the deductible.

The 1981 Reconciliation Act increased the Part B deductible from $60 to $75. Before this amendment, the deductible had remained at $60 since 1972, despite a 250 percent increase in program reimbursements per aged enrollee between 1972 and 1981.

Current law does not provide for future increases in the deductible. As a result, the initial beneficiary liability for medical services will decrease in real terms over time and these costs will be shifted to the Federal government. Furthermore, the value of the deductible as a deterrent to unnecessary utilization will again diminish.

OTHER PROPOSALS

The legislation I am submitting today includes other items, all of which are designed to make Medicare and Medicaid more effective and efficient programs. They include, among others, proposals for competitive purchasing for laboratory services and durable medical equipment and reimbursement charges for certain Medicare services.

NOMINAL MEDICAID COPAYMENTS

This provision requires States to impose nominal copayments on all Medicaid beneficiaries for hospital, physician, clinic, and outpatient department services. Specifically, the categorically needy would have to pay $1 per day for hospital services and $1 per visit for physician or outpatient services. The medically needy would have to pay $2 per for hospital services and $1.50 per visit for physician services. Beneficiaries who are enrolled in HMOs or who are institutionalized would be exempt from all copayment requirements.

First-dollar insurance coverage, such as that which Medicaid provides, leaves the consumer with virtually no financial incentive to question the need for services. Services that are totally free are likely to be overutilized. If patients share in some of the costs, they and their physicians will reduce unnecessary or marginal utilization. There is substantial evidence that cost-sharing can reduce health care costs, mostly by reducing unnecessary utilization.

BUDGETARY EFFECT OF THE HEALTH INCENTIVES REFORM PACKAGE AND OTHER MEDICARE AND MEDICAID PROVISIONS

These provisions will have a substantial impact on reducing the size of the Federal budget and the Federal deficit. In fiscal year 1984 this legislative package will have a cumulative budgetary impact of $4.2 billion: the net Medicare impact of spending reductions and premium increases is a budg-

etary reduction of $1.7 billion; Federal Medicaid spending reductions amount to $256 million, and increased tax revenues from the change in the tax treatment of employer-paid health benefits amount to $2.3 billion. These savings are sustained and, in fact, grow in subsequent years.

The legislation that we are advancing today reflects our most thoughtful effort to address and reform the basic economic incentives that operate in the health care sector. Since health care now represents over 10 percent of our Nation's Gross National Product and is growing as a proportion of GNP each year, the enormous task of structural reform is well worth undertaking. As I mentioned earlier, we have taken great care to devise a legislative package that shares the responsibility for such reform and the burden of reductions in health care financing fairly among all segments of our society. The distribution of budgetary savings among workers and Medicare and Medicaid beneficiaries confirms our efforts in this regard.

Our need to constrain the growth of our national spending for health care in the interests of a healthy and stable economy is urgent. Regulatory approaches to health care cost containment tried previously have proven ineffective and sometimes counterproductive to this goal. I urge you to join me in facing the challenge before us and consider favorably our approach to health incentives reform.

RONALD REAGAN.

THE WHITE HOUSE, *February 28, 1983.*

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-284. A communication from the Chairman of the U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1984; to the Committee on Finance.

EC-285. A communication from the Acting Secretary of State, transmitting, pursuant to law, the status of certain loan guarantees to Poland; to the Committee on Foreign Relations.

EC-286. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60 days prior to February 3, 1983; to the Committee on Foreign Relations.

EC-287. A communication from the District of Columbia Auditor, transmitting, pursuant to law, reports of the District of Columbia Auditor on the District of Columbia Boxing and Wrestling Commission annual report and the report of the Advisory Neighborhood Commission; to the Committee on Government Affairs.

EC-288. A communication from the Director of the Office of Personnel Management, a report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC-289. A communication from the Chairman of the Merit Systems Protection Board transmitting, pursuant to law, the annual report of Board for calendar year 1981; to the Committee on Governmental Affairs.

EC-290. A communication from the Acting Assistant Secretary of the Interior for Indian Affairs transmitting, pursuant to law, a plan for the use of the judgment funds of the Choctaw Nation; to the Select Committee on Indian Affairs.

EC-291. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Inconsistencies in Administration of the Criminal Justice Act"; to the Committee on the Judiciary.

EC-292. A communication from the Chairman of the Federal Maritime Commission transmitting, pursuant to law, the 1982 report of the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC-293. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to amend the maternal and child health block grant; to the Committee on Labor and Human Resources.

EC-294. A communication from the Secretary of Agriculture transmitting, pursuant to law, annual evaluation reports by the Forest Service relative to forest and rangeland renewable resources planning; to the Committee on Agriculture, Nutrition, and Forestry.

EC-295. A communication from the Assistant Secretary and Chairperson of the National Advisory Council on Maternal, Infant, and Fetal Nutrition, Department of Agriculture, transmitting, pursuant to law, the 1982 report of the Council; to the Committee on Agriculture, Nutrition, and Forestry.

EC-296. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to provide that the Commandant of the Marine Corps shall be a member of the Armed Forces Policy Council; to the Committee on Armed Services.

EC-297. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, the fourth quarterly report for 1982 on the value of property, supplies, and commodities provided by the Berlin Magistrate and under the German Offset Agreement; to the Committee on Armed Services.

EC-298. A communication from the Under Secretary of Defense for Research and Engineering transmitting, pursuant to law, a report on funds obligated for defense research in chemical warfare and biological defense research; to the Committee on Armed Services.

EC-299. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, descriptions of country-to-country and multinational agreements entered into by each Military Department during fiscal 1982 and expected to be in effect in fiscal 1983; to the Committee on Armed Services.

EC-300. A communication from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, the monetary policy report pursuant to the Full Employment and Balanced Growth Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-301. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation authorizing appropriations for the conduct of flood studies; to the Committee on Banking, Housing, and Urban Affairs.

EC-302. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to extend the national flood insurance program; to the Committee on Banking, Housing, and Urban Affairs.

EC-303. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improving Medicare and Medicaid Systems To Control Payments for Unnecessary Physicians' Services"; to the Committee on Finance.

EC-304. A communication from the President of the National Railroad Passenger Corporation transmitting, pursuant to law, the Amtrak Legislative Report; to the Committee on Commerce, Science, and Transportation.

EC-305. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "An Analysis of Natural Gas Pricing Policy Alternatives"; to the Committee on Energy and Natural Resources.

EC-306. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, financial statements for the Colorado River Basin project for 1982;

EC-307. A communication from the Secretary of the Interior transmitting, pursuant to law, a report on oil and gas lease sale No. 57; to the Committee on Energy and Natural Resources.

EC-308. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report entitled "Controlling Emissions From Light-Duty Motor Vehicles at Higher Elevations"; to the Committee on Environment and Public Works.

EC-309. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on the Agency's 5-year plan for research, development, and demonstration; to the Committee on Environment and Public Works.

EC-310. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, a report on the Soil Conservation Service's plan for the Elk Creek Watershed, Kans.; to the Committee on Environment and Public Works.

EC-311. A communication from the Acting Director of the U.S. Arms Control and Disarmament Agency transmitting a draft of proposed legislation authorizing appropriations for the Agency; to the Committee on Foreign Relations.

EC-312. A communication from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for increased U.S. participation in the African development fund; to the Committee on Foreign Relations.

EC-313. A communication from the Director, Office of Legislative Affairs, AID, transmitting, pursuant to law, a report on the Egyptian economy and debt repayment prospects; to the Committee on Foreign Relations.

EC-314. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international

agreements, other than treaties, entered into by the U.S. within the previous 60 days; to the Committee on Foreign Relations.

EC-315. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. Act 5-3; to the Committee on Governmental Affairs.

EC-316. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office for the month of January 1983; to the Committee on Governmental Affairs.

EC-317. A communication from the Chief, Insurance and Debt Management, Executive Secretariat, Air Force Welfare Board, transmitting, pursuant to law, the annual report on the Air Force nonappropriated fund retirement plan for civilian employees; to the Committee on Governmental Affairs.

EC-318. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting, pursuant to law, the annual report on the 15 positions (grades 16, 17, and 18) allocated to the Administrative Office of the U.S. Courts as of December 31, 1982; to the Committee on Governmental Affairs.

EC-319. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-320. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-321. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-322. A communication from the Freedom of Information/Privacy Officer of the Interstate Commerce Commission, transmitting, pursuant to law, the annual report of the Commission on activities under the Freedom of Information Act for calendar year 1982; to the Committee on the Judiciary.

EC-323. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to reorganize the court system for cases and proceedings under the bankruptcy laws, and for other purposes; to the Committee on the Judiciary.

EC-324. A communication from the chairman of the Depository Institutions Deregulation Committee, transmitting, pursuant to law, the annual report of the committee on activities under the Freedom of Information Act for calendar year 1982; to the Committee on the Judiciary.

EC-325. A communication from the Director of the National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1984 and 1985; to the Committee on Labor and Human Resources.

EC-326. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a request by the Mobil Oil Corp. for a refund of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-327. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to terminate the authority of the Administrator of Veterans' Affairs to make advance payments of educational and subsistence allowances, and for other purposes; to the Committee on Veterans' Affairs.

EC-328. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal the authority for eligible veterans and eligible spouses to pursue correspondence training, and for other purposes; to the Committee on Veterans' Affairs.

EC-329. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a request from the Superior Oil Co. for repayment of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-330. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act to authorize the Secretary of Agriculture to determine the degree of inspection to be conducted in meat, poultry, and egg processing plants, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-331. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover the cost of providing plant variety protection pursuant to the Plant Variety Protection Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-332. A communication from the Assistant Administrator of the Environmental Protection Agency (Pesticides and Toxic Substances), transmitting, pursuant to law, a report on the total number of applications for conditional registrations under the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-333. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the allocation of funds made available for the fiscal year 1983 international military education and training and military assistance programs; to the Committee on Appropriations.

EC-334. A communication from the Secretary of the Army, transmitting, pursuant to law, a report stating that the Copperhead program has exceeded baseline unit costs by more than 25 percent; to the Committee on Armed Services.

EC-335. A communication from the Director of the Office of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intent of the Department of the Navy to donate a B-29 Superfortess aircraft to the Commonwealth of the Northern Mariana Islands for display at the Saipan International Airport; to the Committee on Armed Services.

EC-336. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report that certain major defense acquisition programs have exceeded baseline unit costs; to the Committee on Armed Services.

EC-337. A communication from the Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, notice of the conversion of the shelf stocking function at the naval commissary store, Oceana, Va., to performance by contract; to the Committee on Armed Services.

EC-338. A communication from the Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of the shelf stocking function at the commissary store, Naval Station, Norfolk, Va., to performance by contract; to the Committee on Armed Services.

EC-339. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Department's report on Federal tax incentives and rental housing; to the Committee on Banking, Housing, and Urban Development.

EC-340. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the Neighborhood Reinvestment Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-341. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during October 1982 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-342. A communication from the Secretary of Transportation, transmitting, pursuant to law, the final Urban Mass Transportation Administration's quarterly report for fiscal year 1982; to the Committee on Banking, Housing, and Urban Affairs.

EC-343. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a waiver of section 11(b) of the Stevenson-Wydler Act relating to scheduling of technology innovations functions in fiscal year 1984; to the Committee on Commerce, Science, and Transportation.

EC-344. A communication from the Chairman of the National Transportation Safety Board, transmitting a draft of proposed legislation to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1984, 1985, and 1986, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-345. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to enhance the transfer of technical information to industry, business, and the general public by amending the act of September 9, 1950 (64 Stat. 823-824; 15 U.S.C. 1151-1157), as amended, to establish the technical information clearinghouse fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-346. A communication from the Director of the Office of Congressional Relations, Consumer Product Safety Commission, transmitting, pursuant to law, proposed safety standard for omnidirectional citizens band base station antennas; to the Committee on Commerce, Science, and Transportation.

EC-347. A communication from the Director of the Office of Congressional Relations, Consumer Product Safety Commission, transmitting, pursuant to law, amendments to the requirements for full-size and nonfull-size baby cribs; to the Committee on Commerce, Science, and Transportation.

EC-348. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear powerplant siting and licensing process, and

for other purposes; to the Committee on Environment and Public Works.

EC-349. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the annual report of the Council for fiscal year 1982; to the Committee on Energy and Natural Resources.

EC-350. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, applications by Amoco Production Co., Shell Oil Co., ARCO Oil & Gas Co., and Texaco, Inc. for repayment of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-351. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on the industrial energy efficiency improvement program for calendar year 1980; to the Committee on Energy and Natural Resources.

EC-352. A communication from the Secretary of the Interior, transmitting, pursuant to law, notice on leasing systems for oil and gas lease sale No. 69 (part II), Gulf of Mexico; to the Committee on Energy and Natural Resources.

EC-353. A communication from the Secretary of Energy, transmitting, pursuant to law, the first biennial report on implementation of the Alaska Federal-Civilian Energy Efficiency Swap Act of 1980; to the Committee on Energy and Natural Resources.

AC-354. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report of the nondisclosure of safeguards information by the Nuclear Regulatory Commission for the quarter ending December 31, 1982; to the Committee on Environment and Public Works.

EC-355. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the Toxic Substances Control Act report for fiscal year 1982; to the Committee on Environment and Public Works.

EC-356. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on abnormal occurrences at licensed nuclear facilities for the third calendar quarter of 1982; to the Committee on Environment and Public Works.

EC-357. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to accept gifts and bequests for the purposes of the Department of the Treasury; to the Committee on Finance.

EC-358. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, an agreement on trade in cotton, wool, and manmade fiber textile and textile products between the American Institute in Taiwan and the Coordination Council for North American Affairs; to the Committee on Foreign Relations.

EC-359. A communication from the Director of the Office of Legislative Affairs, Agency for International Development, transmitting, pursuant to law, notice of the delay in the submission of the annual report on the minority recruitment program; to the Committee on Foreign Relations.

EC-360. A communication from the Secretary of State, transmitting, drafts of proposed legislation to authorize supplemental assistance to aid Lebanon in rebuilding its economy and armed forces, and for other purposes; to authorize supplemental international security assistance for urgent purposes for the fiscal year 1983, and for other purposes; and to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize security and development assistance programs for the fiscal years 1984 and 1985, and for other purposes; to the Committee on Foreign Relations.

EC-361. A communication from the Secretary of State, transmitting, pursuant to law, the annual report of the Department of State's activities related to recruitment and equal employment efforts for fiscal year 1982; to the Committee on Foreign Relations.

EC-362. A communication from the Chairman of the Commission on Security and Cooperation in Europe, transmitting, pursuant to law, the annual report of the Commission for calendar year 1982; to the Committee on Foreign Relations.

EC-363. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to February 17, 1983; 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-22. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION No. 23

"Whereas, the United States Navy is striving to perform responsibilities essential to national defense over a three-ocean area while possessing ships and other resources adequate only for an area of about one and one-half oceans; and

"Whereas, it is well known that the battleship USS Missouri, a formidable ship of international renown with the potential for being modernized and outfitted with an array of modern and highly effective weapons systems, is available in the Navy's inactive fleet; and

"Whereas, this reactivation and modernization can be accomplished at a cost of about $325 million, far less than a new construction cost of nearly $2 billion, and would therefore be cost and time effective; and

"Whereas, the Soviet Navy is already three times as large as the United States Navy, is aggressively building larger and more powerful ships, and is expanding over the oceans of the world; and

"Whereas, in response to continuing needs in international theaters, the United States Navy has developed specific plans for the deployment and utilization of battleships as central ships in battle groups; and

"Whereas, this reactivation, modernization, deployment and utilization of the USS Missouri are important to the overriding national mission of providing for the common defense; and

"Whereas, this would also ensure employment and associated benefits for thousands of American citizens; and

"Whereas, the Congress of the United States has been requested to authorize and fund the reactivation of the battleship USS Missouri, and has not yet provided this augmentation of our naval defenses; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to provide the United States Navy with the extraordinary resources embodied in the battleship USS Missouri by authorizing and funding this project, and in petition for this purpose, we affix our signatures hereto; and, be it

Resoloved further, That the Clerk of the Senate send a copy of this resolution to the President of the United States, the presiding officer of each house of Congress, and to members of the Virginia Congressional Delegation."

POM-23. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 74

"Whereas, on January 18, 1983, the Honorable Andrew B. Fogarty, Secretary of Transportation for the Commonwealth of Virginia made a presentation to the Virginia Senate Finance Committee concerning the impact of the recently enacted Surface Transportation Assistance Act of 1982, and during the presentation, it became clear that Congress had included a number of mandates that will adversely affect certain laws of Virginia; and

"Whereas, the Act, which includes many provisions affecting the widths and lengths of tractor-trailers and the allowance of twin trailers, renders the Commonwealth powerless to determine if twin trailers are suitable for travel upon interstate and arterial highways of the Commonwealth; and

"Whereas, the operation of twin, and possible triple, trailers on Virginia highways, which has consistently been prohibited by the General Assembly, is a highly controversial issue which the General Assembly has the right and duty to resolve; and

"Whereas, this federal legislation serves to nullify laws that the General Assembly of Virginia has deemed to be in the best interest of the people traveling on the highways of the Commonwealth, and usurps state authority in an area previously controlled by both state and federal government; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That it is the sense of the General Assembly that the regulation of tractor-trailer length and width is the responsibility of state government; and, be it

"Resolved further, That the Surface Transportation Assistance Act of 1982 usurps the power of the Commonwealth and nullifies laws that the General Assembly of Virginia has deemed to be in the best interest of the people traveling on the highways of the Commonwealth; and, be it

"Resolved finally, That the Clerk of the Senate prepare a copy of this resolution for transmittal to the Congressional Delegation of Virginia, the Speaker of the House of Representatives, the President of the United States Senate, and the President of the United States in order that they may be apprised of the sense of the Senate of Virginia."

POM-24. A concurrent resolution adopted by the General Assembly of the State of Indiana; to the Committee on Commerce, Science, and Transportation:

A CONCURRENT RESOLUTION URGING CONGRESSIONAL APPROVAL FOR THE AMTRAK CINCINNATI-INDIANAPOLIS RAIL LINE

Whereas, Indiana has historically been a hub for rail transportation; and,

Whereas, Conrail and the United States Department of Transportation have threatened to close the Shelbyville to Thatcher rail line; and

Whereas, legislation now before Congress would authorize Amtrak to purchase and upgrade this line restoring passenger train service between Indianapolis and Cincinnati and completing the vital Chicago to Indianapolis to Cincinnati link; and

Whereas, freight trains would continue to run on this line, insuring service to shippers in southeastern Indiana and the 13,000 jobs they represent: Therefore,

"Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"SECTION 1. That the General Assembly of the State of Indiana supports continued rail service, both passenger and freight transportation, to southeastern Indiana.

"SEC. 2. That we call upon all members of the Indiana delegation to the Congress of the United States of America to work for the approval of the Amtrak purchase in the last session days of the 97th Congress.

"SEC. 3. That immediately on its approval the Principal Secretary of the Senate transmit copies of this resolution to the leadership of both parties in both houses of Congress, the two United States Senators and eleven Congressional Representatives from Indiana, to Secretary of Transportation, Drew Lewis, to Conrail Chairman, Stanley Crane, and to Amtrak President, Graham Claytor."

POM-25. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 349

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, serious questions have been raised about a possible cover-up in the Department of the Interior involving Assistant Secretary for Territorial and International Affairs Pedro Sanjuan and the Governor of Guam; and

"Whereas, Assistant Secretary Sanjuan, who last year pledged to work in the best interest of Guam, has interferred with the affairs of the government of Guam by removing the Government Comptroller during an investigation; and

"Whereas, the Government Comptroller, Ben T. Fukutome, was acting well within the duties of his assignment by investigating allegations that votes for the Primary Election has been "bought" with government funds by employing over 1,000 provisional employees—and Assistant Secretary Sanjuan's recall of Fukutome has clouded the credibility of Guam's electoral process; and

"Whereas, the Executive Branch is still hiring provisional employees; and

"Whereas, it is the sense of the Sixteenth Guam Legislature that it would be in the best interest of the people of Guam, as well as the taxpayers of America, if the Department of Justice were requested to probe this relationship and answer the questions that are being raised; and

"Whereas, it was only six months ago that the Guam Legislature adopted Resolution 244, a copy of which is attached, 'Expressing the Guam Legislature's support for Ben T. Fukutome for his objective examination of the fuel oil supply contract between Guam Power Authority and Coastal/Bermuda Limited'; and

"Whereas, the Sixteenth Guam Legislature adopted Resolution 244 as a result of Sanjuan's recall of Fukutome, and his arbitrary assignment of a retired federal comptroller from American Samoa to complete the audit commenced by Fukutome; and

"Whereas, the audit vindicated Fukutome and the Sixteenth Guam Legislature; now, therefore, be it

"*Resolved,* That Assistant Secretary Sanjuan's latest recall of Fukutome over the provisional hirees, and his withholding of the Supply Management Division audit impels the Sixteenth Guam Legislature to request the President of the United States to direct the Federal Bureau of Investigation to investigate a possible cover-up by Assistant Secretary Sanjuan and the Governor of Guam and the former's involvement in the internal affairs of the government of Guam during an election year; and be it further

"*Resolved,* That it is the sense of the Sixteenth Guam Legislature for the justice to prevail the federal comptroller must be free to objectively analyze the expenditures of Guam's public funds, in a timely manner so that honest public servants need not fear the results of audit; and be it further

"*Resolved,* That the members of the Sixteenth Guam Legislature request that the President of the United States direct the Secretary of the Interior to have the Government Comptroller for Guam immediately complete the audit concerning the provisional hirees; and be it further

"*Resolved,* That the Sixteenth Guam Legislature, on behalf of the people of Guam, does hereby express support for Fukutome's continuance as the Government Comptroller for Guam; and be it further

"*Resolved,* That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Vice President of the United States; to the President Protem of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the Interior; to the United States Attorney General; to the Comptroller General, General Accounting Office; to Guam's Delegate to the United States Congress; to the Chairman of the United States Senate Committee on Energy and Natural Resources; to the Chairman of the House Committee on Interior and Insular Affairs; and to the Governor of Guam."

POM-26. A resolution adopted by the City Council of the City of Long Beach, Calif., urging the Federal Energy Regulatory Commission to exercise its full regulatory authority; to the Committee on Energy and Natural Resources.

POM-27. A resolution adopted by the Board of Commissioners of Grand Traverse County, Mich., supporting Traverse Bay Regional Planning regarding Michigan House Resolution No. 6695; to the Committee on Environment and Public Works.

POM-28. A concurrent resolution adopted by the General Assembly of the State of Pennsylvania; to the Committee on Environment and Public Works:

RESOLUTION

"Whereas, the unemployment rate for the Commonwealth of Pennsylvania is 11.3% and some counties have rates which far exceed the average for the State; and

"Whereas, In certain areas of this Commonwealth, one out of every four workers is unemployed; and

"Whereas, The bridges, roads and mass transit systems of the Nation are in need of repairs and renovations; and

"Whereas, This Commonwealth is fourth in the number of bridges and total miles of highways which are adversely affected by the harsh winter weather prevalent in the area; and

"Whereas, Public Works Programs have had positive results in the past; and

"Whereas, Public Works spending plans could be justified solely on the need to repair our faulty transportation system; and

"Whereas, These projects need to be done regardless of the unemployment rate and doing these projects now gives us the perfect way to reduce high unemployment; therefore be it

"*Resolved, (the House of Representatives concurring),* That the General Assembly of the Commonwealth of Pennsylvania hereby memorializes Congress to appropriate funding as quickly as possible for an Accelerated Public Works Program, which will be established by the Commonwealth of Pennsylvania and all other states, to reduce unemployment, upgrade our bridges, roadways and missing links in Federal and State programs; and be it further

"*Resolved,* That copies of this resolution be delivered to the President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate and each Senator and Congressman from Pennsylvania."

POM-29. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Environment and Public Works:

"RESOLUTION

Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the matter of disposing of nuclear wastes by dumping them in the Pacific Ocean has become a matter of extreme concern to the people of Oceania; and

"Whereas, the people of Guam have repeatedly voiced through their elective representatives their stringent opposition to such dumping; and

"Whereas, the people of Guam are joined in this opposition by the people who inhabit the Commonwealth of the Northern Marianas, the Republic of Nauru, the Solomon Islands, the Republic of the Philippines, Vanuatu, Palau, Korea, Thailand, the Marshall Islands and other islands and nations in the Pacific Basin; and

"Whereas, the issue of nuclear waste dumping in the Pacific Ocean generated sustained discussion and controversy at the recently concluded General Assembly of the Asian-Pacific Parliamentarians' Union (APPU) in Guam; and

"Whereas, the only nation at the APPU General Assembly which supported the concept of ocean nuclear dumping and thus prevented the adoption of a resolution expressing the body's clearly dominant position (the APPU operating under a rule requiring unanimity for the adoption of any General Assembly Resolution) was Japan, a highly industrialized nation whose interests are not necessarily in sympathy with nor understanding of the positions of the people of Oceania; and

"Whereas, the subject of nuclear waste dumping in ocean waters will again be addressed at the London Dumping Convention in February; and

"Whereas, the people of Guam will not be represented at the London Dumping Convention except by the representatives of the United States at large; and

"Whereas, the representatives of the United States, not being directly affected nor fully advised as to the position of the people of Guam and the rest of the Pacific upon this critical subject, are unlikely to speak up against nuclear waste ocean dumping; and

"Whereas, the Seventeenth Guam Legislature finds it necessary that the delegates to the London Dumping Convention be informed of the widespread opposition of the people of the Pacific to this form of disposing of nuclear wastes; now, therefore, be it

"*Resolved*, That the Seventeenth Guam Legislature, on behalf of all of the people of the Pacific, save those of Japan, does state its unqualified opposition to any plan to dump nuclear wastes not only in the Pacific but in any ocean water; and be it further

"*Resolved*, That the Seventeenth Guam Legislature does request the representatives of the United States at the London Dumping Convention to register the opposition of the people of Guam and the Pacific to such dumping and, upon examination of the dangers of the dumping of nuclear wastes in ocean waters, to oppose any plan that would permit such dumping; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Secretary of State; to the Secretary of the Interior; to the Speaker of the House of Representatives; to the President of the Senate; to Guam's Delegate to Congress; to the Secretary General of the London Dumping Convention; to the Governor and presiding officer of each State Legislative body of California, Washington and Oregon; to the delegations of the Asian-Pacific Parliamentarians' Union; and to the Governor of Guam."

POM-30. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Finance:

"RESOLUTION No. 2

"*Be it resolved by the Legislature of the Territory of Guam:*

"Whereas, Public Laws 15-11, 15-110, 16-65 and 16-115 set the establishment of Guam as an international financial center as an economic objective for the territory of Guam; and

"Whereas, current tax statutes reasonably, rationally and consistently afford Guam rightful status as an international financial center; and

"Whereas, the U.S. Treasury Department is currently attempting to have The Netherlands/Antilles Treaty relative to tax applications repealed or modified; and

"Whereas, Guam as an integral part of the United States and with sources of international funds from international financial center activities would satisfy a major objective in the negotiations relative to the current treaties with The Netherlands/Antilles and of the British Virgin Islands in the past, that of increasing funds to the United States balance of payments; and

"Whereas, the U.S. Treasury Department, Internal Revenue Service issued Temporary Regulation T. D. 7865 (4a 861-1), December 28, 1982 and issued Internal Revenue Rulings 83-9 and 83-10, December 29, 1982; and

"Whereas, while Guam is denied voting representation in Congress, it nevertheless is granted the right under Section 31 of the Organic Act of Guam to administer and enforce the Guam Territorial Income Tax; and

"Whereas, the United States Department of the Treasury (Internal Revenue Service) by issuing Revenue Ruling 83-9 pertaining to the administration and enforcement of the Guam Territorial Income Tax is in violation of Section 31 of the Organic Act; and

"Whereas, such ruling would place Guam at a marked disadvantage in attracting foreign investment, compared to jurisdictions such as The Netherlands/Antilles; and

"Whereas, such ruling would prohibit Guam from engaging in certain activities which the United States Treasury has permitted in The Netherlands/Antilles for two decades and continues to permit in The Netherlands/Antilles; and

"Whereas, such ruling is based upon Temporary Regulation (4a 861-1) and proposed amendments to regulations 1.861-2 and 1.861-3; and

Whereas, such regulations reverse regulations which have been in effect for many years (1.935-1 (a) (ii) (A) fifth sentence), whose underlying principle was affirmed only a few months ago in Revenue Ruling 82-114; and

"Whereas, the proposed action by the United States Treasury would greatly handicap the development of Guam as a financial center and impair the ability of this government to become economically and financially self-sufficient; now, therefore, be it

"*Resolved*, That the Seventeenth Guam Legislature hereby expresses its opposition to the U.S. Treasury Department's rulings and regulations relative to Guam as a financial center; and be it further

"*Resolved*, That the Acts of the United States Treasury herein recited by imposing additional taxes and extending the jurisdiction of the United States Treasury beyond its established limits have a manifest tendency to subvert the rights and liberties of the people of Guam; and be it further

"*Resolved*, That the rule which the United States Treasury is attempting to force upon Guam will be extremely burdensome and grievous; and be it further

"*Resolved*, That the increase, prosperity and happiness of this territory depends on the full and free enjoyment by its residents of their rights and liberties, and a relationship with the United States which is mutually affectionate and advantageous and be it further

"*Resolved*, That this legislature petitions the United States Treasury to revoke Revenue Ruling 83-9 and Temporary Regulation (4a 861-1) and withdraw the proposed amendments to Regulations 1.861-2 and 1.861-3; and be it further

"*Resolved*, That this legislature petitions the Congress of the United States and the President of the United States to require that such remedial action be taken; and be it further

"*Resolved*, That the Governor of Guam and Guam's Delegate to the United States House of Representatives present this Resolution to the person petitioned; and be it further

"*Resolved*, That thirty days from the date hereof, the Governor of Guam report to this legislature upon the results of the petition contained herein, and in the event that the petition is not granted, recommend alternate means of achieving the same and including resort to the Courts of Guam and the United States, appeal to the United Nations, or action consistent with the traditions of the American People when subject to injuries and usurpations by an unyielding sovereign; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of the Treasury of the United States; to the Vice-President of the United States in his capacity as presiding officer of the United States Senate; to the President of the United States; to Guam's Delegate to the United States House of Representatives; and to the Governor of Guam."

POM-31. A resolution adopted by United Paperworkers International Union Executive Board supporting the recommendations of the National Commission on Social Security in order to restore financial integrity to our Nation's social security system; to the Committee on Finance.

POM-32. A resolution adopted by the city of Altamonte Springs, Fla., supporting the reenactment of the general revenue sharing fund; to the Committee on Finance.

POM-33. A resolution adopted by the city commission of the city of Hallandale, Fla., requesting Congress to approve a joint resolution for a freeze and reduction in nuclear weapons; to the Committee on Foreign Relations.

POM-34. A resolution adopted by the House of Representatives of the State of Minnesota; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, a decade ago, on January 27, 1973, the Paris Peace Accords were signed to end American involvement in the war in Southeast Asia; and

"Whereas, one of the conditions of that agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

"Whereas, the government of Vietnam has only provided information on a few of the missing and this only through the pressure of determined families and dedicated congressmen; and

"Whereas, 2,490 Americans, including 48 Minnesotans, remain unaccounted for with investigation of their status arrested by failure of the Socialist Republic of Vietnam and its allied governments to cooperate and assist; and

"Whereas, there have been repeated verified sighting reports that some of the missing men are still alive in Southeast Asia; and

"Whereas, the sorrow, anxiety, and frustration of the families of these men cannot be dispelled by delay or neglect; and

"Whereas, it is America's duty to ensure, through an authentic, comprehensive investigation, the return of Americans still in Southeast Asia and to account for Americans who have perished there; and

"Whereas, it is absolutely essential that the governments of the United States and the Socialist Republic of Vietnam act now to account for the missing; Now, therefore, be it

"*Resolved by the House of Representatives of the State of Minnesota*, that it joins with the families of the missing men in maintaining a constant vigil of anticipation and hope for a true accounting of their loved ones and the immediate return of the

remains of those who died as a result of the war or imprisonment. Be it further

"Resolved, That the government of the United States should do all it can to answer the questions surrounding the status of the missing men, to secure the return of any living prisoners or missing persons, and to secure the return of the remains of the dead. Be it further

"Resolved, That the Chief Clerk of the House of Representatives is directed to send enrolled copies of this resolution, authenticated by his signature and that of the Speaker, to the President of the United States, the Speaker and Chief Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate, to the Minnesota Representatives and Senators in Congress and to the Permanent Representatives of the Socialist Republic of Vietnam to the United Nations."

POM-235. A resolution adopted by the Senate of the State of Minnesota; to the Committee on Foreign Relations:

"SENATE RESOLUTION

"Whereas, a decade ago, on January 27, 1973, the Paris Peace Accords were signed to end American involvement in the war in Southeast Asia; and

"Whereas, one of the conditions of that agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

"Whereas, the government of Vietnam has only provided information on a few of the missing and this only through the pressure of determined families and dedicated congressmen; and

"Whereas, 2,490 Americans, including 48 Minnesotans, remain unaccounted for with investigation of their status arrested by failure of the Socialist Republic of Vietnam and its allied governments to cooperate and assist; and

"Whereas, there have been repeated verified sighting reports that some of the missing men are still alive in Southeast Asia; and

"Whereas, the sorrow, anxiety, and frustration of the families of these men cannot be dispelled by delay or neglect; and

"Whereas, it is America's duty to ensure, through an authentic, comprehensive investigation, the return of Americans still in Southeast Asia and to account for Americans who have perished there; and

"Whereas, it is absolutely essential that the governments of the United States and the Socialist Republic of Vietnam act now to account for the missing; Now, Therefore, be it

"Resolved by the Senate of the State of Minnesota, That it joins with the families of the missing men in maintaining a constant vigil of anticipation and hope for a true accounting of their loved ones and the immediate return of the remains of those who died as a result of the war or imprisonment. Be it further

"Resolved, That the government of the United States should do all it can to answer the questions surrounding the status of the missing men, to secure the return of any living prisoners or missing persons, and to secure the return of the remains of the dead. Be it further

"Resolved, That the Socialist Republic of Vietnam should immediately yield all information it has on the status of the missing especially since there is no reason for them to refuse to give this information other than a calculated effort to protract the agony of the families of the missing. Be it further

"Resolved, That the Secretary of the Senate is directed to send enrolled copies of this resolution, authenticated by his signature and that of the President, to the President of the United States, the Speaker and Chief Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate, to the Minnesota Representatives and Senators in Congress and to the Permanent Representatives of the Socialist Republic of Vietnam to the United Nations."

POM-36. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION NO. 65

"Whereas, the war in Southeast Asia ended over a decade ago but is still a tragic memory to those who did return as well as the families who lost their loved ones; and

"Whereas, the Commonwealth of Virginia recognizes the unique sacrifices made by the veterans of the war in Southeast Asia who answered their country's call in order to provide the American people with a strong national defense; and

"Whereas, there are still approximately 2,500 Americans unaccounted for in Southeast Asia; and

"Whereas, the Defense Intelligence Agency of the Department of Defense has collected and analyzed information which clearly establishes that the governments of Indochina possess information regarding American POWs and MIAs; and

"Whereas, the Defense Intelligence Agency is currently investigating more than 460 firsthand live sighting reports of Americans in Southeast Asia; and

"Whereas, the Defense Intelligence Agency obtained and substantiated information that the Socialist Republic of Vietnam has in its possession the remains of at least 400 U.S. personnel who were killed as the result of hostilities in Southeast Asia; and

"Whereas, the Socialist Republic of Vietnam has failed to accommodate American humanitarian and compassionate concerns regarding the release of American prisoners of war and the return of the remains of U.S. servicemen and civilians; and

"Whereas, the families of those U.S. servicemen and civilians missing in Southeast Asia have suffered untold grief and uncertainty because the governments of Indochina have failed to provide an adequate accounting of those missing; and

"Whereas, the Commonwealth of Virginia has an enduring interest in the welfare of Americans listed as missing or otherwise unaccounted for in Southeast Asia; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the General Assembly of Virginia memorializes the President and the United States Congress to call upon the Socialist Republic of Vietnam to end the years of uncertainty for American POW/MIA families by releasing all U.S. prisoners still held, providing all information concerning the fate of U.S. servicemen and civilians still missing, and repatriating all American remains which are now in their possession or may subsequently be found; and, be it

"Resolved finally, That the Clerk of the Senate is directed to prepare copies of this resolution for transmittal to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly."

POM-37. A petition from the Statewide Committees Opposing Regional Plan Areas (SCORPA) relative to redress of grievances under section 5 of rule VII, U.S. Senate; to the Committee on Governmental Affairs.

POM-38. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION NO. 16

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the unincorporated territory of Guam is a territory of the United States and its people are subject to certain benefits, privileges, powers, rights and duties derived from the Constitution of the United States; and

"Whereas, a resolution proposing an amendment to the United States Constitution which would guarantee the equal rights of all persons regardless of sex has been introduced in the United States Congress for its consideration; and

"Whereas, the people of Guam are firmly committed to the principle embodied in the proposed amendment, namely that equality of rights under the law shall not be denied or abridged by the United States government or any state on account of sex; now, therefore, be it

"Resolved, That the Guam Legislature does request the United States Congress to expeditiously approve the proposed amendment to the United States Constitution; and be it further

"Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Vice President of the United States; to the President Pro-tempore of the Senate; to the Speaker of the House of Representatives; to the Chairperson of the Senate Judiciary Committee; to the Chairperson of the House Judiciary Committee; to Guam's Representative in the United States Congress; and to the Governor of Guam."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Select Committee on Intelligence:

Annual Report of the Select Committee on Intelligence for the period January 1, 1981 through December 31, 1982 (Rept. No. 98-10).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment, and an amendment to the title:

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, 1984, and 1985, shall be designated as "Women's History Week".

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. 612. An original bill to amend the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701) to permit temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior. (Rept. No. 98-11).

S. 613. An original bill to direct the Secretary of Agriculture to convey certain property to the city of Show Low, Arizona (Rept. No. 98-12).

By Mr. HEINZ, from the Special Committee on Aging:

Special report entitled "Developments in Aging, Volumes 1 and 2" (Rept. No. 98-13).

Mr. HEINZ. Mr. President, as chairman of the Special Committee on Aging, under authority of Senate Resolution 333, 97th Congress, I submit the report of the committee entitled "Developments in Aging: 1982," volumes 1 and 2.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Lewis Arthur Tambs, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States to Colombia.

(The above nomination was reported from the Committee on Foreign Relations with the recommendation that it be confirmed; subject to the nominee's commitment to respond to the requests to appear and testify before any duly constituted committee of the Senate.)

LEWIS A. TAMBS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Lewis A. Tambs.

Post: U.S. Ambassador to Colombia; Nominated January 25, 1983.

Contributions, Amount, Date, Donee:

1. Self—Volunteer worker, $100.00, 1978-82, Republican Party of Arizona; 1980, Ronald Reagan, Barry Goldwater, John Rhodes; Volunteer Foreign Policy Consultant, 1982 to Dean Sellers and Pete Dunn.
2. Spouse—$100.00 in 1980 to Woody Jenkins of Louisiana.
3. Children and spouses, None.
4. Parents—Marguerite J. Jones, Mother, $50.00, 1978-82 Robt. Lagomarsino (R., Ca); Father (deceased).
5. Grandparents (deceased).
6. Brothers and spouses (only child).
7. Sister and spouses (only child).

Mr. PERCY. Mr. President, for the Committee on Foreign Relations, I also report favorably a nomination list in the Foreign Service which appeared in the CONGRESSIONAL RECORD of February 14, 1983, and, to save the expense of reprinting them on the Executive Calendar, ask that these nominations lie on the Secretary's desk for the information of Senators.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Robert A. Gielow, or Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1982.

(The above nomination was reported from the Committee on Labor and Human Resources 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. PROXMIRE:

S. 606. A bill to prohibit the owners and operators of federally assisted rental housing for the elderly or handicapped from restricting the ownership of pets by the tenants of such housing; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GOLDWATER (for himself and Mr. HOLLINGS):

S. 607. A bill to amend the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

By Mr. PERCY (by request):

S. 608. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

S. 609. A bill to provide for increased participation by the United States in the African Development Fund; to the Committee on Foreign Relations.

By Mr. SPECTER:

S. 610. A bill entitled the "Collegiate Student-Athlete Protection Act of 1983"; to the Committee on the Judiciary.

By Mr. COHEN:

S. 611. A bill for the relief of the Bank of Maine; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 612. An original bill to amend the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701) to permit temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior; from the Committee on Energy and Natural Resources; placed on the calendar.

S. 613. An original bill to direct the Secretary of Agriculture to convey certain property to the city of Show Low, Ariz.; from the Committee on Energy and Natural Resources; placed on the calendar.

By Mr. GORTON (for himself, Mr. DANFORTH, Mr. DOMENICI, Mr. GOLDWATER, Mr. HEFLIN, Mr. HEINZ, and Mr. TSONGAS):

S. 614. A bill to establish within the Office of Science and Technology Policy a Presidential program for the Advancement of Science and Technology and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. McCLURE:

S. 615. A bill to correct deficiencies in the Natural Gas Policy Act of 1978, to protect natural gas consumers from price increases because of current distortions in the regulated market for natural gas, to provide for a free market for natural gas, to permit natural gas contracts to reflect the change from a regulated to a free market, to eliminate incremental pricing requirements for natural gas, to eliminate certain fuel use restrictions, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER (for himself, Mr. BAUCUS, Mr. DOMENICI, Mr. BUMPERS, Mr. COHEN, Mr. GOLDWATER, Mr. PELL, Mr. PERCY, Mr. STENNIS, and Mr. TSONGAS):

S. 616. A bill to promote the use of solar and other renewable forms of energy developed by the private sector; to the Committee on Finance.

By Mr. STENNIS (for himself, Mr. GOLDWATER, Mr. DOMENICI, and Mr. BUMPERS):

S. 617. A bill to promote the use of energy-conserving equipment and biofuels by the Department of Defense, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PERCY (for himself, Mr. PELL, Mr. DOMENICI, and Mr. BUMPERS):

S. 618. A bill to revise certain Federal training and economic development programs to create jobs and develop skills in renewable energy and energy conservation industries, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TSONGAS (for himself, Mr. COHEN, Mr. DOMENICI, and Mr. BUMPERS):

S. 619. A bill to reauthorize, extend, and enhance existing Federal programs to encourage conservation and the use of renewable energy by this Nation's consumers.

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 620. A bill to amend Public Law 89-668 relating to the Pictured Rocks National Lakeshore to require the development of a local land use plan and zoning regulations for the inland buffer zone; to the Committee on Energy and Natural Resources.

By Mr. BYRD:

S. 621. A bill to place signs memorializing the New River Gorge Bridge as the world's largest steel-arch span bridge; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PELL (for himself, Mr. GLENN, and Mr. KENNEDY):

S. Res. 74. Resolution expressing the sense of the Senate concerning the future of the people on Taiwan; to the Committee on Foreign Relations.

By Mr. PERCY (for himself, Mr. DIXON, Mr. JOHNSTON, Mr. BOSCHWITZ, MRS. KASSEBAUM, MR. DANFORTH, Mr. BURDICK, Mr. JEPSEN, and Mr. LEVIN):

S. Res. 75. Resolution to ask for international negotiations on natural gas; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 606. A bill to prohibit the owners and operators of federally assisted rental housing for the elderly or handicapped from restricting the ownership of pets by the tenants of such

housing; to the Committee on Banking, Housing, and Urban Affairs.

PET OWNERSHIP IN FEDERALLY SUBSIDIZED HOUSING

Mr. PROXMIRE. Mr. President, today I would like to introduce a bill that would prohibit Federal assistance to all local housing projects which bar pet ownership by elderly and handicapped tenants.

Neither HUD nor the Federal Housing Administration have any regulations dealing with pets in apartment buildings insured by the FHA or subsidized by HUD. Whether or not tenants in such housing are allowed to keep pets is a decision of the building owner or manager, not the Federal Government. This leaves a wide degree of discretion for local housing projects and usually results in a blanket no-pet policy for these rental units. Such a policy is, in a sense, one of the last strongholds of discrimination a renter must face.

Rather than sanctioning the use of Federal funds to discriminate against pet owners, Government should try to find ways to support and facilitate the rich relationships that can develop between pets and their owners.

The growing number of elderly member of society who are in need of inexpensive public housing have been hardest hit by no-pet clauses. They are often forced to surrender their longtime companions when they move into public housing. This surrender is more than an inconvenience; frequently it has a traumatic effect on the senior citizens' physical and mental health.

An animal depends on its owner for care, feeding, and love, and returns these favors by offering companionship and a feeling of importance to that person. Psychological experimentation has shown that pets often comfort their owners by drawing their attention away from lonely and painful thoughts of an uncaring world outside. Pets also offer protection and unconditional love to their owners. Unlike spouses or family members, pets do not talk back, criticize, or issue commands. They are generally nonthreatening, nonjudgmental, and attentive.

Dr. Bill McCulloch, professor of veterinary medicine at Texas A&M University, and his brother Dr. Michael McCulloch, a Portland, Oreg., psychiatrist, have studied pet-people relationships extensively. In a Detroit Free Press article, Michael said that people project personalities onto their pets and will construe even their boa constrictor's, hamster's, or turtle's behavior as loving or caring. According to his studies, owning a pet seems to significantly contribute to self-esteem and gives the owner a sense of affiliation and bonding which can be very therapeutic.

Besides the direct companionship that a pet can give to its owner to combat loneliness, a pet can increase its owner's chances of meeting other people. A study in London's Hyde Park showed that when accompanied by their dogs, pet owners spoke to more people and had longer conversations than when they walked alone.

Pets can be especially good for the handicapped because animals do not reject someone who is an amputee, nor do they look away when someone is in a wheelchair, or shun those with speech impediments. Pets accept anyone and will seek anyone's love and attention.

One program run by Dr. Daniel Lagos at Pennsylvania State University gave pets to 65 rural elderly people, nearly one-half of whom lived alone. Dr. Lagos reported that for some people the pets sparked dramatic transformations, enabling severely disabled people to rise above their handicaps and helping depressed reclusive people to become more socially active.

Scientific evidence also shows that the presence of pets can help heal human infirmities and, in some cases, may even increase life expectancy. One study showed that 94 percent of heart patients who owned pets survived the difficult years following a heart attack as opposed to 62 percent who survived and did not own pets.

The evidence from these studies reads clearly: Pets seem to have a profound influence on the ability to survive.

Findings like this have prompted a host of programs in which pets are used to revitalize the elderly and motivate the handicapped. One such program, sponsored by the American Humane Education Society, places shelter animals in area nursing homes. Judith Star, director of AHES, says of the program's benefits to the elderly, "They are enormous. There are physical and mental benefits—having to get up to feed an animal, the person finds a sense of reality and added motivation to live."

By contrast, the loss of a pet can have a severe negative influence upon both the health and the emotional states of the owner. One such example comes to my mind, of Bambi, a Chihuahua who was the constant companion of a school-crossing guard named Roy. Bambi used to nestle every day in the pocket of Roy's parka as he conducted his duties. Upon retirement, Roy's small pension compelled him to move into an apartment complex for senior citizens. Two months later, Roy's distressed sister called Bambi's veterinarian and explained to him that the apartment manager had ordered Roy to dispose of Bambi or move out of the apartment. This order, she concluded, was responsible for Roy's severe depression. He refused to eat and sat crying all day long with Bambi. Fortunately, this story has a happy ending. With the help of the veterinarian, Roy's sister was able to convince the manager to let Bambi stay. But how many elderly and handicapped pet owners who are not as fortunate as Roy must make the choice between keeping their beloved pet and having a roof over their head?

An important battle for the rights of elderly pet owners has recently been won in California. Thanks to a law that went into effect on January 1, 1982, no city, State, or Federal agency can prohibit the elderly from owning pets in public housing. Similar legislation is now pending in Connecticut, New Jersey, New York, and Maryland.

A resolution allowing the elderly and disabled to keep pets in federally funded housing passed the 1981 White House Conference on the Aging, proving again that more and more people are beginning to understand the critical importance that a pet can have on one's health, safety, and happiness.

Landlords and managers of public housing are not necessarily the villains in this story. Fearful of the actions of irresponsible pet owners, they have resorted to blanket no-pet policies. However, nothing in the bill I am introducing can prevent a building manager of federally assisted rental housing from ordering the removal of a pet that constitutes a health or safety threat to the occupants of the building. Owning a pet is not a right without a responsibility.

This legislation should be dealt with as seriously as any law or regulation aimed at improving the health, safety, and well-being of the elderly or handicapped. These people matter, their needs must be considered, and they deserve to be protected under the law. I hope that my colleagues will join me in an effort to prevent the elderly and handicapped in our society from being victimized by blanket bans on pets.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no owner or operator of any federally assisted rental housing for the elderly or handicapped may—

(1) as a condition of tenancy or otherwise, prohibit or prevent any tenant in such housing from owning pets or having pets living in the dwelling accommodations of such tenant in such housing; or

(2) restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by reason of the ownership of pets by, or the presence of pets in the dwelling accommodations of, such person.

SEC. 2. Not later than the expiration of the twelve-month period following the date

of the enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue such regulations as may be necessary to ensure compliance with the provisions of the first section of this Act with respect to any program of assistance referred to in section 4 that is administered by such Secretary.

SEC. 3. Nothing in this Act may be construed to prohibit any owner or operator of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

SEC. 4. For purposes of this Act, the term "federally assisted rental housing for the elderly or handicapped" means any rental housing project that—

(1) is assisted under section 202 of the Housing Act of 1959; or

(2) is assisted under the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, and has as a majority of its tenants elderly or handicapped families, as such term is defined in section 202(d)(4) of the Housing Act of 1959.

By Mr. GOLDWATER (for himself, Mr. PRESSLER, and Mr. STEVENS):

S. 607. A bill to amend the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL COMMUNICATIONS COMMISSION

Mr. GOLDWATER. Mr. President, the bill I introduced today authorizes appropriations for the Federal Communications Commission (FCC) for 2 years, fiscal year 1984 and 1985, at $86.4 million for each year.

Prior to the last Congress, the FCC was permanently authorized pursuant to the Communications Act of 1934. This act established the FCC to plan and carry out reallocation of broadcast stations to prohibit interference. The Agency's permanent status was based upon the need to expertly regulate rapidly expanding broadcast services—the only regulatory need at that time. Today, however, the FCC has far-reaching jurisdiction over international and interstate communications by radio, television, wire, and cable.

During the last Congress, the Senate Communications Subcommittee originated major amendments to the Communications Act, several of which were enacted into law. Other significant amendments passed the Senate but were not acted on by the House. One of the major amendments to the act was based on a widespread belief that Congress ought to exercise closer scrutiny of administrative agencies in recognition of its appropriate role in making national telecommunications policy. Thus, in 1981, we enacted an FCC authorization for 2 years. This bill continues the process begun in the 97th Congress. Periodic authorization gives the Congress an opportunity to supplement the ongoing oversight of the FCC's implementation of congressional policy with a regularly scheduled expiration of the authorization. In effect, through this process, the FCC must justify its continued activities and the appropriate level of those activities.

By Mr. PERCY (by request):

S. 608. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

AUTHORIZATION OF APPROPRIATIONS UNDER THE ARMS CONTROL AND DISARMAMENT ACT

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Arms Control and Disarmament Act, as amended.

This legislation has been requested by the U.S. Arms Control and Disarmament Agency and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Director of the Arms Control and Disarmament Agency to the President of the Senate dated February 16, 1983.

S. 608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 49(a) (22 U.S.C. 2589(a)) of the Arms Control and Disarmament Act, as amended, is further amended to read as follows:

"SEC. 49(a) To carry out the purposes of this Act, there are authorized to be appropriated—

(1) for the fiscal year 1984, $21,385,000 and for the fiscal year 1985, $21,675,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates).

Amounts appropriated under this subsection are authorized to remain available until expended."

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, February 16, 1983.

Hon. GEORGE BUSH,
President of the U.S. Senate.

DEAR MR. PRESIDENT: Enclosed is a draft bill to amend the Arms Control and Disarmament Act to extend the authorization for appropriations for the U.S. Arms Control and Disarmament Agency (ACDA).

The Agency's current two-year authorization expires on September 30, 1983. The proposed legislation would authorize appropriations of $21,385,000 for fiscal year 1984 and $21,675,000 for fiscal year 1985.

The funds to be authorized by this legislation will be devoted primarily to the conduct of and support for negotiations on the Intermediate-Range Nuclear Forces in Europe (INF), and the Strategic Arms Reduction Talks (START), both in Geneva; the Mutual and Balanced Force Reduction Talks (MBFR) in Vienna; the 40-nation Committee on Disarmament in Geneva, where we are working to develop effective limitations on nuclear testing and chemical weapons, and at the United Nations in New York.

In addition, these funds will help support implementation of the Nonproliferation Treaty and our policy to prevent the spread of nuclear explosives to additional countries, as well as enable us to fulfill other statutory arms control responsibilities. The early enactment of this legislation will facilitate congressional consideration of the Agency's 1984 budget.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JAMES L. GEORGE,
Acting Director.●

By Mr. PERCY (by request):

S. 609. A bill to provide for increased participation by the United States in the African Development Fund; to the Committee on Foreign Relations.

AFRICAN DEVELOPMENT FUND

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to provide for increased participation by the United States in the African Development Fund.

This legislation has been requested by the Department of the Treasury and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Secretary of the Treasury to the President of the Senate dated February 18, 1983.

S. 609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the African Development Fund Act, as amended (22 U.S.C. 290g, et seq.), is further amended by adding at the end the following new section:

"SEC. 213. (a) The United States Governor of the Fund is hereby authorized to contribute on behalf of the United States $150,000,000 to the Fund as the United States contribution to the third replenishment of the resources of the Fund, except

that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $150,000,000 for payment by the Secretary of the Treasury."

THE SECRETARY OF THE TREASURY,
Washington, February 18, 1983.

Hon. GEORGE BUSH,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill, "To provide for increased participation by the United States in the African Development Fund."

Submission of a bill is required by Section 205 of the African Development Fund Act, 22 U.S.C. 290g, et seq., which provides that Congressional authorization must be obtained for the United States to agree to increase its contribution of the Fund.

The bill being submitted authorizes the U.S. Governor of the African Development Fund (AFDF) to contribute on behalf of the United States $150,000,000 as the U.S. contribution to the third replenishment of the resources of the AFDF. It requires that any commitment to make a contribution to the Fund be made subject to obtaining the necessary appropriations. It also authorizes the appropriation of $150,000,000 for payment of the contribution to the AFDF.

U.S. participation in the third replenishment of the African Development Fund is an important way of demonstrating this country's continuing commitment to Africa's economic growth and development. The United States has increasing economic, political and security interests in Africa which underscore the need to strengthen our ties with the nations of that continent. We also have a strong humanitarian interest in helping to reduce poverty among the poorest people in the world's least developed continent.

The U.S. contribution to the AFDF is fundamental to the Fund's program to help meet developmental needs of the poorest African countries, those with low per capita incomes and limited external debt repayment capacity which warrant concessional lending terms. Except under the most unusual circumstances, AFDF loans are not granted to countries with a 1976 per capita GNP which is above $550. Absolute priority is given to countries which have a 1976 per capital GNP of $280 or less. Since its establishment, the Fund has channeled lending to high priority projects for agriculture, transportation, water supply and sewerage.

As a result of provisions contained in the replenishment agreement, the Fund has a backlog of approved loans that it cannot sign until the United States makes its contribution. In addition, the Fund can only make contingent commitments until the United States agrees to participate in the replenishment and makes its first payment.

The replenishment, which is to finance AFDF lending for the 1982-84 period, totals about $1075 million. The proposed U.S. share is $150 million, or 14 percent of the total. Appropriations for the first $50 million installment of the U.S. contribution would be provided under the FY 1983 Continuing Resolution and the two remaining installments would be sought in fiscal years 1984 and 1985.

It would be appreciated if you would lay this bill before the Senate. An identical bill has been submitted separately to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to Congress and that enactment of this bill would be in accord with the President's program.

With best wishes.

Sincerely,

DONALD T. REGAN.●

By Mr. SPECTER:

S. 610. A bill entitled the "Collegiate Student-Athlete Protection Act of 1983"; to the Committee on the Judiciary.

COLLEGIATE STUDENT-ATHLETE PROTECTION ACT OF 1983

Mr. SPECTER. Mr. President, last week, longstanding rules governing recruiting by professional football teams of college players, who had not completed their education or eligibility, were shattered in the Herschel Walker case. The reason—or perhaps the excuse—given by the commissioner of the U.S. Football League, Chet Simmons, was that the league rules, which limited recruiting, violated antitrust laws. In the volatile competition between the National Football League and the U.S. Football League, the Walker case could lead to a stampede on recruiting of college players if the longstanding rules are not reinstated and preserved. For this reason, I am today introducing the Collegiate Student-Athlete Protection Act of 1983.

At the outset, I emphasize that this bill does not inject Congress into a determination of what rules and regulations should govern this issue. This bill only grants a limited exemption which makes it clear that the antitrust laws do not prohibit the professional football teams or any professional teams from establishing a rule prohibiting recruitment of college athletes who have not finished their education or eligibility.

Professional and college athletes obviously have a significant impact on interstate commerce. The games stimulate many jobs at the stadium and in the surrounding areas when large crowds travel to cities or campuses for the games.

Based on my experience in the antitrust filed in private practice and the insights gained from similar issues on the professional football stabilization bill, (S. 2821—97th Congress), it is my judgment that the problems posed by the Herschel Walker case can be effectively dealt with by the approach in this proposed legislation.

In dealing with the U.S. Football League, Walker's attorney repeatedly had submitted a legal brief which concluded that the antitrust laws prohibited the league rules banning recruitment of his client. The U.S. Football League then reportedly secured opinions from two other law firms on the same subject which led the league to annouce that it approved the contract between Herschel Walker and the New Jersey Generals, because the league rules violated the antitrust laws.

There has been immediate speculation that other college football stars will be targeted for such recruitment. Given the tremendous public interest in football and the gigantic money-making opportunities for the franchises and collegiate athletes, it would indeed be amazing if owners, general managers, attorneys, and collegiate athletes were not, at this very moment, running in the open field created by the Herschel Walker precedent.

Certainly, there is a substantial public interest in a policy to encourage student-athletes to finish college. There are many examples of collegiate athletes, lured by the big bucks of professional athletics to leave school, who later sustain injuries and spend the rest of their lives regretting their decision to enter professional athletics early.

At the same time, there is a serious question on the right of young adults to decide their employment opportunities for themselves and leave school to take advantage of phenomenal offers. Given the limited timespan of a professional football career and the possibility of a collegiate injury precluding a later professional career, there is some validity to the contention that college players should be free to seek lucrative contracts before finishing their education and eligibility. Commentators have also suggested that the professional leagues use college football as a minor league system which has enabled the National Football League and the colleges to reap big profits at the expense of the collegian.

These and other issues should be fully explored at hearings. At a minimum, in my judgment, Congress should give careful consideration to this bill to preserve the current arrangements regarding recruitment of college football players which has worked reasonably well over the many years. The absence of any successful legal challenge to the existing rule is significant evidence of its value.

These issues have a somewhat different focus in this setting than when Congress itself must resolve such competing issues of public policy. Here, the scope of the congressional judgment is more restricted since we need decide only whether the antitrust laws should ban the freedom of the teams to limit their own activities to leave collegians in school and avoid interference with college football which is a major national pastime.

While other issues may be addressed in hearings, it is my view that Congress should not act more broadly than the narrow issue posed by the current problem. In my judgment, the

Congress should not now deal with any antitrust issues raised by the NCAA or Olympic rules barring athletes from amateur competition after negotiation with professional teams. It was for this reason that I personally opposed legislation to create a general antitrust exemption for professional football on the issue raised by the move of the Raiders from Oakland last year.

This limited antitrust exemption addresses the problem posed by the Herschel Walker case for college football athletes and professional football with an appropriately narrow response.

Mr. President, 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. 610

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 Collegiate Student-Athlete Protection Act of 1983.

SEC. 2. The Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291-1295), is amended by inserting after section 5 the following:

"SEC. 6. The antitrust laws as defined in section 1 of the Clayton Act, and in the Federal Trade Commission Act shall not apply to a joint agreement by or among persons engaging in or conducting the professional sports of football, baseball, basketball, soccer or hockey designed to encourage college student-athletes to complete their undergraduate education before becoming professional athletes.

By Mr. COHEN:

S. 611. A bill for the relief of the Bank of Maine; to the Committee on the Judiciary.

RELIEF OF THE BANK OF MAINE

Mr. COHEN. Mr. President, I am introducing legislation to reimburse a Maine bank for the wrongful loss of interest resulting from an erroneous transfer of funds to the U.S. Treasury.

The increasing use of computers in every field has made Americans more aware of the unfortunate errors that result when fallible human beings enter incorrect data into the computer. These mistakes can—and do—occur in the banking industry, given its growing reliance on high-speed and high-volume electronic transfers of funds.

Generally, when errors in transmitting funds occur, banks simply reimburse one another for any lost interest income, whether the mistake is caused by the sending or the receiving financial institution. This comity, however, apparently does not apply when a bank has the misfortune to misdirect funds to a U.S. Treasury account.

On December 24, 1980, the bank of Maine, N.A. attempted to transfer more than $2 million to the Bank of Nova Scotia via Bankers Trust in New York. The bank's staff incorrectly wired the funds, entering the wrong code which sent the money to a U.S. Treasury account at the Federal Reserve Bank of New York, instead of to its proper destination.

In most cases, the receiving financial institution catches a wiring error on the day of the transfer and notifies the sending bank. The funds are then forwarded to the correct location with no loss of interest. The Treasury Department, however, did not discover the error and notify the Bank of Maine until January 1, 1981, 9 days after the erroneous transfer had occurred.

The correct recipient of the funds, the Bank of Nova Scotia, asked the Bank of Maine to reimburse it for the interest lost during the 9 days that the funds were held by the Treasury. After considerable negotiation, the Bank of Nova Scotia agreed to settle for payment of $9,605.45, the amount of interest computed at the 19.13 percent Federal funds rate for the applicable period and less than the 22-percent interest rate on the loan against which the funds were to be applied.

Since the Bank of Maine had to compensate its customer for the loss of interest, bank officials requested that the Treasury pay the imputed interest for the time it held the funds. Stating that it was unable to pay interest on a claim unless pursuant to a specific statutory authority or a court order, the Treasury refused to reimburse the bank. This legislation will provide that statutory authority.

Mr. President, it is clear that the Treasury has been unjustly enriched at the expense of the Bank Maine. And, although $9,605.45 is a small amount compared to multi-billion-dollar Treasury accounts, it is not insignificant to a small Maine bank. I think that simple equity requires that the Bank of Maine be compensated for the loss of its interest.

I ask unanimous consent that this legislation be printed in the RECORD following my statement.

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

S. 611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $9,605.45 to the Bank of Maine, Augusta, Maine, in full satisfaction of the claim of the Bank of Maine for interest on funds which were erroneously transferred from the Bank of Maine to the United States Treasury on December 24, 1980, and retained by the United States Treasury until January 2, 1981.

SEC. 2. No part of the amount appropriated by the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the enactment of this Act, any contract to the contrary notwithstanding. Violation of the provision of this section is a misdemeanor punishable by a fine not to exceed $1,000.

By Mr. GORTON (for himself, Mr. DANFORTH, Mr. DOMENICI, Mr. GOLDWATER, Mr. HEFLIN, Mr. HEINZ, and Mr. TSONGAS):

S. 614. A bill to establish with the Office of Science and Technology Policy a Presidential program for the advancement of science and technology, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL SCIENCE AND TECHNOLOGY ADVANCEMENT ACT OF 1983

Mr. GORTON. Mr. President, today, our Nation faces a problem and a challenge unprecedented since the launching of Sputnik. For nearly three decades, Americans have assumed that the United States led the world in its scientific, engineering, and technological resources and achievement. But in recent years, quietly and without fanfare, that lead has slipped. The implications, both now and for the future, are devastating. This challenge to our prominence has impacts not only in the potential failure to achieve new breakthroughs; it has real human impacts that touch the lives of working men and women across the country.

While the importance of adequate technological resources cannot be overstated, the most significant factor in our Nation's decline in prominence is the human factor. Across the United States, there is a growing awareness that the next generation of Americans lacks the scientific, mathematical, and technological skills needed to enable them to participate fully in the technological revolution sweeping the world. Without those skills, individuals cannot hope for a decent life, and our Nation cannot regain its lead among tough international competition. Without that skilled work force, economic recovery can be only marginal and short-lived at best.

The following facts amply illustrate the severity of the problem:

During the past decade, the number of precollege science and mathematics teachers decreased by 50 percent while demand rose by 50 percent, according to researchers at the University of Washington;

Nationwide, in 1981-82, 50 percent of the newly employed precollege mathematics and science teachers were teaching under emergency certification, according to a survey by the National Science Teachers Association;

In Washington State, it is estimated that 25 percent of the secondary school science and mathematics teachers currently teaching will leave the profession in 3 to 5 years, according to researchers at the University of Washington;

Ten percent of all engineering faculty positions, some 3,000, remain un-

filled because of a critical lack of qualified candidates;

In the United States, only 9 percent of high school graduates take even 1 year of physics, 16 percent a year, of chemistry, and 45 percent a year, of biology. By contrast, the average Soviet high school graduate has taken 5 years of physics, 4 years of chemistry, and 5 years of biology;

In 1980 men outnumbered women in the entire scientific and technological work force by more than 4 to 1. In some fields, such as engineering and environmental sciences, women comprise less than 10 percent of the work force.

Only 20 percent of the students enrolled in technical vocational programs are women, and women comprise only 5 percent of the recipients of advanced engineering degrees.

The problems of inadequate numbers of secondary science and mathematics teachers, unfilled teaching positions, unprepared secondary school students and under representation of women and minorities demand bold new approaches.

This administration has been very supportive of basic research. In the state of the Union address, the President called for a national commitment to scientific and technological research and literacy, stating:

> * * * Education, training and retraining are fundamental to our success, as are research, development and productivity. Labor, management and government at all levels can and must participate in improving these tools of growth. Tax policy, regulatory practices, and government programs need constant re-evaluation in terms of our competitiveness. * * *

In my judgment, the Congress must also join in a wide bipartisan effort to address this urgent national problem. For this reason, today I am introducing the National Science and Technology Advancement Act of 1983.

The essential elements of my bill provide for assessments of the critical problems of our science and technology work force, strengthening of research and instructional facility capabilities in the sciences, engineering and mathematics, and a cooperative sharing of responsibility among the Federal Government, universities, industry, States and localities in the efforts to address these problems.

While it is entirely appropriate for the Federal Government to take the leadership role in addressing this problem, the States, localities, and the private sector all have a role to play as well.

Already, cooperative programs are forming between some of our great research universities and the public schools in the communities those universities serve. Major corporations, such as IMB and Hewlett-Packard, are emphasizing their commitment to engineering, science, and technology by increased funding of both basic research in universities and graduate fellowships to train our next generation of scientists.

A number of the States have begun to develop initiatives to encourage the growth of high technology industry. Cities are developing innovative approaches for attracting and holding qualified teachers of science and mathematics in their elementary and secondary schools. The National Science and Technology Advancement Act of 1983 is designed to encourage those initiatives, and to provide incentives for new initiatives.

In the bill, we propose a program aimed not only at inservice training of elementary and secondary teachers, but at the development of materials, resource centers and innovative programs in cooperation with university departments of physical and biological sciences, mathematics, and engineering. Any and all such programs will be developed in close cooperation with the States so as to adequately reflect their needs and will involve the private sector and the schools.

Another issue that cuts across many disciplines is that of support of our young scientific and engineering research faculty in the first years of their careers. These young faculty face enormous competition for scarce research funds. It is imperative that these young faculty not desert the academic environment for industry since it is they who will train the next generation of scientists and engineers. We recognize this and so provide for Presidential science, engineering, and technology awards for promising young faculty. These awards, consisting of Federal dollars matched with money from any non-Federal source can run up to $100,000 for 5 years. Not only will this provide the freedom and the resources to help these promising scientists realize their full potential as innovative researchers—and mentors for their graduate students—but will also encourage the private sector to share in the support of this important endeavor.

In addition, to further support this effort, we propose that those Federal agencies with heavy obligations in basic research share with the private sector in supporting academic research—such support could include equipment for research and instructional facilities improvement, scholarships, and fellowships, as examples. Cost estimates for upgrading research equipment in university laboratories to industrial standards range from $1 to $4 billion. Thus, industry has a critical stake in the health and success of the academic research enterprise. My legislation recognizes this shared responsibility by providing incentives for matching funding.

For years, women and minorities have been discouraged from entering the sciences, mathematics, and engineering. The result is an untapped and largely wasted reservoir of potential talent. It is vital that we increase the role of women and minorities in science, mathematics, and engineering. My bill addresses this need by directing that the Office of Science and Technology Policy specifically assess the influences that affect the interest of children in science and mathematics at an early age.

Mr. President, I believe that the approach which we are proposing is responsive and appropriate and I ask unanimous consent that a copy of the National Science and Technology Advancement Act of 1983 and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 614

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 "National Science and Technology Advancement Act of 1983."

FINDINGS AND PURPOSES

SEC. 2. The Congress finds that—

(1) the Nation's economy, welfare and security have been and increasingly are dependent on the vitality and productivity of research and development in science and technology;

(2) the advantages which the Nation has enjoyed due to research and development in science and technology are being challenged increasingly and vigorously by other nations, with adverse implications for the economic competitiveness, general welfare and national security of the United States;

(3) the most important elements of research and development are the men and women who make discoveries and inventions and who transform such discoveries and inventions into new goods and services, thereby contributing to our national welfare and security, and to the vitality of our economy;

(4) there exists a pressing need for men and women trained and qualified in the fields of science and technology, and mathematics, and such a need is likely to increase as our Nation's welfare, security, and economic well-being become increasingly reliant on new technological developments;

(5) during the past decade there has been a continuing decline in the level of the science and mathematics literacy needed to provide a base for quality higher education or for maintenance of a technically skilled work force;

(6) women and minorities have historically been underrepresented in science, engineering and technical professions and can make such greater contributions to meeting the Nation's needs for research and development in science and technology; and

(7) achieving and maintaining a superior capability for research and development in science and technology is a national responsibility which must be actively assumed and shared, as appropriate, by the public and private sectors.

POLICY

SEC. 3. (a) The Congress declares that it is the policy of the United States to—

(1) promote international leadership by the United States in science and technology;

(2) pursue Federal responsibilities for research and development, particularly those for basic research, applied research and engineering applications;

(3) encourage the development of scientific, engineering, and technical personnel necessary to achieve the policies of this Act; and

(4) solicit the support of the private sector in meeting the Nation's needs for research and development and for science, engineering and technical personnel.

(b) The Congress further declares that the primary responsibility in the executive branch for developing policies for Federal support of resarch and development, science engineering, and technical personnel lies with the Office of Science and Technology Policy in the Executive Office of the President.

PRESIDENTIAL PROGRAM FOR THE ADVANCEMENT OF SCIENCE AND TECHNOLOGY

SEC. 4. There is established in the Executive Office of the President a Presidential program for the advancement of science and technology, to be administered by the Office of Science and Technology Policy. Such program shall consist of science and technology policy assessments, research capabilities improvements, Presidential science, engineering and technology awards, and a Presidential science and mathematics enhancement program, as provided in this Act.

SCIENCE AND TECHNOLOGY POLICY ASSESSMENTS

SEC. 5. The Office of Science and Technology Policy will undertake a study of currently critical problems of science and technology policy, including—

(1) the nature and distribution of shortages of elementary and secondary teachers qualified in science and mathematics, along with recommendations for increasing the relevant personnel pools;

(2) the needs of business and industry for personnel trained and qualified in the fields of science and technology, and mathematics;

(3) the problem of retraining workers in the fields of decreasing employment and from traditional skills to new skills appropriate to the needs of existing and emerging high technology businesses and industry; and

(4) factors which are most consequential to the development of interest in science and mathematics in young children and those factors which are most likely to increase the population of children who are competent in science and mathematics.

The Office of Science and Technology Policy shall submit such assessments, along with any recommendations for further action, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives prior to the submission by the President to the Congress of the Federal Budget for fiscal year 1985.

RESEARCH CAPABILITIES IMPROVEMENT

SEC. 6. (a) There is established a Federal program for the improvement of university research facilities and scientific and technical personnel for the physical and biological sciences, mathematics, and engineering. Any Federal agency with obligations for basic research in excess of $100,000,000 in any fiscal year is authorized to make grants by means of the program. Such grants shall be made to any academic institution for research and instructional scientific equipment, renovation of research facilities, fellowships, scholarships, and such other purposes as the Director of the Office of Science and Technology Policy determines are most appropriate to promote academic research and scientific and technical personnel improvement in the physical and biological sciences, mathematics, and engineering.

(b)(1) The Office of Science and Technology Policy will develop guidelines and plans for agency participation in the program established under subsection (a) of this section. Such guidelines and plans shall include a provision that the Federal contribution in any fiscal year to awards under such program shall not exceed the amount of funds contributed for such awards by non-Federal and private sources.

(2) The Director of the Office of Science and Technology Policy shall submit such guidelines and plans to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives prior to the submission by the President to the Congress of the Federal Budget for fiscal year 1985.

(c) The Director of the Office of Science and Technology Policy shall submit a report at least annually on such program to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives.

(d) The program established under subsection (a) of this section shall continue in effect for five years after the date of enactment of this Act. Continuation of such program after that date shall require the specific authorization of Congress.

PRESIDENTIAL SCIENCE, ENGINEERING AND TECHNOLOGY AWARDS

SEC. 7. (a) There is established within the Executive Office of the President the Presidential science, engineering and technology awards program to support and encourage promising new scientists and engineers to establish careers in academic research. The program shall be administered by the Office of Science and Technology Policy.

(b) The Director of the Office of Science and Technology Policy, after consulting with representatives from the scientific and educational communities and with such other persons as the Director considers appropriate, shall select the recipients of such awards from among individuals who—

(1) are untenured faculty members in the physical or biological sciences, mathematics, or engineering;

(2) have received a doctoral degree in one of these disciplines or have reentered academic research within five years before the award is made; and

(3) show unusual promise in their respective fields.

(c)(1) Any such award will consist of—

(A) a base research support award of $25,000 per year for five years; and

(B) at the discretion of the Director, an additional research support award of up to $75,000 per year for five years; the total annual Federal share of the additional research support award shall not exceed $25,000 and shall be contingent upon private and other non-Federal unrestricted matching of at least $2 for each Federal dollar awarded.

(d) Any such award shall be made on the basis of merit only and may not be used to pay the salaries of Presidential science, engineering and technology award recipients during any academic year.

(e) There is authorized to be appropriated for the Presidential science, engineering and technology awards program not to exceed $10,000,000 for the fiscal year ending September 30, 1984; not to exceed $20,000,000 for the fiscal year ending September 30, 1985; not to exceed $30,000,000 for the fiscal year ending September 30, 1986; not to exceed $40,000,000 for the fiscal year ending September 30, 1987; and not to exceed $50,000,000 for the fiscal year ending September 30, 1988.

PRESIDENTIAL SCIENCE AND MATHEMATICS PERSONNEL ENHANCEMENT PROGRAM

SEC. 8. (a) There is established within the Executive Office of the President a Presidential science and mathematics personnel enhancement program. Such program shall be administered by the Office of Science and Technology Policy, which shall develop a plan and guidelines for the program. To ensure that the program reflects appropriately the plans and intentions of the separate States and to assist them in their responsibilities, the Director of the Office of Science and Technology Policy shall coordinate the activities of such programs with—

(1) the Governors of the separate States; or

(2) in the case of States in which the Members of the State Board of Education are elected (including election by the State Legislature), by such Board.

(b)(1) The plan and guidelines developed pursuant to subsection (a) of this section shall provide for stipends for eligible elementary and secondary teachers of science and mathematics to enable such teachers to participate in programs to improve their instructional skills and subject-matter expertise. Such plan and guidelines may also include—

(A) development of instructional materials for teachers through university departments of physical and biological sciences, mathematics and engineering;

(B) teacher institutes and resource centers; and

(C) other innovative instructional programs.

(2) Such plan shall include criteria for selection of participants in such programs.

(3) The nominations of eligible participants in such programs shall primarily be the responsibility of State and local school authorities.

(4) At least one-half of the funds necessary for such stipends shall be made available through non-Federal or private sources.

(c) There is authorized to be appropriated for the Presidential science and mathematics personnel enhancement program not to exceed $10,000,000 for the fiscal year ending September 30, 1984; not to exceed $20,000,000 for the fiscal year ending September 30, 1985; not to exceed $30,000,000 for the fiscal year ending September 30, 1986; not to exceed $55,000,000 for the fiscal year ending September 30, 1987; and not to exceed $55,000,000 for the fiscal year ending September 30, 1988.

SECTION BY SECTION ANALYSIS

Section 1. *Title.*

Section 2. *Findings and Purposes.*

Section 3. *Policy.*

Section 4. *Presidential Program for the Advancement of Science and Technology.* Authorizes the Director of the Office of Science and Technology Policy in the Executive Office of the President to establish the programs in Sections 5,6,7 and 8.

Section 5. *Science and Technology Policy Assessments.* Directs the Office of Science and Technology Policy to undertake assess-

ments of critical problems of science and technology policy including: shortages of teachers qualified in science and mathematics; the needs of business and industry for personnel trained and qualified in science and mathematics; the need for retraining workers for the new demands of existing and emerging high technology industries and the factors influencing the interest of young children in science and mathematics.

Section 6. *Research Capabilities Improvement.* Establishes a program for improvement of university research facilities, instructional and research equipment, and scientific and technical personnel for the physical and biological sciences, engineering and mathematics. Authorizes Federal agencies with basic research obligations in excess of $100 million dollars per year to participate in this program. Directs the Office of Science and Technology Policy to develop guidelines for agency participation, to submit their guidelines and report annually on this program to the appropriate Congressional committees. Federal monies contributed under this program shall not exceed the amounts contributed by non-Federal or private sources.

Section 7. *Presidential Science, Engineering and Technology Awards.* Establishes an awards program administered by the Office of Science and Technology Policy to support promising new scientists and engineers in academic research. The Director of the Office of Science and Technology Policy in consultation with other appropriate persons shall select recipients from untenured, unusually promising faculty members in the sciences, engineering or mathematics who have either received their doctorates or reentered academic research within 5 years prior to the award. Awards, based on merit only, will consist of a base support amount and an additional discretionary sum of which the Federal share shall not exceed one-third. Authorizes appropriations for this program of $10 million for fiscal year 1984, $20 million for fiscal year 1995, $30 million for fiscal year 1986, $40 million for fiscal year 1987 and $50 million for fiscal year 1988.

Section 8. *Presidential Science and Mathematics Personnel Enhancement Program.* Establishes a program, administered by the Office of Science and Technology Policy, which may provide for stipends for: (1) elementary and secondary science and mathematics teachers to participate in programs to improve their instructional skills and subject-matter knowledge; (2) monies for development of instructional materials for teachers through university departments; (3) teacher institutes or resource centers; and, (4) other innovative instructional programs. The Office of Science and Technology Policy shall coordinate this program with the appropriate State officials and shall develop a plan and guidelines for the program. At least one-half the funds necessary for this program shall be obtained through non-Federal or private sources. Authorizes appropriations of $10 million for fiscal year 1984; $20 million for fiscal year 1985; $30 million for fiscal year 1986; $55 million for each of fiscal year 1987 and fiscal year 1988.

Mr. HEFLIN. Mr. President, I am pleased to cosponsor, with Senator GORTON, this legislation for advancing the science and technology programs so vitally needed today by this Nation. The ability of the United States to maintain a competitive edge in science and technology will influence not only our economic well-being but our national security as well. In recent years our leadership position has become at risk to the technological base formed by other nations. This is partially due to the national negligence of the growing problems of inadequate supply of trained personnel to meet the rapidly increasing demand by high technology industries, the shortage of qualified science and mathematic teachers, and inadequate instructional and research equipment.

Past basic research into the fundamental laws of mathematics, physics, and engineering was the foundation on which the development of new ideas, procedures, and products such as the laser were built. Without the talent and tools for careful basic research we would not be blessed with the numerous applications of the laser, such as its fantastic uses in medicine, in industry, and the national defense.

My primary goal as ranking Democrat of the Science, Technology, and Space Subcommittee is to see that the United States remains the world leader in science and technology on which so much of our future depends. I look forward to working with Senator GORTON on this high priority legislation that will put us back on the right track for maintaining our leadership. I believe that it provides a basis for us to address the immediate science and technology problems facing us and will also provide a basis for evaluating the national science and technology goals and establishing a coherent policy to avoid future problems.

By Mr. McCLURE:

S. 615. A bill to correct deficiencies in the Natural Gas Policy Act of 1978, to protect natural gas consumers from price increases because of current distortions in the regulated market for natural gas, to provide for a free market for natural gas, to permit natural gas contracts to reflect the change from a regulated to a free market, to eliminate incremental pricing requirements for natural gas, to eliminate certain fuel use restrictions, and for other purposes; to the Committee on Energy and Natural Resources.

NATURAL GAS CONSUMER REGULATORY REFORM AMENDMENTS OF 1983

● Mr. McCLURE. Mr. President, today I am introducing the administration's natural gas bill, which was transmitted to the Congress a few hours ago.

Mr. President, during the past 2 years, average prices of natural gas have increased rapidly, with the result that financial hardships have been imposed on large numbers of gas consumers in many parts of the country. Furthermore, serious gas marketing distortions have occurred within the natural gas industry. Some pipelines have been compelled to buy too much high-priced gas, and there are severe inequities in the pricing of gas among various regions of the country. These distortions are being criticized extensively by a wide spectrum of gas consumers, distributors, pipelines, and producers. We cannot permit these conditions to continue, Mr. President. I am convinced that the Congress must act, as soon as possible, to restrain retail gas price increases and to correct the current distortions in the natural gas markets.

The administration bill contains all of the elements needed to achieve those two basic goals, as well as the equally important objective of insuring that gas shortages do not occur in the late 1980's. The bill would allow the free market to operate to provide natural gas at the lowest competitive price, while providing solutions for most of the distortions which regulation has introduced into the marketing system. It would also provide a very strong consumer protection feature in insuring that, during the transition to free market pricing, the basic wholesale price of natural gas cannot rise in real terms except after careful scrutiny and justification.

The bill would establish a true free market price and would allow the market some latitude to operate. The bill would accomplish this by allowing complete freedom both as to terms and as to price on all new contracts for natural gas and on all renegotiated contracts. Because these contracts can be freely signed, there should be an appropriate balance of terms and prices between the various parties. In light of current market conditions, it appears that these new free market contracts are likely to be at or below some of the prices now being charged for regulated gas.

Consumers would gain an immediate benefit from this new free market price because that price would serve as an additional ceiling on regulated prices which have not yet been renegotiated. In other words, if the current regulated price is below the free market average, it remains subject to the Natural Gas Policy Act ceilings. However, if the regulated price is higher than the new free market average, then the regulated price is reduced to that average until or unless the contract is renegotiated.

In addition, parties to current contracts would have an immediate incentive to renegotiate their contracts, because the bill provides that on January 1, 1985, any contract that has not been renegotiated may be abrogated at the request of either party. The bill also provides that natural gas sellers not bound by contract may sell their gas directly to any purchaser, and interstate pipelines would be required

to furnish transportation when they have available capacity.

The bill contains several mechanisms that would provide consumer protection during the transition to free market pricing. These include reducing all pipeline take-or-pay obligations to 70 percent. If a pipeline exercises its option to change its contract, it runs the risk that the seller may sell the gas elsewhere, with the pipeline being required to furnish transportation at a modest profit. This provision should insure a reasonable bargaining relationship between the two parties, and it would also allow pipelines who have improvidently entered into excessive take-or-pay requirements some opportunity to reduce those obligations.

The bill contains two additional consumer protection features. First, it would limit the price increases that would result from applying indefinite price escalator clauses. Price increases under such clauses could not exceed the free market price ceiling. Second, there have been allegations of problems because of pipelines dealing more favorably with their own affiliates or company divisions than with outsiders. The bill would require that a pipeline take gas from itself or its affiliates at rates no higher than its rate of take from others at a cheaper price. This insures equitable treatment of all producers, and it would protect consumers.

Mr. President, in my judgment, the key feature of the administration bill is that it would permit gas producers and pipelines, through the process of renegotiating and terminating contracts, to receive market signals and to make the necessary adjustments in prices, purchases and sales. By relying on the free market to establish the lowest possible competitive prices, the administration has wisely refrained from choosing the alternative approach that has proven to be unfair and unworkable—the setting of wellhead price ceilings by the Congress and the Federal Energy Regulatory Commission.

The administration bill is comprehensive and reasonably balanced, and it represents a solid first step in the development of final legislation. That process will begin next week, when the Committee on Energy and Natural Resources holds hearings on the bill on March 9-12, 1983.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD: The President's statement of February 28, 1983, transmitting the legislation; the text of the President's radio address to the Nation of February 26, 1983; the bill; the section-by-section analysis; the DOE executive summary of the legislation; and the DOE factsheet for the bill.

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

THE WHITE HOUSE,
February 28, 1983.

STATEMENT BY THE PRESIDENT

It is a pleasure today to do what we long have anticipated: to send to Congress our proposal for correcting problems that have resulted from excessive regulation of the natural gas market. Our goal must be to obtain an adequate supply of natural gas at a reasonable price. Anything less is not sufficient and will not solve the problems currently faced by many Americans who depend on natural gas.

In recent months, thousands of people have written to me, to Members of Congress and to State and local officials expressing their distress about rapidly rising natural gas bills. Some areas of the country have been especially hard hit. It is clear that consumers are being poorly and unfairly served by the existing regulatory system—a system which prevents natural gas producers and their customers from establishing contracts that respond to market forces, including downward pressure on prices that otherwise would occur as a result of plentiful gas supplies and declining oil prices. There is widespread agreement that something must be done to relieve the regulatory straight jacket in which the natural gas market now operates.

The proposal I am submitting to the Congress today will achieve the needed result. It is not a partisan plan, nor does it resort to seemingly simple "quick fixes," which would turn out to be neither simple nor quick and ultimately would not fix the problems. Instead, our approach is a comprehensive proposal that can—and I believe will—be supported by Congressmen and Senators of both parties and will be beneficial to the consumers they represent.

Our legislative package will allow, but not require, the parties to negotiate toward a free market, so that there will be real and long-term incentives to produce and market abundant gas supplies at the lowest possible cost. In this regard, I note the declines in gasoline and home heating oil prices that have occurred since we deregulated oil two years ago.

Although we believe free markets not only can, but will, achieve these results, the American consumer need not take this on faith alone. To assure that the consumer is protected, I have insisted on a provision which reverses the present law by providing that, untill 1986, there will be a moratorium on the automatic pass-through of increased gas costs other than those increases attributable to inflation, which as you know has been declining steadily.

We believe these ideas offer the best achieveable combination of consumer protection and efficient, economic use of our valuable gas resources. I look forward to working closely with the Congress to obtain passage of this urgently needed legislation without delay.

THE WHITE HOUSE,
February 26, 1983.

RADIO ADDRESS OF THE PRESIDENT TO THE NATION

The PRESIDENT: My fellow Americans, today I'd like to talk to you about a subject that touches on all of us one way or another in our homes, schools and work places and in the overall economy. I want to talk about one of our major energy sources—natural gas—and what this administration proposes to do to ensure abundant supplies of it at reasonable prices.

As the situation stands now, the American consumer is being hurt by government regulations that actually contribute to higher gas bills. We want to change that. Now, I know all too well that energy is a subject that some people in public life just can't resist playing politics with. It's unfortunate, but I guess it's a fact of life, or at least a fact of life as we know it in Washington, which can be pretty different from hometown America.

Many of you, I'm sure, recall the howls that went up when we acted to deregulate oil prices two years ago. Remember how you were told that deregulation would lead to skyrocketing prices for the gasoline that fuels millions of American cars or the oil that heats millions of American homes? Well, the evidence is in. And the doomsayers were dead wrong.

You don't have to go any further than the nearest filling station to see that prices have gone down, not up since decontrol, just as we promised they would. The economic realities of the marketplace have done more to bring down the price of oil than all those years of frenetic government regulating.

I think there's a lesson here for all of us and one that goes a lot deeper than the price of energy. Way back in 1824, Thomas Jefferson wrote about the difference between two kinds of political mentalities. Both of them are still very much with us today. Here's what Jefferson said about them. "Men by their constitutions are naturally divided into two parties—those who fear and distrust the people and wish to draw all powers from them and those who identify themselves with the people and have confidence in them."

Now, the vast majority of us identify with the second group, the one that believes in trusting the wisdom of the people rather than taking power away from them and concentrating it in the other hands. On a more personal level, anyone who's ever wrestled with a tax form or had to make sense out of a complicated bureaucratic regulation knows how costly and time-consuming government over-regulation can be.

And that brings me back to regulation, in this case regulation of natural gas. I'm convinced, and I believe that the evidence backs me up that just as deregulation of oil has led to a better deal for the American consumer, a freer market in natural gas will have the same beneficial effect for you. So, next week I'm sending the Congress a proposal for correcting the problems that have resulted from past excessive regulation of the natural gas market.

While I'm taking this step out of a deep belief in the principle involved, there are human reasons as well. In recent months, thousands of you have written to me, to members of Congress, and to state and local officials expressing your distress about rapidly rising natural gas bills. Some areas of the country have been especially hard-hit and it's clear that consumers are being poorly and unfairly served by the existing regulatory system.

That system prevents natural gas producers and their customers from entering into contracts that respond to market forces including pressure for lower prices that are now possible due to plentiful gas supplies and declining oil prices. Today there's a surplus of natural gas and oil prices are dropping. These factors normally would result in lower natural gas prices. But the regulatory morass has kept the marketplace from achieving lower natural gas prices. In sharp contrast, the Department of Energy esti-

mates that if our proposal is enacted, natural gas prices will drop by at least 10 to 30 cents per thousand cubic feet in the first year.

The measure I will submit to the Congress is not a partisan plan and it resorts to no quick political fixes. Instead our approach is a comprehensive proposal that can and I believe will be supported by Congressmen and Senators of both parties and will benefit the consumers they represent.

Basically, out legislative package will allow a freer market for natural gas so that there will be real and long-term incentives to produce and market abundant gas supplies at the lowest possible cost, just as gasoline and home heating oil prices have declined since we deregulated oil. Although we believe free markets not only can but will achieve these results, we aren't asking you, the consumer, to take that on faith. To assure that consumers are protected, I have insisted on a provision which reverses the present law and provides that until 1986, there will be a moratorium on the automatic pass-through to consumers of increased gas costs by the gas pipelines other than those caused by inflation which, as you know, has been declining steadily.

The key to cheaper, more abundant energy for all Americans is a policy that combines consumer protection, incentives to produce, and efficient economic use of our resources. That's what our program will do. And I look forward to working closely with members of both parties in the Congress to obtain its passage without delay.

Until next week, thanks for listening and God bless you.

S. 615

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 "Natural Gas Consumer Regulatory Reform Amendments of 1983".

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TITLE I—PURCHASED GAS COST

PURCHASED GAS COST

SEC. 101. (a) Title VI of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431 et seq.) is amended by adding a new section 603 to read as follows:

"SEC. 603. LIMITATION ON THE PASSTHROUGH OF CERTAIN PURCHASED GAS COSTS.

"(a) LIMITATION ON PURCHASED GAS ADJUSTMENTS.—Notwithstanding section 601(c) of this Act, for purposes of sections 4 and 5 of the Natural Gas Act, from the first day of the first month following enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 through December 31, 1985, the part of a pipline's rate that reflects purchased gas costs may not exceed its allowed rate for purchased gas cost, except as provided in subsection (b).

"(b) RECOVERY OF ADDITIONAL PURCHASED GAS COST.—A pipeline may file an application under this subsection with the Commission to increase its rates to reflect any purchased gas cost that subsection (a) of this section prevents it from recovering. Notwithstanding section 4(e) of the Natural Gas Act, no increase to the rates of a pipeline that may be recovered under this subsection may go into effect unless the Commission, after opportunity for hearing, issues an order that grants the application, in whole or in part, with such modifications and upon such terms and conditions as the Commission may find necessary and appropriate. The proceeding under this subsection shall be conducted by the Commission separately from proceedings on other rate applications that are filed under section 4 of the Natural Gas Act. In any such proceeding, the Commission shall allow recovery if it determines that the costs sought to be recovered were just, reasonable, and prudently incurred. In making this determination, the Commission shall consider the reasonable availability of lower cost supplies to the pipeline and the necessity of such costs for the pipeline to render adequate service to its existing customers. Within sixty days of the date of the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, the Commission shall prescribe rules for applications under this subsection. These rules shall facilitate expeditious decisions on these applications.

"(c) DEFINITIONS.—

"(1) ALLOWED RATE FOR PURCHASED GAS.—The term "allowed rate for purchased gas" means, for a particular pipeline, for a particular month, the pipeline's average cost per million Btu's for purchased gas delivered to the pipeline during the month preceding the enactment of the Natural Gas Consumer Regulatory Reform Act of 1983 plus the adjustment amount for that particular month.

"(2) ADJUSTMENT AMOUNT.—The term "adjustment amount" means, for a particular month, the difference between the national rate and the adjusted national rate for that particular month.

"(3) NATIONAL RATE.—the term "national rate" means the national average cost per million Btu's for purchased gas delivered to all interstate pipelines during the month preceding the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983.

"(4) ADJUSTED NATIONAL RATES.—The term "adjusted national rate" means—

"(A) for the month in which the Natural Gas Consumer Regulatory Reform Amendments of 1983 is enacted, the national rate multiplied by the annual inflation adjustment factor (as defined in section 101(a) of this Act) for that month; and

"(B) for any particular succeeding month, the adjusted national rate for the preceding month multiplied by the annual inflation factor (as defined in section 101(a) of this Act) for that particular month.

"(d) REPORTING REQUIREMENT.—By the fifth day following the enactment of the Natural Gas Consumer Regulatory Reform Amendment of 1983, each interstate pipeline shall report its average cost per million Btu's for purchased gas delivered to it during the month preceding the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 and the volume of purchased gas delivered to it during that month.

"(e) PUBLICATION.—The Commission shall compute and publish the adjustment amount for each month at least five days before the beginning of that month.

"(f) AFFILIATED PRODUCTION.—No interstate pipeline may recover any costs associated with its own production or purchases from any affiliated producer to the extent such production or purchases were not reduced to a percentage of deliverability no higher than the percentage of deliverability to which the pipeline had exercised contemporaneously a contractual right to reduce its takes of less expensive gas."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by inserting after the item relating to section 602 the following:

"Sec. 603. Purchased Gas Cost."

TITLE II—REMOVAL OF WELLHEAD PRICE CONTROLS AND REPEAL OF JURISDICTION OVER CERTAIN FIRST SALES

REMOVAL OF WELLHEAD PRICE CONTROLS

SEC. 201. Section 121 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3331) is amended to read as follows:

"SEC. 121. ELIMINATION OF PRICE CONTROLS FOR CERTAIN NATURAL GAS SALES.

"(a) GENERAL RULE.—The provisions of subtitle A respecting the maximum lawful price for any first sale of natural gas shall cease to apply to any first sale of natural gas subject to any contract that was executed or amended after the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, unless the contract specifically provides that the contract shall not operate to terminate the application of subtitle A.

"(b) HIGH-COST NATURAL GAS.—Except as provided in subsection (a) of this section, with respect to the first sale of high-cost natural gas which is described in section 107(c) (1), (2), (3), or (4)—

"(1) beginning on the effective date of the incremental pricing rule required under section 201, the provisions of subtitle A respecting the maximum lawful price for the first sale of natural gas shall cease to apply; and

"(2) beginning on the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 through December 31, 1985, the price shall not exceed

the higher of the contract price on the date of the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 or the gas cap price, if published, for the month during which the gas is delivered.

"(c) SPECIAL RULE FOR CERTAIN GAS.—Except as provided in subsection (a), with respect to the first sale of gas covered by this subsection,—

"(1) beginning January 1, 1985, the provision of subtitle A respecting the maximum lawful price shall cease to apply; and

"(2) beginning January 1, 1985, through December 31, 1985, the price shall not exceed the gas cap price for the month during which the gas is delivered.

"(3) GAS COVERED BY THIS SUBSECTION.—This subsection applies to—

"(A) new natural gas (as defined in section 103(c));

"(B) natural gas produced from any new, onshore production well (as defined in section 103(c)), if such natural gas—

"(i) was not committed or dedicated to interstate commerce on April 20, 1977; and

"(ii) is produced from a completion location which is located at a depth of more than 5,000 feet; and

"(C) natural gas sold under an existing contract, any successor to an existing contract, or any rollover contract, if—

"(i) such natural gas was not committed or dedicated to interstate commerce on the day before the day of the enactment of this Act; and

"(ii) the price paid for the last deliveries of such natural gas occurring on December 31, 1984, or, if no deliveries occurred on such date, the price that would have been paid had deliveries occurred on such date is higher than $1.00 per million Btu's.

"(d) REMOVAL OF WELLHEAD PRICE CONTROLS ON ALL NATURAL GAS.—Except as provided in subsections (a), (b), or (c), beginning January 1, 1986, the provisions of subtitle A respecting maximum lawful price shall cease to apply to the first sale of any natural gas."

REPEAL OF NATURAL GAS ACT JURISDICTION OVER FIRST SALES OF COMMITTED OR DEDICATED NATURAL GAS

SEC. 202. Section 601(a)(1)(B) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431(a)(1)(B)) is amended to read as follows:

"(B) COMMITTED OR DEDICATED NATURAL GAS.—Effective on January 1, 1985, for the purposes of section 1(b) of the Natural Gas Act, the provisions of such Act and the jurisdiction of the Commission shall not apply solely by reason of any first sale of natural gas which was committed or dedicated to interstate commerce as of the day before the date of enactment of this subsection. Effective on the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 through December 31, 1984, for the purposes of section 1(b) of the Natural Gas Act, the provisions of such Act and the jurisdiction of the Commission under such Act shall not apply solely by reason of any first sale of natural gas which is committed or dedicated to interstate commerce as of the day before the day of enactment of this Act and which is—

"(i) high-cost natural gas (as defined in section 107(c) (1), (2), (3), or (4) of this Act);

"(ii) new natural gas (as defined in section 102(c) of this Act);

"(iii) natural gas produced from any new, onshore production well (as defined in section 103(c) of this Act);

"(iv) natural gas exempted from the operation of subtitle A of title I pursuant to section 121(a); or

"(v) natural gas that was subject to a contract that expired, lapsed, was terminated pursuant to its own terms, or was terminated pursuant to the provisions of section 316 of this Act."

REPEAL OF PROVISIONS ALLOWING REIMPOSITION OF PRICE CONTROLS AND REPORT TO CONGRESS

SEC. 203. (a) Sections 122, 123, and 507 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3332, 3333, and 3417) are repealed.

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by striking the items relating to sections 122, 123, and 507.

TITLE III—TRANSITIONAL PRICE AND CONTRACT PROVISIONS LIMITATION ON CEILING PRICES FOR CERTAIN NATURAL GAS

SEC. 301. (a) Title I of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311-3333) is amended by adding the following new section:

"SEC. 111. LIMITATION ON CEILING PRICES FOR CERTAIN NATURAL GAS.

"(a) GENERAL RULE.—Except as provided in section 121 of this Act, beginning on the date of enactment of this section, the maximum lawful price of any first sale of natural gas subject to this subtitle shall not exceed the lower of the applicable price as calculated pursuant to sections 102 through 106, 108, and 109 or the gas cap price, if published, for the month during which the gas is delivered.

"(b) SPECIAL RULE FOR SECTION 107(c)(5) GAS.—Except as provided in section 121 of this Act, beginning on the date of the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, the maximum lawful price for gas described in subsection (c)(5) of section 107 of this Act shall be no higher than the maximum lawful price for such gas during the month in which the Natural Gas Consumer Regulatory Reform Amendments of 1983 are enacted.

"(c) DEFINITION OF GAS CAP PRICE.—The term "gas cap price" means, for a particular month, the volume-weighted average price of natural gas that is estimated to be—

"(1) delivered during the second, third, and fourth months preceding that particular month; and

"(2) delivered during the first three months of deliveries under a contract filed under subsection (e) of this section.

"(d) CALCULATION AND PUBLICATION OF THE GAS CAP PRICE.—Beginning with the fourth month after enactment of the Natural Gas Consumer Regulatory Amendments of 1983, the Commission (in accordance with section 101(a)(6) of this subtitle) shall compute and publish the gas cap price for each month through December 1985.

"(e) FILING REQUIREMENT.—A purchaser of natural gas subject to a first sale contract executed or amended on or after the date of the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 shall file with the Commission within five days of the date on which the contract is executed or amended—

"(1) a summary of the contract and all ancillary agreements, including all pricing provisions;

"(2) the prices to be paid under the contract during the first three months of deliveries;

"(3) the estimated volumes (in millions of Btu's) to be delivered during the first year of the contract; and

"(4) any additional data required by the Commission.

This filing requirement does not apply in the case of an amendment of a contract for which data previously relating to price has been filed with the Commission under this subsection.

"(f) COMMISSION RULES.—Within thirty days of the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, the Commission shall issue rules to implement this section."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by inserting after the item relating to section 110 the following:

"Sec. 111. Limitation on Ceiling Prices for Certain Natural Gas."

(c) Section 101(b)(5) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311(b)(5)) is amended by striking the period at the end and inserting the following:

", but in no event shall the operation of this paragraph be deemed to entitle any seller to collect a price in excess of that established pursuant to section 111."

(d) Section 105(b)(3)(B) of the Natural Gas Policy Act of 1978 is amended by adding a new sentence at the end to read as follows:

"This definition shall not include any clause which establishes the price for natural gas exempted from the operation of this subtitle pursuant to section 121(a)."

REPEAL OF CERTAIN CONTRACT REQUIREMENTS AND IMPOSITION OF TAKE-OR-PAY LIMITS

SEC. 302. (a) Section 315 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3375) is repealed, and a new section 315 is inserted in its place to read as follows:

"SEC. 315. IMPOSITION OF TAKE-OR-PAY LIMITS.

"(a) GENERAL RULE.—In the case of any first sale contract in effect on the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, which has not been amended subsequent to the date of enactment, and which contains a clause requiring a purchaser to take delivery of, or if not taken, to pay for, volumes of gas in excess of 70 percent of available deliverability from those wells included under a contract, the purchaser may exercise without obligation to pay for volumes not taken in excess of 70 percent of well deliverability, a right not to accept delivery of any portion of the total volume which exceeds 70 percent of well deliverability. This right applies only to deliveries under a contract from the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 through December 31, 1985.

"(b) NOTICE REQUIREMENT.—Any purchaser electing to reduce volumes purchased pursuant to this section must give the seller a minimum of thirty days written notice prior to the date of delivery of the natural gas involved.

"(c) RELEASE OF CONTRACTUAL OBLIGATIONS.—Upon receipt of the notice provided for in subsection (b), the seller shall have the right to terminate the contract with respect only to amounts not taken by reason of this section. If the seller elects to terminate the contract in accordance with this section, the purchaser shall tender to the seller full and unconditional release from all duties and obligations in contract or in law. The purchaser, if a transporter of natural

gas, shall tender transportation in accordance with the provisions of section 316(d) of this Act.

"(d) DRAINAGE SITUATIONS.—The Commission, by rule or order, may determine that this section shall not apply to the extent the production of the volume for which delivery is required to be taken is necessary in order to prevent drainage and protect the correlative rights of the person producing the natural gas involved.

"(e) CASINGHEAD NATURAL GAS.—This section shall not apply to casinghead natural gas.

"(f) CONTRACTS COVERING MORE THAN ONE CATEGORY OF NATURAL GAS.—For purposes of this section, any contract establishing two or more categories of natural gas for purposes of pricing the natural gas delivered under the contract shall be treated as separate contracts for each such category.

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by striking the item relating to section 315 and inserting in its place the following:

"Sec. 315. Imposition of Take-or-Pay Limits."

MARKET-OUT PROVISION

SEC. 303. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375) is amended by adding a new section 316 to read as follows:

"SEC. 316. MARKET-OUT PROVISION.

"(a) GENERAL RULE.—Beginning January 1, 1985, either party to a contract for the first sale of natural gas which was in effect on the date of enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983 and which contract was not thereafter amended shall have the right to terminate the contract under the following conditions:

"(1) The party wishing to terminate the contract must give notice to the other party between November 16, 1984, and November 15, 1985, and at least 45 days in advance, that the contract is to be terminated;

"(2) the party giving notice of termination does not materially breach the contract at any time prior to the end of the notice period; and

"(3) the party giving notice of termination must offer to the other party a full and unconditional release from all future duties and obligations in contract or in law relating to the contract, which release is effective upon termination of the notice period.

"(b) EFFECT OF SECTION 315 REDUCTION.—A reduction of a take-or-pay obligation pursuant to section 315 of this Act shall not be considered an amendment for purposes of subsection (a) of this section.

"(c) OBLIGATIONS OF PARTIES UPON TERMINATION.—Neither party to a contract terminated pursuant to this section shall have an obligation to perform any act because of the contract on and after the effective date of the termination of the contract, except that a party that has received a good or service under the contract before the effective date of its termination shall have a duty to pay for that good or service as provided for in the contract and that a party that has received payment under the contract for a good or service that was not provided before the effective date of its termination shall have a duty to make restitution of the payment in cash or in kind in accordance with the contract.

"(d) TRANSPORTATION OBLIGATION.—

"(1) IN GENERAL.—In the event that a contract is terminated under this section, a pipeline that was a party to the terminated contract shall have an obligation to transport natural gas for a producer that was a party to the terminated contract. The obligation of the pipeline shall not exceed on an annual basis the largest volume delivered under the contract during any twelve consecutive months in the thirty-six months prior to its termination.

"(2) LIMITATION OF OBLIGATION.—The Commission, or in the case of an intrastate pipeline the State agency with jurisdiction over that pipeline, upon application by the pipeline and after opportunity for hearing, may order a limitation of the obligation of the pipeline under this subsection if compliance with the obligation would require construction of additional facilities or would impair the ability of the pipeline to render adequate service to its existing customers.

"(3) CONSIDERATION.—The consideration for any transportation provided under this subsection shall be $.05 per million Btu's plus the cost of such transportation, as established by the appropriate State or Federal regulatory body, unless the Commission has established, by rule, a different rate as just compensation for such transportation. No amount of such consideration shall be required to be credited and flowed back to the customers of such pipeline."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by inserting after the item relating to section 315 the following:

"Sec. 316. Market-Out Provision."

EFFECT OF GAS CAP PRICE

SEC. 304. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. §§ 3361-3375) is amended by adding a new section 318 to read as follows:

"SEC. 318. EFFECT OF GAS CAP PRICE.

"(a) PRICE ESCALATOR CLAUSES.—Except for natural gas described in section 107 of this Act, no price escalator clause may operate to establish a price for natural gas which is subject to the provisions of subtitle A respecting the maximum lawful price for the first sale of natural gas higher than the gas cap price. For purposes of this subsection, the term "price escalator clause" means any contract clause that provides for a periodic price increase, either on a fixed or indefinite basis, or that references other natural gas prices, Federally imposed price ceilings, or prices of other commodities.

"(b) AREA RATE CLAUSES.—For purposes of an area rate clause, the gas cap price is a Federally established rate or price. After December 31, 1985, the gas cap price for December 1985 is a Federally established rate or price."

(b) The table of contents of the Natural Gas Policy Act of 1978 (U.S.C. 3301 note) is amended by inserting after the item relating to section 317 the following:

"Sec. 318. Effect of Gas Cap Price."

TITLE IV—REMOVAL OF IMPEDIMENTS TO INTERSTATE MOVEMENTS OF GAS

AUTHORIZATION OF CERTAIN INTERSTATE SALES, TRANSPORTATION AND ASSIGNMENTS

SEC. 401. (a) Section 311(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3371(a)) is amended by—

(1) amending subparagraph (A) of paragraph (1) to read as follows:

"(A) IN GENERAL.—The Commission may, by rule or order, authorize any interstate pipeline to transport natural gas on behalf of any person."

(2) inserting "AND LOCAL DISTRIBUTION COMPANIES" after "INTRASTATE PIPELINES" in the paragraph (2) heading;

(3) inserting in paragraph (2) "or local distribution company" after "intrastate pipeline";

(4) amending subparagraph (A) of paragraph (2) to read as follows:

"(A) IN GENERAL.—The Commission may, by rule or order, authorize any intrastate pipeline or local distribution company to transport natural gas on behalf of any person."

(5) in subparagraph (B)(ii) (I) and (II) of paragraph (2), inserting "or company" after "pipeline".

(b) Section 311(b) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3371(b)) is amended by—

(1) amending paragraph (1) to read as follows:

"(1) IN GENERAL.—The Commission may, by rule or order, authorize any pipeline or local distribution company to sell natural gas to any pipeline or local distribution company."

(2) amending paragraph (2) by—

(A) striking "MAXIMUM FAIR AND EQUITABLE PRICE" after the subparagraph designator "A" and inserting in its place "INTRASTATE PIPELINES AND LOCAL DISTRIBUTION COMPANIES";

(B) inserting "or local distribution company" following "pipeline" and "or local distribution company's" following "pipeline's" wherever they appear; and

(C) inserting "(including storage)" after "transportation" in clause (i) of subparagraph (B);

(D) adding a new subparagraph (D) to read as follows:

"(D) INTERSTATE PIPELINES.—The rates and charges of any interstate pipeline with respect to any sales authorized under subsection (b)(1)(A) shall be just and reasonable (within the meaning of the Natural Gas Act).";

(3) in paragraph (4), striking "pipeline's" and inserting in its place "seller's," and striking "INTRASTATE" in the heading and inserting in its place "EXISTING;"

(4) in paragraphs (4)-(7), except for subparagraph (5)(a)(i), striking "intrastate pipeline" or "pipeline" wherever they appear and inserting in their place "seller;"

(5) in paragraph (5)(A)(i), striking "interstate pipeline or local distribution" and inserting in its place "purchasing;" and

(6) adding a new paragraph (8) to read as follows:

"(8) DEFINITION OF SELLER.—For purposes of this subsection, the term 'seller' means any person that sells gas under paragraph (b)(1)."

(c) Section 312 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3372) is amended—

(1) by amending subsection (a) to read as follows:

"(a) AUTHORIZATION OF ASSIGNMENTS.—The Commission may, by rule or order, authorize a pipeline or local distribution company to assign, without compensation, to any other pipeline or local distribution company, all or any portion of the assignor's right to receive surplus natural gas at any first sale, upon such terms and conditions as the Commission determines appropriate."; and

(2) by amending subsection (c) to read as follows:

"(c) SURPLUS NATURAL GAS.—For purposes of this section, the term 'surplus natural gas' means, with respect to any pipeline or local distribution company, any natural gas

which exceeds the then current demands of such person for natural gas, as determined by—

"(1) the Commission, or

"(2) the State agency having regulatory jurisdiction over that person."

ACCESS TO INTERSTATE SUPPLY SOURCES

SEC. 402. (a) Section 314 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3374) is amended by—

(1) striking "first" in subsection (a), and

(2) amending subsection (b) to read as follows:

"(b) NATURAL GAS COVERED BY THIS ACT.—For purposes of subsection (a), the term 'natural gas covered by this Act' means—

"(1) for any first sale contract, natural gas—

"(A) which is not subject to the jurisdiction of the Commission under the Natural Gas Act by reason of section 601(a)(1) (A) or (B);

"(B) the sale in interstate commerce of which—

"(i) is authorized under section 302(a) or 311(b); or

"(ii) is pursuant to an assignment under section 312(a); or

"(C) the transportation in interstate commerce of which is—

"(i) pursuant to any order under section 302(c) or section 303(b), (c), (d), or (h), or

"(ii) authorized by the Commission under section 311(a); or

"(2) for any contract, natural gas the sale of transportation of which under the contract is not in interstate commerce by reason of section 601(d) of this Act."

"(b) Section 601 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431) is amended by adding new subsections (d) and (e) to read as follows:

"(d) LIMITATION OF COMMISSION JURISDICTION OVER INTRASTATE TRANSACTIONS.—

"(1) GENERAL RULE.—No intrastate pipeline or local distribution company shall be subject to the jurisdiction of the Commission under the Natural Gas Act by reason of purchasing natural gas in a covered transaction.

"(2) SUBSEQUENT TRANSACTIONS.—Any transportation or sale of natural gas purchased in a covered transaction which occurs beyond the point at which such gas is received in the facilities of the purchaser in the covered transaction shall not be in interstate commerce (within the meaning of the Natural Gas Act) and shall not be subject to the jurisdiction of the Commission under the Natural Gas Act to the extent that such gas remains in the State of purchase.

"(3) NATURAL-GAS COMPANY.—For purposes of the Natural Gas Act, the term "natural-gas company" (as defined in section 2(6) of that Act) shall not include any person by reason of, or with respect to, any transportation or sale of natural gas if the transportation or sale is not subject to the jurisdiction of the Commission solely by reason of paragraph (2) of this subsection.

"(4) STATE OF PURCHASE RULE.—For purposes of this subsection, natural gas shall be deemed to remain in the State of purchase if the gas is not transported outside the State in which it was received into the facilities of the purchaser of the gas in a covered transaction, unless such transportation occurs in connection with—

"(A) transportation authorized under sections 302(a) or 311(a) of this Act, or

"(B) a sale or assignment authorized under sections 311(b) or 312 of this Act.

"(5) DEFINITION OF COVERED TRANSACTION.—For purposes of this subsection, the term "covered transaction" means—

"(A) a first sale of gas—

"(i) which is not subject to the jurisdiction of the Commission under the Natural Gas Act by reason of subparagraphs (A) or (B) of paragraph (1) of subsection (a),

"(ii) which is produced on the outer Continental Shelf, or

"(iii) which is transported pursuant to an order issued under section 317 of this Act;

"(B) a sale or assignment authorized under sections 302(a), 311(b), or 312(a) of this Act; or

"(C) a sale for resale by any person not subject to the jurisdiction of the Commission solely by reason of section 1(c) of the Natural Gas Act.

"(e) NONDISCRIMINATION PROVISION.—The Commission may not condition or deny any authorization of the sale or transportation of natural gas under this Act or the Natural Gas Act on the basis of whether gas is consumed in the interstate market or the intrastate market."

CONTRACT CARRIER AUTHORIZATION

SEC. 403. (a) Title II of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375) is amended by adding a new section 317 to read as follows:

"SEC. 317. CONTRACT CARRIER AUTHORIZATION.

"(a) IN GENERAL.—Upon application by a producer of natural gas or by a purchaser of natural gas from a producer, the Commission shall order any interstate pipeline to carry gas under contract between producer and purchaser upon such terms and subject to such conditions as it considers just and reasonable if the Commission finds that such pipeline has available capacity, that no undue burden will be placed upon such pipeline, that no construction of new facilities would be required, and that such order would not impair the ability of such pipeline to render adequate service to its existing customers. The Commission may implement this section by rule or order.

"(b) CONSIDERATION.—The consideration for any transportation provided under this section shall be $.05 per million Btu's plus the cost of such transportation, as established by the Commission, unless the Commission has established, by rule, a different rate as just compensation for such transportation. No amount of such consideration shall be required to be credited and flowed back to the customers of such pipeline."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3301 note) is amended by inserting after the item relating to section 316 the following:

"Sec. 317. Contract Carrier Authorization."

TITLE V—REPEAL OF CERTAIN RESTRICTIONS ON NATURAL GAS AND PETROLEUM USE AND PRICING

REPEAL OF CERTAIN SECTIONS OF THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

SEC. 501. (a) The following sections of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301 et seq.) are repealed:

(1) sections 102(a)(16), (a)(18), (a)(19), and (a)(29) (42 U.S.C. 8302 (a)(16), (a)(18), (a)(19,) and (a)(29));

(2) sections 201 and 202 (42 U.S.C. 8311 and 8312);

(3) section 302 (42 U.S.C. 8342);

(4) section 401 (42 U.S.C. 8371);

(5) section 402 (42 U.S.C. 8372); and

(6) section 405 (42 U.S.C. 8375).

(b) The table of contents in section 101(b) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301(b)) is amended by striking the items relating to the sections repealed by subsection (a) of this section.

CONFORMING AMENDMENTS

SEC. 502. (a) Section 102 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301) is amended by striking "and major fuel-burning installations" and "and new" wherever these phrases appear.

(b) Section 103 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8302) is amended—

(1) in subsections (a)(13)(B), by—

(A) striking clause (ii)(III);

(B) striking "; or" at the end of clause (ii)(II), and inserting a period in its place; and

(C) inserting "and" at the end of clause (ii)(I);

(2) in subsection (a)(15), by striking "or major fuelburning installation" and "or new" wherever these phrases appear;

(3) in subsection (a)(20), by striking "or major fuelburning installation";

(4) by redesignating subsections (a)(17), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), (a)(25), (a)(26), (a)(27), and (a)(28) as subsections (a)(16), (a)(17), (a)(18), (a)(19), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), and (a)(25);

(5) in subsection (b), by striking or "major fuelburning installation" wherever this phase appears;

(6) in subsection (b)(1)(D), by striking everything after "synthetic gas involved" and inserting in its place a period; and

(7) by striking subsection (b)(3), and redesignating subsection (b)(4) as subsection (b)(3).

(c) Sgction 104 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8303) is amended to read as follows:

"The provisions of this Act shall apply in all the States, Puerto Rico, and the territories and possessions of the United States."

(d) Section 303 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8343) is amended—

(1) by striking "or installation" and "or installations" wherever the phrases appear;

(2) by striking "or 302" wherever the phrase appears;

(3) by striking subsection (a)(3);

(4) by amending subsection (b)(1) to read as follows:

"(1) The Secretary may prohibit, by rule, the use of natural gas or petroleum under section 301(b) in existing electric powerplants.";

(5) in subsection (b)(3), by striking "or major fuelburning installation"; and

(6) by amending the last sentence of subsection (b)(3) to read as follows:

"Any such rules shall not apply in the case of any existing electric powerplant with respect to which a comparable prohibition was issued by order."

(e) Section 403 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8373) is amended by striking—

(1) in subsection (a)(1), "major fuel-burning installation, or other unit" and the comma immediately preceding this phrase and "installation, or unit" and the comma immediately preceding this phrase;

(2) in subsection (a)(2), "installation, or other unit" and the comma immediately preceding that phrase, and "installation, or unit" and the comma immediately preceding that phrase;

(3) in subsection (a)(2), the last sentence; and

(4) subsection (a)(3).

(f) Section 404 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8374) is amended by striking—

(1) in subsection (c), "new or" in the phrase "applicable to any new or existing electric powerplant"; and

(2) subsection (g).

(g) Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8411) is amended by striking—

(1) in the last sentence of subsection (b), "or installation";

(2) subsection (c);

(3) in the title of subsection (d), "AND EXEMPTIONS";

(4) in the first sentence of subsection (d)(1), "or any petition for any order granting an exemption (or permit)";

(5) in subsection (d)(1)(B), "or in the consideration of such petition";

(6) in subsection (f), "or a petition for an exemption (or permit) under this Act (other than under section 402 or 404),"; and

(7) subsection (g).

(h) Section 702 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8412) is amended by striking—

(1) in the title of subsection (a), "OR EXEMPTION";

(2) in subsection (a), "or granting an exemption (or permit)";

(3) subsection (b), and redesignating subsection (c) as subsection (b);

(4) in the first sentence of subsection (b)(1) (as redesignated), "or by the denial of a petition for an order granting an exemption (or permit) referred to in subsection (b),";

(5) in the first sentence of subsection (b)(1) (as redesignated), "such rule, order, or denial is published under subsection (a) or (b)" and inserting in its place "such rule, or order is published under subsection (a)";

(6) in the first sentence of subsection (b)(2) (as redesginated), "the rule, order, or denial" and inserting in its place "the rule or order";

(7) in the second sentence of subsection (b)(2) (as redesignated), "(or denial thereof)"; and

(8) in subsection (b)(3) (as redesignated), "any such rule, order, or denial" and inserting in its place "any such rule or order".

(i) Section 711 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8421) is amended by striking in the first sentence of subsection (a), "or major fuel-burning installation".

(j) Section 721 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8431) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(k) Section 723 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8433) is amended by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c).

(l) Section 731 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8441) is amended by striking—

(1) "or major fuel-burning installation" wherever the phrase appears; and

(2) "title II or" in subsections (a)(1) and (g)(3).

(m) Section 745 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C 8455) is amended by striking in the first sentence of subsection (a), "from new and existing electric powerplants and major fuel-burning installations" and inserting in its place "from existing electric powerplants".

(n) Section 761 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C 8471) is amended by striking—

(1) in subsection (a), "any existing or new electric powerplant or major fuel-burning installation" and inserting in its place "any existing electric powerplant"; and

(2) in subsection (b)—

(1) "new or" in the phrase "In the case of any new or existing facility"; and

(2) "except to the extent provided under section 212(b) or section 312(b)" and the comma immediately preceding that phrase.

REPEAL OF INCREMENTAL PRICING REQUIREMENTS

SEC. 503. (a) Subject to subsections (b) and (c) of this section, title II of the Natural Gas Policy Act of 1978 (15 U.S.C. §§ 3341-3348) is repealed, and the items relating to title II are stricken from the table of contents of that Act.

(b) A rule promulgated by the Commission under title II of the Natural Gas Policy Act of 1978 shall continue in effect only with respect to the flow-through of costs incurred before the enactment of the Natural Gas Consumer Regulatory Reform Amendments of 1983, including any surcharges based on such costs.

(c) The Commission may take appropriate action to implement this section.

SECTION-BY-SECTION—NATURAL GAS CONSUMER REGULATORY REFORM AMENDMENTS OF 1983

TITLE I—PURCHASED GAS COSTS

Section 101 would amend Title VI of the Natural Gas Policy Act of 1978 (NGPA) to add a new section 603, entitled "Limitation on the Passthrough of Certain Purchased Gas Costs." This section would impose a moratorium until 1986 on the automatic passthrough to natural gas customers of price increases that result from an interstate pipeline's paying higher prices for natural gas. A pipeline could increase the price to its customers to reflect higher acquisition costs for natural gas only if the Federal Energy Regulatory Commission ("Commission") approved recovery of such costs after a hearing in which the Commission considered the question of whether these higher costs were just, reasonable, and prudently incurred.

Currently, a pipeline can recover its costs of acquiring natural gas at the wellhead and from other pipelines ("purchased gas costs") by means of either a general rate proceeding or a purchased gas adjustment ("PGA") proceeding. A general rate proceeding reviews all aspects of a pipeline's operation, while a PGA proceeding considers only a pipeline's purchased gas costs. A pipeline can apply in either type of proceeding to raise its rate to reflect increased purchased gas costs and the rate increase can, and in a PGA proceeding usually does, go into effect after a one day suspension, subject to refund if the Commission ultimately determines the change in rate is not just and reasonable. Alternatively, the Commission can suspend the effectiveness of the rate increase for no more than five months, at which time the rate goes into effect subject to refund.

Section 603(a) would prohibit the immediate passthrough of purchased gas costs to the extent such costs have increased at a rate higher than the rate of inflation. Section 603(b) would provide that rate increases prohibited by section 603(a) could not go into effect unless the Commission made an affirmative determination, after providing an opportunity for hearing to interested persons, that the costs were just, reasonable, and prudently incurred. In making this determination the Commission would be required to consider the availability of lower priced gas and the need of the pipeline to acquire the gas in order to render adequate service to its existing customers. The Commission also could consider other factors, including the physical depletion of old gas. In order to minimize the amount of time a pipeline would have to wait to find out whether the passthrough of any costs in excess of inflation would be allowed, this section would establish a special Commission proceeding to review applications to pass through such costs. The Commission would be required to adopt rules for such proceedings that would facilitate expeditious decisions.

Section 603 would not affect all increases to a pipeline's rate, but only increases in the purchased gas cost component of the rate that exceeded the pipeline's allowed rate for purchased gas costs. Each pipeline would have a different allowed rate. Section 603(d) would define the term "allowed rate" as the average price a particular pipeline paid for gas delivered to it during the month preceding the enactment of this Bill plus an "adjustment amount" to reflect inflation. Section 603(d) would define the "adjustment amount," which would be the same for each pipeline, as the difference between the average price all pipelines paid for gas delivered during the month preceding the enactment of this Bill and that average price adjusted to reflect inflation since the enactment of this Bill.

Subsection (f) would establish a rateable purchase requirement for interstate pipelines. Under this requirement, an interstate pipeline would be required to reduce its own production or purchases from any affiliated producer to a percentage of deliverability no higher than the percentage of deliverability to which the pipeline had exercised contemporaneously a contractual right to reduce its takes of less expensive gas. If a pipeline violated this rateable purchase requirements, it would be prohibited from passing through any purchased gas costs that resulted from the violation.

TITLE II—REMOVAL OF WELLHEAD PRICE CONTROLS AND REPEAL OF JURISDICTION OVER CERTAIN FIRST SALES

Section 201 would amend NGPA section 121 to provide for the ultimate elimination of all price controls on first sales of natural gas. New subsection (a) would establish the general rule, under which natural gas sold under contracts executed or amended after the enactment of this Bill would be free from any NGPA price controls. This provision would permit natural gas prices to be established immediately in accordance with market forces and not the existing artificial price ceilings. Subsection (b) would establish a price cap for high-cost section 107(c)(1)-(4) gas sold under contracts in effect on the date of enactment of this Bill. The cap would be the higher of the contract price in effect on the date of enactment of this Bill or the gas cap price (*see* section 301). The cap would be effective from the date of enactment through December 31, 1985. However, the cap would be removed immediately from any gas which qualified for free market prices under subsection (a). Subsection (c) would remove price controls from section 102 gas, certain section 103 gas, and certain intrastate natural gas on January 1, 1985, as currently scheduled under the NGPA. However, during 1985, this gas could not exceed the gas cap price, unless the gas is sold under a contract covered by subsec-

tion (a). Subsection (d) would remove price controls on January 1, 1986, from all first sales of natural gas not previously decontrolled and thus end the Federal government's involvement in establishing wellhead price for natural gas.

Section 202 would eliminate the Commission's jurisdiction under the Natural Gas Act (NGA) to regulate non-price aspects (such as certification and abandonment) of first sales of natural gas. NGPA section 601(a)(1) currently exempts from such jurisdiction first sales of natural gas that was not dedicated to interstate commerce prior to the enactment of the NGPA or that was described in certain sections of the NGPA (such as high-cost gas in section 107). Section 202 would amend NGPA section 601(a)(1)(B) to eliminate the Commission's NGA jurisdiction over any first sale of natrual gas after 1984. NGPA section 601(a)(1)(B) also would be amended to provide for the immediate elimination of Commission jurisdiction over any gas exempted from price controls by reason of the post-enactment execution or amendment of a contract, and thus make the first sale of such gas free from both price and non-price regulation. In addition, any gas that previously had been sold under a contract that lapsed, expired, terminated by its own terms, or terminated because of the market-out provision of new NGPA section 316 after the enactment of the Bill would be exempted from the Commission's NGA jurisdiction. This provision would allow the fullest operation of the market by permitting the gas to be sold to any purchaser and not just the purchaser under the terminated contract.

Section 203 would repeal those sections of the NGPA that would have allowed the President or the Congress to reimpose price controls.

TITLE III—TRANSITIONAL PRICE AND CONTRACT PROVISIONS

Section 301 would add a new section 111 to the NGPA that would provide a transitional pricing mechanism for natural gas currently subject to price controls. Section 111 would establish a new limit, or price cap, for all currently price controlled natural gas, except section 107 gas. This price cap would be the lesser of the maximum lawful price under any other section of the NGPA and the "gas cap price", which would be the average price of natural gas under recent new or amended contracts which could reflect market prices because of new NGPA section 121(a). Until the gas cap price is computed and published, the NGPA prices would apply. Section 107(c)(5) natural gas, including "tight sands" and other types of gas, would be capped at the applicable maximum lawful price under the NGPA for such gas in the month this Bill is enacted. However, the Commission would retain its current authority under section 107(b) to lower the incentive price that such gas currently receives and, if it does so, the new, lower price would be applicable. The price limits established by section 301 would terminate on January 1, 1986, and could be terminated earlier if a producer and purchaser agree to a new or renegotiated contract. (*See* discussion of section 201 for treatment of section 102, certain section 103, and certain intrastate gas during 1985.)

The gas cap price would reflect the current market price for natural gas and thus would eliminate distortions under the NGPA by which maximum lawful prices act as "price floors" preventing gas prices from responding to downward market pressures. In order to reflect current market conditions, the gas cap price would be a volume-weighted average of prices paid during the first three months of deliveries under any contract that had been executed or renegotiated since the date of enactment of this Bill. This average would be based on the prices estimated to be paid for gas estimated to be delivered under all such contracts during the second, third, and fourth months before the month for which the gas cap price is published. The estimated prices and volumes would be required to be filed with the Commission within five days of the post-enactment execution or amendment of a contract. Beginning with the fourth month following the enactment of this Bill, the Commission would be required to calculate the gas cap price for each month through December 1984. The Commission would publish the gas cap price for each month at least five days before the beginning of that month.

The gas cap price would be calculated as follows. If this Bill is enacted on March 15, 1983, July 1983 would be the first month for which a gas cap price would be published. The July gas cap price would be the average of the estimated prices paid for estimated deliveries from March 15 through May 31, 1983. The gas included in the average would be all gas estimated to be delivered during the first three months of operation of a contract whose execution or amendment removed the gas from price controls. The average would be weighted to reflect the various volumes of gas at different prices. The August gas cap price would be the average price for certain gas estimated to be delivered in April, May, and June, and so forth. The effect of dropping March and adding June would be to make the gas cap price a rolling average that reflects the most recent market prices.

Section 302 would repeal NGPA section 315 and substitute a new section 315 entitled "Imposition of Take-or-Pay Limits" giving purchasers the right to refuse volumes in excess of 70 percent of available deliverability from wells included under a first sale contract.

Currently, section 315(a) provides that the Commission can specify the minimum duration of certain contracts. Section 315(b) provides purchasers with a right of first refusal in certain circumstances. Section 315(c) permits the Commission to require the filing of contracts for the first sale of natural gas. The repeal of the existing NGPA section 315, along with the elimination of the Commission's NGA jurisdiction over first sales (*see* section 202), would remove all non-price regulation of first sales of natural gas.

New section 315 would free purchasers to respond to market signals and reject deliveries of high priced gas that was not marketable. New section 315(a) would give purchasers subject to take-or-pay requirements under contracts not amended after the date of enactment a right to refuse delivery of volumes in excess of 70% of available deliverability from those wells included under the contract. Purchasers that exercised this right would also be relieved of their contractual obligation to pay for volumes not taken under this provision. This right could be exercised with respect to deliveries made from the date of enactment through December 31, 1985. New section 315(b) would require a purchaser electing to refuse deliveries to give notice to the seller at least 30 days prior to the date of the delivery being reduced. New section 315(c) would enable a seller that has been notified that its purchaser has elected to refuse delivery of certain volumes to protect its ongoing financial requirements by allowing the producer to terminate the contract with respect to the volumes refused. If a producer terminated a contract in this manner, the refusing purchaser would be subject, however, to certain transportation obligations described in new section 316(d). New section 315(d) would allow the Commission to determine, by rule or order, that the election to refuse delivery under this section shall not apply where production of the volume subject to a take-or-pay requirement is necessary to prevent drainage. New section 315(e) exempts casinghead natural gas from this section. Section 315(f) would treat contracts covering two or more pricing categories of natural gas as separate contracts for each category.

Section 303 would add a new section 316 to the NGPA, entitled "Market-Out Provision", that would allow either party to a contract for the first sale of natural gas to terminate the contract. Any termination under this section could not go into effect before January 1, 1985 or after December 31, 1985.

Section 316(a) would permit both the purchaser and seller under a first sale contract in effect on the date of enactment and not amended thereafter to terminate the contract as follows. The party terminating the contract would be required to give notice to the other party at least 45 days in advance of the termination of the contract. This notice could not be given before November 16, 1984 or after November 15, 1985. The party terminating could not materially breach the contract prior to the end of the 45 day notice period and would be required to release the other party from all future obligations under the terminated contract. Section 316(b) would provide that, for purposes of this section, a reduction of a take-or-pay obligation under new section 315 would not be considered an amendment of the contract. This provision would make clear that a pipeline did not have to choose between reducing its take-or-pay obligation immediately or waiting until 1985 to terminate the entire contract. Section 316(c) would require a party that had received a good or service under the contract prior to termination under this section to make payment for that good or service, and also would require a party that received payment for a good or service that was not provided before the effective date of termination to make restitution of the payment, in cash or in kind, in accordance with the contract. This provision would ensure that parties to a terminated contract resolve on an equitable basis any questions concerning advance payments, prepayments or other matters. It is intended that any payments returned to a pipeline under this provision would be flowed through to the pipeline's customers to the extent that the pipeline's rates previously had reflected the payments. Section 316(d) would require a terminating pipeline to transport a volume of natural gas not to exceed, on an annual basis, the largest volume delivered under the contract during any twelve consecutive months in the thirty-six months immediately prior to termination. This provision would permit a producer to seek another buyer for the gas sold under the terminated contract even if the former purchaser controlled all the transportation facilities servicing the producer. Upon application by the affected pipeline and after hearing, the Commission or State agency with jurisdiction over that pipeline could limit by order the transportation obligation if it determined that full

compliance would require the pipeline to construct additional facilities or would impair the pipeline's ability to render adequate service to existing customers.

Section 304 would add a new section 318 to the NGPA entitled "Effect of Gas Cap Price," that would define the effect of the gas cap price on certain contract clauses. New section 318(a) would provide that no price escalator clause could operate to establish a price for natural gas subject to NGPA Title I (other than section 107 gas) higher than the gas cap price. New section 318(b) would provide that, for purposes of any area rate clause, the gas cap price is a Federally established rate or price.

TITLE IV—REMOVAL OF CERTAIN IMPEDIMENTS TO INTRASTATE MOVEMENTS OF GAS

Section 401 would facilitate transactions between the interstate and intrastate markets without subjecting those transactions to certification procedures under section 7 of the Natural Gas Act (NGA), and without requiring intrastate companies to become jurisdictional "natural gas companies" under the NGA. Current NGPA section 311(a) permits the Commission to authorize transportation by interstate pipelines on behalf of any intrastate pipeline or local distribution company, and by an intrastate pipeline on behalf of any interstate pipeline or local distribution company served by an interstate pipeline. Current NGPA section 311(b) permits the Commission to authorize any intrastate pipeline to sell gas to any interstate pipeline or local distribution company. Current NGPA section 312 permits the Commission to authorize any intrastate pipeline to assign surplus gas to an interstate pipeline or local distribution company. These provisions were designed to permit the then existing "bubble" of gas in intrastate markets to flow into interstate markets that were facing gas shortages. Sections 401(a), (b), and (c) would amend these NGPA provisions to allow natural gas to flow both ways to correct imbalances in any market. Section 401(a) would expand NGPA section 311(a) to permit the Commission to authorize any pipeline or local distribution company to transport gas on behalf of any person. The use of the phrase "any person" is not intended to reflect any view concerning the persons on whose behalf gas currently can be transported under section 311(a). Section 401(b) would expand NGPA section 311(b) to permit the Commission to authorize any pipeline or local distribution company to sell gas to any other pipeline or local distribution company. Section 401(c) would expand section 312 to permit the Commission to authorize any pipeline or local distribution company to assign surplus gas to any other pipeline or local distribution company. In addition, the definition of "surplus gas" would be broadened.

Section 402(a) would expand NGPA section 314. Currently, NGPA section 314 voids anticommingling clauses with respect to certain first sales. Section 402(a) would expand section 314 to void anticommingling and similar clauses in contracts for the resale and transportation of natural gas that is not deemed to be in interstate commerce because of NGPA section 601(d) (see section 402(b)). This change is designed to facilitate transactions between the interstate and intrastate markets.

Section 402(b) would add a new subsection (d) to NGPA section 601 which would establish the principle that, in most instances, intrastate pipelines should not be subject to the Commission's jurisdiction just because the intrastate pipeline acquires gas from another State as long as there is no regulatory gap concerning the sale and transportation of such gas. New NGPA section 601(d)(1) would provide that purchasers of gas in certain "covered transactions" would not become subject to the Commission's jurisdiction because of such purchases. New section 601(d)(2) would provide that transactions downstream from such covered transactions would not, solely on that basis, be considered to be in interstate commerce, and that intrastate recipients of this natural gas would not thereby be considered to be "natural gas companies" under the NGPA. Covered transactions would be defined as the first sale of natural gas not subject to the jurisdiction of the Commission by reason of section 601(a)(1) (A) or (B), the first sale of gas produced on the outer Continental Shelf, a sale or assignment under sections 302(a), 311(b) or 312(a), a first sale under section 317 (the new "Contract Carrier" provision), and a sale for resale by a Hinshaw pipeline. This section would only apply to natural gas that remained in the State in which the purchaser in the covered transaction received the gas, except if gas is transported outside of that State in connection with a transaction under sections 302(a), 311(a), 311(b) or 312.

Section 402(b) also would add a new subsection (e) to NGPA section 601, entitled "Nondiscrimination Provision." New subsection (e) would prohibit the Commission, in exercising its jurisdiction over any gas under either the Natural Gas Act or the NGPA, from discriminating against either intrastate or interstate purchasers.

Section 403 would add a new section 317 to the NGPA providing for "Contract Carrier Authorization." Section 317(a) would provide that, upon application by a producer or a producer's customer, the Commission shall order an interstate pipeline to transport gas on behalf of the producer and purchaser, under such terms and conditions as the Commission determines to be just and reasonable. This section is intended to open the natural gas market to the operation of the laws of supply and demand to the fullest extent possible by allowing producers and users of natural gas to deal directly with one another. There would be limitations on this provision to protect the pipeline and its customers. A pipeline would not be required to construct new facilities. In addition, the Commission could find the transportation would impair service to the pipeline's customers, and thus limit or disallow the application. Finally, the Commission is given the option to implement this section either by rule or order. Section 317(b) would provide that in consideration for this carriage, the pipeline would receive five cents per million Btu's in addition to the normal transportation rate which the pipeline would receive under the Natural Gas Act for such transportation. The five cents would not be credited and flowed back to the pipeline's customers, but would be reserved for the pipeline's shareholders. Except for the special treatment of the five cents, the revenue from transportation under this provision would be treated in the same fashion as revenue from transportation under the Natural Gas Act.

TITLE V—REPEAL OF CERTAIN RESTRICTIONS ON NATURAL GAS AND PETROLEUM USE AND PRICING

Sections 501 and 502 would repeal several sections of the Powerplant and Industrial Fuel Use Act of 1978 (FUA).

The bill would repeal (1) the prohibitions on the use of natural gas and petroleum as a primary energy source in new electric powerplants and new major fuel-burning installations, (2) the prohibition on the construction of new powerplants without alternate fuel capability, (3) the discretionary authority of the Secretary of Energy to prohibit nonboiler installations from using natural gas and petroleum as a primary energy source, and (4) all corresponding exemption provisions.

The bill would repeal section 302 of FUA which authorizes the Secretary of Energy to prohibit the use of natural gas or petroleum as a primary energy source where coal or alternate fuel capability exists in existing major fuel-burning installations.

The Secretary of Energy's authority under section 401 of FUA to prohibit the use of natural gas as a primary energy source in certain boilers would be repealed.

The bill would repeal section 402 of FUA which prohibits certain installations of new outdoor lighting fixtures that use natural gas and certain uses of natural gas therein.

The bill would repeal section 405 of FUA which authorizes the Secretary of Energy to restrict, by rule, increases in the use of petroleum as a primary energy source in existing powerplants that used coal or another alternate fuel in 1977.

The bill would repeal subsections 103(a)(16), (a)(18), (a)(19) and (a)(29) of the Powerplant and Industrial Fuel Use Act of 1978, which provide certain definitions for general reference that are no longer necessary due to the proposed repeal of many statutory provisions.

Section 503 would repeal title II of the NGPA, which provides for an incremental pricing system whereby low priority users of natural gas pay a larger share of the first sale acquisition costs for natural gas, and thus would end this regulatory system. Acquisition costs incurred prior to the enactment of this bill would be passed through to users on the basis of the existing Commission regulations for incremental pricing. Any acquisition costs incurred after the enactment of this bill would be dealt with without regard to incremental pricing requirements.

EXECUTIVE SUMMARY—ANALYSIS OF NATURAL GAS CONSUMER REGULATORY REFORM LEGISLATION

BACKGROUND

If the wellhead price of natural gas were not regulated, market forces would affect natural gas prices as they do all other unregulated commodities. When deliverable supplies were high, as they are today, the price would fall; when deliverable supplies were reduced, the price would increase. If the price of the principal competing fuel (oil) were to drop, the price of natural gas also would drop in order to maintain a competitive position in the marketplace.

But the domestic gas market has been distorted by existing law. The Natural Gas Policy Act of 1978 (NGPA) currently is causing natural gas prices to rise despite an oversupply of deliverable gas, declining oil prices, and a low rate of inflation.

PROPOSAL

The legislative proposal provides a transition to a free market for natural gas that both protects consumers from the effects of market distortions on prices during the transition and provides strong incentives for producers and purchasers to renegotiate contracts to minimize costs. Key differences from the NGPA include the following:

Consumers are protected through a moratorium on automatic Purchased Gas Adjust-

ment (PGA) increases above the level of inflation, with other increases requiring a full public proceeding by the Federal Energy Regulatory Commission (FERC).

All new and renegotiated contracts are deregulated, with the volume-weighted average price of these new contracts becoming a cap on prices that can be charged under old regulated contracts. Pipelines may reduce take-or-pay contract volumes to 70 percent.

On January 1, 1985, either party may opt out of any old (pre-enactment) contract, and transportation of gas from producers to new buyers is guaranteed.

MAJOR ASSUMPTIONS OF THE ANALYSIS

Oil price assumptions are critical to any analysis of natural gas pricing policies because the fuels substitute for and compete with each other over a broad range of uses. This analysis uses in its reference cases those oil prices developed for the fiscal year 1984 budget. These prices are relatively flat in real terms ranging from about $31 to $32 over the 1983-90 time period. A low oil price sensitivity case was run at the $23-to-$24-barrel level in real terms through 1985, with growth at 1 percent in each year through 1990.

Other key assumptions include the following:

GNP growth at 1.7 percent in 1983 with a recovery peaking in 1984-85 (4 to 4.5 percent). The average annual growth rate for the rest of the decade is 3.4 percent.

Excess deliverability of natural gas in 1982 averaging about 1.4 trillion cubic feet.

Conservative estimates of the number of producer/pipeline contract renegotiations before January 1, 1985.

RESULTS OF THE ANALYSIS

Under current law, prices are projected to continue on a steady upward path, reflecting both the changes in mix (depleting supplies of old, low-priced gas and additions of more expensive gas) and some subsidization of drilling for more expensive gas. As prices currently are approaching market-clearing levels, the analysis does not show a sudden price increase when partial decontrol takes effect in 1985. But just what will happen to gas prices in 1985 will be strongly influenced by oil prices.

Under a low oil price scenario, prices under current law continue to rise until after the partial deregulation in 1985, as certain contract provisions cause the price ceilings under the NGPA to continue to act as floors that rise with the rate of inflation.

The legislative proposal shows a much different pattern in the near term. Under base case price assumptions, the average price of gas shows a decrease in the first year of 10 cents to 30 cents per thousand cubic feet. This is about 20 cents to 40 cents below projected NGPA prices. Prices under the proposal remain below those under current law (NGPA), with both rising to about 10 percent above 1982 prices by 1985, assuming no PGA restrictions as a worst case. If FERC disallows some purchased gas cost increases until 1986, residential prices will not rise by the full 10 percent.

Under a low oil price scenario, residential prices should drop by about 30 cents to 60 cents in the first year, about 40 cents to 70 cents below NGPA projections, and should remain well below 1982 levels until 1985. After 1985, the difference between current law and the proposal is very small, as low prices do not offer substantial incentives or subsidies to drill for expensive gas.

In terms of economic efficiency, the legislative proposal shows sizable gains as resources flow to their most efficient uses in a competitive market rather than to the less efficient uses caused by a distorted market. Under the base case oil price assumptions, the legislative proposal provides net national economic benefits over the period that are in the range of at least $1 billion to $2 billion. Such benefits to the economy also are very sensitive to oil prices; when oil prices increase, the free market will cause low-cost gas to be produced first—unlike the current situation with its distorted incentives to produce high-cost deep gas because of its deregulated status. Using the higher oil prices expected in the analysis of 1 year ago, economic efficiency gains are in the range of $25 billion.

DEPARTMENT OF ENERGY.

FEBRUARY 28, 1983.

DEPARTMENT OF ENERGY FACTSHEET: NATURAL GAS CONSUMER REGULATORY REFORM LEGISLATION

The Natural Gas Policy Act (NGPA) of 1978 currently is causing natural gas prices to rise in spite of an oversupply of deliverable gas, declininig oil prices, and a low rate of inflation.

The proposed natural gas legislation submitted by the President to the Congress today will benefit consumers by creating a system in which gas prices can be responsive to the pressures of the market. Through this approach to the free market, the proposal will protect consumers from uneconomic natural gas price increases while eliminating regulatory barriers that prevent natural gas from being purchased, distributed and used efficiently.

A primary purpose of the proposal is to see that consumers not bear the risk of price increases from this effort to let the market work. This proposal modifies, until January 1, 1986, the current Federal Energy Regulatory Commission regulations which allow pipelines immediately to pass through to consumers all wellhead cost increases. This will provide fairness to consumers and provide incentives to suppliers and pipelines to renegotiate contracts to minimize costs.

Purchased gas costs automatically passed to consumers will be limited to the pre-enactment levels plus the increase attributable to inflation.

Price increases above the rate of inflation may not be passed to consumers unless such increases specifically are approved by the Federal Energy Regulatory Commission after a public proceeding with appropriate standards.

Under current market conditions, the proposed natural gas legislation should result in a first year drop in the average price of gas of 10 to 30 cents per thousand cubic feet (mcf). This estimate is based on assumptions about the extent of producer-pipeline renegotiations, the current excess of deliverable gas supplies, the rate of economic growth and what path oil prices will follow over the next few years. If, for example, oil prices were to fall below the cautious projections used (which do not take into account recent price reduction announcements by major foreign oil producing nations), we would expect gas prices to drop even further in the near-term.

Under the proposed legislation, any new contracts for natural gas purchases may be negotiated, and existing contracts may be renegotiated, at the option of the contracting parties, and all these contracts will operate on whatever terms the parties agree. As an incentive to renegotiation, either party will be allowed to opt out of any pre-enactment contract beginning January 1, 1985.

Before 1986, the average price of gas purchased through renegotiated and new contracts will become the "gas cap," and the price for all regulated gas will be limited to the lower of either the "gas cap" or the NGPA-controlled price (where the price category remains in effect under NGPA), with the exception of "tight sands" gas which is capped at its maximum lawful price at date of enactment.

The price of gas not currently regulated—so-called "deep gas"—will be capped at the higher of the contract price as of the date of enactment or the "gas cap" until January 1, 1986, unless such contracts are renegotiated prior to that date.

The "gas cap" will be applied as a ceiling for price escalator clauses in existing contracts until January 1, 1986, or sooner if such contracts are renegotiated.

Until January 1, 1986, the legislative proposal will allow pipelines companies to reduce their minimum rates of take to 70 percent under those "take-or-pay" provisions that require pipelines to pay for a specified quantity of gas regardless of how much gas they can sell. If the purchaser elects to reduce the amount of gas taken under "take-or-pay" provisions, the seller may sell that portion of the gas elsewhere.

The proposal will require pipelines to carry gas at an incentive rate where producers can find buyers directly, there is available capacity, and existing pipeline customers are not penalized.

DEPARTMENT OF ENERGY.

FEBRUARY 28, 1983.●

By Mr. DURENBERGER (for himself, Mr. BAUCUS, Mr. DOMENICI, Mr. BUMPERS, Mr. COHEN, Mr. GOLDWATER, Mr. PELL, Mr. PERCY, Mr. STENNIS, and Mr. TSONGAS):

S. 616. A bill to promote the use of solar and other renewable forms of energy developed by the private sector; to the Committee on Finance.

SOLAR ENERGY NATIONAL SECURITY AND EMPLOYMENT ACT

● Mr. DURENBERGER. Mr. President, it is my pleasure to join with the Senator from Montana (Mr. BAUCUS) and others to introduce a bill entitled the Renewable Energy Small Business Development Act. This Legislation also serves as title I of the Solar Energy National Security and Employment (SENSE) Act of which I am a cosponsor.

The principal provision of this legislation extends the business energy tax credits for investment in renewable energy properties. Under current law, when a business buys wind, or solar, or geothermal equipment to generate power for its own use, the business gets a tax credit equal to 15 percent of the cost of the equipment purchased. That is a tangible incentive. But those credits expire in 1985—in most cases—and were somewhat diluted by the Tax Equity and Fiscal Responsibility Act passed last summer.

Renewable energy is an industry. In this country it is generally an industry of small businesses. But they are busi-

nesses. They need to make investments in plant to build the equipment for the marketplace. They need to plan. They need to know where their markets are headed. A tax credit which ends in 2 years is not much help, if you are planning for a business. Legislation will provide the real incentive that is needed to make sure that our progress toward a renewable energy future does not come to an abrupt halt with changing energy markets.

A second provision in the legislation reserves 12 percent of the Export-Import Bank's loan authority for small businesses—that is businesses with sales under $25 million in the previous year. The legislation puts particular emphasis on small renewable energy businesses because of the potential for renewable energy to lead the way in rebuilding export markets for America's products.

A third provision requires the U.S. Department of Commerce to put renewable energy on the same footing with other industries when it comes to the trade policy and export assistance of the U.S. Government.

A fourth provision relates to the cogeneration section of the Public Utility Regulatory Policies Act of 1978. That law assured that small generators using renewable energy resources would have a ready market for the energy they supply by requiring the electric utility industry to offer fair prices to small power producers for the energy that they feed into the electric utility grid.

Although the 1978 act is clear in its intent, it has been confused in the process of implementation. Electric utility companies across the Nation are resisting connection with small power producers and in many cases have gone to court to halt PURPA implementation.

The legislation I am offering today would restate congressional intent and make it clear that small power generators using renewable energy resources are to be offered prices for their electric production at least equal to the incremental cost of new production by the electric utility itself.

Finally, the Renewable Energy Small Business Act amends an act passed last year, the Small Business Innovation Act which set aside 1 percent of all research and development funds in several Federal Government agencies for small business. The bill I introduce today would assure that the Department of Energy includes research and development funds for small renewable energy businesses in its set-aside for small business generally.

Mr. President, with the news comming out of the OPEC cartel—the news that oil prices may be falling—it would be easy for Americans to get complacent about our energy supply once again. During an oil glut, like the one we have now, we tend to forget about things like conservation and alternative energy sources. The market sends business and consumers the wrong message.

But we must not forget that over the long term we will most assuredly run out of easily produced and relatively inexpensive fossil fuels. And in the short term, we will continue to be vulnerable to supply interruptions that can threaten our economy.

The legislation that we are introducing today gives Congress the chance to reply to the news from the OPEC capitals. The support already gathered for this legislation gives me real hope because it means that our reply will be a commitment not to forget that renewable energy is the future of this country.

Mr. President, I ask that a copy of the legislation that I am introducing be included in the RECORD with my comments today. Thank you, Mr. President.

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

S. 616

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This act may be cited as the "Renewable Energy Small Business Development Act of 1983".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment of a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) the United States of America is dependent on a finite and diminishing resource base of fuels;

(2) the business sector of the Nation, including small business, has the capacity to develop and market energy conservation and renewable energy devices and fuels;

(3) Federal programs to assist businesses in the financing and marketing of renewable energy systems are in place, and can be improved to provide even greater assistance in renewable energy development;

(4) energy tax credits provide incentives for the use of renewable energy systems that complement the natural forces of the marketplace;

(5) a guarantee that small renewable energy electric power producers will be able to interconnect with the utility grid and will be paid a fair and reasonable rate for their power will encourage them to help develop more diversified sources of electricity that will lead to lower rates for the Nation's consumers of electricity;

(6) the innovative character of the Nation's small business sector is critical to the success of the Nation's effort to develop productive renewable energy technologies, systems and components;

(7) the participation of small business in the export of renewable energy products is essential if the Nation is to take full advantage of the opportunities provided by the growing world renewable energy market.

(b) POLICY.—The Congress reaffirms that it is the policy of the federal government to—

(1) pursue a vigorous and balanced program of basic research and technology development that will make renewable energy a significant contributor to the Nation's future energy mix;

(2) assist the development of practical means to employ solar and other renewable forms of energy on a commercial scale; and

(3) reassert the goals of existing Federal legislation that encourages private-sector development of renewable energy, including the—

(A) Solar Heating and Cooling Demonstration Act of 1974,

(B) Solar Energy Research, Development and Demonstration Act of 1974,

(C) Ocean Thermal Energy Conversion Research, Development and Demonstration Act,

(D) Wind Energy Systems Act of 1980, and

(E) Solar Photovoltaic Energy Research, Development and Demonstration Act of 1978.

SEC. 3 INCREASE IN ENERGY PERCENTAGE.

(a) IN GENERAL.—The table contained in clause (i) of section 46 (a) (2) (C) is amended to read as follows:

"Column A—Description: In the case of:	Column B—The energy percentage is:	Column C—For the period: Beginning on:	And ending on:
I. General Rule.—Property not described in any of the following provisions of this column.	10 percent...	Oct. 1, 1978.	Dec. 31, 1982.
II. Solar, Wind, or Geothermal Property.—Property described in section 48(1)(2)(A)(ii) or 48(1)(3)(A)(viii).	A. 10 percent.	Oct. 1, 1978.	Dec. 31, 1979.
	B. 15 percent	Jan. 1, 1980.	Sept. 30, 1983
III. Ocean Thermal Property.—Property described in section 48(1)(3)(A)(ix).	A. 15 percent.	Jan. 1, 1980.	Dec. 31, 1990.
IV. Qualified Hydroelectric Generating Property.—Property described in section 48(1)(2)(A)(vii).	A. 11 percent.	Jan. 1, 1980.	Sept. 30, 1983.
	B. 15 percent.	Oct. 1, 1983.	Dec. 31, 1990.
V. Biomass Property.—Property described in section 48(1)(2)(A)(x).	A. 10 percent.	Oct. 1,.....	Dec. 31, 1990.

(b) AFFIRMATIVE COMMITMENTS—

(1) IN GENERAL—Subparagraph (C) of section 46(a)(2) (relating to energy percentage) is amended by redesignating clause (iv) to clause (v) and by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) LONGER PERIOD FOR CERTAIN PROPERTY—For the purpose of applying the energy percentage contained in subclause (I), (II), (III), or (IV) of clause (i) with respect to any property, the extended date shall be substituted for the termination date with respect to such property if—

"(I) on or before the termination date with respect to such property, the taxpayer or any other person has completed all feasibility studies in connection with the acquisition, construction, reconstruction, or erection of the property, or with the commencement of construction of the project which the property is a part, and has applied for all environmental and construction permits required under Federal, State, or local law in connection with the acquisition, construction, reconstruction or erection of the property, or with the commencement of the construction of the project of which the property is a part, and

"(II) on or before the date which is 3 years after the termination date with respect to such property, the taxpayer has entered into binding contracts for the acquisition, construction, reconstruction or erection of:

(A) the property;

(B) the equipment for the project of which such property is a part, the aggregate cost of which to the taxpayer is at least 50 percent of the reasonably estimated cost for all equipment which is to be placed in service as part of the project upon its completion, or

(C) the equipment specially designed for the project of which such property is a part, the aggregate cost of which to the taxpayer is at least 50 percent of the reasonably estimated cost for all equipment specially designed for the project which is to be placed in service as apart of the project upon its completion.

"(iv) DEFINITIONS RELATED TO CLAUSE (III).— For the purposes of clause (iii)—

"(I) In the case of subclause (I) of clause (i), the term 'termination date' means 'December 31, 1983', and the term 'extended date' means 'December 31, 1990'.

"(II) In the case of subclause (II), (III), or (VI) of clause (i), the term 'termination date' means 'December 31, 1990', and the term 'extended date' means 'December 31, 1995'.".

(2) HYDROELECTRIC GENERATING PROPERTY.—Clause (v) of section 46(a)(2)(C), as redesignated by paragraph (1), is amended to read as follows:

"(v) LONGER PERIOD FOR CERTAIN HYDROELECTRIC GENERATING PROPERTY.—If an application for a preliminary permit, license, or license exemption has been filed with the Federal Energy Regulatory Commission before January 1, 1990, with respect to the installation of any qualified hydroelectric generating property, for purposes of applying the energy percentage contained in subclause (IV)(B) of clause (i) with respect to such property, 'December 31, 1995' shall be substituted for 'December 31, 1990'.".

SEC. 4. AMENDMENTS RELATING TO BIOMASS AND COGENERATION PROPERTY.

(a) BIOMASS RECYCLING EQUIPMENT TREATED AS BIOMASS PROPERTY.—Subparagraph (A) of section 48(1)(15) is amended by striking out "and" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iii) any property described in paragraph (6), as modified by subparagraph (B) of this paragraph.".

(b) DEFINITION.—Subparagraph (B) of section 48(1)(15) is amended by striking out "and" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iii) for purposes of subparagraph (A)(iii) of this paragraph, paragraph (6) shall be modified by substituting 'biomass' for 'solid' each place it appears.".

(c) QUALIFIED FUEL.—Clause (ii) of section 48(1)(15)(C) is amended to read as follows:

"(ii) alcohol for fuel purposes.".

(d) ENERGY PROPERTY.—Subparagraph (A) of section 48(1)(2) is amended by striking out "or" at the end of clause (viii), by adding "or" at the end of clause (ix), and by adding at the end thereof the following new clause:

"(x) biomass property.".

SEC. 5. AMENDMENT TO EXPORT-IMPORT BANK ACT OF 1945.

Section 7(a) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(3) Not less than 12 percent of the loan authority of the Export-Import Bank in any fiscal year shall be made available only to businesses with $25,000,000 or less in previous-year sales and shall include an amount of loan authority for transactions involving renewable energy that is appropriate to the demand for such loans."

SEC. 7. AMENDMENTS TO THE PUBLIC UTILITIES REGULATORY POLICIES ACT OF 1978.

(A) Subsection (b) of section 210 of the Public Utility Regulatory Policies Act of 1978 is amended to read as follows:

"(b) RATES FOR PURCHASE BY ELECTRIC UTILITIES.—(1) The rates for purchases by an electric utility under subsection (a) of this section of electric energy from any qualifying cogeneration facility or qualifying small power production facility shall be established at the incremental cost of alternative electric energy of such electric utility, unless—

"(A) the State regulatory authority having ratemaking authority over such electric utility determines (by rule or order of prospective application), or

"(B) a nonregulated electric utility determines, with prospective application, and publishes its reasons therefor,

that some other rate would be sufficient to encourage cogeneration and small power production, would not discriminate against qualifying cogenerators and small power producers, and would be consistent with the interests of consumers and with the public interest. In exercising the authority under this paragraph, a State regulatory authority or nonregulated electric utility may distinguish between new and existing facilities and may distinguish among classes of qualifying cogeneration facilties and qualifying small power production facilities.

"(2) A rate for the purchases under subsection (a) of this section of electric energy from any qualifying cogeneration facility or qualifying small power production facility which—

"(A) was established by a State regulatory authority, by State law, or by a nonregulated electric utility, prior to the date of enactment of the Renewable Energy Small Business Development Act of 1983, and

"(B) conformed with the requirements of regulations under this subsection (as in effect on January 1, 1982),

shall be treated as satisfying the requirements of this subsection unless and until such rate is amended or revised in accordance with this subsection, as amended by the Renewable Energy Small Business Development Act of 1983.

"(3) Nothing in this subsection—

"(A) limits the authority of an electric utility and a qualifying cogeneration facility or qualifying small power production facility to enter into a contract which contains a rate or rates which differ from those referred to in paragraph (1) or (2), or

"(B) affects the validity of such a contract."

(b) Subsection (a) of section 210 of the Public Utility Regulatory Policies Act of 1978 is amended:

(1) in paragraph (1), by striking out "and" and inserting in lieu thereof ";";

(2) in paragraph (2), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following:

"(3) interconnect with such facilities.".

(c) Section 210 of the Public Utility Regulatory Policies Act of 1978 is amended by adding at the end thereof the following new subsection:

"(k) ARRANGEMENTS FOR INTERCONNECTION.—(1) The rules under subsection (a)(3) of this section shall insure that, where any electric utility is required to offer to interconnect with a qualifying cogeneration facility or qualifying small power production facility, the qualifying cogeneration facility or qualifying small power production facility shall be obligated to pay any reasonable interconnection costs incurred by the utility, including costs incurred—

"(A) to protect the safety of (i) the electric utility's employees, (ii) other customers, and (iii) the public, and

"(B) to avoid the impairment of the reliability of any electric utility affected by such interconnection.

"(2) The rules referred to in paragraph (1) shall provide that if the electric utility and qualifying cogeneration facility or qualifying small power production facility are unable to resolve disputes concerning the interconnection between the electric utility and qualifying cogeneration facility or qualifying small power production facility, the State regulatory authority (in the case of an electric utility over which it has ratemaking authority) may prescribe the terms applicable to such interconnection, including the costs to be borne by the qualifying cogeneration facility or qualifying small power production facility on a nondiscriminatory basis.

"(3) The Commission shall promulgate the rules referred to in paragraph (1) not later than 6 months after the date of the enactment of the Renewable Energy Small Business Development Act of 1983. Prior to the effective date of such rules, the rules promulgated by the Commission respecting the interconnection of qualifying cogeneration facilities or qualifying small power production facilities and electric utilities, as in effect on January 1, 1983, shall remain in force and effect.".

AMENDMENT TO REORGANIZATION PLAN NO. 3 RELATING TO INTERNATIONAL TRADE FUNCTIONS

SEC. 7. Chapter 5 United States Code app. 19 of the Reorganization Plan No. 3 of 1979 is amended by inserting in section 1(b)(3)(F) after the word "energy" the words "including renewable energy."

AMENDMENTS TO THE SMALL BUSINESS INNOVATION ACT OF 1982

SEC. 8. Public Law 97-219 is amended—

(1) by adding after SEC. 4(f)(2) the following new paragraph

(3) A reasonable portion of the amounts appropriated and the non-nuclear programs of the Department of Energy shall for the purposes of paragraph (1) be set aside for renewable energy and energy conservation businesses.●

● Mr. BAUCUS. Mr. President, I am pleased to join my colleague from Minnesota, Senator DURENBERGER, in introducing the Renewable Energy Small Business Development Act, title I of the Solar Energy National Security and Employment Act (SENSE).

Montanans have been leaders in energy conservation and use of alternative, renewable energy resources. They understand that it makes good

sense—for the economy and for the environment.

Montanans understand the importance of diversifying our energy resources. That is why I am pleased to join in introducing the SENSE Act.

This bill is designed to spur the growth of this Nation's energy conservation and renewable energy industries. The goal of the bill is to create jobs, stimulate the growth of business, save consumers' money, give the United States new products for export, and decrease our vulnerability to disruptions in our oil supply.

The SENSE Act does not create giant, expensive new spending programs to accomplish these goals. Instead the bill refines existing conservation and renewables programs. It also broadens the use of renewables and conservation in other Federal programs.

SMALL BUSINESS

The first part of the SENSE Act, which I am sponsoring, is essentially an economic development program for small conservation and alternative energy businesses.

As a member of the Senate Finance and Small Business Committees, I am an ardent supporter of efforts to provide capital to small businesses that want to invest in renewables and conservation.

This legislation provides tax incentives that should be a great help to the growing alternate energy industry in Montana. Most important, this legislation would extend, and in some cases increase, the business tax credits available for renewable energy investments. These tax credits were scheduled to expire in 1985.

My bill would increase the tax credit for solar, wind, and geothermal investments from 15 to 25 percent, and it would extend the credit for all renewables to 1990. This includes the 11-percent credit for hydroelectric property and the 10-percent credit for biomass investments.

These tax credits are essential for maintaining the viability of thousands of renewable energy technology producers in Montana and across the Nation. They help offset Federal tax subsidies for the established energy industries with which the emerging renewable energy industry must compete. And they help these businesses overcome the high up-front costs that often act as a barrier to investments in renewable energy equipment.

EXPORTS

Title I of the bill also would help the American renewables industry enhance its position in the world market. Countries such as Japan, West Germany, and Italy have been able to erode the U.S. lead in many renewable energy technologies.

Many experts argue that the Japanese could capture more than half the expanding world market for photovoltaic cells within the next few years. This is despite the fact that until very recently, the United States controlled 80 percent of this market.

Japan, Germany, and Italy all give their renewables industries sizable government subsidies. My bill would put U.S. producers on a more equal footing.

My bill would increase the availability of loans for these businesses from the Export-Import Bank. It would reserve 12 percent of the Bank's loan authority for small businesses, with special emphasis on renewable energy investments.

Second, the act would require the U.S. Department of Commerce to provide the same treatment and export assistance to renewable energy as it does to other U.S. industries. The International Trade Administration at the Commerce Department has effective programs to help private businesses develop markets overseas.

In 1981, the Energy and Commerce Departments jointly sponsored a $500,000 trade development program for renewables businesses that, in turn, generated $3 million in immediate overseas sales and another $60 million in projected 12-month sales. One of the purposes of this bill is to encourage the Commerce Department even more to promote exports in an industry that has very high export potential.

SET-ASIDE

Finally, my bill would amend the Small Business Innovation Act, which requires the Energy Department and several other agencies to set aside at least 1 percent of their research and development funds for small businesses.

My bill would guarantee that renewable energy businesses that are included in this set-aside. This provision is necessary to insure that the Department of Energy does not allot its entire small business set-aside to research and development of conventional energy sources.

CONCLUSION

All of us recognize that these are difficult economic times. The alternative energy industry offers one way to create jobs, spur economic growth, and insure future energy self-sufficiency.●

● Mr. DOMENICI. Mr. President, I today join in introducing the Solar Energy National Security and Employment Act of 1983 (SENSE Act) along with Senators BUMPERS, BAUCUS, COHEN, DURENBERGER, GOLDWATER, PELL, PERCY, STENNIS, AND TSONGAS. This act, which is a series of four bills, is designed to emphasize renewable energy and conservation use as well as assist small businesses and jobs development related to these energy technologies. It will do so principally by emphasizing the use of these technologies in defense installations where cost effective, by targeting renewable and conservation small businesses in existing assistance programs, and by the expansion and extension of renewable energy tax credits for business and residential use.

This approach to the broadening of the use of renewable energy and conservation has been tried successfully in my State of New Mexico through a coordinated effort by the Solar Energy Industry Development Corp., founded by me and former Gov. Bruce King; solar businesses; and the State government to double the number of jobs related to renewable energy over the past 2 years—600 to 1,200—which we hope to double again over the next 2 years.

This legislation represents that same sort of cooperative effort to better utilize existing programs and emphasize renewable energy resources and conservation in our domestic economy as well as in international markets.

Mr. President, I would like to include at this point in the RECORD a summary of the provisions of the bill.

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

SUMMARY OF SENSE ACT PROVISIONS

I. THE RENEWABLE ENERGY SMALL BUSINESS DEVELOPMENT ACT

The Small Business Title of SENSE redefines and broadens five existing federal programs that assist renewable energy small businesses to ensure that they are more effective. Except for the extension of the business energy tax credits, none of the provisions require additional federal expenditures. These provisions will assist and stimulate small business development through exports, interconnection with the utility grid, use of DOE research dollars, and business development spurred by the tax incentives.

1. This Act extends the renewable energy business tax credits to 1990 and increases the credits for solar, wind, and geothermal applications. Ocean thermal, biomass, and hydroelectric credits would remain at current levels through 1990. The business tax credits for renewable energy, due to expire in 1985, provide a 15 percent credit for solar, wind, and geothermal expenditures; 15 percent for ocean thermal applications designated by DOE; 11 percent credit for hydroelectric; and 10 percent for biomass.

2. The Act reserves 12 percent of the Export-Import Bank's loan authority to small businesses with previous-year sales of $25 million or less. Renewable energy businesses are highlighted as representative of the high-growth industries that should receive this money.

3. The Act requires the U.S. Department of Commerce to provide the same treatment and export assistance to renewable energy as it does to other U.S. industries. Currently, the Commerce Department's International Trade Administration handles export programs and has actively helped the renewable energy industry. In 1981, the Department of Energy and the Department of Commerce jointly sponsored a $500,000 trade development program that generated $3 million of immediate sales and another $60 million in projected 12-month sales.

4. It clarifies the original Congressional intent of PURPA to guarantee the right of

renewable energy small power producers to connect with the electric utility grid and to receive a fair and reasonable payment for the electricity they supply to the grid. The rate of payment should be based on the 100 percent replacement cost (or "full avoided cost") to the utility.

5. It expands the Small Business Innovation Act, which mandated that the Department of Energy and several other agencies set aside at least 1 percent of their research and development funds for small businesses, to guarantee that renewable energy businesses are included.

II. THE RENEWABLE ENERGY NATIONAL SECURITY ACT

The National Security Title uses three existing federal programs to establish a role for renewable energy in national defense planning and modernization. The expanded role of renewable energy and energy conservation will make the U.S. military more secure in its energy supply. Farmers will have access to liquid fuels (ethanol) produced domestically in times of petroleum shortages, a necessity at harvest time. The Department of Defense will have the access to information on production and fuel stockpiles of renewable energy technologies in times of natural emergencies. As a result, our nation will be prepared for unplanned cuts in conventional energy supplies.

1. The Act clarifies in legislative language that all renewable energy technologies and fuels and energy conservation equipment should be purchased when cost-effective. Language in the Defense authorization bill in 1982 directed the Department of Defense to procure only renewable energy generating devices. As the law stands, DOD should procure these technologies when cost-effective.

2. It directs USDA to assess the options for creating an alcohol fuels reserve and to report to Congress on its plan. In the provision, the Commodity Credit Corporation is directed to use spoiled and contaminated grains first for such a reserve and gives them the authority to store the ethanol fuel in an effective way.

3. It requires a two-page report from the Secretary of Defense on the feasibility of using mobile renewable energy generators such as photovoltaic cells and wood gasifiers to back up existing conventional energy supplies for military facilities in case of emergency.

4. It permits the Department of Defense access to other Federal databanks to collect information on the production capacity and stockpiles of renewable energy devices and fuels for use in emergencies. This information would be shared with the Federal Emergency Management Agency and others.

III. THE RENEWABLE ENERGY EMPLOYMENT ACT

This Employment Title uses two existing programs, the DOE weatherization program and the USDA Agricultural Extension Service to further energy conservation and renewable energy development in low-income housing stock and on small farms.

1. The Act requires that energy conservation and renewable energy skills be considered as allowable training skills in all renewable job training programs. The provision does not require these skills to be taught in each Federal jobs training program. It simply guarantees those programs that wish to provide this kind of training will be able to do so.

2. The Act reaffirms Congress' support of the DOE low-income weatherization program and requests level funding at the fiscal year 1983 level for the successive fiscal years.

3. The Act requires the Department of Agriculture to centralize information on low-energy, renewable energy farming practices and develop a process to convey this information to the Agricultural Extension Service. Agricultural agents can distribute the information and provide farm energy audits.

4. It requires the Farmers Home Administration Loan Programs (USDA) and the Urban Development Action Grant and Community Development Block Grant (HUD) to include renewable energy and energy conservation considerations as key components in the funding selection criteria.

IV. THE RENEWABLE ENERGY CONSUMER INCENTIVES ACT

Title IV uses existing federal programs to assist consumers in making informed decisions on renewable energy and energy conservation purchases and use. The Title also broadens existing programs that build consumer confidence in the use of renewable energy devices so that the transition to broad use of renewable energy takes place quickly.

1. It extends the residential tax credits to 1990 and directs the Internal Revenue Service to allow credits to be taken on both active and passive solar systems. The 40 percent tax credit for residential solar expenditures under current law expires in 1985.

2. It extends the authorization of the Solar Energy and Energy Conservation Bank until 1990 and directs the Bank to fund active solar applications, to treat single and multifamily housing equally, and to allow entities other than the states (e.g., cities, credit unions, banks) to participate in the Bank program.

3. It allows a small portion of funds appropriated for energy aid to be used to create formal information exchanges among governments at all levels to improve the effectiveness of energy programs. Through meetings, publications exchanges, or other means, the states will be able to learn from one another's experiences and to enhance the effectiveness of their energy programs.

4. This provision provides clearer authorization for three complementary renewable energy information programs now conducted by the federal government. The Technical Information Program of the Solar Energy Research Institute (SERI) produces technical documents for the commerical renewable energy sector that draws on highly technical information from specific research activities. The Conservation and Renewable Energy Inquiry and Referral Service (CAREIRS) provides general information and business referrals to consumers, through a toll-free phone number as well as by mail. The National Appropriate Technology Assistance Service (NATAS) will provide technical assistance to individuals designing and building their own renewable energy systems or devices.

5. It reaffirms Congress' intentions to provide consumers with energy-efficiency labels on automobiles and appliances so they can make informed purchasing decisions. This provision also directs the Small Business Administration Energy Loan Program to fund small renewable energy businesses for the testing of their new products.

6. It requires state electric utility regulatory commissions to implement programs under which electric utilities make available standardized interconnection and power purchase contracts under PURPA for renewable energy electric systems of less than 100 kW.

7. It requires all federal agencies to submit yearly reports of not more than 15 pages to Congress on their energy conservation and renewable energy program's impact on the production or use of renewable energy and energy conservation. In addition, it requires the Department of Energy in its Monthly Energy Review to include national statistics on energy conservation and renewable energy use as it does with other energy sources. Finally, the provision requires information from the Department of Commerce on the impact of renewable energy exports on the international balance of payments of the U.S.; and the Department of Labor on the employment generation of the renewable energy and energy conservation industries in the U.S. and the Department of Energy on the imported petroleum displacement.●

● Mr. BUMPERS. Mr. President, I am pleased to join the Senator from New Mexico in introducing the Solar Energy National Security and Employment Act of 1983, which we are calling the SENSE Act, because it makes such good sense. It recognizes the potential of renewable energy sources, not only in lessening our energy problems, but also in providing employment. It also recognizes the contribution which renewables can make to our national defense and to the economy by expanding export markets.

The potential of renewable energy sources is unmatched by any nonrenewable energy. The Department of Energy's second national energy plan estimated that renewables could provide as much as 28.5 quadrillion Btu a year by the year 2000. Such an achievement would represent more than 35 percent of current consumption or 24 percent of projected consumption in the year 2000. Admittedly, the DOE estimate is of the technical limit, but even the maximum practical amount of 18.5 quadrillion Btu is extremely impressive. It would equal 16 percent of the projected demand.

The recent growth of the photovoltaic industry demonstrates that the DOE projections may be achieveable. In 1981, domestic producers of photovoltaics sold 40 percent more cells than in 1980, and in 1982 the industry grew an additional 40 percent. It also attracted an additional $2 million in capital investment. Since this growth occurred during the worst recession since the Great Depression, it is truly stunning. The industry's future potential is even more impressive. DOE has estimated that the world market could increase by the year 2000 to 400 megawatts, an increase of 47 times the current sales.

It is essential for us to remove any barriers to the production of photovoltaics and other devices using renewable energy sources so that they will be able to compete in both the world and domestic markets. That is what the SENSE Act does.

Certainly one of the barriers to greater development of renewables is simply lack of information. Consequently, the SENSE Act would require the Department of Agriculture to centralize its information on low energy farming and disseminate it through the Agriculture Extension Service. It would also use the Service to coordinate a national rural energy service to identify methods of fertilizing, harvesting, and processing food without imported oil. Small farms hold great potential for using photovoltaic cells in irrigation systems. DOE has estimated that there are 50 million farms throughout the world that could use solar power where diesel-powered irrigation systems are not cost-effective. We should begin to develop that market.

Similarly, the SENSE Act requires the Department of Defense to assemble existing data on the location of renewable energy stockpiles and production facilities. It would continue the Conservation and Renewable Energy Inquiry and Referral Service, the National Appropriate Technology Assistance Service, and the technical information program at the Solar Energy Research Institute. These offices would disseminate existing information concerning renewable energy to consumers who are interested in installing devices to use renewable energy. It would also require a coordinated communications network among Federal, State, county, city, and other local governments in order to assure fuller awareness and use of available renewable energy sources.

In addition, the act recognizes the value of renewables in increasing employment. It would include renewable energy production, installation, and maintenance as allowable occupations eligible for Federal job training and placement purposes. It would require the Department of Labor to report to Congress the impact of renewable energy industries upon employment.

Furthermore, the act would help promote the export of renewables by creating a 12-percent set-aside of the Export-Import Bank's loan authority for small businesses. It also instructs the Department of Commerce International Trade Administration to treat renewable energy as a discrete industry sector which will help stimulate exports.

None of these provisions will require additional appropriations. In fact, the only provision with a substantial budget impact is the extension and increase of the energy tax credits. This change may cost as much as $333 million per year, but it will probably be less, especially when we take into account the effect of reduced business deduction for fuel costs. Moreover, this budget impact is necessary in order to put renewable energy sources on a footing more equal to its domestic competition, oil and gas, which received tax subsidies totaling $6.4 billion in 1982. By comparison, the energy tax credits totaled $1.1 billion. Since consumers and investors will choose tax considerations, there should be some sort of equality.

I have stressed the market opportunities which lie ahead for renewable energy, but we cannot forget their great environmental benefits. These sources have no emissions or effluents or wastes. They require no scrubbers, dumps, filters, or disposal sites. We will never need a Superfund to clean up a photovoltaic array. It will never require a waste disposal bill.

Just as we cannot ignore these market opportunities, neither can we ignore the consequences of failing to seize them. Just as we cannot ignore their benefits, neither can we ignore the damage stemming from failure to enjoy them. The report to the President called Global 2000 estimated that by the year 2000 worldwide demand for oil would exceed supply by 15.2 million barrels per day, an amount equal to 30 percent of anticipated demand. If this gap is not filled with energy from renewables, at least in part, Global 2000 concludes that it will require far higher prices, slower economic growth, and stronger Government policies. The energy report of the Harvard Business School, Energy Future, concluded that the United States would have two choices, either to import more oil or to conserve and use renewable energy sources. If the oil will not be available, there is only one choice, renewable energy.

Some might argue that we should build more nuclear plants and make more use of coal, but Global 2000 also contains the response to that approach. It estimates that with even moderate growth, emissions from some types of energy facilities will nearly double between 1985 and 1990 alone. For example, it estimates that emissions of tritium will increase from 361,000 curies to 655,000 curies and that solid high-level nuclear wastes will increase from 38.4 billion curies to 69.8 billion curies. Consequently, the exposure of people to radioactive materials will increase from 13,900 man-rems to 25,200 man-rems. This measure is usually given in millirems, that is in thousandths of a rem. The increase in a short 5 years would be enormous and possibly alarming. By comparison, no emissions will increase from the use of solar energy. It will not expose the population to radiation.

Finally, I should point out the clear precedent for Government involvement in developing such new technologies when the need is as pressing as it is here. For example, in the last century, when Congress concluded that railroads were necessary to hasten the development of the continent, it granted Federal lands to railroad companies. The Government similarly helped develop such divergent technologies as telegraphy, analog, and digital computers, scientific agricultural practices, radar and microwave communication, fixed-wing and rotary-wing aircraft, gas turbines, jet engines, and xerography. Most significant, the Government was instrumental in developing nuclear power, and it has provided essential support to the oil and gas industry through tax subsidies, the import quotas of the 1950's, and generous leasing policies.

The precedent is clear, the need is clearer and the opportunity is obvious. We must, at the very least, remove the obstacles to the development of promising renewable technologies. It makes good sense, and the SENSE Act will do it. I urge my colleagues to support this important legislation.●

By Mr. STENNIS (for himself, Mr. GOLDWATER, Mr. DOMENICI, and Mr. BUMPERS):

S. 617. A bill to promote the use of energy-conserving equipment and biofuels by the Department of Defense, and for other purposes; to the Committee on Armed Services.

RENEWABLE ENERGY NATIONAL SECURITY ACT OF 1983

● Mr. STENNIS. Mr. President, a great deal of this Nation's economic difficulties were caused by enormous increases in the price of oil and natural gas, especially imported energy, during the past 10 years. Out of this extremely difficult period we were taught the hard lesson of how vulnerable the industrial world was to the supply of energy and natural gas. This natural resource which had been taken for granted, is very limited.

Even if there is a temporary glut of oil and gas above the ground, there is a shortage beneath the ground. The clock is running on the supply of oil and natural gas. There is an urgent need to continue our development of alternate, abundant, and renewable sources of energy. Out of this urgency of need comes a great challenge and great opportunity for this country to offer scientific and engineering leadership to the rest of the world in the development of energy alternatives and energy conservation technologies. There are endless possibilities for research, experimentation, and development of new products and techniques which will alleviate the hardships caused by the current high costs of energy, especially the outrageous costs for heating and cooling our homes. And this effort will provide thousands of jobs for our scientists, and engineers, and technicians who pursue these new fields.

The Renewable Energy National Security and Employment Act of 1983 is a step in the right direction. This act

will coordinate existing Federal programs in renewable energy and conservation programs. It is my hope that this act will increase the efforts in this vital area and keep the focus of our scientific and technical community on the importance of developing new forms of energy and conservation to insure the prosperity of our Nation's future.●

● Mr. GOLDWATER. Mr. President, I am pleased to join today in introducing a bill to promote solar energy development and to coauthor with my distinguished colleague from Mississippi, Senator JOHN STENNIS, this bill which specifically relates to the use of solar and other renewable sources of energy at military installations. The legislation also encourages the development of storage facilities for alcohol produced from spoiled grain which would be utilized by farmers in times of national emergency.

The part of the Solar Energy National Security and Employment Act of 1983 authored by Senator STENNIS and myself is entitled "The Renewable Energy National Security Act of 1983." Many recent events, including our domestic economic recession, increased energy conservation, and the growing use of alternative and renewable sources of energy, such as solar, have substantially lessened our Nation's dependence on imported oil. However, we still depend on imported oil for over 30 percent of our daily petroleum needs. Because oil is a diminishing resource, it must in the long run be replaced.

Mr. President, I know my colleagues have heard these statements many times, but I believe they are worth repeating. Our large importation of foreign oil negatively affects our balance of trade. It feeds inflation and destroys job opportunities. It affects the foreign policy decisions because of the related need to protect foreign oil suppliers when other choices might be better for us. This oil dependence strikes directly at our national security. Obviously, it is not in the best interest of this country to allow this vulnerability in our energy supply to continue.

The Renewable Energy Security Act of 1983 encourages our military to utilize solar and other renewable sources of energy at military installations. The bill also asks the Department of Energy to maintain a data base of the locations of stockpiles of renewable fuels and production facilities. The possible use of mobile renewable energy production and conversion systems for use at military bases in times of shortages will be studied by the Department of Defense as part of this bill. The Department of Agriculture is given the authority to utilize waste commodities and surplus agricultural products for alcohol production to be used by farmers during times of fuel emergencies in order to assure a continuing supply of fuel for the agricultural sector.

Mr. President, I believe we must move toward energy independence at a faster rate in order to make certain that our economy and our national defense are much less influenced by external energy factors and the actions of other countries.●

By Mr. PERCY (for himself, Mr. PELL, Mr. DOMENICI, and Mr. BUMPERS):

S. 618. A bill to revise certain Federal training and economic development programs to create jobs and develop skills in renewable energy and energy conservation industries, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RENEWABLE ENERGY EMPLOYMENT ACT

● Mr. PERCY. Mr. President, today, together with my distinguished colleague from Rhode Island, I would like to introduce title III of the Solar Energy National Security and Employment Act.

This title emphasizes the role of the conservation and renewable energy in present Federal job training and placement programs.

I am particularly pleased to introduce this title because it captures three of my highest domestic priorities: job creation, energy conservation, and the development of a renewable energy industry in the United States.

Already, private industry has accomplished a great deal in this area.

As one of the cofounders of the Alliance to Save Energy, I think we can be very proud of the substantial progress made through more fuel-efficient automobiles and creative industrial and residential conservation programs.

As oil prices continue to break downward, we should not lose sight of the role conservation plays in lessening demand for overpriced imported petroleum. These conservation efforts must be continued until our importation of petroleum is at an absolute minimum.

Furthermore, the ethanol fuel industry in the United States has grown substantially in the last year. Ethanol-gasoline blends in 19 States, comprising the bulk of U.S. blend volume, were up 166 percent during the first 10 months of 1982 compared with the same period in 1981.

The increase in demand has created jobs in the United States and improved prices received by corn farmers.

A University of Illinois study reported that the ethanol and allied industries in the State have generated $1 million in additional income in 1981. Three thousand new jobs were created.

Title III of this legislation uses the Department of Energy weatherization program and the Agricultural Extension Service to further energy conservation and renewable energy development in low-income housing and on small family farms.

In summary here are the four major provisions of this important title:

First, requires that energy conservation and renewable energy skills training be allowable training activities in Federal job programs. The Joint Economic Committee reported that as many as 2 million jobs in this area could be created in the next 17 years.

Second, reaffirms Federal support for low-income weatherization programs and calls for the maintenance of the current $143 million Federal budget for these programs. This year 140,000 residences will benefit from lower utility bills as a direct and immediate result. This provision will help decrease the $2 billion the Federal Government pays annually to help low-income individuals pay their utility bills.

Third, requires the Department of Agriculture to centralize information on low-energy farming and convey this information through the Agricultural Extension Service.

Fourth, establishes renewable energy and conservation programs as key funding criteria for three large Federal economic development programs: the Farmers Home Administration, the urban development action grants (UDAG) program, and the community development block grants (CBDG) program. These programs have total funds of $4 billion and could be used as a valuable components of a low-capital, labor-intensive renewable and conservation industries.

Mr. President, the other titles of this legislation also merit enactment into law. These include titles pertaining to national security, small business, and consumer incentives.●

● Mr. PELL. Mr. President, I am very pleased to join with my distinguished colleague, Senator PERCY, today in introducing title III of the SENSE Act, the Renewable Energy Employment Act of 1983.

The Renewable Energy Employment Act is part of a four-title bill, the Solar Energy National Security and Employment Act (SENSE) developed in close cooperation with the solar lobby which attempts to again focus national attention and encourage a strong commitment by the Federal Government on the importance of renewable energy and conservation. The SENSE legislation integrates energy conservation and the use of renewable sources of energy, including wind, hydropower, and solar, into existing Federal efforts to create jobs, stimulate small business development, and enhance our national security.

Mr. President, the Reagan administration has for 2 years attempted to dismantle Federal renewable energy and conservation programs and to di-

minish the importance of the role that conservation and renewable energy can play in the American economy. The SENSE legislation attempts through strong congressional leadership and the outstanding efforts of the solar lobby to redirect our thinking toward the importance of renewable programs in revitalizing the American economy.

Title III of the SENSE legislation, the Renewable Energy Employment Act is a critical part of this renewable energy employment initiative. It is of great importance for many individuals across the Nation and in Rhode Island who are unemployed, and those who are deeply concerned about job security and job retraining in new career fields.

The provisions of title III have the potential to respond to some of these concerns almost immediately and with dramatic impact. Specifically, title III reaffirms the Nation's present commitment to low-income weatherization programs and funding at the fiscal year 1983 appropriation level—$143 million. The proposed measure will also include renewable energy and conservation production, installation, and maintenance activities as allowable occupations eligible for all Federal job training and placement programs.

In addition, the Renewable Energy Employment Act will target funds for renewable energy and conservation efforts in existing major development programs including the Farmers Home Administration loan program, urban development action grants, and community development block grants and urge that specific funds within each program be set aside for renewable energy and small business development.

Mr. President, the impact of the SENSE legislation and specifically the Renewable Energy Employment Act on the American economy would be significant.

According to a 1979 report for the Joint Economic Committee, a major solar and conservation investment could create 2.1 million jobs by 1990. In addition, such a major commitment to renewable energy over the next decade would result in a savings of an estimated 44.9 quads (Btu's) of energy per year, or an equivalent of 7.7 billion barrels of crude oil annually—quite impressive when compared to the estimated 100 quads (Btu's) that we are expected as a country to use every year if we continue our current rate of energy consumption. In this regard I ask unanimous consent that an article from the Christian Science Monitor on the employment potential from a renewed national effort on conservation and renewable energy be inserted in the RECORD at the end of my remarks.

Mr. President, I believe it is clear, considering an employment potential of 2.1 million jobs along with substantial energy savings which mean fewer dollars leaving our country and more for business development, that we must incorporate energy conservation and renewable energy development as an integral part of our domestic economic programs. We must also insure that American workers are trained appropriately for these new opportunities. At present, tragically, over 10 percent of the American work force is unemployed. Now is not the time for the Government to abandon its involvement in the development of the solar and conservation industries.

The United States now has an opportunity to shift its energy policy from one that is centered upon nuclear power and the polluting, finite fossil fuels industry which employs relatively few people per dollar of investment to a policy based on energy efficiency and renewable resources. Such a shift will help preserve our environment and create the jobs we so desperately need.

I hope my colleagues will strongly support this critical SENSE initiative.

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

[From the Christian Science Monitor, Feb. 7, 1983]

A WAY TO HELP PUT AMERICA BACK TO WORK—AND SAVE ENERGY

(By Leon Lindsay)

SAN FRANCISCO.—One of the best job-producing moves government could make, according to energy-conservation advocates, would be an investment in weatherization and solar-energy devices for homes and businesses across the United States.

People involved in such conservation activities say their potential for producing new jobs, business expansion, and energy savings has been demonstrated. A much larger commitment than has been proposed either by the Reagan administration or congressional Democrats is justified, the conservationists argue.

A $5.4 billion Democratic jobs bill, passed by the US House late last year but not acted upon by the Senate, would have provided $250 millon for weatherproofing homes and apartments occupied by low-income residents.

Although Department of Energy funding for conservation projects is cut almost in half in President Reagan's proposed fiscal 1984 budget—from $670 million in fiscal '83 to $383 million in the budget year beginning next July 1—statistics gathered over the past several years by agencies involved in weatherization and solar energy projects indicate these activities are very efficient employment stimulators.

The Solar Lobby in Washington, D.C., will announce later this month a "Solar Energy, National Security, and Employment Act." The measure would provide major impetus to the energy conservation effort. it will not require any new funding in fiscal 1984, according to Scott Sklar, the lobby's political director.

The bill has four parts, explains Mr. Sklar, dealing with small business, national security, employment, and consumer information. "Basically they either protect or broaden certain programs to help renewable energy or extend programs that are due to be cut off in the future," he says. Energy tax credits for small businesses and homeowners, due to expire in 1985, would be extended to 1990. Under the bill, skill training for workers in renewable energy and conservation activities, such as solar and weatherization, would be allowable in all federal jobs programs.

A bipartisan group of 20 US senators and representatives, several of them chairmen of key committees, are sponsoring the legislation.

Ted Rauh, chief of the Division of Conservation of the California Energy Commission, points out that conservation activities are a close second to highway construction in providing jobs and stimulating business activity—with the added benefit of cutting energy consumption and costs. Energy efficiency programs and businesses in California provided $750 million worth of jobs and investments in 1982, Mr. Rauh reports.

Researchers for the AFL-CIO's Industrial Union Department project that energy conservation activities could create 600,000 jobs by 1990.

Michael Gordon, program director of The Institute for the Human Environment in San Francisco, says: "An expanded effort to 'button up our homes' would provide many thousands of jobs in both the public and private sectors—through production of home weatherization materials; retail sales of insulation, weatherstripping, caulk, water-heater blankets, low-flow shower heads, and other products; and the organization, administration, and implementation of coordinated local weatherization programs throughout the United States."

He cites Santa Clara County, Calif., as an example. It is estimated, Mr. Gordon says, that "if even 25 percent of homes in the county needing weatherization were made energy-efficient, almost $30 million in local sales of material could be realized."

Portland, Ore., which began an ambitious weatherization and energy-conservation program in 1979, provides impressive evidence of what it can mean to a local economy.

According to Jeanne McCormick, director of the Portland [Ore.] Energy Office, that city's weatherization and energy-conservation program has produced many benefits in terms of residential and business savings—and jobs saved as well as created. "We have found," she says, "that, generally, investment of $15 million by local businesses in such projects such as insulating buildings, or changing to more energy-efficient ways of making their products, create—directly—525 jobs.

"There's not only the contractor who comes in to do the job, there are engineers who perform energy audits and architects who design changes. Then there's what we call the "leveraging effect," where you have the secretary who works for the contractor, and so forth.

"We have done energy audits for 146 small businesses, which have been able to cut energy consumption [an average of] 19½ percent as a result. Even though energy costs in Portland are lower than in many other areas of the country, those firms collectively are saving $525,000 a year. They can reinvest that money in expansion.

"So it's not just the number of jobs created by the weatherization itself, but how much money that business saves that can be used to diversify or expand or spend on training or use it to keep people on the job."

Mrs. McCormick and others point out that little retraining of workers is involved in these energy-conservation activities. Most

come from the existing pool of unemployed skilled workers—carpenters, pipefitters, boilermakers, and plumbers, and others in light construction and light manufacturing. Other direct and indirect positions are created in marketing, retail sales, business management, lending, and the appraisal and real estate fields.●

By Mr. TSONGAS (for himself, Mr. COHEN, Mr. DOMENICI, and Mr. BUMPERS):

S. 619. A bill to reauthorize, extend, and enhance existing Federal programs to encourage conservation and the use of renewable energy by this Nation's consumers; to the Committee on Finance.

RENEWABLE ENERGY CONSUMER INCENTIVES ACT

● Mr. TSONGAS. Mr. President, though our energy problem appears to have abated with the disarray of OPEC and falling oil prices, I continue to believe that our energy situation is one of the most serious long-term threats to our economic and military security. That is why I am proposing today that the Senate consider the Solar Energy National Security and Employment Act.

Our energy vulnerability, and that of our allies, is still serious. Widening of the Iraq-Iran war, sabotage of critical oil facilities in the Mideast, or an assassination could precipitate the drastic price rises and global market disruptions that we have suffered in the past. As the world pulls out of the current recession, increasing oil demand could fuse OPEC back together again.

In this country, we continue to draw down our finite fossil resources. Pollution arising from energy production and consumption is still a serious and growing threat to our environmental quality and our health. As scientific evidence accumulates on acid rain and carbon dioxide, we will face increasing constraints on our ability to use coal.

Energy costs still represent a significant burden on most consumers. Oil imports continue to drain our country of tens of billions of dollars. The energy problem is still a reality, and energy efficiency and renewable resources must be the central elements of our response.

Ultimately, we must make the transition to renewable resources. The sooner we adopt more efficient energy utilization technologies and develop renewable energy sources, the easier that transition will be and the sooner we will enjoy the environmental and economic benefits that conservation and renewables can provide.

The current oil glut gives our Nation an opportunity to draft policy dispassionately. So far, our energy policy has been shaped by crises: the oil embargo, the natural gas shortage, the coal strike, and the Iranian oil cutoff. Each crisis resulted in a new set of Government programs—programs that have recently been sharply criticized.

Created during crises, these programs have had little opportunity to move up the learning curve. Frequent reorganization, large and rapid swings in annual budgets, unrealistic goals, and little regard for problems of implementation—all have plagued our Nation's energy program. But, there have been significant successes. Our technology has advanced because of Government supported R&D. Energy prices more realistically reflect the value of our energy resources. There is fairly widespread recognition of our energy vulnerability. The benefits and importance of energy efficiency and renewable resources are broadly acknowledged. Incentives for conservation and renewable resources have been enacted to offset the longstanding subsidies to conventional sources. We are also beginning to understand which programs have worked and why.

But the Reagan administration has brought a radically different—and I believe misguided—approach to energy policy. The administration believes that energy is not a priority, that it does not merit a Cabinet-level department. The administration takes an ideological approach, maintaining that the free market should determine which technologies are developed and adopted.

In carrying out this approach, the administration has tried to eliminate virtually every solar and conservation program that the last three Congresses have enacted, including tax credits, information programs, the Solar and Conservation Banks, and solar R&D. Yet the administration has not put in place any monitoring programs to determine whether the private sector is assuming responsibility for existing technology programs. And the administration has not applied its approach consistently, leaving the nuclear budget undiminished while slashing solar, conservation, and fossil budgets.

The administration justifies its efforts by asking us to rely on the free market. But does a free market in energy exist and will it result in a level of renewable energy development consistent with the national interest? I believe not. There are significant market imperfections that inhibit the market from performing optimally:

Energy prices. Energy prices do not reflect the national security costs or the environmental costs inherent in conventional energy sources. Energy prices also reflect average costs, not marginal costs, thus consumers undervalue energy conservation and renewable resources.

Capital availability. For the market to work, individuals must be free to respond to price signals by substituting capital for energy. If capital is too expensive for most individuals or is not readily available, then economically attractive investments are discouraged.

Discount rates. Individuals tend to avoid investments that have paybacks greater than 2 years. This rate of return is much higher than the social discount rate or the effective discount rate used in conventional energy sources.

Information. Even when price signals are accurate and capital is available on attractive terms, individuals need to have access to reliable information about the benefits and costs of various energy options.

Frustration factor. For many, the difficulty in learning about alternative energy sources, evaluating savings, obtaining loans, and selecting contractors is discouraging. It is thus often easier to pay higher bills each month than make the up-front investment no matter how economically attractive.

These and other factors result in smaller investments in renewable resources than is economically justified. Thus, through a range of programs, the Government has sought to encourage increased utilization of renewable resources.

While Congress has largely rebuffed the administration's proposals to eliminate the solar programs outright, funding cutbacks have taken their toll. The administration's de facto dismantling of the Department of Energy has also diminished its capacity to develop and carry out a rational, balanced energy policy. We are in danger of backtracking on all of the gains we have made since 1973.

It is time to launch a counteroffensive to regain the national initiative on renewable energy resources. The Solar Energy National Security and Employment Act (SENSE) is the opening salvo in this effort. I am proud to be part of it and pleased to sponsor title IV, the Renewable Energy Consumer Incentives Act.

This title encompasses a range of important programs for correcting market imperfections that affect the purchasing of renewable resources. The title reauthorizes the Solar and Conservation Bank, which I authored in 1980, and provides low interest loans for solar and conservation investments. It extends the 40 percent renewable energy tax credits and expands them to include passive solar. It maintains and coordinates consumer information services and requirements for appliance and auto efficiency labeling. It requires utilities to implement standardized power purchase agreements with individuals who install renewable energy equipment.

This title, combined with the other three titles, adds up to a coordinated Government policy in support of renewable resources. I urge my colleagues to examine it, consider it, and cosponsor it. Our energy future depends on it.

11-059 O-87-14 (Pt. 3)

Mr. President, I ask unanimous consent that the following factsheet prepared by the Solar Lobby be printed in the RECORD.

Mr. President, I also ask unanimous consent that the text of the bill that I am introducing with Senator COHEN and others be printed in the RECORD.

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

S. 619

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 "Renewable Energy Consumer Incentives Act of 1983".

FINDINGS AND POLICY

Sec. 2. The Congress hereby finds that—

(1) the United States of America is dependent upon a finite and diminishing energy resource base;

(2) energy is the lifeblood of every industrialized nation and, therefore, lasting economic prosperity is linked ultimately to access to plentiful and affordable energy resources;

(3) energy conservation and the development of domestic renewable energy technologies is of vital importance to our Nation's future;

(4) continuing the Federal energy conservation and solar energy tax credits and loan programs is critical to maintaining and expanding the market for energy conservation and renewable energy products;

(5) the coordinated dissemination of information regarding renewable resources that is not provided by the private sector is necessary for consumers and business to respond to the market;

(6) requirements for labeling of appliances and automobiles are essential for consumers to make informed purchasing decisions on the basis of energy efficiency;

(7) the private sector, especially small business, may benefit from financial assistance for the testing of new energy products, and that this assistance can be provided through existing Federal programs;

(8) standardized and streamlined methods for interconnecting into utility grids should be made available to individuals using renewable energy electrical generating equipment on their residences; and

(9) Federal agencies administering energy programs should provide information annually, in a brief form, on the contributions renewable energy and energy conservation have made to our balance of payments, the generation of employment, and the displacement of imported petroleum.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

SEC. 3. (a) Section 505(a) of the Solar Energy and Energy Conservation Act of 1980 is amended by striking out the last sentence and inserting in lieu thereof "The Bank shall not exist after September 30, 1990."

(b) Section 509 of such Act is amended by adding at the end thereof the following:

"(d) Payments by the Bank to financial institutions made pursuant to section 509(1)(B)(i) shall allocate a portion of their funds for active type solar energy as defined in section 504(6).

"(e) No Federal preference shall exist with regard to financial assistance between single family residences and multifamily residences.

"(f) Subject to the conditions contained in sections 513, 514, and 515 and limitations in sections 516 and 517, that all financial institutions are permitted to apply directly to the Bank for funding and shall not be limited to apply directly for funds through State governments.".

(c) Section 522(a) of such Act is amended by—

(1) striking out "and" after the semicolon in clause (3); and

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

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

"(5) the sum of $875,000,000 for fiscal year 1985 and for each of the succeeding five fiscal years, of which sum for any such fiscal year not more than $7,500,000 may be used to carry out section 581.".

(d) Section 522(b) of such Act is amended by—

(1) striking out "and" after the semicolon in clause (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

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

"(4) the sum of $250,000,000 for fiscal year 1985 and for each of the succeeding five fiscal years, of which sum for any such fiscal year not more than $7,500,000 may be used to carry out section 518.

RENEWABLE ENERGY RESIDENTIAL TAX CREDITS

SEC. 4. (a) Section 44C(c)(4)(A)(viii) of the Internal Revenue Code of 1954 is amended by inserting after "dwelling" the following: "including any item that serves a purpose in addition to energy efficiency such as thermal draperies)".

(b) Section 44C(c)(5)(A)(i) of such Act is amended by adding after "solar energy" the following: "(including the passive type based on convective, conductive, or radiant energy transfer and which has significant impact on home energy savings)".

(c) Section 44C(f) of such Act is amended by striking out "1985" and inserting in lieu thereof "1990".

COORDINATION OF EXISTING ENERGY INFORMATION PROGRAMS ON THE STATE AND LOCAL LEVEL WITHIN THE UNITED STATES

SEC. 5. (a) Subsection (f) of section 2604 of the Low-Income Home Energy Assistance Act of 1981 (Public Law 97-35; 95 Stat. 893) is amended by—

(1) striking out "or" at the end of clause (2);

(2) adding "or" after the semicolon in clause (3);

(3) adding after clause (3) the following:

"(4) support of energy related information systems; and"; and

(4) striking out "and (3)." at the end of the first sentence and inserting in lieu thereof "(3), and (4).".

(b) The Secretary of Energy shall establish a process for the solicitation and consideration of views of—

(1) units of local government;

(2) regional councils;

(3) Indian tribes within the States;

(4) local educational agencies;

(5) not-for-profit and private sector organizations; and

(6) the public,

to develop a formalized exchange of information on the Federal, state and local levels so as not to duplicate information programs and provide the most efficient form of assistance to encourage the public to utilize conservation and renewable energy.

(c)(1) For the purpose of providing financial assistance to the States and local governments pursuant to this section, there is hereby authorized sums of money that may be considered appropriate by the Secretary of Energy under section 512 of the National Energy Extension Service Act (Public Law 95-39).

(2) For the purpose of cataloging information on Federal, State and local energy programs, the Secretary of Energy shall make available information on these various programs to other relevant Federal agencies and the appropriate arms of Congress such as the General Accounting Office, the Congressional Research Service, and the Office of Technology Assessment.

MAINTAINING ENERGY INFORMATION SYSTEMS

SEC. 6. Section 8(a) of the Solar Energy Research, Development, and Demonstration Act of 1974 (Public Law 93-473) is amended to read as follows:

"(a)(1) In carrying out his or her function under this Act, the Secretary of Energy, utilizing the capabilities of the Solar Energy Research Institute and other Federal laboratories and contractors of the United States Department of Energy involved in solar research and development activities, as well as other appropriate Federal agencies, shall maintain a continued program whereby information reflecting the latest results of federally-funded research and development activities is developed, centrally compiled, and transferred to the private sector in a timely, accurate and easily understandable manner.

"(2) Information to be developed and compiled shall include—

"(A) technical information including articles, dissertations and reports on renewable energy research and development;

"(B) information on the design, construction, an maintenance of equipment utilizing renewable energy;

"(C) information on the physical and chemical properties of materials required for renewable energy utilization; and

"(D) nontechnical information that affects renewable energy utilization, such as legal and environmental considerations of the commercial sector and prospective solar energy users.

"(3) In accordance with regulations prescribed under section 12, the Secretary of Energy shall take the appropriate steps to facilitate the timely transfer of the information described in paragraph (2) to—

"(A) the private sector;

"(B) universities, colleges and other educational institutions for their related research; and

"(C) other Federal, State and local information systems and the general public and consumers who express interest in this information.

"(4) In carrying out this subsection, the Secretary shall—

"(A) take all possible steps to assure that complete information with respect to renewable energy and conservation technologies, systems and components is made on a continuing basis to the general commercial sector and the concerned American public and is available in printed fashion and accessible by a toll-free telephone service to be known as the 'conservation and Renewable Energy Inquiries and Referral Service';

"(B) establish a 'National Appropriate Technology Assistance Service' (NATAS) to

provide individualized technical assistance to persons, local organizations, communities, and local governments seeking to apply self-built renewable energy and energy efficient technologies to cite specific applications by such methods as—

"(i) collecting and assessing data on small-scale renewable energy technologies;

"(ii) providing detailed, individualized, technical assistance to persons through available publications, bibliographies, and technical counseling; and

"(iii) cooperating closely with other providers of information to avoid duplication and publicize the service provided by NATAS; and

"(C) utilize, when feasible, existing scientific and technical information previously developed through Federal funding in order to prevent duplication and to ensure efficient operations.".

AUTOMOBILE AND APPLIANCE ENERGY EFFICIENCY LABELING

SEC. 7. Section 502(e) of the Motor Vehicle Information and Cost Savings Act is amended by—

(1) striking out "and" after the semicolon in paragraph (3);

(2) redesignating paragraph (4) as paragraph (5); and

(3) inserting after paragraph (3) the following:

"(4) the use or integration of renewable fuels and any other approach which maximizes conservation and renewable energy applications; and".

(b) Section 324(a)(1) of the Energy Policy Conservation Act is amended by inserting after "The Commission", the following: ", particularly in cases where there is a direct consumer benefit to save energy or utilize renewable energy,".

(c) Section 7(l)(1) of the Small Business Act is amended by inserting after "service any of the following energy measures," the following: "and reduced rate loans may be provided under this subsection to assist any qualified small business concern to acquire system performance ratings from testing laboratories for energy conservation and renewable energy systems and technologies:".

PROVISION FOR REQUIRING STANDARDIZED PURPA CONTRACTS

SEC. 8. Section 201 (f) of title 11, United States Code, is amended by adding at the end thereof the following:

"(3) Beginning on or before the date after any rule is prescribed by the Commission, with respect to this provision, each State regulatory authority shall, after notice and opportunity for public hearing and after consultation with each electric utility for which it has ratemaking authority, implement standardized contracts for renewable energy systems generating less than 100 kilowatts—

"(A) for the sale of electric energy from each utility for which it has ratemaking authority to any qualifying small power production facility; and

"(B) for the purchase of electric energy produced by any qualifying small power production facility to any electric utility for which it has ratemaking authority.".

FEDERAL REPORTING REQUIREMENTS

SEC. 9. (a) The Department of Energy shall include renewable energy as a discrete energy sector in all of its publications of "The Monthly Energy Review".

(b) Each Federal agency with programs that deal with renewable energy, shall submit to Congress an annual report of no more than fifteen pages, on their programs' impact on the production and utilization of domestic renewable energy resources, technologies and fuels, and energy conservation systems and measures.

(c) An annual report of at least two pages, shall be submitted to the appropriate committees of the Congress from—

(1) the United States Department of Commerce and the United States General Accounting Office, on the contribution of renewable energy to the United States' international balance of payments;

(2) the United States Department of Labor, on the impact of renewable energy and energy conservation industries on domestic employment levels; and

(3) the United States Department of Energy, or the quantities of imported energy displaced by renewable energy and energy conservation.

(d) All the reports required for the purposes of this section shall be submitted no later than thirty days after the close of each fiscal year.●

● Mr. COHEN. Mr. President, I am pleased to join with Senator TSONGAS in introducing the Renewable Energy Consumer Incentives Act as title IV of the Solar Energy National Security and Employment Act (SENSE). The SENSE Act is designed to better coordinate and sharpen the focus of Federal support for the development of renewable energy resources.

During the decade of the 1970's, energy issues dominated the national agenda. With the quadrupling of world crude oil prices following the 1973 oil embargo, many Americans began to change their habits and drive smaller cars and fewer miles. Thermostats were turned down and homes were insulated. Major changes occurred in the manner in which we used and thought about energy.

While all of us welcome the recent drop in energy prices, it remains clear that the United States still faces a major challenge in the energy area. The current glut of crude oil will not last and, in the absence of a continuing conservation effort, we could again find ourselves in serious trouble on the energy front. Rather than being complacent about our improved energy situation, we need to redouble our efforts to further reduce our dependency on foreign energy sources. In our volatile world, today's stability could easily become tomorrow's chaos.

The SENSE Act, which will be introduced today, is designed to further stimulate private investment in renewable energy resources. Increased development of renewable energy resources is critical to moving our Nation toward energy security.

Consumer motivation to invest in conservation and renewable measures stems largely from a desire to save money. The dramatic energy price increases of the past decade have demonstrated to consumers that reducing consumption is a wise investment. The decision to invest in conservation or renewable measures hinges on several factors: Whether reliable information on the systems and products can be obtained; whether the consumer has confidence that the system will produce the desired results; whether he is able to afford or finance such improvements; and whether he is assured of payback in a short-term period.

Title IV of the SENSE Act addresses these concerns by expanding a number of Federal programs that encourage private investment in energy conservation improvements and renewable energy measures. Before I discuss some of the provisions in title IV, I would like to comment briefly on the importance of removing market barriers to the increased application of renewable energy measures.

At present, there are a number of market barriers that inhibit private investment in energy efficiency and renewable energy measures. While oil decontrol was an important step in moving our Nation toward energy security, until all consumers pay the replacement cost of energy, our Nation's success in reducing consumption of traditional energy sources and moving toward greater use of renewables will be limited.

I must note that, hard as it may be for New Englanders to imagine, many people are unaware of how their energy habits affect their monthly energy bills. In these cases, increasing fuel prices will not alter a household's behavior. Consumers often lack sufficient information on the benefits of energy conservation and much of the information they do have access to is too complicated. This is especially true in apartments and condominiums where energy costs are included in monthly rents or condo fees. When a household pays a monthly fee based on aggregate energy use, there is little incentive to conserve.

Many homeowners lack practical knowledge about how to accomplish conservation and are unwilling or unable to pay for professional assistance. Moreover, they are often unwilling to pay a higher purchase price for a home that reflects the cost of insulation and other conservation measures.

Families are extremely mobile these days, reducing the prospects of recouping their investment costs. Without a 3- to 4-year payback, many homeowners are unwilling to make major energy investments. This is more evident in rental units where the tenants are almost certain to move before they can recoup any investment in energy efficiency equipment.

Another major impediment to increased energy conservation measures, both passive and active, is the inexperience of architects and builders in designing and installing such measures and equipment. All facets of the construction industry need to be provided with detailed and up-to-date technical

information on improving the energy efficiency of buildings.

Major household appliances such as furnaces, water heaters, and refrigerators pose an additional barrier to energy conservation. These appliances are usually purchased by builders, not homeowners, whose choices are often dictated by price rather than by energy efficiency. When consumers are purchasing appliances for themselves, their decisions are often influenced by price and/or appearance. Unless energy prices increase dramatically, appliance prices are likely to remain the major determining factor in selection. For example, the $20 to $50 annual savings that may be gained from using a highly efficient major appliance may seem insignificant to the buyer in comparison to the $20 to $300 in added costs for a highly efficient unit.

Studies have shown that while the individual energy savings from the use of efficient appliances may be minimal, the aggregate energy savings is quite significant. For example, if the efficiencies of space heaters and air conditioners were improved by 20 percent, 888,000 barrels of oil could be saved daily.

Until consumers become aware of the monetary benefits of purchasing energy efficient appliances and become confident of the seller's representation, many will continue to make unwise decisions.

Although rising prices provide a strong incentive for conservation, they present special hardships for low-income consumers who cannot meet increased fuel bills, and cannot afford energy conservation improvements. Many low-income families are spending nearly 40 percent of their disposable incomes on energy and, out of economic necessity, have reduced their energy consumption more than any other group in our society. These individuals can only further reduce their energy consumption by making permanent conservation improvements to their homes. Yet, many of these individuals are unable to afford such improvement even with the benefit of Federal energy tax credits. It is clearly in our Nation's best interest to continue to help these people reduce their energy consumption.

In an effort to overcome or minimize the aforementioned market barriers, a variety of Federal programs have been developed. Title IV of the SENSE Act broadens many of these programs. The principal Federal program to stimulate energy conservation and renewable energy development in the residential sector is the residential energy tax credit program authorized by the Energy Tax Act of 1978 and amended by the Crude Oil Windfall Profits Tax Act of 1980. This act authorizes tax credits of 15 percent for energy conservation investments up to $2,000, for a maximum credit of $300, and 40 percent for investments in renewable energy equipment up to $10,000, for a maximum of $4,000.

While residential energy tax credits have helped to overcome barriers, passive solar systems generally do not qualify for tax credits. Internal Revenue Service regulations preclude all components of passive solar systems which serve a dual function from being eligible for a tax credit. In effect, most passive systems do not qualify since, by design, they employ a combination of materials and components. As a result, very few homebuilders are utilizing passive solar designs because the front-end costs are so high. With interest rates high, most builders cannot afford to take such a risk. A tax credit for passive solar systems would reduce this risk substantially while, at the same time demonstrate benefits of passive solar construction. The SENSE Act will qualify passive systems for residential energy tax credits.

Although Federal tax credits provide an incentive for moderate and high-income families to make energy efficiency improvements and install renewable energy measures, the majority of low-income Americans are unable to benefit from them. The Solar Energy and Energy Conservation Bank was established to make loans to low-income families unable to afford such improvements. The SENSE Act will reauthorize the bank and insure that active solar applications are eligible for funding.

As I mentioned earlier, one of the primary obstacles to increased energy conservation and renewable energy applications is the lack of consumer information. Title IV of the SENSE Act will continue three Federal energy programs that provide consumers with information on renewable energy and energy conservation applications. The Conservation and Renewable Energy Information and Referral Service (CAREIRS) provides general information and business referrals to consumers, through a toll-free phone number as well as by mail. The National Appropriate Technology Assistance Service (NATAS) provides specialized technical information to individuals designing and building their own renewable energy systems. Finally, the technical information program of the Solar Energy Research Institute (SERI) produces technical documents for the commercial renewable energy sector.

To help the consumer to make more informed purchasing decisions, title IV will reaffirm energy-efficiency labeling for automobiles and appliances. If we are to increase our reliance on market forces to stimulate energy conservation, knowledge on the energy-efficiency of competing products is necessary. The marketplace simply does not provide complete and accurate information on all options.

The SENSE Act will also provide reduced-rate loans through the existing Small Business Administration energy loan programs for renewable energy small businesses to test their new products. This provision addresses the problem small businesses face in attempting to finance product testing in the current tight capital markets. Even if the small business is willing to take the risk, the lending institutions are frequently unwilling to participate.

While Federal, State, and local governments are each involved in establishing energy policies, they do not benefit from a transfer of information to one another. The SENSE Act authorizes a small amount of funds from the low-income energy assistance program to be used by States to establish a formal communications network between State, local, and Federal energy programs to prevent duplication.

In addition, title IV requires all Federal agencies to submit brief annual reports to Congress on their programs' impact on the production or use of renewable energy and energy conservation. There are currently no reporting requirements and we suffer from this lack of knowledge. A compilation of the Federal Government's application of renewable energy techniques and the savings which result will help to demonstrate the important role renewables play in reducing our dependency on foreign energy sources.

There are additional provisions in title IV which I will not mention in the interest of time. I urge my colleagues to review carefully these provisions as well as the preceding three titles.

In conclusion, I am pleased to be a sponsor of the SENSE Act, and in particular, title IV.

By broadening existing Federal programs that build consumer confidence in renewable energy equipment, title IV will expedite the transition to widespread use of renewables. Increased development of renewable energy sources is essential to our Nation's energy security.●

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 620. A bill to amend Public Law 89-668 relating to the Pictured Rocks National Lakeshore to require the development of a local land use plan and zoning regulations for the inland buffer zone; to the Committee on Energy and Natural Resources.

PICTURED ROCKS NATIONAL LAKESHORE LAND USE AND ZONING

● Mr. LEVIN. Mr. President, I am introducing legislation today for myself and Senator RIEGLE concerning Pictured Rocks National Lakeshore in the Upper Peninsula of Michigan. This bill

contains some technical modifications of an earlier version we introduced. These modifications are necessary so that the bill accurately reflects the agreement reached by the many groups that worked with my staff, Senator RIEGLE's staff, and the staff of Congressman DAVIS, including representatives of the Alger County Planning Commission, the Burt Township Zoning Board, the Friends of Pictured Rocks, and the Neighbors of Pictured Rocks. To avoid any confusion, I ask that the bill be printed in full in the RECORD.

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

S. 620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 8 of the Act entitled "An Act to establish in the State of Michigan the Pictured Rocks National Lakeshore, and for other purposes" approved October 15, 1966 (Public Law 89-668; 80 Stat. 922) is amended by adding at the end thereof the following: "The Secretary is further authorized to acquire by transfer from any Federal agency, or by donation, property within the Grand Marais, Michigan and Munising, Michigan corporate limits lying outside the boundary described in section 2 for the purpose of providing visitor information and administrative centers for the National Lakeshore.".

SEC. 2. Section 10 of such Act is amended to read as follows:

"SEC. 10. (a) The Secretary shall be prohibited from acquiring by condemnation any (1) improved property within the inland buffer zone, or (2) any other property used in a manner consistent with zoning regulations as may be adopted by local units of government pursuant to section 12.

"(b) As used in this Act, the term 'improved property' shall mean any one-family dwelling on which construction was begun before September 1, 1982, together with so much of the land on which the dwelling is situated (such land being in the same ownership as the dwelling) as shall be reasonably necessary for the enjoyment of the dwelling.".

SEC. 3. Section 12 of such Act is amended to read as follows:

"SEC. 12. (a) Local units of government having authority to establish zoning regulations for the regulation of land uses within their boundaries and having lands within the inland buffer zone within their boundaries may, within one year of the date of enactment of this section, jointly develop a land use plan and zoning regulations for the regulation and management of land uses within the inland buffer zone.

"(b) The land use plan and zoning regulations shall set forth specific policies for use of the inland buffer zone which are compatible with the intent and purpose of the Pictured Rocks general management plan, as prepared pursuant to section 6 and the purposes of this Act and with the following objectives:

"(1) define land uses for the stabilization and protection of the existing character and uses of lands, waters, and other properties within such zone, the preservation of the existing shoreline and lakes, and the protection of watersheds and streams:

"(2) establish standards for the encouragement of the private development and operation of visitor service facilities including overnight lodging, camping, and similar facilities in appropriate locations;

"(3) provide for the maximum economic utilization of the renewable resources through sustained yield timber management and other resource management;

"(4) maintenance and improvement of roads which provide access to and from the Pictured Rocks National Lakeshore; and

"(5) provide for the establishment of standards for improved residential properties and other appropriate land uses.

"(c) Zoning regulations developed by local units of government pursuant to this section shall provide for, among other things, the granting or denial of variances to such regulations and the continuance of land uses in existence prior to September 1, 1982, and shall, to the maximum extent possible, be consistent with State zoning laws and existing local zoning regulations.

"(d) The land use plan and zoning regulations adopted pursuant to this section shall be subject to the approval of the Secretary of the Interior, pursuant to the following procedure:

"(1) Within thirty days of completion of a land use plan and zoning regulations pursuant to this section, the local units of government shall hold a public hearing to present such plan and regulations for public review and comment. After the public hearing, the local units of government shall, within thirty days, make any changes or modifications in the land use plan and zoning regulations deemed necessary in light of the public comments received, and shall submit the land use plan and zoning regulations to the Secretary of the Interior for review and approval.

"(2) After receiving a plan and regulations submitted pursuant to paragraph (1), the Secretary shall have one hundred eighty days in which to review the plan and submit in writing to the local governments his approval or his specific objections and reasons for such objections regarding all or any part of the land use plan and the zoning regulations. If the Secretary objects he shall propose alternatives in accordance with his objections. The Secretary may hold a public hearing on the land use plan and zoning regulations as part of this review.

"(3) Upon disapproval by the Secretary of all or any part of the land use plan or the zoning ordinance, the local units of government shall have sixty days to make any changes or modifications necessary to bring the plan or the zoning regulations into conformance with the written objections of the Secretary. The local units may request a meeting with the Secretary or his designee to negotiate what changes or modifications need to be made in the land use plan or zoning regulations. If such a meeting is requested, the local units of government shall have an additional thirty days from the date of the meeting to make any changes and modifications necessary for approval.

"(e) Upon final approval of a land use plan and the zoning regulations by the Secretary, the land use plan and the zoning regulations shall be formally adopted, administered, and enforced by the local units of government pursuant to applicable State law.

"(f) In the event the Secretary determines under applicable State law that a land use within the inland buffer zone is inconsistent with the zoning regulations as may be adopted pursuant to this section, the Secretary shall petition the appropriate local zoning body to take remedial action pursuant to the provisions of such zoning regulations before the Secretary may initiate condemnation proceedings against such property.

"(g) Zoning regulations adopted by local units of government pursuant to this section may be changed or amended at any time in the same manner, and subject to the same procedure as adoption of the original ordinance.".

SEC. 4. Section 14 of such Act is amended to read as follows:

"SEC. 14. (a) There are hereby authorized to be appropriated not more than $6,873,000 for the acquisition of lands and interests in land in connection with, and not more than $26,780,800 for development of, the Pictured Rocks National Lakeshore.

"(b) There is authorized to be appropriated up to $350,000 annually for the maintenance and improvement of primary access roads within the boundary of the National Lakeshore as described in section 2 without regard to whether title to such road rights-of-way is in the United States, provided that such annual appropriations are authorized for a period not to exceed five years, beginning October 1, 1983.".●

By Mr. BYRD:

S. 621. A bill to place signs memorializing the New River Gorge Bridge as the world's largest steel-arch span bridge; to the Committee on Environment and Public Works.

NEW RIVER GORGE BRIDGE

Mr. BYRD. Mr. President, today I am introducing a bill to permit recognition of one of the world's great engineering wonders, the New River Gorge Bridge in West Virginia.

My bill authorizes the Secretary of Transportation, in cooperation with State officials, to permit signs memorializing the New River Gorge Bridge as "the world's largest steel-arch span," to be placed along U.S. Highway 19 in Fayette County.

The bridge has to be seen to be appreciated, but a short description is in order. The bridge rises 876 feet above the New River, making it the highest span east of the Mississippi River, and the third highest in the United States. It is 3,030 feet long—reportedly the longest in the world—and required 42.8 million pounds of structural steel for its construction.

The New River Gorge Bridge is an engineering marvel that spans a beautiful, untamed river valley in my State. My bill will provide the recognition that this amazing structure deserves.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. DOLE, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 13, a bill to amend the Internal Revenue Code of 1954 to decrease the holding period for long-term capital gain treatment from 1 year to 6 months.

S. 17

At the request of Mr. DOLE, the names of the Senator from South Dakota (Mr. ABDNOR), the Senator from Montana (Mr. BAUCUS), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 17, a bill to expand and improve the domestic commodity distribution program.

S. 26

At the request of Mr. HELMS, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 26, a bill to provide legal protection for unborn human beings and for other purposes.

S. 27

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 27, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes.

S. 107

At the request of Mr. THURMOND, the names of the Senator from Iowa (Mr. GRASSLEY), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 107, a bill to establish the Veterans' Administration as an executive department.

S. 137

At the request of Mr. ROTH, the names of the Senator from Montana (Mr. BAUCUS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Georgia (Mr. MATTINGLY) were added as cosponsors of S. 137, a bill to amend the Internal Revenue Code of 1954 to continue to allow mortgage bonds to be issued.

S. 210

At the request of Mr. HELMS, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 210, a bill to provide legal protection for unborn human beings and for other purposes.

S. 212

At the request of Mr. PRESSLER, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 216

At the request of Mr. THURMOND, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 216, a bill to amend title 18, United States Code, to combat, deter, and punish individuals who adulterate or otherwise tamper with food, drug, cosmetic, and other products with intent to cause personal injury, death, or other harm.

S. 217

At the request of Mr. THURMOND, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 217, a bill to reform procedures for collateral review of criminal judgments, and for other purposes.

S. 250

At the request of Mr. PROXMIRE, the name of the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 250, a bill to abolish the Synthetic Fuels Corporation.

S. 283

At the request of Mr. HATCH, the name of the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 283, a bill to amend titles 18 and 28 of the United States Code to eliminate, and establish an alternative to, the exclusionary rule in Federal criminal proceedings.

S. 292

At the request of Mr. DANFORTH, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 292, a bill to increase the funding authorization for low-income home energy assistance.

S. 307

At the request of Mr. RIEGLE, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 307, a bill to provide for continuation of health insurance for workers who lose such insurance by reason of unemployment.

S. 338

At the request of Mr. COHEN, the name of the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 338, a bill to revise the procedures for soliciting and evaluating bids and proposals for Government contracts and awarding such contracts, and for other purposes.

S. 454

At the request of Mr. BYRD, the names of the Senator from Hawaii (Mr. INOUYE), and the Senator from Virginia (Mr. TRIBLE) were added as cosponsors of S. 454, a bill to provide for an accelerated study of the causes and effects of acidic deposition during a 5-year period, and to provide for grants for mitigation at sites where there are harmful effects on ecosystems resulting from high acidity.

S. 497

At the request of Mr. HUMPHREY, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 497, a bill to amend title 39 of the United States Code to provide that drug abuse oriented advertisements and shipments of drugs in response to drug abuse oriented advertisements shall be nonmailable matter.

S. 503

At the request of Mr. HUMPHREY, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 503, a bill to make it unlawful to manufacture, distribute, or possess with intent to distribute, a drug which is an imitation of a controlled substance or a drug which purports to act like a controlled substance.

S. 518

At the request of Mr. CHAFEE, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 518, a bill to establish a program of grants administered by the Environmental Protection Agency for the purpose of aiding State and local programs of pollution abatement and control.

S. 527

At the request of Mr. GRASSLEY, the names of the Senator from Illinois (Mr. DIXON), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 527, a bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of agricultural commodities received under a payment-in-kind program.

S. 529

At the request of Mr. SIMPSON, the names of the Senator from Georgia (Mr. MATTINGLY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 529, a bill to revise and reform the Immigration and Nationality Act, and for other purposes.

S. 554

At the request of Mr. PELL, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 554, a bill to authorize the Secretary of Education to provide financial assistance to States for the training and retraining of older Americans.

S. 563

At the request of Mr. CHILES, the names of the Senator from Indiana (Mr. LUGAR), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 563, a bill to reform the laws relating to former Presidents.

SENATE JOINT RESOLUTION 1

At the request of Mr. LONG, the names of the Senator from Hawaii (Mr. INOUYE), and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of Senate Joint Resolution 1, a joint resolution proposing an amendment to the Constitution of the United States with respect to fixing the compensation of Members of the Congress.

SENATE JOINT RESOLUTION 9

At the request of Mr. HELMS, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 9, a joint resolution to amend the Constitution of the United States to protect the right to life.

SENATE JOINT RESOLUTION 11

At the request of Mr. ROTH, the name of the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of Senate Joint Resolution 11, a joint resolution entitled "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 14

At the request of Mr. HELMS, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 14, a joint resolution to amend the Constitution of the United States to protect the right to life.

SENATE JOINT RESOLUTION 34

At the request of Mr. RIEGLE, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. MELCHER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Arkansas (Mr. BUMPERS), the Senator from Ohio (Mr. GLENN), the Senator from Montana (Mr. BAUCUS), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of Senate Joint Resolution 34, a joint resolution designating "National Reye's Syndrome Week."

SENATE JOINT RESOLUTION 37

At the request of Mr. HATCH, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. PELL), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Joint Resolution 37, a joint resolution providing that the week containing March 8 of 1983, 1984, and 1985, shall be designated as "Women's History Week."

SENATE JOINT RESOLUTION 38

At the request of Mr. HEINZ, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of Senate Joint Resolution 38, a joint resolution to declare March 18, 1983, as "National Energy Education Day."

SENATE RESOLUTION 70

At the request of Mr. MELCHER, the names of the Senator from Tennessee (Mr. SASSER) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of Senate Resolution 70, a resolution to encourge delay of the implementation of withholding of interest.

SENATE RESOLUTION 74—FUTURE OF TAIWAN

Mr. PELL (for himself, Mr. GLENN, and Mr. KENNEDY) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 74

Whereas February 28, 1983 marks the eleventh anniversary of the Shanghai Communique signed by the United States and the People's Republic of China;

Whereas the Communique and the 1979 U.S.-PRC normalization agreement greatly improved relations between Washington and Beijing;

Whereas peace has prevailed in the Taiwan Strait since the normalization of relations between the U.S. and PRC;

Whereas maintaining a sound U.S.-PRC relationship serves the interests of both countries and the interests of peace in the Pacific region;

Whereas the United States has also pledged in the Taiwan Relations Act to continue commercial, cultural and other relations between the people of the United States and the people of Taiwan;

Whereas the United States established diplomatic relations with the People's Republic of China in the expectation that the future of Taiwan will be determined by peaceful means: Now, therefore, be it

Resolved, That it is the sense of the Senate that Taiwan's future should be settled peacefully, free of coercion and in a manner acceptable to the people on Taiwan and consistent with the laws enacted by Congress and the communique entered into between the United States and the People's Republic of China.

Mr. PELL. Mr. President, I wish to introduce a resolution today concerning the future of the people of Taiwan. It asks that Taiwan's future be settled peacefully, free of coercion, and in a manner acceptable to the people of Taiwan. I believe it important, as we celebrate the 11th anniversary of the Shanghai Communique signed by the United States and the People's Republic of China on February 28, 1972, to remind ourselves that we also have an obligation to protect the rights and freedoms of the Taiwanese people.

After Mao Tse-tung's 1949 victory on the China mainland and the Korean war the United States tried to isolate China from the rest of the world. Hostility and misunderstandings strained relations throughout the 1950's and 1960's and caused each country to keep the other at arms length. President Nixon's dramatic 1972 visit to China presented both nations an opportunity to make a start at repairing the damage. President Carter's achievement of a United States-People's Republic of China normalization agreement in 1979 marked another important benchmark in our efforts to improve relations with China.

I supported these bipartisan efforts and hope for continued good relations with the People's Republic in the future. A positive dialog between the United States and a nation of over a billion people serves our interest, China's and, of course, our friends and allies in the region.

At the same time, we pledged in the Taiwan Relations Act to continue commercial, cultural and other relations with the people on Taiwan. And, our decision to normalize and improve relations with China assumed that Taiwan's future would be determined by peaceful means.

In this regard, I am happy to report that tensions in the Taiwan Strait are at an all time low. Moreover, China announced last August that it considers a peaceful resolution of its dispute with Taiwan to be a fundamental principle of its policy.

In fact, both China and the Chinese authorities on Taiwan agree that the island should someday be reunited with the mainland. Beijing presses for negotiations to settle the dispute and has offered a nine-point peace proposal. Taipei responds that it is prepared to talk but only if and when the PRC rejects communism. China contends that its patience is not infinite and refuses to rule out settling the dispute by force.

To complicate matters further, China insists that failure to resolve the matter poses a major obstacle to improved relations with the United States. Officials charge that the TRA, and the commitments to Taiwan it symbolizes, constitutes interference in China's internal affairs and bolsters Taipei's unwillingness to negotiate reunification. They demand that it be repealed or modified significantly. They also urge the United States to use its influence to force Taipei to come to the bargaining table. We respond that reunification is not something for us to decide but an issue that the Chinese on both sides of the Taiwan Strait must resolve themselves.

Some of you may say, "Well what's wrong with that?" We desire a peaceful resolution, as do China and Taiwan, and taking sides in the dispute would jeopardize our own national interests. Others argue that the sooner this problem is resolved the better.

I admit that these views made a lot of sense. No one wants a peaceful resolution more than I do. And, of course, I fully recognize the importance of our new relationship with China. But, what troubles me is that this practical approach fails to take into account the views of the people most affected by reunification—the people on Taiwan. Right now a majority of those people have little or no say in their future, and if given a choice would oppose the reunification option.

Some 2 million mainland Chinese, most of whom fled to the island after the 1949 Nationalist defeat, still rule over 16 million native Taiwanese. Martial law remains in effect after 34 years. Few Taiwanese participate at the highest level of government and all crucial decisions are made by a small mainlander elite. Although the political situation has improved somewhat over time, reforms fall far short of Taiwanese hopes and aspirations. Those who speak out too loudly for Taiwanese rights are often jailed or forced to flee the country.

Consequently, a decision by the authorities on Taiwan at this time to resolve their differences with the mainland would no doubt serve America's strategic interests, but only by presenting us with a monumental moral dilemma. Do we stand aside and watch

the fate of 16 million Native Taiwanese be decided by a Communist controlled mainland and a Taiwan Government in which a majority of its people have no voice? If we were talking about the people of Afghanistan or Poland we all know that the answer would be a resounding "No!" In the case of Taiwan, however, many try to avoid answering the question altogether or argue that raising the issue unduly complicates United States-People's Republic of China relations. They see no alternative to reunification and so, demand only that it be accomplished peacefully.

I accept the proposition that an accommodation of some sort between China and Taiwan serves everyone's interests. But I am not yet ready to concede that this should be accomplished without Taiwanese participation or that the only alternative is Taiwan's absorption by the mainland. Should this occur, it would be at the expense of those principles and freedoms that set America apart from most nations of the world. I do not think we can afford to stand back and let that happen.

Instead we should reaffirm to all parties concerned that we oppose settling the Taiwan dispute by force or coercion. Second, we should put the Taiwan authorities on notice that they must end martial law and speed up the process of reform so that the government on Taiwan speaks for all its people. Then, and only then, will an environment exist for China and Taiwan to resolve their differences. Then, and only then, can the United States expect a final resolution fair to all.

Thank you, Mr. President.

Mr. GLENN. Mr. President, I rise today to join with Senator PELL in introducing a resolution concerning the future of the people of Taiwan. The resolution reaffirms the Senate's hope that the Taiwan dispute can be settled peacefully, free of coercion, and in a manner acceptable to the people on Taiwan. It is the last provision—one we too often ignore—that I want to concentrate on today.

The Taiwan Relations Act states unequivocally our view on the necessity of peaceful resolution, free of coercion for the Taiwan problem. It addresses the hopes and aspirations of the Taiwanese less directly, however. Section 2(c) states that:

> Nothing contained in this act shall contravene the interest of the United States in human rights, especially with respect to the human rights of all the approximately 18 million inhabitants of Taiwan. The preservation and enhancement of the human rights of all the people of Taiwan are hereby reaffirmed as objectives of the United States.

For my part, I can think of a no more important human right than the right to participate in one's government and thereby have a say in the future course of national policy for one's self, his or her's children, and all the children yet unborn. Our forefathers believed this, of course, and established our Nation so that our fundamental rights could be preserved.

Unfortunately, the same is not true for a majority of the people on Taiwan. The government there continues to be dominated by the Mainland China political elite that retreated to Taiwan in 1949 after being defeated in the Chinese civil war. Today, some 16 million native-born Taiwanese participate actively in local affairs, but continue for the most part, to be effectively excluded from national level decisionmaking.

In fairness, I should also note the undenied accomplishments since 1949 of the island's Nationalist authorities. They brought stability to the island, instituted a sweeping land reform program and supervised the creation of an economic miracle for the island that provides a standard of living the envy of developing nations around the world. Small steps have also been made in widening the opportunity for political dissent and freedom of the press. Nevertheless much remains undone. In short, promises of reform must be matched by action.

I am confident that given time and repeated reminders of our interest in reform, that Taiwan's authorities will move foward in opening the political process to the Taiwanese majority. Hopefully, the leadership recognizes that its willingness to champion the cause of greater Taiwanese participation gains its support of the people while foot dragging causes animosities hard to ignore for long. Nothing would be more warmly received by the people on Taiwan than the authorities announcing that it was their long-range objective to allow for Taiwanization of the political system, and the presentation of a step-by-step plan for gradually implementing their proposal. In my view, they might begin by releasing political prisoners, such Reverend Kao and others.

Once the reform plan had been enacted and bore fruit the authorities would have a mandate from the people to then move forward in addressing the China-Taiwan dispute. Many Taiwanese politicians opposed to the present Nationalist policies have freely admitted to me that the dream of an independent Taiwan no longer seems practical. They recognize that an island of 18 million people must find a way to accommodate itself to a giant neighbor with a population of some 1 billion. They merely ask that when the deal is struck they have some say in deciding the terms.

As for those of us in the United States, Warren Christopher told the Foreign Relations Committee during the TRA debate:

> It is our position that if there is to be a reunification, it is of great importance that it be peaceful and not be destabilizing in the area. But we do not have a position of encouraging the people on Taiwan to do something against their will.

That was an excellent policy then an one I fully endorse today.

For me that was what the Taiwan Relations Act was all about. Despite derecognition, we were pledging to the people of Taiwan that the American people would do what they could to insure that the island's people had a free choice. If they freely chose to reunify with the mainland we would not object. But if they chose instead a course short of reunification that also would be acceptable.

Mr. KENNEDY. Mr. President, I am pleased to join Senators PELL and GLENN in introducing this resolution expressing the sense of the Senate concerning the future of the people on Taiwan.

Today marks the 11th anniversary of the Shanghai communique. On this date in 1972, leaders of the United States and the People's Republic of China jointly recognized that "progress toward the normalization of relations between China and the United States is in the interests of all countries." The communique rightly noted that normalization of relations between the two countries "is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world."

I am proud to have been among the first in the Senate to have called for normalization of relations with the People's Republic in 1966—6 years before the Shanghai communique was signed. Since diplomatic relations were finalized in 1979, I have advocated continuing steps to strengthen this important relationship. In 1977, I had the opportunity to travel to China, and through this trip to emphasize again the importance of improving relations between the United States and the People's Republic of China.

At the same time, America has had a long relationship with those who live on Taiwan. I am proud of my role in the Senate as a principal sponsor of the Taiwan security resolution in 1979, now a part of the law of the land. In that resolution, Congress reassured the people on Taiwan about our concern for their security and well-being, and for lasting peace in the area. I continue to support both the letter and the spirit of the Taiwan Relations Act. We must not jeopardize either our longstanding obligation to the people of Taiwan or our new relationship with the People's Republic.

Nor do these relations mean that we should shrink from criticism of human rights problems wherever they occur. I have spoken out against abuses both

in the People's Republic and on Taiwan.

The decision of the United States to establish diplomatic relations with the People's Republic of China was based on the expectation that the future of Taiwan would be determined by peaceful means, and that commercial, cultural, and other relations would continue between the people of the United States and the people on Taiwan. Subsequent experience has shown the wisdom of that approach. All of us take satisfaction today that peace has prevailed in the Taiwan Strait since the normalization of relations between the United States and the People's Republic.

It is thus entirely consistent with the Shanghai communique, with our promising new relationship with the People's Republic and with our historic ties to the people on Taiwan for the Senate to express its sense that Taiwan's future should be settled peacefully, free of coercion, and in a manner acceptable to the people on Taiwan. The United States should continue to act consistently both with the joint communiques between the United States and the People's Republic of China, including the Shanghai communique, and with the laws enacted by the Congress, including the Taiwan Relations Act.

The continued improvement of relations with the People's Republic and the continued security and well-being of the people on Taiwan are the two guiding principles of our Nation's Chinese policy. These same two principles guide our resolution today, and I join Senators PELL and GLENN in urging favorable action by the Committee on Foreign Relations and the Senate.

SENATE RESOLUTION 75—RELATING TO IMPORTED NATURAL GAS

Mr. PERCY (for himself, Mr. DIXON, Mr. JOHNSTON, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. BURDICK, Mr. JEPSEN, and Mr. LEVIN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 75

Whereas the foreign policy and economic well-being of the United States depend on mutually-beneficial relationships with our trading partners throughout the world;

Whereas America's present economic difficulties have been caused in part by the huge increases in the price of energy, especially imported energy, during the 1970's;

Whereas at a time when prices for other forms of energy are stabilizing or falling, the burner-tip price of natural gas continues to rise throughout the United States;

Whereas the high price of natural gas is a severe hardship for low-income persons, the elderly, the agricultural industry, small businesses, and other consumers without alternative fuel sources.

Whereas high-priced imported natural gas is a major factor contributing to these price increases;

Whereas imports of high-priced natural gas continue at prices above fair market levels, despite the increased availability of uncommitted and ample supplies of lower-priced domestic gas;

Whereas it is in the interest of the United States to continue to import natural gas from secure sources in whatever quantity consumers require, as long as the price is fair;

Whereas the principles of free and fair international trade require that natural gas prices and terms of trade be made fair to all trading partners;

Whereas the immediacy of this problem requires the prompt and serious attention of all parties involved: Now therefore be it

Resolved, That it is the sense of the Senate that (1) the United States government should move immediately to reestablish fair market conditions and lower prices for imported natural gas; (2) to promote this objective, the Secretary of State, with the assistance of the Secretary of Energy, should immediately enter negotiations with nations presently exporting natural gas to the United States; and (3) 30 days after this Resolution is adopted, the Secretary of State should report to the Congress on the progress of these negotiations.

IMPORTED NATURAL GAS PRICES

Mr. PERCY. Mr. President, I would like to submit today, on behalf of myself, Senator DIXON, Senator JOHNSTON, Senator BOSCHWITZ, Senator KASSEBAUM, Senator DANFORTH, Senator BURDICK, Senator JEPSEN, and Senator LEVIN a resolution calling on the U.S. Government to take action immediately to reestablish fair-market conditions and lower prices for imported natural gas.

Earlier today, I chaired a hearing of a Governmental Affairs Energy Subcommittee inquiring into Government management of issues related to the high price of imported natural gas. Two conclusions were clear from this hearing: First, imported gas is exorbitantly priced, and U.S. consumers should not have to buy it; and second, regulatory officials at the Department of Energy have been far too slow to act in the public interest in this matter. This is why this resolution is so important.

Many gas-consuming States, including several in the Midwest, have suffered heavily from the current economic recession. Factories and plants have closed, and once prosperous businesses have been forced to lay off employees. Unemployment is approaching 20 percent in some areas. Now, in the midst of these economic difficulties, consumers are facing large increases in their natural gas bills—in part because they are paying super high prices for foreign gas while there is plenty of domestic gas available at much lower prices. This simply makes no sense.

Prices for imported gas are two or three times what we pay for domestic gas. I am including for the record a table which clearly shows this. Canadian gas is sold at the Toronto city gate for exactly half what this same gas is sold for in Springfield, Ill.—even though Springfield is closer than Toronto to the main Canadian wells.

This is a bizarre situation. In effect, this is the same thing as not just asking, but forcing American consumers to pay double for imported cars or televisions that are no better than the ones we make here at home.

We should not ask Americans to pay a premium, as we are currently doing, for imported natural gas. This is especially true at a time when many of our domestic producers are forced to shut in their gas wells. Dr. Alice Rivlin, of the Congressional Budget Office, concurs with this. She has stated in response to my letter on this issue, "there is no economic rationale for continuing to pay prices that are above the competitive level". I am submitting a complete copy of this letter for the record to share with my colleagues.

For the past 6 months, I have been particularly concerned about the import of exorbitantly priced liquefied natural gas from Algeria. Last week, I met with the Algerian Ambassador, and I told him that current LNG prices are way out of line. The pipeline acquisition cost for this Algerian LNG is two and a half times the average for domestic U.S. gas. And where does this gas go? It goes to Illinois, Michigan, Indiana, Ohio, and other hard-pressed Midwestern States.

We successfully won a postponement of a passthrough of the cost of this LNG to consumers during the winter months. But beginning tomorrow, the Trunkline and Panhandle Eastern pipeline companies, the ones shipping the Algerian LNG, will pass on the added costs of the LNG to consumers. This, by itself, will mean as much as a 10-percent increase in gas prices for our already beleaguered consumers.

We are not talking about small change here. We are talking about people's jobs, their daily lives, sometimes even their choice between eating and keeping warm. I have received piles of letters from consumers and businesses about this. Let me read an excerpt from a letter I recently received from a spokesman for our Nation's soybean processors:

With respect to the natural gas pricing situation in Illinois, occasioned by the resale of regasified Algerian LNG to soybean processors, soybean processing companies may be approaching the point of lay-offs of personnel and even plant shut-downs may be necessary.

I have been advised by industry sources that certain lay-offs have already occurred and that the scheduled March 1, 1983 natural gas pricing increases could provide the

occasion for more lay-offs and possible plant closings. While we can understand the need for a reasonable return on a natural gas suppliers' investment, at the same time we do not feel that industries such as ours—a fundamental link in the food and fiber chain which provides much of the protein content to the American diet—should have its profitability and viability undermined in Illinois by remote business arrangements entered into by natural gas suppliers with the Algerians over which it had no control.

Yet, last Wednesday, the Federal Energy Regulatory Commission approved this cost passthrough, at the expense of consumers throughout the Midwest. The FERC decision admits that prices are too high, and asks the LNG importers to renegotiate their contracts with the Algerians. And last Friday, the Department of Energy compounded this problem by approving the continuation of these overpriced imports, reaching the astonishing conclusion that it is premature to say that these prices are too high.

The FERC and DOE both offer vague statements that they may not tolerate these prices indefinitely, but vague statements of this kind are not enough. Consumers deserve price relief, and they deserve it soon. These regulatory agencies were created to serve the interests of American people, and it is time they started doing that.

The one bright spot is that every day, clearer and clearer signals are reaching all gas exporting nations that U.S. companies and U.S. consumers will not tolerate unrealistic prices for gas imports much longer. It is consumers—in Illinois and a great many other States—who will pay for any delays. Today, to reinforce this sense of urgency, I am introducing a resolution calling on the Secretary of State, with assistance from the Secretary of Energy, immediately to enter negotiations with nations presently exporting natural gas to the United States, and to report back to Congress on the progress of these discussions within 30 days.

Our Government has already discused gas prices with the Canadians, but I am concerned that these conversations have not had the sense of urgency they deserve. Canada has always been America's closest trading partner, and I have no doubt that the import by the United States of Canadian gas can continue to be mutually beneficial. But to keep this trading relationship fair, to keep it of mutual benefit, the gas must be priced at fair market levels. On Friday, I conveyed this message personally to two high ranking emissaries of the Canadian Prime Minister, Pierre Trudeau. I asked them to deliver a letter from me to the Prime Minister, in which I told him these prices have to come down soon. Last week, I conveyed the same message to a high ranking Mexican delegation.

It is time for the U.S. Government to promote the interests of American consumers more aggressively. This does not necessarily mean that prices should be altered through direct government-to-government negotiation. In fact, we may find that the best negotiations will be those involving the buyers and sellers of imported gas, It is my intention in introducing this resolution to leave the State Department as much flexibility as possible to solve this problem in the best and quickest manner, but we do need to bring more of a sense of urgency to the task.

In the past, we had to accept energy-exporting nation's policies of pushing natural gas and other energy prices up in times of tight markets. Now that markets are soft and domestic supplies abundant, it is time that gas prices move down. Our trading partners must understand this. Oil-exporting nations plainly do. It is time for gas-exporting nations to face the same facts.

I ask unanimous consent that the following exhibits be included in the RECORD: Domestic vs. Imported Gas Prices and a letter from Dr. Alice Rivlin, CBO, February 25, 1983.

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

DOMESTIC VERSUS IMPORTED GAS PRICES

(U.S. dollars per million Btu)

	1976	1977	1978	1979	1980	1981	1982
Domestic (interstate gas)	0.43	0.68	0.82	1.20	1.48	2.06	2.50
Domestic (intrastate gas)	.....	.79	.91	1.50	2.04	2.26	2.82
Canadian gas	1.64	1.95	2.15	2.56	4.23	4.73	4.92
Mexican gas	.....	.....	.....	.....	4.32	4.91	4.92
Algerian LNG	.....	1.05	1.50	1.99	3.70	5.94	6.56

Note: Data shown are average pipeline acquisition prices.

Source: Data Resources, Inc.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS
Washington, D.C., February 25, 1983.

Hon. CHARLES H. PERCY,
Chairman, Subcommittee on Energy, Nuclear Proliferation, and Government Processes, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your inquiry of February 17, 1983, regarding imports of liquified natural gas from Algeria and pipeline gas from Canada and Mexico. These imports are currently priced well above many domestic sources of natural gas that are not being brought to market, thus raising the issue of whether the public interest would be served if this situation were to continue for the long run.

In general, there is no economic rationale for continuing to pay prices that are above the competitive level. If there is an energy policy rationale, it must rest with energy security—the need to build stable and diverse sources of energy supplies that can be guaranteed during future oil disruptions. Such a rationale is questionable for two reasons. First, the goodwill generated by such purchases may be fleeting, and there is no way to evaluate how strongly it would influence foreign actions during an energy crisis. This may be particularly true in the case of Alegeria, if the source of a future disruption lies in deliberate OPEC action. Second, even if goodwill could be counted upon to yield aditional natural gas during a future oil supply disruption, it unclear whether this would be a cost-effective investment. Other investment options, such as oil for the Strategic Petroleum Reserve, could well be superior and would certainly increase the degree of control that the U.S. government could exercise in an oil emergency.

If I can be of further assistance to you in this matter, please contact me.

With best wishes.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin,
Director.)

Mr. DIXON. Mr. President, I rise as an original cosponsor of this resolution. Illinois is a State beset with a crisis—a natural gas crisis. I believe that with perhaps the sole exception of overall national economic conditions, nothing deserves our immediate attention more.

But how can economic recovery occur when the manufacturing plants, which are the largest users of natural gas, must pay almost three times the amount for imported gas when cheaper domestic supplies are readily available?

How can a family provide heat for its home without bankrupting its budget? Are we to tell the people in nearly 15 million households that they must choose between heating and eating?

I hope not. I will not.

Mr. President, I have petitioned both the Federal Energy Regulatory Commission (FERC) and the Economic Regulatory Administration (ERA), which have joint jurisdiction in this matter, arguing against these unnecessary price rises. Unfortunately, my petition has fallen on deaf ears.

Therefore, I believe that the fastest way to give relief to gas consumers will be with the passage of this resolution. It is straightforward in its approach. Thirty days after adoption, the Secretaries of State and Energy should report back to the Congress on the progress of negotiations in the private sector to bring about a reduction in the price of imported gas to a fair market level. The current cost for Algerian liquefied natural gas is $7.11 per Mcf. Canadian gas costs $4.94 when it crosses the border, as does Mexican gas. The most recent figure for the average wellhead price of domestic gas is $2.49.

It is because of these wide fluctuations in price and the resulting burdens on both consumers and industry that we have taken this action.

I hope every Senator will review this resolution carefully and consider the adverse impact imports are having on this country.

AMENDMENTS SUBMITTED FOR PRINTING

OCEAN SHIPPING ACT

AMENDMENT NOS. 7 THROUGH 231

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted 225 amendments intended to be proposed by him to the committee substitute to the bill (S. 47) to improve the international ocean commerce transportation system of the United States.

AMENDMENT NOS. 232 THROUGH 460

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM submitted 229 amendments intended to be proposed by him to the bill S. 47, supra.

AMENDMENT NO. 461

(Ordered to be printed and to lie on the table.)

Mr. BOSCHWITZ submitted an amendment intended to be proposed by him to the bill S. 47, supra.

AMENDMENT NOS. 462 THROUGH 465

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted four amendments intended to be proposed by him to the bill S. 47, supra.

AMENDMENT NO. 466

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for Mr. LONG) submitted an amendment intended to be proposed by him to the bill S. 47, supra.

AMENDMENT NO. 467

(Ordered to be printed.)

Mr. THURMOND proposed an amendment to the bill S. 47, supra.

AMENDMENT NO. 468

(Ordered to be printed.)

Mr. STEVENS proposed an amendment to the amendment (No. 467) proposed by Mr. THURMOND to the bill S. 47, supra.

AMENDMENT NO. 469

(Ordered to be printed.)

Mr. GORTON (for Mr. HATCH) proposed an amendment to the bill S. 47, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the hearing previously scheduled before the Subcommittee on Energy Conservation and Supply on the fiscal year 1984 budget for energy conservation and related programs within the jurisdiction of the subcommittee for Tuesday, March 8, will begin at 8:30 a.m. instead of 10 a.m. Staff contact: Mr. Tom Winn at 224-0613.

In addition, the subcommittee has scheduled a hearing to consider S. 589, to amend section 1(a)(1) of Public Law 95-348 (92 Stat. 487) to authorize the appropriation of $4,038,000 for capital improvement projects on Guam for fiscal year 1984. This hearing will also be held on Tuesday, March 8, beginning at 9:30 a.m., following the abovementioned budget hearing. Staff contact: Mr. Jim Beirne at 224-2564.

The hearings will be held in room SD-366 of the Dirksen Senate Office Building.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will hold a hearing on Thursday, March 3, 1983 at 10 a.m. to receive testimony on defense matters from Senator JOHN TOWER, chairman of Senate Committee on Armed Services. The hearing will be held in Dirksen Senate Office Building, room 608.

For further information, contact Nancy Moore of the Budget Committee staff at 224-4129.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the hearings scheduled before the Committee on Energy and Natural Resources for March 9, 10, 11, and 12, to consider pending natural gas legislation, will be hearings on the President's proposal, S. 615, as well as on S. 60, S. 239, S. 291, S. 293, and S. 370.

For further information regarding these hearings please contact Mr. David Doane at 224-7144 or Mr. Howard Useem at 224-5205.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Governmental Efficiency and the District of Columbia of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, March 1, at 9:30 a.m., to hold a hearing on the Chesapeake Bay program.

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

SUBCOMMITTEE ON BUDGET AUTHORIZATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Budget Authorization of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 1, at 2 p.m., to hold a closed-session hearing on intelligence matters.

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 Wednesday, March 2, at 10 a.m., to consider agriculture export legislation and S. 17, Domestic Commodity Distribution and Food Assistance Act.

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

ADDITIONAL STATEMENTS

CAPITAL ASSISTANCE REVENUE SHARING DATA

● Mr. SASSER. Mr. President, I plan to introduce this week the Capital Assistance Revenue Sharing Act of 1983, a bill that would—in addition to the current general revenue sharing program—provide $3.5 billion annually for quick-start capital improvement projects by State and local governments, and today I want to share information on just how the funds under this act would be distributed to States and eligible local governments.

This legislation would have a twofold purpose: First, it would provide a minimum of 250,000 jobs annually; and second, it would make a start toward a long-range program of Federal aid to State and local governments aimed at needed capital construction projects, as well as repair and rehabilitation of existing infrastructure.

Of the $3.5 billion annually appropriated under this legislation, $3 billion would go to State and local governments on a formula basis: One-third would go to States and two-thirds to local government. The additional $500,000 million will constitute a discretionary fund, from which aid would be distributed on a project-by-project basis for those local governments not eligible for funding under the formulae.

This bill uses the current GRS distribution formulae as a model, but makes further simplifications by relying solely on population and per capita income as the distribution components.

Eligibility will be restricted to municipalities with populations of more than 35,000, and to counties with populations of more than 10,000.

Of course, I expect that there may be changes to the bill and I welcome discussion of its provisions

I want to point out today that, unlike any other public works jobs bill now under consideration in the Congress, there is no mystery attached to just how much each State would receive under the legislation: I have prepared a computer simulation of what the States and their local governments would receive under the bill's formula.

Prior to my formal introduction of the Capital Assistance Revenue Sharing Act of 1983, I want to share this data with my colleagues and urge that

they support my effort by cosponsoring the bill.

At this point, I want to commend Craig Doyl and Charles Gialloreto of the Senate Computer Center for their work in the design of the computer model which made the data breakdown possible, and I ask that this information be printed in the RECORD. My office will be happy to provide additional data or information concerning this bill prior to its introduction this week. For further information on the Capital Assistance Revenue Sharing Act and funding distributions to individual local jurisdictions in the various States, please contact Mr. Tom Berrigan of the staff of the Intergovernmental Relations Subcommittee, extension 49514.

The material requested to be printed in the RECORD follows:

CAPITAL ASSISTANCE REVENUE SHARING ACT OF 1983 ANNUAL ALLOCATION OF PROPOSED $3,000,000,000 APPROPRIATION

[Does not include funds from $500,000,000 discretionary fund]

State	Population	Income per capita	State total	Local governments allocation	State government allocation
Alabama	3,893,978	4,712	62,874,898	41,916,599	20,958,299
Alaska	401,851	9,170	3,334,147	2,222,765	1,111,382
Arizona	2,718,575	5,545	37,301,719	24,867,813	12,433,906
Arkansas	2,286,725	4,443	39,158,560	26,105,706	13,052,853
California	23,672,415	6,487	277,643,653	185,095,769	92,547,884
Colorado	2,889,835	6,118	35,937,897	23,958,598	11,979,299
Connecticut	3,107,906	6,564	36,023,706	24,015,804	12,007,902
Delaware	594,317	5,883	7,686,142	5,124,094	2,562,047
District of Columbia	638,762	7,074	6,870,101	4,580,067	2,290,034
Florida	9,746,451	5,761	128,717,534	85,811,689	42,905,845
Georgia	5,463,101	5,071	81,966,181	54,644,121	27,322,060
Hawaii	964,691	6,005	12,222,620	8,148,413	4,074,207
Idaho	944,038	5,072	14,161,176	9,440,784	4,720,392
Illinois	11,427,449	6,358	136,747,013	91,164,676	45,582,338
Indiana	5,490,380	5,751	72,635,364	48,423,576	24,211,788
Iowa	2,913,858	5,439	40,760,397	27,173,598	13,586,799
Kansas	2,364,386	5,861	30,692,746	20,461,830	10,230,915
Kentucky	3,660,257	4,851	57,407,599	38,271,733	19,135,866
Louisiana	4,206,098	4,790	66,808,690	44,539,127	22,269,563
Maine	1,125,027	4,627	18,499,182	12,332,788	6,166,394
Maryland	4,217,285	6,561	48,904,857	32,603,238	16,301,619
Massachusetts	5,737,081	5,826	74,922,038	49,948,025	24,974,013
Michigan	9,262,318	6,130	114,960,407	76,640,272	38,320,136
Minnesota	4,076,300	5,778	53,675,696	35,783,797	17,891,899
Mississippi	2,520,638	4,120	46,548,141	31,032,094	15,516,047
Missouri	4,916,899	5,493	68,103,710	45,402,473	22,701,237
Montana	786,690	5,288	11,318,823	7,545,882	3,772,941
Nebraska	1,569,915	5,326	22,426,632	14,951,088	7,475,544
Nevada	800,863	6,533	9,326,843	6,217,895	3,108,948
New Hampshire	920,610	5,365	13,055,546	8,703,697	4,351,849
New Jersey	7,365,011	6,492	86,314,542	57,543,028	28,771,514
New Mexico	1,303,445	4,837	20,502,447	13,668,298	6,834,149
New York	17,566,242	5,849	228,500,062	152,333,374	76,166,687
North Carolina	5,881,873	4,876	91,778,515	61,185,677	30,592,838
North Dakota	652,717	4,856	10,226,696	6,817,797	3,408,899
Ohio	10,797,784	5,796	141,740,950	94,493,967	47,246,983
Oklahoma	3,025,495	5,245	43,887,418	29,258,279	14,629,139
Oregon	2,633,149	6,018	33,289,888	22,193,259	11,096,629
Pennsylvania	11,864,751	5,622	160,567,213	107,044,808	53,522,404
Rhode Island	947,154	5,589	12,893,641	8,595,761	4,297,880
South Carolina	3,122,816	4,628	51,338,376	34,225,584	17,112,792
South Dakota	690,768	4,529	11,604,301	7,736,200	3,868,100
Tennessee	4,591,240	4,845	72,098,345	48,065,563	24,032,782
Texas	14,227,553	5,633	192,167,324	128,111,549	64,055,775
Utah	1,461,117	5,135	21,648,790	14,432,527	7,216,263
Vermont	511,456	4,770	8,157,911	5,438,608	2,719,304
Virginia	5,346,499	5,883	69,144,832	46,096,554	23,048,277
Washington	4,132,250	6,394	49,170,320	32,780,214	16,390,107
West Virginia	1,950,258	4,851	30,587,915	20,391,943	10,195,972
Wisconsin	4,706,381	5,660	63,264,449	42,176,300	21,088,150
Wyoming	469,557	6,454	5,535,393	3,690,262	1,845,131

NEW SOVIET MISSILE TEST

● Mr. BIDEN. Mr. President, the February 16 Washington Post and New York Times ran articles regarding a Soviet test of a new missile that convey a misunderstanding regarding the SALT II test. The articles say that the new, small intercontinental ballistic missile which the Soviets tested on February 8 differs from a medium-sized ICBM which the Soviets tested in October and December. Because SALT II limits the U.S.S.R. and the United States to the flight testing and deployment of only one new type of ICBM, which must be a light one, the article states that, according to a variety of U.S. officials, the recent test "could raise questions about whether Moscow is violating the terms of the unratified" SALT II.

In fact, if all three missiles tested to date have the same number of stages and same propellant, there has been no violation of the provisions alluded to in the SALT II text governing the testing of one new type of permitted ICBM.

Article IV of SALT II text requires only that, in the beginning of a test program, every missile tested of the one new type have the same number of stages and the same propellant of each stage as the first missile tested. It is only further into what is usually a test program of 20 or more launches that various dimensions of the tested missile must fall within narrow boundaries. Specifically, during the last 12 launches of the first 25 test flights or during the last 12 launches before deployment, whichever 12 launches occur earlier, the length, the diameter, the launch weight, and the throw-weight of the tested missile may vary by no more than 10 percent. After these 12 tests, these dimensions may vary by no more than 5 percent. In any event, the three launches to date of new ICBM's are almost certainly not among the last 12 launches of a new ICBM test program, and therefore, not limited by either the 5 or 10 percent boundaries.

Of course, there are other provisions of the SALT II text which come into play after these tests, such as the prohibition on the testing of the small-solid mobile SS-16 missile and on measures aimed at concealing the association between ICBM's and launchers during testing, among others. However, the articles as run contain no in-

formation which suggests that there has been a violation of SALT II's testing provisions although they do suggest the need for vigilant monitoring efforts.

I ask that the articles be printed in the RECORD.

The articles follow:

[From the Washington Post, Feb. 16, 1983]

SOVIETS TEST NEW MISSILE, POSSIBLY VIOLATING SALT TERMS

The Soviet Union has fired a new intercontinental ballistic missile in a test that could raise questions about whether Moscow is violating the SALT II nuclear arms treaty, U.S. intelligence sources said yesterday.

Officials said a small solid-fuel missile was launched Feb. 8 from Plesetsk and that preliminary analysis of information picked up by American monitoring equipment suggests that it may have been the first successful test of a second new Soviet ICBM.

U.S. officials confirmed in December that the Soviets had test fired a medium sized solid fuel ICBM.

The SALT II treaty specifies that the Soviet Union and the United States may flight test and deploy only one new type of ICBM, which must be a light one, according to a June 21, 1979, letter signed by then Secretary of State Cyrus R. Vance in submitting the treaty to President Carter.

There was no formal comment last night from either the Defense or State departments. Officials cautioned against jumping to the conclusion that the Soviets have broken the agreement.

Although the United States never ratified SALT II, the Reagan administration has said it will abide by it as long as the Soviets do the same.

[From the New York Times, Feb. 16, 1983]

UNITED STATES SAYS RUSSIANS SUCCESSFULLY TESTED A NEW TYPE ICBM

WASHINGTON, Feb. 15 (AP).—The Soviet Union has fired a new intercontinental ballistic missile in a test that could raise questions about whether Moscow is violating the terms of the unratified second strategic arms limitation treaty, United States intelligence sources said today.

Officials said that a small, solid-fuel missile was launched Feb. 8 from Plesetsk in northern Russia and that preliminary analysis of information picked up by American monitoring equipment suggested that it might have been the first successful test of a second new Soviet ICBM.

"It was a missile we haven't seen before," said one of the sources, who spoke on the condition that he would not be named.

United States officials confirmed last December that the Russians had test-fired a medium-size, solid-fuel ICBM.

TREATY LIMITS NEW TYPES

The second strategic arms limitation treaty, signed in 1979, specifies that the Soviet Union and the United States may flight-test and deploy only one new type of ICBM, which must be a light one, according to a letter of July 21, 1979 by Secretary of State Cyrus R. Vance submitting the treaty to President Carter.

There was no formal comment from either the Defense or State Departments. Officials cautioned against jumping to the conclusion that the Soviet Union had broken the agreement.

Although the United States did not ratify the 1979 treaty, the Reagan Administration has said it will abide by it so long as the Soviet Union does.

A State Department official said he was not "aware of any charges that the Soviets may be preparing to violate the agreement." He, like the intelligence sources, insisted that his name not be used.

TEST CONFIRMED IN DECEMBER

The United States Government confirmed in December that the Soviet Union had flight-tested a new type of ICBM. It did so after reports that a medium-size solid-fuel missile had been launched Oct. 26 but that its first-stage rocket motor had failed.

In late December, amid reports that the Soviet Union was preparing for another missile test, Alan Romberg, a State Department spokesman, said that "if they begin to test another new type of ICBM, this would conflict with the terms of SALT II."

According to intelligence sources, some of the characteristics of the small missile fired from Plesetsk on Feb. 8 differed from those of the medium-size solid-fuel missile tested last fall.

The missile fired a week ago carried four warheads, the intelligence sources said.●

FUNERAL RULE

● Mr. KASTEN. Mr. President, on January 25, 1983, the Federal Trade Commission formally submitted its proposed trade rule governing funeral home pricing practices to Congress for review under existing legislative veto procedures. On February 24, a resolution to disapprove the funeral rule was introduced in the House by Congressman MARTY RUSSO (H. Con. Res. 70)

I take this opportunity to announce to the Senate that after carefully studying the proposed rule, and considering the improvements the FTC has made during the course of the rule's development, I have decided to support the FTC rule and oppose any congressional veto.

The central provision of the funeral rule requires funeral directors to provide consumers with itemized price information about the goods and services offered for sale. Detailed priced lists must be available at the funeral home, and funeral directors must answer questions about prices over the telephone. Funeral directors must provide any combination of goods and services selected by the consumer, unless the combination is "impossible, impractical or excessively burdensome to provide."

The purpose of these requirements is to provide consumers with an alternative to the widespread industry practice of "package pricing" for "standard," preselected funeral packages. Under the rule, consumers who wish to do so would have the option of designing a funeral that best meets their needs, declining unwanted services, and perhaps saving some money in the process.

I support this goal, and I believe the terms of the FTC's funeral rule are reasonably and fairly calculated to achieve this end.

In 1977, the average price of a traditional funeral and burial was $2,400—making funerals one of the largest single purchases consumers ordinarily make. Despite the size and importance of this purchase to consumers, however, precious little price information is usually available to those making purchase decisions. According to industry data cited by the FTC, about 65 percent of all funeral directors use some form of package pricing.

A survey conducted in my own State of Wisconsin in 1981 showed that 85.5 percent of the funeral directors who responded to the survey use some form of package pricing, while only 14.5 percent issue separate individual charges for each item of service, merchandise, equipment and facilities.

While many—or even most—people planning a funeral would rather leave the arrangements in the able hands of a funeral director by accepting a predesigned funeral package, others would prefer to make a more systematic and well-informed choice. I believe that itemized price information—and a realistic alternative to package pricing—should at least be available to consumers wishing to exercise this option, and that the disclosure scheme devised by the FTC is a reasonable and balanced means to achieve this end.

The conservative Heritage Foundation also acknowledged the need for the funeral rule in a 1981 report on the FTC that was otherwise very critical of the agency:

> There is no effective remedy available to a consumer when a funeral home refuses to provide him with an itemized bill, or when it induces a family to purchase an unwanted package of services and goods for a funeral.
>
> In those instances, the bereaved family has no adequate market-place remedy. . . . Rules and regulations appear to be the only alternative.

The involvement of the Federal Government is appropriate in this instance due to a regulatory gap that now exists in most States. Virtually all States set educational, apprenticeship, and examination requirements for funeral directors, and public health standards for funeral homes. In addition, States typically have some form of consumer protection legislation on the books. In only a very limited number of States, however, does State law go on to require the kind of detailed price itemization required by the FTC rule.

Again, looking at Wisconsin, our State law contains only a general prohibition of fraud and deception in the funeral industry, and a requirement that a card or brochure be placed in each casket stating the price of the funeral using that particular casket and listing the service and merchandise included in that price. As noted above, only 14.5 percent of Wisconsin funeral

directors were found to itemize prices in 1981.

In addition, I would point out that the funeral rule has been altered substantially over the course of its development. The rule is now less "regulatory" in approach, relying relatively more heavily on market-oriented information disclosure remedies.

As proposed by the FTC staff in 1975, for example, the funeral rule provided that funeral directors could not furnish any funeral services or merchandise or even take custody of the body itself without explicit permission from the family. Funeral directors had to expand their casket selection facilities to make room for a full line of plain, inexpensive caskets, and they had to disclose in any advertising they did that detailed price information was now available over the telephone.

These provisions and others in the "command and control" tradition were dropped from the rule finally adopted by the FTC last September. Now, by and large, the rule seeks to use information disclosure, informed consumer choice, and the free market mechanism to address problems identified in the industry.

I also approve of a few other changes to the rule. First, the terms of rule now require the FTC to reevaluate the need for the rule within 4 years after it becomes effective. Second, recordkeeping requirements have been reduced. Indeed, the Office of Management and Budget has approved the rule under the Paperwork Reduction Act. Finally, States can be exempt from the rule if State consumer protection laws provide an equivalent or greater degree of protection to consumers. There is no attempted preemption of State law involved.

One important fact distinguishing the funeral rule from the FTC's used car rule which was vetoed by Congress in May 1982, is that Congress has already considered the funeral rule in detail and enacted specific guidelines for the FTC to follow in finalizing the rule.

Section 19 of the FTC Improvements Act of 1980 (15 U.S.C. 57a note), enacted after much public discussion of this issue, provided that the FTC's funeral rule may only:

One, require disclosure of the fees or prices charged for funeral goods and services; and

Two, prohibit misrepresentations, boycotts, tie-ins, and furnishing goods and services without prior approval.

Section 19 also required the FTC to take certain additional procedural steps to insure that public had notice of the terms of the proposed rule and that public comment was adequately solicited. In effect, at a relatively advanced stage in the rule's 10-year history, Congress considered the issue and gave advance prior approval to a rule meeting certain specific guidelines.

By contrast, in the case of the used car rule, while the 1975 Magnuson-Moss Act specifically authorized the FTC to develop a rule "dealing with warranties and warranty practices in connection with the sale of use motor vehicles," the FTC went further, requiring used car dealers to disclose "known" defects to consumers as well as warranty terms. Congressional consideration of the disclosure of known defects requirement was thus entirely appropriate.

The funeral industry has already filed challenges to the funeral rule in Federal court. The traditional role of the court in such a review is to see that the rule is adequately supported by the evidence, that it was developed in accordance with proper procedures, and that the agency acted within the bounds of its legal authority. The court may thus insure that the FTC has complied with the guidelines Congress established in the 1980 Improvements Act and also address concerns, expressed by FTC Chairman Miller and others, that the rulemaking record is inadequate to support the rule.

Mr. President, I support legislative veto and congressional oversight of regulatory agency decisions. This does not mean, however, that Senators and staff must spend hundreds of hours evaluating each and every rule issued by the Government. Congress itself would then become a bureaucracy out of control.

Rather, Congress must focus its efforts on the rules that are plainly out of sync with the goals of regulatory reform and leave to the courts their traditional task of seeing that other rules are lawfully promulgated and supported by the evidence. This latter course of action is especially appropriate in the case of the funeral rule, where Congress performed its oversight function in advance, setting out specific guidelines for the agency to follow.

Congressional disapproval is inappropriate also because the funeral rule addresses a real consumer need. Currently, most consumers do not have an adequate opportunity to comparison shop for funeral services and decline unwanted services and merchandise. State consumer protection laws and industry complaint-handling systems, as well motivated as they are, simply do not focus on this problem. The FTC rule, developed with broad public participation, is fair and balanced in approach and reasonably calculated to make useful information available to consumers with a minimum of disruption and burden to the funeral industry.

Mr. President, a coalition of groups has formed to oppose congressional veto of the funeral rule, including the American Association of Retired Persons, Congress Watch, Consumer Federation of America, Consumers Union, and Continental Association of Funeral and Memorial Societies. I am pleased to offer my support in opposing a veto of the funeral rule, and I look forward to working with this coalition and others in coming months.●

DANGERS TO SOCIAL SECURITY DISABILITY SYSTEM

● Mr. SASSER. Mr. President, I rise today to draw the attention of my colleagues to a recently proposed classification study by the Office of Personnel Management (OPM) of the Administrative Law Judge Corps and other legal personnel.

I point out this proposed study out because I believe that it is an ill-timed and ill-advised study which poses special dangers for the 810 Health and Human Services administrative law judges who will conduct more than 400,000 social security disability appeals during 1983.

I, along with my distinguished colleauges, Senator DAVID PRYOR and Senator CARL LEVIN, have formally protested this proposed classification study. We have done so for several reasons.

First, we believe that it is imperative that any classification study shall be done with due regard for the independence and impartiality of the Administrative Law Judge Corps. In that regard, we believe that it is unwise for the Office of Personnel Management to postpone action on pending requests for upgrading various ALJ positions, and ceasing to accept applications for GS-16 ALJ positions after March 18. Such actions appear to precondition the findings of the proposed classification study of administrative law judges. Second, we are distressed about the effect that this study may have on the social security disability appeals process. The 810 Health and Human Services administrative law judges will hear some 422,000 social security disability appeals during 1983. Their caseload has grown dramatically since 1965 when the national caseload was only 23,323. During these difficult times, it is imperative that disability recipients be assured of having experienced administrative law judges to hear their appeals. A classification study that appears preordained to "Downgrade" that status of these administrative law judges could have deleterious effects on the social security disability hearings and appeals system.

It is my hope that the Office of Personnel Management will rescind the personnel actions in the February 9 announcement. I also hope, as requested by our letter of February 24, that officials of the Office of Personnel

Management will meet with the Senate Governmental Affairs Committee to reconsider the merits of this proposed classification study.

Mr. President, I ask that our February 24 letter to OPM Director Donald Devine on this matter and OPM's February 9 announcement of this proposed classification study be printed in the RECORD.

The correspondence follows:

U.S. SENATE,
Washington, D.C., February 24, 1983.

Hon. DONALD J. DEVINE,
Director, Office of Management and Personnel, Washington, D.C.

DEAR MR. DEVINE: We understand that the Office of Personnel Management (OPM), pursuant to a letter of February 9, 1983, has initiated a one year "classification" study of Administrative Law Judges (ALJ's) and other government legal personnel. During the time that OPM proposes to conduct this study, OPM has taken other actions that have the cumulative effect of preventing any upgrading of ALJ classifications and the filling of vacant ALJ positions at the GS-16 level.

We are vitally concerned that these pending actions can have a demoralizing effect on the Administrative Law Judge Corps. And we are most distressed that this action could portend an effort by the Office of Personnel Management to downgrade Administrative Law Judges in violation of the letter and spirit of the laws governing classification of these federal employees. In light of the duties and responsibilities of Administrative Law Judges, any effort to downgrade these positions would be disruptive of the personnel standards set forth in U.S.C. 5, sections 5105, 5106, and 5341, as they apply to ALJs, most of which are classified at a GS-15 and GS-16 level.

Furthermore, the type of action suggested in the February 9th letter may run afoul of the Administrative Procedure Act (APA) which recognizes the independence of Administrative Law Judges. The comprehensive scheme of administrative adjudication established by the Administrative Procedures Act provides for an independent and impartial corps of Administrative Law Judges. Actions such as that contemplated in the cited OPM letter raise the possibility that OPM may be violating the rights of ALJ's to be secure in their tenure and compensation as provided for by 5 U.S.C. 7521.

In particular, we are extremely distressed at the impact that a reclassification study may have on the more than 800 ALJ's employed by the Department of Health and Human Services. These ALJ's are working under extreme pressures to review Social Security Disability claims and determinations under the Social Security Act. It is estimated that these 800 or so ALJ's will carry the heavy responsibility of hearing some 422,000 disability cases during 1983. With normal turnover of HHS ALJ's running about 40 per year, it is clear to us that any potential downgrading actions would add tremendously to an already heavy workload and have a devastating effect on the Social Security disability review process. Our concern about an adverse classification action is further heightened due to the pending suit brought by the HHS ALJ's against the Social Security Administration, *Association of Administrative Law Judges, Inc.* v. *Richard S. Schweiker et. al.*

Thus, we strongly recommend that the Office of Personnel Management rescind the actions contained in the February 9th letter to the Honorable Charles N. Bono and suspend the decision to conduct the proposed classification study until OPM officials have met with representatives of the Senate Governmental Affairs Committee to review the merits of such a proposed classification study. Such a meeting is necessary in order to determine and confirm to our satisfaction that the proposed classification study will not in any way adversely affect the independence and impartiality of the Administrative Law Judges Corps nor violate the statutory guidelines for classification procedures as they pertain to Administrative Law Judges.

We look forward to your prompt reply to this letter.

Sincerely,

JIM SASSER,
CARL LEVIN,
DAVID PRYOR,
U.S. Senators.

U.S. OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., February 9, 1983.

Hon. CHARLES N. BONO,
Chairman, Association of Administrative Law Judges in the Department of Health and Human Services, Federal Office Building, Kansas City, Mo.

DEAR JUDGE BONO: The Office of Personnel Management (OPM) is concerned that the Federal government needs to do a better and more accurate job in the future of classifying Civil Service positions. With this concern in mind, OPM plans to develop, within one year, classification criteria for "hear and decide" type work performed by attorney examiners and ALJ's. These criteria will be incorporated in the classification standard for GS-905 attorney positions which has been used historically by OPM as a guideline for classifying ALJ positions.

Pending development of these new classification criteria, OPM is taking the following actions:

1. postponing action on pending and any future requests to upgrade Chief ALJ, Deputy Chief ALJ, Associate Chief ALJ, and all other ALJ positions;

2. ceasing to accept applications under the ALJ Examination Announcement No. 318 for the GS-16 register after March 18; and

3. filling all future ALJ position requests at the GS-15 level.

A meeting to discuss the above plans and actions is scheduled for agency Chief ALJ's, ALJ Association Representatives and Personnel Directors (or representatives) on Friday, February 18, at 1:00 p.m., in Room 1304, U.S. Office of Personnel Management, 1900 E Street, N.W., Washington, D.C. Your presence is cordially invited.

I look forward to seeing you at the meeting.

Sincerely,

RICHARD B. POST,
Associate Director, Staffing Group.●

SENATOR THURMOND'S REPORT ON VISIT TO THE FEDERAL REPUBLIC OF GERMANY

● Mr. TOWER. Mr. President, I would like to call to the attention of the Senate a report written by my distinguished colleague, the senior Senator from South Carolina, Senator STROM THURMOND.

Senator THURMOND visited the Federal Republic of Germany following the adjournment of the 97th Congress and toured several military installations. He also had occasion to visit with Ambassador Burns and his staff and receive their views on German-American relations. Additionally, Senator THURMOND had the opportunity to meet with officials of the German Ministry of State and Ministry of Defense.

Senator THURMOND's report indicates very serious German concern over issues such as "Specialty Metals" and the deletion of funds for "Host Nation Support." The decision on "Specialty Metals" alone could well destroy the cooperative efforts on standardizing NATO arms that have been underway since 1976.

Mr. President, I find Senator THURMOND's analysis to be timely and I commend it to the attention of my colleagues. I ask that the report with enclosures be included in the RECORD at the conclusion of my remarks.

The report follows:

VISIT TO THE FEDERAL REPUBLIC OF GERMANY—SENATOR STROM THURMOND

INTRODUCTION

General.—During the period December 26-31, 1982, Senator Strom Thurmond, Ranking Majority Member of the Senate Armed Services Committee and Chairman of its Military Construction Subcommittee, visited military installations in the Federal Republic of Germany (FRG). In addition, Senator Thurmond met with officials of the German government, and with Ambassador Burns and his staff.

Purpose.—Senator Thurmond last visited the FRG during April 1981. In making a return visit to the FRG, Senator Thurmond set several objectives:

1. To review the facilities situation with emphasis on the living and working conditions faced by American service personnel;

2. To review with major U.S. military commanders the overall balance of forces situation;

3. To meet with key German government officials to discuss matters of mutual concern; and

4. To confer with Ambassador Burns and his staff to get the benefit of their views on German-American relations.

Itinerary.—Travel to and from the FRG was by regularly scheduled Military Airlift Command C-5 aircraft. Senator Thurmond arrived in the FRG on the morning of December 27, 1982, and departed in the evening on December 31, 1982. Locations visited included Ramstein Air Force Base, Baumholder, Heidelberg, Bonn, Frankfurt, Fulda, Wildflecken, and Rhein Main Air Force Base. Key officials contacted included General Frederick Kroesen, Commanding General, U.S. Army Europe; Lieutenant General Robert Bazley, Deputy Commanding General, U.S. Air Forces Europe; Dr. Arthur Burns, U.S. Ambassador to the Federal Republic of Germany; His Excellency Peter-Kurz Wuerzbach, FRG Ministry of Defense and His Excellency Berndt von Staden, FRG Ministry of State. A detailed itinerary is attached as Enclosure 1.

U.S. FORCES ISSUES

General.—At each visit with U.S. forces, Senator Thurmond received briefings on the overall military situation with emphasis

on facilities issues. The issues discussed in detail in this section are the more significant issues which will require the support of, or action by, the Congress in future years.

Military Construction Levels.—The backlog of military construction requirements for U.S. forces in Europe is over $20 billion. In the past two years, construction spending for U.S. forces has been about $1.5 billion—$1.0 billion in appropriated funds, $400 million in NATO Infrastructure funds and $100 million in non-appropriated funds. Construction expenditures for the future are expected to remain at about these same levels. At these annual rates of expenditure there will be little chance that the construction backlog can be reduced in the future. A comprehensive capital investment program for Europe needs to be developed with emphasis on programs that will increase the allied contribution to U.S. force stationing requirements (e.g., the Master Restationing Program and family housing initiatives that are discussed in greater detail below).

The problem of military facilities is greatly compounded by the introduction of new equipment which is occurring at an unprecedented rate. For example, more than a third of USAEUR's construction budget for the next fiscal year will be spent on facilities that are needed to accommodate new weapon systems that are scheduled to arrive in Europe in the next few years. This necessary expenditure drains resources that might otherwise be applied against the backlog of replacement living and working facilities.

Family Housing.—The requirement to provide adequate military family housing has bcome a number one priority with General Kroesen. The number of service personnel eligible for family quarters has grown over time as more and more military personnel are now married. Currently, USAEUR has some 68,000 service persons that are eligible for family quarters; 61,000 of these persons are adequately housed, leaving 7,000 Army personnel without family housing. The only alternative for these personnel is to leave their families in the United States and to get on a waiting list. Some soldiers are being forced to wait nearly two years before a set of family quarters becomes available; waiting times of up to a year are not uncommon.

In an attempt to alleviate this situation, the Congress has agreed to additional lease allocations for Europe, and the lease term has been increased from five to ten years to encourage entrepreneurs to build additional housing for lease to the military. These efforts have been only marginally successful. For the first time in many years, the Army sought authority to build new family housing in Europe in conjunction with the fiscal year 1983 Military Construction Bill. The Congress was reluctant to start a family housing building program in Europe due to the high unit cost ($120,000 per unit) and directed the Defense Department to do a comprehensive analysis of the family housing requirements in Europe and examine options to address this requirement. It was evident from the briefings that considerable work had been done on this analysis, however, much remains to be done. This subject will get special attention during hearings on the fiscal year 1984 Military Construction Bill.

Force Modernization.—The Army is undergoing unprecedented force modernization. Nearly every major item of military equipment will be replaced in the next few years. The Abrams tank, the Bradley fighting vehicle, the Patriot air defense system, the Multiple Launch Rocket System, the Apache Attack helicopter, the Blackhawk support helicopter, and the Pershing II missile system, all will be fielded in the next five years. The introduction of these systems creates unforeseen problems—problems in manning, problems in logistical support, and problems in warfighting doctrine (for example, the most recent Reforger exercise revealed that field commanders are going to have to reevaluate armor doctrine because the capabilities of the Abrams tank—its speed and its ability to fire on the move—renders current armor doctrine virtually obsolete.) This force modernization effort is going to require strong leadership and resourceful management to prevent a hiatus that could damage the capability of U.S. forces. Military commanders are eager to get the new equipment and feel that they can absorb it, given currently anticipated delivery schedules. They emphasized that this new equipment will increase their conventional war-fighting capability by an order of magnitude which will substantially increase the deterrent value of our conventional forces.

End Strength Allowances.—One of the problems brought on by force modernization is the management of the numbers of personnel deployed to Europe. This year in the Continuing Resolution, the end strength for all service personnel stationed in Europe was "capped" at 315,600—the same as the level deployed in Fiscal Year 1982. This was the first time that the Congress specified a "not-to-exceed" figure for personnel deployed to Europe. The apparent purpose of this cap is to freeze spending on forces overseas and to send a message to the allies that they should pay an additional portion of the defense cost burden. This cap may be manageable for Fiscal Year 1983 (although the Air Force had planned personnel increases to accommodate the deployment of the Ground Launched Cruise Missile system). However, the Army has plans for significant personnel increases after Fiscal Year 1983 and if personnel ceilings are to be imposed in future years, the impact on force modernization and force structure must be carefully considered.

Pershing/GLCM Deployments.—Announcements have been made that the Army will deploy the Pershing II missile system in the FRG, and the Air Force will deploy the Ground Launched Cruise Missile (GLCM) in Italy and in Great Britain during the next year. Despite many minor problems, military commanders were confident that initial operating capability dates could be met. Significant, but manageable, public demonstrations in opposition to the deployments are anticipated.

Collocated Operating Bases (COBs).—The Air Force has a program to provide minimum essential facilities at selected allied airfields to permit deploying U.S. based aircraft to operate effectively upon arrival in Europe. At each such base, the Air Force negotiates with the host nation, an agreement that provides the basis for deploying U.S. Air Force units to use the airfields. To be able to operate effectively at these bases, certain minimum essential facilities must be constructed; these facilities generally involve additional ramp parking space and added storage capability for fuel and ammunition at a cost averaging $5 million at each base. This construction is eligible for NATO Infrastructure funding, and some $32 million in NATO funds has been made available for the current year. The Air Force accords this program high priority and in the past has sought unilateral U.S. funding to prefinance this construction with the intent to recoup the funding from NATO in the future; Congress has been reluctant to approve prefinancing, preferring instead that direct NATO funding be used. The Air Force advised that NATO has programmed only $1 million for COB construction for next year and, therefore, the Air Force intends to pursue the prefinancing option again in conjunction with the Fiscal Year 1984 budget. The failure of NATO to continue to accord COB construction sufficient priority, to maintain at least current year funding levels, is disappointing and may well prejudice Congress against further unilateral U.S. funding.

U.S.-FRG ISSUES

Continuing Resolution.—The visit occurred immediately following the "lame duck" session of the 97th Congress, and several issues resulting from the Continuing Resolution, which provides appropriations for the Defense Department for the remainder of Fiscal Year 1983, were uppermost in the minds of German officials and Ambassador Burns. Attached at Enclosure 2 are translations from German newspapers that provide their perspective on these issues.

The "specialty metals" issue seemed to be the item of greatest concern. From 1976 through 1982 there had been a provision in law which waived the so-called "specialty metals" import restrictions and permitted the U.S. to import certain defense-related items from our allies. In the Continuing Resolution this waiver provision was modified to permit the continued importing of "weapon systems", but the importing of components or parts that contain foreign specialty metals was prohibited. There was general consensus on this trip that this action could well destroy the cooperative efforts on standardizing NATO arms that had been underway since 1976.

The Administration's budget for Fiscal Year 1983 contained $40 million to begin a cooperative program with the FRG wherein the FRG would provide support to U.S. combat forces in time of war. This program, called "Wartime Host Nation Support", was the product of several years negotiations between the two countries that was finalized by the signing of an agreement by Ambassador Burns in April 1982. Under the agreement, the FRG would establish reserve units which would provide logistical support to U.S. combat units. The logistical support would include, for example, the transportation and treatment of battlefield casualties, rear area security, prisoner-of-war handling, the operation and maintenance of airfields, etc. Some 93,000 German reservists would be dedicated to this task. Costs for this support structure were to be shared under an agreed cost sharing formula. The $40 million request in the Defense Department's Fiscal Year 1983 budget was matched by a 43 million German mark appropriation which has been approved by the German government. If the same capability were to be provided with U.S. reserve units, estimates of the cost to the U.S. indicate that the U.S. would pay 20 to 30 times more than the costs now estimated to support the Wartime Host Nation Support agreement. The denial of the $40 million by the Congress places the entire Wartime Host Nation Support agreement in jeopardy.

Current U.S. plans envision the prepositioning of military equipment in Europe

in amounts sufficient to support six U.S. Army divisions that would deploy to NATO in time of war. The Continuing Resolution limits the amount of equipment that can be pre-positioned to an amount sufficient for only four U.S. divisions and funding requests to acquire the necessary depots for storage to support the fifth and sixth divisions were denied. This effort, as well as the Wartime Host Nation Support agreement mentioned previously, grew out of the 1978 NATO "Long Term Defense Program" which has provided the foundation for increasing the conventional war-fighting capability for the alliance. The failure of the U.S. Congress to support these initiatives is very damaging to the viability of NATO.

Master Restationing Plan (MRP).—Negotiations are in progress on a proposal to restation three U.S. Army brigades nearer to the East German border and their wartime fighting positions. This proposal was tabled with the FRG in the Stoessel Demarche of November 1980. The concept of the proposal was to restation U.S. units to improve the ability of these units to accomplish their wartime mission and at the same time to provide new or upgraded living and working facilities for U.S. forces that now occupy deplorable facilities. The U.S. has proposed to the FRG that the facilities costs at the restationing sites should be borne by the FRG. In negotiations to date, the FRG has agreed with the concept of the Master Restationing Plan, but there has been no agreement on cost sharing—in fact, to date, FRG negotiators have insisted that under the terms of the Status of Forces Agreement, the costs for replacement facilities should be borne by the United States. From all discussions, it appears that the Defense Department testimony and briefings to the U.S. Congress may have been overly optimistic with regard to the prospect to FRG funding. The U.S. Congress has agreed to certain limited MRP construction (and certain MRP construction funding has been authorized subject to an acceptable cost sharing arrangement being agreed to) with the expectation that the FRG will agree to fund a significant share of the cost. The Defense Department and the State Department need to impress on the FRG the importance of these negotiations; there is a perception in the U.S. Congress that our allies are not paying an appropriate share of the collective defense burden and this leads to actions such as the troop strength ceilings and the denial of unilateral U.S. funding requests in support of NATO. If the FRG refuses to fund a reasonable share of the MRP costs, it will be perceived by the Congress as an indication that the allies are unwilling to share equitably in the NATO collective defense burden. Officials from the FRG Defense Ministry did surface the option of paying MRP costs through some type of special arrangement with the NATO Infrastructure Fund. This option appears to have some merit (and is not without precedent since the previous Slice Group did contain the "U.S. Special Program") and should be pursued if unilateral FRG funding is not forthcoming.

Pershing II/GLCM Deployments.—The FRG appears firmly committed to proceeding with the deployment of the Pershing II as scheduled in the absence of firm progress at the Geneva disarmament talks and under the assumption that the GLCM deployment will occur on schedule in Italy and Great Britain. In all discussions, strong linkage between Pershing II deployment and the disarmament talks was emphasized. Civil disturbances and protests are anticipated as the deployment date approaches, but recent polls conducted by the FRG demonstrate that the vast majority of Germans support NATO and a continued U.S. presence. The poll results reflect little change in German popular opinion in support of U.S. forces that has prevailed over the last 20 years.

Terrorism.—Acts of terrorism against U.S. personnel, especially bombings, have increased in recent months. German officials expressed special concern for these incidents, contending that they were perpetrated by a very small radical element and did not represent a general decline in the support for U.S. forces. Special steps are being taken to attempt to reduce these terrorist incidents by both Germans and U.S. officials.

ENCLOSURE 1

ITINERARY

27 DECEMBER 1982

0900—Arrive Ramstein Air Force.

0900-0930—Check in Ramstein Hotel.

0930-1200—Briefings and discussions with Deputy Commanding General Bazley and USAFE staff.

1200-1300—Lunch Ramstein Officers Club.

1300-1400—Enroute Baumholder.

1400-1800—Visit U.S. Army units in Baumholder area, RON Ramstein Air Force Base Hotel.

28 DECEMBER 1982

0900-0930—Enroute Heidelberg Army Airfield.

0930-0945—Enroute Keyes Building.

0945-1000—Office call with General Kroesen, Commander in Chief, U.S. Army Europe (USAREUR).

1000-1230—Briefings and discussions in Keyes Building Conference Room as follows:

Briefing title and staff agency:

The Threat: Office of the Deputy Chief of Staff, Intelligence CPT Watford.

Force Modernization/Div. 86: Office of the Deputy Chief of Staff, Operations MG Dyke.

Wartime Host Nation Support Update: Office of the Deputy Chief of Staff, Host Nation Activities COL Schleusing.

USAREUR Construction Program (MCA): Office of the Deputy Chief of Staff, Engineer COL Royce.

Real Property Maintenance Activities (RPMA)/Backlog of Maintenance and Repair (BMAR): Office of the Deputy Chief of Staff, Engineer COL Franklin.

Army Family Housing: Office of the Deputy Chief of Staff, Engineer COL Benn.

Master Restationing Plan: Office of the Deputy Chief of Staff, Engineer COL Napper.

1230-1330—Lunch in CINC's Dining Facility hosted by the CINC.

1330-1700—Open time. RON Heidelberg, PHV Hotel.

29 DECEMBER 1982

0900-1600—Drive to Bonn with stops at Mainz, Ruedesheim and Remagen and Lunch enroute Bonn.

1600-1630—Arrive Bonn. Check in Dreesen Hotel.

1630-1900—Open time.

1900-TBD—Dinner with Ambassador and Mrs. Burns and guests. RON Bonn, Dreesen Hotel.

30 DECEMBER 1982

0900-1630—US Embassy Bonn itinerary to include discussion on emerging relations with Kohl government, Stoessel Demarche, Host Nation Support and Master Restationing Plan. Also, meeting with new Federal Republic of Germany Defense Minister and meet with Bundestag counterparts.

1630-1700—Enroute Rhein Main.

1700-1715—Check in Rhein Main Hotel. RON Frankfurt, Rhein Main Hotel.

31 DECEMBER 1982

0800-0900—Breakfast.

0900-0915—Enroute Abrams Building, V Corps Headquarters.

0915-1115—V Corps itinerary to include office call with Commander, GDP Update and briefings on Military Construction Army.

1115-1145—Press and TV availability.

1145-1230—Enroute Fulda and border trace flight via V Corps rotary wing aircraft.

1230-1330—Lunch with Commander, Command Sergeant Major, NCO's and soldiers 11th Armored Cavalry Regiment.

1330-1530—Visit East German border and receive 11th Armored Cavalry Regiment border briefing.

1535-1630—Enroute Rheim Main via V Corps rotary wing aircraft.

1630-1915—Open time and flight processing.

1915—Depart for CONUS.

ENCLOSURE 2

[Translated from: "Die Welt," Bonn, 23 December 1982, Page 1 by Th. Kielinger]

U.S. CONGRESS VIOLATES DECISIONS FOR THE STRENGTHENING OF NATO—STRIKE AGAINST ARMAMENT COOPERATION/WOERNER'S WARNING LETTER NOT HEEDED

In the heated final days of the debate about the continuing resolution, the US Congress made a few decisions, which will have long-range and partly negative repercussions for America's alliance relationships. This has just now become known. Details of these budget decisions were literally buried in the overall package for the vote with which the Congress made the continuation of the US budget for 1983 possible.

Following thorough inquiries by WELT among NATO diplomats and in the Congress the following picture appears, divided according to various programs of the budget.

1. The so-called Stevens Amendment, the proposal of Republican Senator Ted Stevens (Alaska) concerning a qualified US troops withdrawal from Western Europe, was turned down. Instead, both houses agreed on a freeze of the US troop ceiling in Europe at the 1982 level. This was received with great relief by European diplomats in Washington. The actual strength of 1982 (about 318,000 soldiers) is actually higher than the authorized level.

2. The Congress blocked the money for the procurement of further Pershing II medium-range missiles, for the present, until the US Army can prove that the weapon is reliable. To date, no Pershing II flight test has run flawlessly. The stationing of the missiles in the Federal Republic is to begin end of 1983, if there are no results in the Geneva disarmament talks.

The stationing time schedule will not be affected by the blocked procurement money, since the means for the construction of about 20 Pershing II missiles are available from last years' budget. The production of this number of missiles can continue.

3. Congress struck the defense cooperation within NATO with its decision for the so-called Specialty Metals Clause (see

WELT, 18 Dec 82). According to this, the US government may not import parts and components for the armament of the American forces—also not from NATO countries—in as far as these parts contain traces of certain metals, from simple alloy steel to chrome, nickel, titanium, etc.

This practically means the end of the German armament trade with the respective US industry and with the Pentagon. Also producers in Belgium, Holland or such non-NATO countries as Switzerland or Australia were strongly affected. Only complete weapon systems—for example, a plane like the British "Harrier"—are exempt from the ban.

The Congressional decision violates a 6 year old agreement of political NATO institutions according to which the "two-way street" within the alliance was to be continually expanded. The main point of this agreement was that the Europeans could compensate their extensive weapons purchases in the USA with orders for military equipment from the US, at least to a moderate extent. Especially for the sake of this cooperation, NATO was excluded already in 1976 from the Specialty Metals Clause (it has been discussed in Congress since the early 70s).

This exemption was now withdrawn, against the expressed wish of the White House and other participating cabinet ministers. Neither common European diplomatic efforts in Congress nor a letter from Defense Minister Woerner last week, who urgently warned once again against this Congressional decision were successful.

According to Woerner's letter, it should also be feared that the planned conventional modernization of NATO will be seriously delayed. Affected by the Specialty Metals Clause are a number of new joint projects, among them the air defense system Patriot. Orders for American defense materiel from NATO countries will probably decrease.

4. Likewise not approved by Congress was the US money for the so-called Wartime Host Nation Support. These are financial means for the logistical support on site for the six additional American divisions to be deployed to Western Europe in time of crisis or war. Also in this, the Congressional decision violates an existing NATO agreement, this time between the US and the Federal Republic of Germany.

Bonn had just approved this year, with great efforts, its share of Wartime Host Nation Support (WHNS). Accordingly, the Federal Republic of Germany agreed to mobilize 93,000 reserves and assume one half the cost for the logistical support for American reinforcements, deployed in crisis or war. The 1983 Bonn defense budget includes an initial amount of DM 48 million. The deleted 1983 US share would have amounted to approximately DM 100 million.

5. Finally, the Congress also cut funds for the construction of two new NATO depots in Belgium and Holland. These depots were to be used for storage of major military equipment, also planned for use in times of crisis. Consequently, the number of major depots maintained in Germany will remain at the present four. The program for prepositioning of major items of equipment is dealt with in NATO under the abbreviated title POMCUS, "prepositioned materials configurated in unit sets". This program, as well as "Wartime Host Nation Support" belongs to the approved 1978 "long-term defense program" with which NATO intended to strengthen the credibility of conventional deterrence.

The administration was not capable of reversing the above mentioned congressional resolutions because they were altogether part of the continuing resolution. The president would have to veto the whole package if he wanted to reject single programs. This straitjacket also hindered the president from rejecting a compromise concerning the MX, which Congress practically forced upon him. (WELT, 21 Dec. 82).

According to speculations by diplomatic observers in Washington, the fate of the affected NATO-budget positions was sealed when Congress buried all of its own hopes for funds for the jobs program. The legislators demanded as a price, reductions which were welcomed because of the constantly cited "insufficient European defense support".

In the total budget for the Pentagon, these reductions were not significant. All in all the Congress passed Reagan's wishes for defense and approved a record Pentagon budget at $231.4 billion, an absolute Pentagon record.

Concerning the MX and cut NATO funds, the next serious discussions will again be resumed in connection with the 1984 budget.

THE COMMENTARY—THE SETBACK

(By Thomas Kielinger)

German-American relations are not without frictions. Only one short year ago the US ambassador in Bonn warned against "noises" from Congress. In the meantime in the Federal Republic a new government established itself and friendship with America became more emphasized, considering a supremacy-oriented Soviet Union versus the free portion of Europe which interprets the identity of interests as President Reagan. One would think that this common philosophy would substantially improve relations. Unfortunately this is not the case.

Congress dismantles the foundation on which a "two-way street" of armament cooperation could be built over the transatlantic bridge from America to Europe. Congress requires that with a few exceptions, all weapons and materiel must be bought only on the domestic market—a completely new way of protectionism. In addition, the Congress halts the expansion of all programs, which in crisis would strengthen the presence of US defense forces in Europe with a few days, from 4 to 10 divisions, including additional air force squadrons.

Looking from Europe to America, it is becoming more and more difficult to understand the motives which lead the House of Representatives and the Senate to these decisions which will deeply shake NATO. Doesn't the Congress realize what it is doing to the friendly opposite coast on the other side of the Atlantic? The new decisions from the Capitol are contributing to estrange allied Europeans from the U.S. more and more.

The coming year—as things stand in Geneva—could mark the beginning of stationing of new American-produced deterrence weapons in Western Europe, which demands a high level of understanding and support from Washington in view of the anticipated domestic political differences in the affected European countries. None of this is demonstrated by Congress.

[From the Daily Press Review]

U.S. INFORMATION SERVICE, EMBASSY OF THE UNITED STATES OF AMERICA, OFFICE OF THE PRESS ATTACHÉ

Major topics today and over the Christmas weekend include optimistic statements by Bonn coalition party leaders on economic developments in the FRG in 1983, the closing of internment camps in Poland and the arrest of seven "solidarity" union leaders, reaction to Andropov's disarmament proposals, statements by President Reagan and other western political leaders on the third anniversary of the Soviet invasion of Afghanistan, and Bonn reaction to the decision by the U.S. Congress on the "Specialty Metals Clause."

Die Welt (Dec. 24) (lead story from Bonn by Ruediger Moniac) under the headline "Bonn: Decision by Congress may be more damaging than useful for the U.S.": Foreign Minister Genscher has emphatically warned the U.S. Congress against adhering to its protectionist measures which would adversely affect NATO cooperation. A similar statement was made by State Secretary Kurt Jung of the Bonn Defense Ministry in reaction to the decision by Congress to use the "Specialty Metals Clause" as a means of equipping the U.S. Armed Forces almost exclusively with U.S.-made arms. Genscher said in a "Deutschland-Funk" statement that, from the German point of view, the decision taken by Congress "can only be regretted" because arms cooperation in an alliance of partners of equal rights should provide for including the economies of individual allied countries.

State Secretary Jung called the "Specialty Metals Clause" a "purely protectionist measure that favors certain groups of the U.S. metal industry." On the basis of pertinent studies, "more jobs in U.S. industry will be lost as a result of less European orders than will be preserved as a result of the protectionist clause," Jung said. He referred to calculations by the U.S. Department of Commerce that orders in the amount of one billion dollars mean jobs for about 30,000 persons in U.S. industry. The FRG orders arms and equipment in the U.S. for about one billion dollars annually. About ten billion dollars are envisaged for implementing joint arms projects as planned by Bonn for the next ten years. The statement issued by the Bonn defense ministry points out that if the "specialty metals clause" is adhered to for an extended period, "basic reexamination of our arms cooperation with the U.S. will be inevitable." That would be the end of "two-way traffic" in transatlantic arms cooperation as called for especially by Bonn. Moreover, adherence to the "specialty metals clause" would undermine the decision taken by the NATO defense ministers in early December to improve within the framework of the transatlantic dialog the arms of allied forces for fighting second-echelon forces of the Warsaw Pact as envisaged by the "Rogers Plan." Genscher and Jung expressed the hope that the new Congress will "critically reexamine the clause" for the benefit of cooperation with the European NATO partners.

Handelsblatt (p. 1) covers the statement by Bonn Defense Ministry state Secretary Kurt Jung under the headline "arms cooperation with U.S. to be reexamined." Jung pointed out that the "Specialty Metals Clause" is "incompatible with the NATO decision on intensified arms cooperation," Handelsblatt says.

U.S. CONGRESS BREAKS DECISIONS ON STRENGTHENING NATO

Die Welt (Bonn, Lib-Cons, lead story by Thomas Kielinger, Washington, under the above headline): ". . . The U.S. Congress has taken a number of decisions that will

have grave and partly adverse repercussions for alliance policy . . . that has transpired most recently . . . on the basis of careful inquiries undertaken by this paper among NATO diplomats and in Congress, the following picture may be drawn . . .:

(1) The so-called Stevens amendment on withdrawal of U.S. troops from Europe has been rejected . . . Both Houses agreed to freeze U.S. troops in Europe at the level of 1982. That has given rise to great relief on the part of European diplomats in Washington . . .

(2) Congress refuses to make funds available for procuring additional Pershing-2 missiles unless the U.S. Army can prove the system's serviceability . . . That does not affect the time-table for deployment in Europe of Pershing-2 missiles since last fiscal year's budget provided for funds for continuing production of some 20 missiles . . .

(3) In endorsing the so-called 'specialty metals clause', Congress dealt a heavy blow to NATO armament cooperation . . . In effect, it kills U.S.-German arms trade . . . The congressional vote is incompatible with a NATO agreement achieved six years ago on 'two-way traffic' (in the area of arms procurements) . . . Its principal purpose was to make sure that the Europeans are given some compensation for their voluminous procurement of U.S.-made arms . . . For the sake of such cooperation, NATO was exempted from the specialty metals clause in 1976 . . . In spite of the White House's objection, this has been revoked now . . . Joint European diplomatic efforts at making a case with Congress produced as little effect as did a letter from Bonn Defense Minister Manfred Woerner in which he emphatically warned against such a congressional decision . . . According to this letter, there is now reason for concern lest the planned modernization of NATO's general-purpose forces be seriously impeded since the specialty metals clause affects several joint programs, including the 'patriot' air defense systems. Procurement by NATO countries of U.S.-made materiel probably will decline.

(4) Congress also refused to make funds available for the war-time host nation support' program which provides for rushing six additional U.S. divisions to Europe in a contingency . . . again Congress violates an existing NATO agreement, namely, an agreement between Washington and Bonn. . . .

(5) Congress also cancelled appropriations for the construction in Belgium and the Netherlands of two new NATO depots for prepositioning materials within the framework of contingency planning . . .

The administration could not prevent the above Congressional decisions because they are part of a coherent budget bill. The President could have tried to prevent individual elements only by casting his veto against the aggregate package . . ."

Die welt (editorial by Ruediger Moniac): "German-American relations are not free from strain. About a year ago, the U.S. Ambassador in Bonn warned of 'noises' from Congress. In the meantime, a new government was established in Bonn which keeps emphasizing friendship with America and, in view of supremacy-minded Soviet policy vis-a-vis the free part of Europe, shares President Reagan's view of the identify of interests. One should think such accord is found substantially to improve relations. Unfortunately, that is not so. Congress is destroying the fundament from which the transatlantic bridge for two-way traffic in the field of arms cooperation could be built from the U.S. to Europe. Congress insists that the U.S. Armed Forces, with only a few exceptions, buy arms and equipment exclusively on the American market. That is an entirely new kind of protectionism. Moreover, Congress is applying the brake to all programs which, in a contingency, would make it possible to reinforce within a few days U.S. defense forces in Europe from four to ten divisions plus additional air squadrons. From the European point of view, it is increasingly difficult to comprehend the motives of the Members of the House of Representatives and of the Senate for taking decisions that have a profoundly negative effect of NATO. Do Congressmen fail to see what damage they are causing in friendly countries on the other side of the Atlantic? The latest decisions taken on Capitol Hill contribute to growing estrangement between the U.S. and its European allies. As things are (in the INF negotiations) in Geneva, the coming year is likely to see the beginning of deployment of new U.S.-made weapons of deterrence in Western Europe. In view of the anticipated domestic controversies in European countries concerned, maximum understanding and support from Washington would be required. Congress is not showing anything like that."

[From the Daily Press Review, Dec. 28, 1982]

U.S. INFORMATION SERVICE, EMBASSY OF THE UNITED STATES OF AMERICA, OFFICE OF THE PRESS ATTACHÉ

Major topics include optimistic as well as skeptical prognoses for economic developments in the FRG in 1983, the third anniversary of the Soviet invasion of Afghanistan, Soviet calls for a "concrete" U.S. reply to Andropov's disarmament proposals, and the impending negotiations between Israel and Lebanon.

WARTIME HOST NATION SUPPORT

Frankfurter Rundschau (front-page report from Bonn by Horst Schreitter-Schwarzenfeld): Implementation of provisions of the U.S.-German Wartime Host Nation Support Agreement, which was signed in Bonn last April, has become questionable. Since the U.S. Congress—according to reports from Washington—has failed to appropriate the required funds, Bundestag deputies intend to block the 43.8 million Deutschmarks Bonn has earmarked for implementation host nation support projects in 1985. The agreement States that the funds for implementing the envisaged projects will be raised jointly by the two governments concerned. Bundestag Deputy Peter Wuerz (SPD) told this papers that "if the Americans do not spend money (on this project) we will not spend anything either," He indicated that he failed to understand the position taken by the U.S. Congress on this matter since it were "the Americans who had shown great interest in working out a joint program." If Washington drops that program "we would just say alright" since "Bonn would save money," Wuerz said sarcastically.

Lothar Haase (CDU), chairman of the Bundestag Budget Committee, used less pointed but equally clear language in saying that "this thing makes sense only if both partners participate." Bonn Foreign Office and Defense ministry quarters are not happy about this development. They say the Bonn Government regrets the decision taken by the U.S. Congress on this matter and hopes that it will be revised. They pointed out that the Bonn Government has made its contribution to implementing this project by appropriating the required funds.

Frankfurter Rundschau (editorial by Horst Schreitter-Schwarzenfeld): "The attitude taken by the U.S. Congress in failing to appropriate funds for implementing wartime host nation support projects given rise to three different conclusions:

(1) It may have been a deliberate affront.

(2) Nobody is interested in this subject.

(3) There is total chaos.

Perhaps it was a combination of all these three points. Things are taken more seriously on this side of the Atlantic. At stake is our security. The agreement was signed last spring in a ceremony marked by mutual references to the spirit of German-American friendship . . . it would be wrong to assume that the Washington administration backs Congress in this matter. The administration certainly will do all it can to correct this congressional blunder . . . However, if the U.S. failed to participate, the wartime host nation support project would sink into oblivion."

OBSERVATIONS FROM MY TRIP TO THE FEDERAL REPUBLIC OF GERMANY

(By Mrs. Nancy M. Thurmond)

RAMSTEIN AIR FORCE BASE

At Ramstein Air Force Base on December 27, 1982, I had the pleasure of meeting Mrs. Robert W. Bazley, wife of the Vice Commander of the U.S. Air Force—Europe, and other assembled ladies. No complaints per se were expressed. Most of the ladies seemed well integrated into the military and civil community and appeared to be very happy.

On a subsequent tour of the Family Services Center with Colonel Loy, the Base Commander at Ramstein, I saw firsthand the important benefit of the Center in orienting new families to the area and in providing needed items such as pots, pans, clothing, etc., for families when they are getting settled in an overseas assignment. For many, I am sure, the assignment at Ramstein Air Force Base is their first tour of duty outside the United States.

I was also impressed with the Youth Recreation facility, which I also toured with Colonel Loy. It occurred to me that it would be an excellent deterrent to crime and drug usage among young people. An ice cream bar had just been installed as an inducement for teenagers to use the Center and its facilities after school. Colonel Loy discussed in detail the problem of getting young people to use this facility since it is packed with younger children who arrive immediately after school.

Because of economics, many spouses work, necessitating adequate afternoon supervision and activities, as well as good day care centers.

We also had an opportunity to visit the Chapel at Ramstein Air Force Base which was very large and well staffed. It had a variety of nondenominational religious services and related activities.

The ladies with whom I visited were enthusiastic and well informed. Many of them live off base on the "German economy." Many have learned German in an effort to maximize the opportunities available to them and to their families. Even though they were from diverse backgrounds and of diverse ages, I was impressed with the rapport and friendship they felt for each other—a very supportive atmosphere and fraternal ambiance filled the room.

U.S. ARMY, V CORPS

Later during the trip I met with six ladies at the Army's V Corps headquarters in Frankfurt at the Abrams Building. All were extremely gracious and beautifully attired—after all, it was New Year's Eve, and they probably had many other places to go!

They immediately began discussing the various problems and difficulties they and their families have encountered:

1. Housing—The inadequacy of housing, especially for young families, was discussed in great depth. "Stairwell housing" received the worst criticism. Having appliances, i.e., washers and dryers in working order, and lack of space were also concerns.

2. Commissary Usage—All expressed deep alarm and grave concern that the commissary and PX facilities may be curtailed or abolished. The ladies repeatedly talked about how difficult it is to make it on "military pay" with the high cost of living. They also expressed anger at the lack of stock at the PX, i.e., toy selection prior to Christmas and even the lack of adequate grocery supplies at the commissary, such as flour.

3. Dependent or Spouse Seclusion—The ladies expressed themselves very vocally on the necessity of "getting out" and not becoming isolated, especially for the newly arrived wife. They said it helped both emotionally and financially to work and to become active in the wives' club. They said there was nothing such as a welcome kit or family services center to help orient and assist new families on base. They repeatedly said that the Army conditions were not up to the standards of the Air Force.

4. Schools—The ladies were adamant about the inadequacy of schools and lack of educational opportunities for their children. For example, one lady said that her elementary school-aged children came home at 1 p.m. because there was no lunch program at the school. Teacher shortage and lack of educational and recreational materials were also concerns.

5. Terrorism—All were very worried about terrorist attacks and the lack of security they felt. They said they had become paranoid about looking for bombs, i.e., on the seats of their cars, in the trash, in coke bottles and even in luggage, as these were all prime receptacles and locations for explosive devices planted by terrorists. There had been five incidents just in the previous month alone. One lady said her eight-year-old son has developed repeated nightmares because of the terrorist fear.

I felt their sense of desperation and despair as all plaintively told me details of their individual situations. I was candid in telling them that I as only one person, myself just a spouse, even though empathetic and sympathetic to their plight and their needs, could do little except to pass on their complaints and to do a little "Monday morning quarterbacking" with my husband. I frankly told them they needed to be talking to Senator Thurmond directly and to members of the Senate Armed Services Committee, the Secretary of the Army, Jack Marsh, the Secretary of Defense, Caspar Weinberger, or all of the above. They seemed very grateful that someone would listen to them, and I wondered if this was the first time anyone had taken time to sit down with them and let them air their grievances. They all seemed committed to serving their Country alongside their husbands, but were hopeful of improving the quality of their life overseas in the United States Army.●

PRINTING OF THE RULES OF THE COMMITTEE ON ARMED SERVICES

● Mr. TOWER. Mr. President, in accordance with rule XXVI of the Standing Rules of the Senate, requiring the publication of the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I submit the procedural rules of the Committee on Armed Services and ask that they be printed in the RECORD.

The rules follow:

ARMED SERVICES COMMITTEE RULES OF PROCEDURE

(Adopted February 24, 1983)

1. Regular Meeting Day and Time. The regular meeting day of the committee shall be each Thursday at 10:00 a.m., unless the committee or the chairman directs otherwise.

2. Additional Meetings. The chairman may call such additional meetings as he deems necessary.

3. Special Meetings. Special meetings of the committee may be called by a majority of the members of the committee in accordance with paragraph 3 of Rule XXVI of the Standing Rules of the Senate.

4. Open Meetings. Each meeting of the committee, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee or a subcommittee thereof on the same subject for a period of no more than fourteen (14) calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated below in clauses (a) through (f) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with a crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(f) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

5. Presiding Officer. The chairman shall preside at all meetings and hearings of the committtee except that in his absence the ranking majority member present at the meeting or hearing shall preside unless by majority vote the committee provides otherwise.

6. Quorum. (a) A majority of the members of the committee are required to be actually present to report a matter or measure from the committee.

(b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, six members of the committee shall constitute a quorum for the transaction of such business as may be considered by the committee.

(c) Three members of the committee, one of whom shall be a member of the minority party, shall constitute a quorum for the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full committee.

(d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. Proxy Voting. Proxy voting shall be allowed on all measures and matters before the committee. The vote by proxy of any member of the committee may be counted for the purpose of reporting any measure or matter to the Senate if the absent member casting such vote has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

8. Announcement of Votes. The results of all rollcall votes taken in any meeting of the committee on any measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting. The chairman may hold open a rollcall vote on any measure or matter which is before the committee until no later than midnight of the day on which the committee votes on such measure or matter.

9. Subpoenas. Subpoenas for attendance of witnesses and for the production of memoranda, documents, records, and the like may be issued by the chairman or any other member designated by him, but only when authorized by a majority of the members of the committee. The subpoena shall briefly state the matter to which the witness is expected to testify or the documents to be produced.

10. Hearings. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the committee, or any subcommittee thereof, at lecst 1 week in advance of such hearing, unless the committee or subcommittee determines that good cause exists for beginning such hearings at an earlier time.

(b) Hearings may be initiated only by the specified authorization of the committee or subcommittee.

(c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the committee or subcommittee conducting such hearings.

(d) Witnesses appearing before the committee shall file with the clerk of the committee a written statement of his proposed testimony at least 24 hours not including weekends or holidays prior to a hearing at

which he is to appear unless the chairman and the ranking minority member determines that there is good cause for the failure of the witness to file such a statement.

(e) Confidential testimony taken or confidential material presented in a closed hearing of the committee or subcommittee or any report of the proceedings of such hearing shall not be made public in whole or in part or by way of summary unless authorized by a majority vote of the committee or subcommittee.

(f) Any witness summoned to give testimony or evidence at a public or closed hearing of the committee or subcommittee may be accompanied by counsel of his own choosing who shall be permitted at all times during such hearing to advise such witness of his legal rights.

(g) Witnesses providing unsworn testimony to the committee may be given a transcript of such testimony for the purpose of making minor grammatical corrections. Such witnesses will not, however, be permitted to alter the substance of their testimony. Any question involving such corrections shall be decided by the chairman.

11. Nominations. Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least seven (7) days before being voted on by the committee. Each member of the committee shall be furnished a copy of all nominations referred to the committee.

12. Real Property Transactions. Each member of the committee shall be furnished with a copy of the proposals of the Secretaries of the Army, Navy, and Air Force, submitted pursuant to 10 U.S.C. 2662 and with a copy of the proposals of the Director of the Federal Emergency Management Agency, submitted pursuant to 50 U.S.C. App. 2285, regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the chairman of the committee within thirty (30) days from the date of submission.

13. Legislative Calendar. (a) The clerk of the committee shall keep a printed calendar for the information of each committee member showing the bills introduced and referred to the committee and the statute of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the committee. A copy of each new revision shall be furnished to each member of the committee.

(b) Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

14. Except as otherwise specified herein, the Standing Rules of the Senate shall govern the actions of the committee. Each subcommittee of the committee is part of the committee, and is therefore subject to the committee's rules so far as applicable.

15. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.●

ORGANIZATION OF THE COMMITTEE ON ARMED SERVICES FOR THE 98TH CONGRESS

● Mr. TOWER. Mr. President, I am pleased to report to the Senate that the Committee on Armed Services has completed the process of organizing and is now prepared to move forward with the orderly handling of those matters within our jurisdiction.

I ask that a copy of our subcommittee organization and the members of our six subcommittees be printed in the RECORD.

The material referred to follows:

SENATE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

Senator Thurmond (Chairman), Senator Warner, Senator Humphrey, Senator Quayle, Senator East, Senator Hart (Ranking Member), Senator Jackson, Senator Stennis, Senator Exon.

SUBCOMMITTEE ON TACTICAL WARFARE

Senator Goldwater (Chairman), Senator Tower, Senator Warner, Senator Jepsen, Senator Wilson, Senator Kennedy (Ranking Member), Senator Levin, Senator Bingaman.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Senator Warner (Chairman), Senator Tower, Senator Thurmond, Senator Goldwater, Senator Cohen, Senator Quayle, Senator Jackson (Ranking Member), Senator Stennis, Senator Nunn, Senator Hart, Senator Exon.

SUBCOMMITTEE ON PREPAREDNESS

Senator Humphrey (Chairman), Senator Goldwater, Senator Jepsen, Senator Wilson, Senator Levin (Ranking Member), Senator Jackson, Senator Kennedy.

SUBCOMMITTEE ON SEA POWER AND FORCE PROJECTION

Senator Cohen (Chairman), Senator Tower, Senator Quayle, Senator East, Senator Wilson, Senator Nunn (Ranking Member), Senator Stennis, Senator Hart, Senator Levin.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Senator Jepsen (Chairman), Senator Thurmond, Senator Humphrey, Senator Cohen, Senator East, Senator Exon (Ranking Member), Senator Nunn, Senator Kennedy, Senator Bingaman.●

DR. HELEN CALDICOTT ADDRESSES NATIONAL PRESS CLUB

● Mr. KENNEDY. Mr. President, last Friday, February 25, I was honored to join in introducing Dr. Helen Caldicott, president of the Physicians for Social Responsibility, to the National Press Club.

Dr. Caldicott is one of the most eloquent voices on Earth for the prevention of nuclear war. Physicians for Social Responsibility, the group which she has led so ably and effectively, has taken a leading role in awakening people everywhere to the true horror of nuclear war. In the past 3 years alone, Physicians for Social Responsibility has grown tenfold to a membership of 30,000 in more than 180 chapters in all 50 States.

In her address to the National Press Club, Dr. Caldicott noted that:

> In the past, PSR's role as a leader in the antinuclear movement has been to educate the public on the medical dangers of nuclear war. Now PSR must help to prescribe the therapy.

In its critical educational effort, Physicians for Social Responsibility has alerted the public to the dangers of the arms race and broken through psychic numbing on the consequences of nuclear war. It has now become a driving force in advocating an immediate, bilateral nuclear weapons freeze.

In addition, PSR is advocating a number of other important steps, including conclusion of a comprehensive test ban and opposition to the deployment of new destabilizing nuclear weapons systems by the United States and the Soviet Union.

I request that Dr. Caldicott's eloquent and compelling address be printed at this point in the RECORD.

The address follows:

[Embargoed until February 25, 1983]

SPEECH BEFORE NATIONAL PRESS CLUB

(By Dr. Helen Caldicott, President, Physicians for Social Responsibility)

In 1980, less than 26 percent of the voting American public elected Ronald Reagan as President. Recent Harris polls show that 66 percent of the public feel that President Reagan is doing an unsatisfactory job on arms control. 57 percent believe that America is at least as strong as the Soviet Union. 75 percent want a bilateral nuclear weapons freeze, and 80 percent favor bilateral reductions. 90 percent would favor a multi-lateral freeze, and 91 percent multi-lateral reductions in nuclear weapons.

Among the strongest supporters for these proposals are Republicans, conservatives, and people who voted for Ronald Reagan.

This represents almost a total mandate from the American people, people who are becoming increasingly knowledgeable about nuclear weapon strategies. They watch this Administration's policies with alarm. Yet, how does the President respond to this mandate? He produces two sets of proposals: INF and START, which are designed by the nature of the numerical advantage they give the U.S. to fail. The INF proposals do not account for the British, French, or Chinese nuclear weapons nor the American forward-based systems on bombers and submarines designated to NATO. Mr. Reagan's zero option is a call for partial unilateral disarmament on the part of the Soviet Union. The START proposal calls for dismantling of more than half the Soviet land-based strategic nuclear weapons (75 percent of which are land-based), while the U.S. can actually add a few more weapons to its 25 percent ratio of land-based nuclear weapons (50 percent are on relatively invulnerable submarines and 25 percent in bombers). Bombs on intercontinental airplanes are not included, nor are 8,000 cruise missiles about to be produced and deployed.

He has initiated a $65 million public relations program to convince the American and European public that more nuclear weapons are good for them, while the Arms Control

and Disarmament Agency—responsible for all the negotiations on arms control—has an annual budget of only $20 million. This will only act as a catalyst to the cynical, well-informed European public, and also I suggest to the increasingly well-informed American public.

While the President talks about deep reductions, he is, in fact, planning to build 17,000 more hydrogen bombs, including the small strategic sea-launched cruise missile, unverifiable by National Technical Means, which signals the end of arms control agreements; the extremely accurate and rapid Pershing II missile, which could well instigate a Soviet Launch-On-Warning system where computers initiate nuclear war; MX and D5 Trident II missiles, which were designed with the accuracy and reliability the Administration feels it needs for a first-strike, so-called "winnable" war. Such a nuclear war is described in the Pentagon's Five-Year "Defense Guidance," which calls for preparations for a protracted nuclear war to be fought over a period of 6 months, at the end of which time the U.S. will "prevail." That is, the U.S. will have more nuclear warheads than the Soviet Union. The "guidance" also calls for decapitation of the Soviet leadership by Pershing II missiles (leaders who could only "control" such a war if alive); for guerrilla warfare in eastern Europe; for anti-satellite and anti-submarine warfare; and for economic warfare with the Soviet Union.

The President's past advisor, Eugene Rostow, said that "We are living in a prewar and not a post-war world," and his new nominee to head the Arms Control and Disarmament Agency, Kenneth Adelman, calls arms control a "sham," and said that one reason not to rush into talks is "that in a democracy these negotiations tend to discourage money for defense programs."

The Administration plans to spend $2.2 trillion, including cost over-runs on defense in the next 5 years, while programs for health care, Medicaid, health insurance are cut, and WIC programs which supply milk for infants and pre-natal and post-natal care for poor women are dismantled. The national infant mortality is now 12.8 per 1,000; in Washington, D.C., 22.8, with whites at 8 and blacks at 28 per thousand. The world's most affluent nation now ranks 11th in the world in infant mortality. The world spends $600 billion a year or $1 million a minute on the arms race, while two-thirds of the world's children are malnourished and starving. The economy of this country is in disrepair, a large cause being the cost-plus exorbitantly expensive dead-end defense industry. More than half the country's scientists and engineers are funded by the Defense Department. The brilliant technological expertise which once made this country so powerful economically is systematically being diverted towards weapons technology, while Japan and West Germany, with virtually no war budgets, forge ahead in their economies, relatively speaking.

The people of this country are now understanding the magnitude of the problem. They are beginning to realize that there is no "defense" against nuclear weapons; that the Department of Defense is a misnomer and should probably be accorded its original title of Department of War.

Physicians, along with many others, have produced this enormous popular mandate to end the arms race. The people now understand that there may very likely be no long-term biological or social survival after a nuclear war, and that nuclear war cannot be "limited" or "protracted."

Conversely, the Administration seems to believe in post-nuclear war survivability; otherwise, there can be no rationale for these new weapon systems. I would suggest that T. K. Jones, Deputy Under Secretary of Defense, who said, "If there are enough shovels to go around, we are all going to make it," and others, have not studied the scientific literature on long-term survivability.

Recently, the Royal Swedish Academy of Sciences investigated the medical and ecological consequences of a conservative nuclear war scenario, using only one-half the total 1985 megatonnage of the superpowers. Targeting involved all cities and towns with populations greater than 100,000 in the U.S., Canada, east and west Europe, USSR, Japan, North and South Korea, Vietnam, Australia, South Africa, and Cuba, and cities of more than 500,000 in India, China, Pakistan and the rest of Southeast Asia.

Of the 1.3 billion urban population in the northern hemisphere, 750 million would be killed immediately from blast alone, and 350 million severely injured. Fire and fall-out will kill hundreds of millions more. An attack only on the nuclear reactors in Europe and the U.S. would render uninhabitable by normal radiation standards for years or even decades both these continents.

Many millions of survivors would die from epidemics of cholera, typhoid, dysentery, tuberculosis, rabies, polio, Black Plague, and hepatitis. These diseases would be spread by proliferating radiation-resistant insect vectors (cockroaches, flies, lice and fleas) from animal and human corpses to the living. Birds which normally eat the insects will be killed from fall-out. Survivors will be susceptible to disease as fall-out and starvation compromise their immune systems, and antibiotics and medical care will be virtually non-existent.

By conservative estimates, 5.4–12.8 million will die of fatal cancers, 17–31 million will be sterile, and 6.4–16.3 million children will be born genetically defective. (These calculations were made only for a 7-day radiation dose. A 25-year dose would incur millions more cases of disease.)

A summer attack could spark forest and grass fires, which could cover the U.S. A thick layer of particulate and photo-chemical smog from forest, oil and gas fires could blanket the northern hemisphere, reducing noon-day sun by a factor of 2–150.

Massive reductions of stratospheric ozone could cause increased solar UV light to damage most unprotected human and animal eyes; induce lethal sunburn within an hour to exposed people; increase the incidence of skin cancer, melanomas, and vitamin D toxicity in the northern and southern hemisphere survivors; destroy large populations of phytoplankton in the ocean, which create oxygen to replace the ozone layer. The increased UV light could also kill most microorganisms which constitute the base of the pyramid of life at which man stands at the apex.

Severe famine induced by smog, UV damage, cooling of the earth, absent fertilizers, insecticides, machinery and manpower would catalyze the effects of disease and would kill hundreds of millions in the Third World. Cooling of the earth by 1–2 degrees Fahrenheit could induce another Ice Age.

Rain water and surface water and most food will be contaminated with radio-active isotopes. Survivors may well be psychotic with grief, acutely anxious, or so severely depressed that the drive for survival and reproduction may disappear.

If these known and unknown global effects reacted in a synergistic fashion, it is possible that most planetary life would be extinguished.

The 19th century German pathologist, Rudolph Virchow, said, "Medicine is a social science, and politics is medicine writ large." In the past, physicians have worked with politicians to practice preventive medicine—to eliminate smallpox, control malaria, and immunize our children.

Nuclear war is the ultimate medical issue. PSRA has effectively educated the public about the medical dangers of nuclear war. It must now help to prescribe the therapy. Prevention of nuclear war can only be accomplished through the democratic political process.

PSR will, therefore, encourage passage of bilateral nuclear weapons freeze resolutions in the House and Senate, will support passage of a comprehensive test-ban treaty, and will discourage authorization and appropriation for the new destablizing weapons and delivery systems—the MX, D5-Trident II Missile, Pershing II, sea-launched and advanced cruise missile. This is not unilaterialism. There now exists a position of strategic parity between the two superpowers. Russia has said if these new weapons are produced she, too, will build them. Therefore, the window of opportunity for obtaining a freeze remains open, at the most, 1–2 more years.

The freeze movement has only just begun. It will become the dominant topic of the Presidential and Congressional campaigns.

But what beyond the freeze? There are still 50,000 nuclear weapons and only 1,000–2,000 "worthwhile" targets in either superpower. Every day we live on borrowed time. Do the politicians, Pentagon officials, scientists, and military industrial complex understand this?

The children do. Recently, the American Psychiatric Association studied 1,000 adolescents in Boston, and to their horror found the majority don't believe they will live to adulthood, have babies, or get jobs. One little girl recently said at a conference, "Nobody likes to be given a broken gift. This is how we feel about our future." The parents do. The polls reflect this. The women do, illustrated by the gender gap in the polls. Women and men with nurturing vision are the driving force in this movement. They provide a unique contribution. They comprehend the genesis of life and, also, understand the concept of conflict resolution. Negotiating from the "position of strength" never produces resolution, only destruction of relationships.

How many leaders of the world really emotionally understand what they are doing? They are people who are caught in pre-nuclear thinking. Einstein said, "The splitting of the atom has changed everything save man's mode of thinking, thus we drift towards unparalleled catastrophe."

How many leaders of the world have witnessed the explosion of a hydrogen bomb, felt the intense heat, and seen battleships disappear in the ocean like splinters? How many have witnessed the miracle of the birth of a baby? How many have helped a child to die and supported the parents in their grief?

The American people are realizing the only pragmatic way to break the psychic numbing of politicians is to threaten their political survival.

Americans are organizing in towns and cities throughout the country to elect a

President and Congress in 1984, committed to rapid bilateral nuclear disarmanent.

We live on a gravely threatened planet and face an acute clinical emergency. Time is of the essence. As we move towards disarmament, we must not forget that the cause of the illness is not the weapons per se, but the relationship of the superpowers. This can be solved only by moral initiatives and a climate of good will. Recent history demonstrates such a move with a hegemonic Communist superpower, which has not always respected human rights. Nuclear-armed China, once such a despised and bitter enemy, was made an ally by a conservative Republican president.

After the Cuban missile crisis, President Kennedy initiated conciliatory moves with the Soviet Union. He stopped atmospheric testing. They responded. They stopped production of strategic bombers. A hotline was established. The Russians were so pleased with these moves they called it "The Policy of Mutual Example." Tensions between the superpowers reached an all-time low. The whole world breathed a sigh of relief and then deeply mourned his death.

President Reagan could also be perceived by posterity as a great statesman, if he took the moral initiative and made the first move towards the Soviet Union. For example, he could offer them a much-wanted Most-Favored Nation status in trade. Should Russia and America become friends, the weapons would become anachronistic overnight.

America is the greatest democracy on earth. Because the Russian people don't have a democracy, we have double the responsibility to prevent nuclear war. Americans are wonderful, kind, loving people, who desperately want to do the right thing. America built and used the first nuclear weapon. It has led the arms race. It can and will lead the world to salvation and survival.

To this end and on behalf of humanity, I make this call today. Mr. President, you have given us a Five-Year Plan for massive rearmament with a goal of nuclear war fighting capability. We call upon you to respond to the peoples' needs, and give us a five-year plan for disarmament with a goal of nuclear war prevention.

We call upon you to negotiate a U.S.-Soviet freeze within one year.

We call upon you to achieve a 50 percent bilateral cut in all nuclear weapons and delivery systems in the next two years.

We call upon you to achieve a bilateral two-thirds reduction of the remainder in the following two years.

The vast majority of Americans want not only a freeze, but also reduction.

It is your patriotic duty to preserve this country. Four billion human beings live neither in America nor Russia and they, too, desperately want to survive.

We are the curators of life on earth. The decisions we make in the next two years may determine the future of God's creation.●

OLDER AMERICANS VOCATIONAL EDUCATION

● Mr. BENTSEN. Mr. President, I am pleased to join Senator PELL as an original cosponsor of the Older Americans Vocational Education Act, S. 554.

Unemployment amongst older Americans has grown at an alarming rate throughout the course of this recession with joblessness for those over 45 reaching a record of nearly 2 million persons during the month of December 1982. Approximately one-half of these individuals is 55 or older. Since July of 1981, this represents an increase of almost 58 percent for a group of persons who often face barriers to employment not applied to younger workers.

Mr. President, I would particularly like to call my colleagues attention to the eligibility criteria for participating in this program and to the structure through which the program, if enacted, will be administered. State allocations—based on the number of residents over 45 years of age—will be available for employment based programs where job opportunities can be identified, particularly in industries with new and emerging technology. Training programs, placement services, and counseling for older workers are also eligible for funding. I might point out that, in an effort to facilitate participation, the legislation specifically names as training sites community and junior colleges, vocational programs, and other facilities accessible and convenient to the older worker.

In carrying out the training programs under this act, priority will be accorded older Americans who are entering the work force for the first time, who are unemployed and in need of retraining for new job opportunities, and who need training for high technology positions.

Each State desiring to receive assistance will be required to establish an older Americans job training committee composed of representatives from the State education agency, the State agency on aging, the State board of vocational education, a representative from the postsecondary vocational education community, an officer from the State agency responsible for administering the Jobs Training and Partnership Act, and a representative of the private sector. The expertise represented on this committee should insure effective and innovative use of available funds with programs tailored to individual communities.

Mr. President, at a time when structural unemployment among the older members of our work force has reached an alltime high, I can think of no program more deserving of our attention than retraining and placement of those individuals who have a proven history of participation in the work force, who are anxious to continue to contribute actively, and whose principal barriers to effective contribution are age and the need to upgrade their skills.

I call upon my colleagues to join with us in support of the Older Americans Vocational Education Act—it is an investment well worth making.●

REAGAN ADMINISTRATION'S ARMS REQUEST FOR EL SALVADOR

● Mr. KENNEDY. Mr. President, I oppose the administration's request for an additional $60 million in arms aid for El Salvador. Instead of pursuing a policy of military escalation in that war-torn nation, I believe the United States must work with our democratic allies to achieve a military truce, a halt to arms supplies to any of the belligerents from any source, and a negotiated settlement of that tragic conflict.

In this connection, I would like to draw my colleagues' attention to "End Run on El Salvador," a commentary on the administration's unfortunate policy toward that country written by former New York Times senior editor John B. Oakes and published in that newspaper last week. Mr. Oakes warns that the United States risks total disaster in El Salvador by playing "fast and loose" with the certification process imposed by Congress, rejecting proposals for negotiations, and relying instead on increasingly massive American military equipment to save the day for democracy in Central America. I ask that Mr. Oakes' commentary be printed in the RECORD.

The commentary follows:

END RUN ON SALVADOR

(By John B. Oakes)

Secretary of State George P. Shultz is in danger of putting himself in the same class as the Watts and the Burfords and all the other Presidential appointees who are busily engaged in doing end runs around Congress and the law in order to carry out the policy objectives of the Reagan Administration.

He is falling into this trap by blandly and blindly following the road to disaster in Central America as laid out by his predecessor, former Secretary Haig, for whose policies Mr. Shultz only recently expressed warm admiration. That's not surprising, he observed, since they both serve the same President.

What is surprising, however, is that a man of Mr. Shultz's stature would put his name to the latest State Department document certifying to Congress that El Salvador's Government qualifies for the threefold increase in military aid that the Administration is now proposing.

Two revealing reports, virtually unnoticed in the press, by American observers just back from El Salvador demonstrated the falsity of the State Department's—and Secretary Shultz's—position.

The first of these comes from a mission to El Salvador of the Association of the Bar of the City of New York and is signed by a former President of the Association and a former chairman of its Committee on Inter-American Affairs.

"The slaughter of civilians by security forces goes on at a monstrous rate," the report declares, "and, thus far, there is no evidence that a single member of these forces has been convicted or sentenced in any case involving the murder or torture of a citizen labeled 'subversive' by the security forces. . . . If the incidence [of civilian mur-

ders] should decline to 'only' 5,000 killed a year [the most probably accurate count, as against the State Department's estimate of 2,600] it suggests a decline in available targets rather than an increase in humane behavior or attitude."

As a condition of continued aid, Mr. Shultz had to certify, under United States law, that El Salvador is making "a concerted and significant" human rights effort and is achieving enough control over its own security forces "to bring to an end the indiscriminate torture and murder of Salvadoran citizens." But if El Salvador's Government is in control of its security forces, then it obviously is not making the required human rights effort; if it is not in control, then it cannot bring the murders to an end. Either way, the report observes, the Secretary's certification is "unwarranted and unsupportable."

Secretary Shultz's certification does something more than evade the clear meaning of the law. It suggests to all the world that, despite the State Department's periodic denunciation of human rights violations, the United States is willing for policy reasons to acquiesce in the elimination by illegal means of alleged subversives abroad. If, then, abroad, why not at home?

The other new report cites compelling evidence of the State Department's obstructionism and collusion with Salvadoran authorities in blocking a thorough investigation of the murder two years ago of four American church-connected social workers, three of whom were nuns. Issued by the highly respected Lawyers Committee for International Human Rights, which represents the victims' families, this report is almost as much an indictment of Mr. Shultz's State Department as it is of Salvadoran justice. It accuses the Department of supporting Salvadoran officials in their refusal to follow leads that point clearly to the involvement of "higher-ups" in ordering the murders, for which five wretched low-ranking guardsmen are now awaiting trial.

The Reagan Administration has played so fast and loose with the certification procedure that proposed additional restrictions—such as a requirement that the Salvadoran Government open negotiations with the opposition—are likely to be no more effective than the existing ones. The real change that is needed is not in law but in policy.

Secretary Shultz sounded a good deal like former Secretary Haig the other day when he rejected the idea of negotiations to bring this American-fueled war to an end. In doing so, he only strengthened the analogy between United States policy in El Salvador now to that in Vietnam a few years ago, where a "no-negotiation" stance—until too late—helped pave the way to total disaster. If we continue to pursue the same course in Central America's revolutionary civil wars—whether in El Salvador, Nicaragua or Guatemala—as we did in Southeast Asia's, we are likely to end up with the same appalling result.

Unfortunately, the Reagan Administration still seems to believe that American military "advisers," American military training and increasingly massive American military equipment will save the day for democracy in Central America—instead of burying it.●

SENATOR SARBANES SALUTES BALTIMORE CITY SCHOOLS

● Mr. SARBANES. Mr. President, Thomas Jefferson told us that "If a nation expects to be ignorant and free, it expects what never was and never will be." From the beginning of the Republic, we have recognized the central importance of education and placed a premium on achieving the educated citizenry necessary to a democracy.

Unlike any other nation, America has established as a national goal the opportunity that a young boy or girl, through the development of their own talents and abilities, can go from the very bottom of the ladder to the top. It is the dedicated teachers and principals in our schools and classrooms day in and day out who are the prime resource for delivering on that promise of America.

In Maryland we are indeed fortunate to have large numbers of dedicated and qualified educators preparing our children and working to build the talents of the next generation. Every county and city has innumerable examples of such outstanding molders of our Nation's youth. I am pleased to bring to the attention of my colleagues a recent article from the Wall Street Journal which highlights two such educators in Baltimore City and points out the many advances and improvements in Baltimore's outstanding school system.

The two fine school principals, Evelyn Beasley and Arnett Brown, highlighted by the article are not only highly qualified educators and managers, but leaders involved in instilling the love of learning, as well as insuring that their students learn the fundamentals of the curriculum. Their efforts have been rewarded in the best way possible—in the achievement and success of their students.

Mr. President, all over Maryland and, I am sure, all over America, there are effective educators like Mrs. Beasley and Mr. Brown—strong, caring principals able to guide dedicated teachers. The recent article from the Wall Street Journal tells the story of two such outstanding leaders, and I ask that it be reprinted in the RECORD at this point.

The article follows:

INNER CITY SCHOOLS LIFT STANDARDS WITH HELP OF STRONG PRINCIPALS

(By Burt Schorr)

BALTIMORE.—Roland Park School here exemplifies an encouraging phenomenon in American education: the reconstituted urban public school that works, often under the leadership of a strong-minded principal.

Roland Park once was an elite preserve of the high-income northwest Baltimore neighborhoods that surround the elementary and junior high school. Then came desegregation and a 1971 rezoning plan. Black students and some whites from low-income neighborhoods arrived, and more-affluent white students departed.

Conditions at the school deteriorated, partly because many of the new arrivals resented being transferred. They wrote on the walls. Some urinated in the stairwells. In 1975, police had to break up a student melee in the streets outside. Worst of all, Roland Park ninth graders were scoring more than a year behind the national average for reading skills and almost two years behind in math.

Things began to change on March 8, 1976, the day Evelyn Beasley walked through Roland Park's battered front door and took over as principal. There were new rules: Bring a notebook and pen or pencil every day; don't wear tank tops or shorts; don't throw food in the cafeteria. And Mrs. Beasley, a chunky, motherly woman, didn't hesitate to suspend violaters. She also encouraged effective teachers and was able to get rid of poor ones. With parents, she lobbied successfully for an advanced academic program open to bright students citywide as well as to neighborhood children.

Today, with some 1,550 students crowded into its weathered brick building, a majority of them from low-income black homes. Roland Park School is 20 percent over capacity. But the walls and stairways are clean. Disciplinary suspensions have fallen more than 80 percent since 1976. And junior-high students are nearly two years ahead of the national reading and math averages.

BROAD TREND

Urban schools of this quality still are in the minority. Problems such as high dropout rates, low achievement and occasional violence continue to plague the upper grades of public education in many cities. However, educators say, some newly effective schools have emerged from one-time blackboard jungles in Baltimore, Richmond, Atlanta, Dallas, Detroit, Milwaukee and elsewhere. And despite budget cutbacks and teacher layoffs, these educators say, the trend continues.

Confidence in public education in Memphis was strong enough that a comfortable majority of black and white voters last year approved a sales-tax increase that includes $13 million annually for the city's schools. Willie Herenton, the Memphis school superintendent, estimates that 60 percent of his first-through-eighth graders currently score at or above their grade level in reading and math. Four years ago, only 40 percent did, he says. He attributes much of the improvement to training that principals are getting from administrators on how to evaluate teachers and suggest improvements.

The turnabout isn't limited to "magnet" schools like Roland Park that offer special programs to attract bright pupils. Baltimore's list of much-improved schools also includes Cherry Hill Junior High, whose student body is drawn almost entirely from an all-black, mostly poor or blue-collar community on the city's southeast side. Cherry Hill's principal, 54-year-old Arnett Brown Jr., plays the role of strong father for many of his students, the great majority of whom come from fatherless households.

The end of the Vietnam-protest era and the reviving of respect for authority have helped. "Ten years ago, you'd walk into a school and the kids would run all over you," says John Crew, who recently retired as Baltimore's superintendent of schools. "We don't have that anymore."

Another factor is community and state pressure to improve students' basic skills. "We want students who can read and write and compute, who can get and hold jobs and who can be active in Baltimore public life," says Baltimore's Mayor, William Schaefer.

Six years ago, after a decade marked by desegregation problems, a bitter teachers'

strike, white flight and declining test scores, Baltimore overhauled its school curriculum. It emphasized basics such as reading and arithmetic that would be tested on achievement exams, and it tied these to more-frequent testing of student skills. Reading and math scores have since climbed significantly throughout the system, although last spring's high-school graduates remained well below the national average on the Scholastic Aptitude Test for college admission.

Baltimore also has added a third year of math and science and a third and fourth year of French or Spanish to its graduation requirements for college-bound high-school students. Some middle-class white students have been returning to the system, officials say.

What makes a school effective continues to be debated. Not surprisingly, though everyone's list begins with a strong principal able to guide, or at least recognize and support, effective teachers—a description that fits Evelyn Beasley at Baltimore's Roland Park and Arnett Brown at Cherry Hill.

EVELYN BEASLEY

A few days before she took over troubled Roland Park school in 1976, Mrs. Beasley opened a folder that had been prepared for her. It contained letters and memos detailing the teacher shortcomings and other problems she would face at her new post. After glancing at a couple of the comments, though, she threw away most of the folder's contents. "I didn't want to read any of that stuff," she remembers. "I wanted to judge for myself."

Evelyn Beasley has been figuring it out for herself ever since her 1930s childhood in an east Baltimore black ghetto. The Baltimore school system knows her as "a bit of a renegade who often ignores bureaucratic procedures but who firmly believes that bright students should be challenged," says Ruth Silverstone, a former president of the Roland Park parent-teacher association and now a member of the Baltimore school board.

Soon after moving to Roland Park, Mrs. Beasley—who puts in 10- and 12-hour days and works through summer vacation as well—got out in front of parents and teachers who wanted to create the city's first advanced program at the school, with emphasis on math, science, writing and foreign languages.

The proposal irked some other principals, who resented—and still resent—the loss of their brightest students to Roland Park and what they saw as favored treatment for a well-off neighborhood. "Roland Park actually is a private school within a public system," complains Mr. Brown, the principal of Cherry Hill Junior High.

Mrs. Beasely counters that 75 percent of her junior-high youngsters are black—close to the citywide average; that 52 percent of her students qualify for free or reduced-price lunches; and that per-pupil costs and class sizes at Roland Park are no different from those at other schools.

Unquestionably, though, Roland Park is special. Last spring its math team placed second in a statewide competition. Close to 200 youngsters, some now enrolled in private schools, are on Roland Park's waiting list. Mrs. Beasely's ideas are spreading; a second Baltimore junior high school started an advanced program last year, and similar programs at still other schools are under study.

As the final evaluator of her teachers, Mrs. Beasley tries to remain aloof from their day-to-day problems. She delegates most classroom monitoring to department heads and two assistant principals. She also has brought in part-time "master teachers" to guide other teachers, seek out special books and teaching materials, and give additional instruction to extremely bright youngsters.

The Roland Park climate has attracted innovative teachers, as well as platoons of parent volunteers for activities ranging from music instruction to running the school fair. Dan Cohen, the youthful head of the math department, created a computer programming course with a single desktop computer that he won in a raffle. Later, he persuaded a Baltimore bank to donate four more computers.

Roland Park's principal describes herself as "a bug about grammar and syllabification." When a teacher's blackboard instructions or ditto sheets are deficient in either, the teacher hears about it from Mrs. Beasley. Recently, a teacher newly transferred from another school complained of unfair treatment by her former supervisors. After listening to the teacher's ungrammatical speech, Mrs. Beasely bluntly advised her that the criticism had been to the point. "I told her she needed to wear a dictionary on one wrist and an English grammar on the other," she says.

Discipline is strict, but the enforcement style is parental rather than penal. "Mrs. Beasley is like a mother to all the kids. They know she's going to be fair," says the parent of a seventh-grader after listening to the principal deliver a stern lecture to her son and three other boys found fighting in a washroom.

"Mrs. Beasley isn't going to let anyone hurt you," says Cydney Scott, a seventh grader, in explaining why her mother was willing to let her transfer from a private school to Roland Park this fall. A first grader who encounters Mrs. Beasley in a crowded hallway is even more direct. "I love you," she says, reaching up to hug the beaming principal.

ARNETT BROWN, JR.

If Roland Park school enjoys a certain mystique because of its location, Cherry Hill Junior High, situated in a poor black community overlooking an arm of Baltimore Harbor, suffers a certain reputation.

Mr. Brown saw the physical evidence when he took over as principal five years ago: burned-out student lockers, graffiti-covered walls, a ravaged second-floor corridor that was closed off with heavy steel gates to keep out the vandals and pot smokers. Some students customarily came equipped with nothing but their transistor radios. Cafeteria fights with full milk cartons and street fights with fists were regular events.

"The children acted like heathen," recalls Rosa McCoy, a city official based in the Cherry Hill section. She says the junior high was considered "a graveyard for older teachers." Students also were more than a year behind the national average in math and over two years behind in reading.

Today, Cherry Hill students get a tough message from their principal in his usual opening-day speech: "Students do as they are directed. Those who persist in disrupting our school are removed permanently."

Hall signs are reminders: "Late today? Stay today," and "I don't fight! I think!" To a newly arrived seventh grader who mumbles unconvincingly that he accidentally flushed away his washroom pass, Mr. Brown says sternly: "Don't tell me any Mary-had-a-little-lamb stories."

Mr. Brown has strictly enforced rules against troublemaking. He has reversed the previous principal's policy against ever calling the police. As a result, nowadays the school needs only one security officer instead of two.

"I've been like the bulldog here," Mr. Brown says. But, while Cherry Hill pupils now are a year ahead of the national average in math and up to grade level in reading, the principal fears that many still lack the ambition, curiosity and reasoning power they need to rise in the world. although they can add, subtract, multiply and divide well enough, for example, too often they can't compare unit prices at the supermarket, he says. (Tests suggest that student ability to use math in everyday life has declined nationwide.)

Mr. Brown prefers to give his teachers wide latitude. "There is no single method of effective teaching," he believes. His role, he says, is "to assure teachers of a disruption-free environment in the classroom."

Cherry Hill's best students usually come from two-parent homes—the ones in which adults tend to "reinforce what's done in the school," Mr. Brown observes. Unfortunately, over 90 percent of his kids are from homes without a father, he estimates.

Thus, the Cherry Hill principal plays an important role for his students by "providing a very strong black male figure" for them to look up to, says John Hulla, an English teacher at the school for much of the past decade.

Sophia Cooper, a ninth grader, seems to agree: "Mr. Brown treats us like his children, and that's good. Young people don't like discipline, but everybody has got to have rules."

To show his kids what blacks can achieve, Mr. Brown arranges such trips as a visit by 35 ninth graders with Baltimore's newly elected council president, Clarence Du Burns. Mr. Du Burns, a one-time school shower-room attendant and jazz saxaphonist who worked his way up in the city's Democratic Party, doesn't disappoint them.

"This was my seat for six years," Mr. Du Burns says, indicating one of the council's floor desks. "But my eyes were up here," he adds, pointing to the raised chair of the council president. "When the mayor goes out of town, I run the city. In other words, I'm the king and I love it. Being poor doesn't stop you from achieving."

With almost no parent volunteers at his school, Mr. Brown finds himself stretched to the limit. Unable to get a new desk, he rebuilt his old one himself in the school shop, gluing on an old door to provide a new top. He also built and installed many of the classroom bulletin boards and currently is planning to spray paint 25 drafting tables that an assistant found in a warehouse. He's the school photographer, posting pictures of honor-roll students to boost school spirit. His days begin at 6:30 or earlier, and three nights a week until 10 p.m. he supervises Cherry Hill's model-airplane club, one of its few extracurricular activities.

"I get involved in everything," he says. "Because if I do it, others on the staff will make similar contributions."●

DEDICATION OF THE ARTHUR ROSS GALLERY

● Mr. MOYNIHAN. Mr. President, I rise today to recognize the latest achievement of the Arthur Ross Foundation: The completion of the Arthur Ross Gallery at the University of

Pennsylvania. While I had the misfortune of being unable to attend the dedication of the gallery on February 7, I cannot let the moment pass without paying tribute, if all too briefly, to this generous man and the philanthropic organization he leads.

I speak with a certain authority in this regard. Having known Arthur for many years, I have long been impressed with his great personal generosity and desire to further the common weal. Indeed, he has served the public in several different and diverse capacities, including but not limited to his work as senior adviser to the United States delegation to the 18th annual conference of UNESCO in Paris in 1974 and closer to home as a member of the New York City Parks Council.

In addition, it has been my good fortune as a New Yorker that the foundation's efforts to construct, to improve, and to preserve have often had their greatest impact in my State. Put simply, the foundation has enhanced the cultural and artistic lives of many New Yorkers.

The dedication of the Arthur Ross Gallery at the University of Pennsylvania, then, is but the most recent of the foundation's accomplishments. Yet, in so many ways, it epitomizes Arthur Ross' extraordinary ability to identify and accomplish that which needs to be done. The university's museum has long been recognized for its most distinguished archeological and anthropological departments. Thanks to the Arthur Ross Foundation, it now has the facilities necessary to greatly expand its program in the visual arts as well.

Arthur Ross and all those who made the opening of the gallery possible are to be commended, and the University of Pennsylvania is to be congratulated on its newest addition to its museum. Mr. President, I ask that the eloquent words of Sheldon Hackney, president of the university, on the occasion of the dedication of the Arthur Ross Gallery be printed in the RECORD.

The remarks follow:

THE ARTHUR ROSS GALLERY OF THE UNIVERSITY OF PENNSYLVANIA

(By Sheldon Hackney)

With this exhibition of works by Goya from the collection of the Arthur Ross Foundation we celebrate an invaluable new resource at the University of Pennsylvania and dedicate the Arthur Ross Gallery.

Arthur Ross has a long-standing friendship with the University of Pennsylvania where he studied and which has benefited from his interest in education and the arts as well as his habitual energy in working to make dreams become reality. His keen sense of what needs to be done has been felt primarily in New York where his programs for preservation and beautification have affected both the cultural life and the environment of the city. It is a matter of pride he has chosen to establish the Arthur Ross Gallery in Philadelphia, recognizing it as an appropriate means of enriching the learning experience at the University of Pennsylvania.

Through his generosity Arthur Ross has also completed a cultural triangle—almost a century in the making—at this University. Since it opened its doors nearly a hundred years ago the University Museum has become one of the leading archeological and anthropological institutions in the country. More recently, major art exhibitions have been displayed at the University at the Institute of Contemporary Art. Philadephia's major institution devoted to the new visual arts. The potential for extending these academic and aesthetic experiences at the Unversity is evident. The campus community comprises an alert body of students and faculty and the Graduate School of Fine Arts attracts people with special creativity in a variety of fields: fine arts, planning, and design, and includes acclaimed creative artist and renowed names in landscape design and architecture among its professoriat. In recent years the University of Pennsylvania has also attracted increasing numbers of visitors from the city and the region by its offerings on campus. This was apparent in 1981 when Arthur Ross lent his set of the Caprichos and the Proverbios etchings by Goya for display in the print room of the Van Pelt Library.

Arthur Ross has thoughtfully answered an educational need by providing the gallery the University lacked for displaying its treasures and making possible a variety of exhibitions. He is further to be congratulated for his help in enhancing the University's ability to contribute to the aesthetic and intellectual life of the Philadephia region. He has the appreciation of all of us.●

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

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary of the Senate proceeded to call the roll.

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

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

Mr. STEVENS. Mr. President, we are notified that Members who wish to be involved in the debate on the pending amendment will not be able to be here until approximately 11 a.m.

RECESS UNTIL 11 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 11 a.m.

There being no objection, the Senate, at 10:19 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DURENBERGER).

CONCLUSION OF MORNING BUSINESS

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

SHIPPING ACT OF 1983

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 47) to improve the international ocean commerce transportation system of the United States.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. STEVENS. Mr. President, if I might inquire of the Senator from Ohio and the Senator from South Carolina, it is my understanding that there is a unanimous-consent agreement that this amendment of the Senator from Ohio be set aside until the chairman of the Judiciary Committee (Mr. THURMOND) wishes to propose the amendments referred to in the agreement that he will offer on behalf of the Judiciary Committee.

I would like to inquire of the Senator from Ohio if he is prepared at this time for the Senate to proceed with the Judiciary Committee amendments.

Mr. METZENBAUM. I am.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment of the Senator from Ohio be temporarily set aside and that we now proceed to the Judiciary Committee amendments. First, 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. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the distinguished chairman of the Committee on the Judiciary (Mr. THURMOND), will offer, on behalf of the committee, a series of amendments. I ask unanimous consent that those amendments be in order notwithstanding the fact that they may touch the bill in more than one place.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UP AMENDMENT NO. 4

Mr. STEVENS. Is the distinguished chairman ready to offer the amendments?

Mr. THURMOND. Yes, Mr. President.

On behalf of the Committee on the Judiciary, I am pleased to offer a package of amendments to S. 47 which address the antitrust implications of this bill. These amendments were unanimously adopted by the committee on February 22, following a hearing and intensive study. I am personally satisfied that these amendments substantially improve S. 47 and are unquestionably in the public interest.

Taken as a whole, these amendments reflect the various concerns

raised by the Federal Trade Commission in testimony before the committee. The amendments have also been reviewed by the administration, which agrees that they are consistent with the essential goal of S. 47, to increase the efficiency of our ocean shipping industry while addressing the antitrust concerns raised by the legislation as currently drafted.

Mr. President, I believe that the Committee on the Judiciary has faithfully discharged its responsibilities to oversee the antitrust laws as they concern S. 47. Let me assure this body that the committee will continue to study this legislation closely and monitor its progress.

Mr. President, I send to the desk these amendments that are being offered.

The PRESIDING OFFICER. The clerk will state the amendments.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes a series of amendments numbered unprinted amendment numbered 4.

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

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

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendments be considered en bloc with the exception of one amendment which deals with the tariff exemption in existing law.

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

Mr. STEVENS. Mr. President, it is my understanding now that there is a group of amendments to be considered en bloc, There is one amendment that is separated out, is that correct? That was the intent of what I asked.

The PRESIDING OFFICER. That was the intent of the request.

Mr. STEVENS. Mr. President, I ask for the yeas and nays on the first group of amendments that will be considered en bloc.

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

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, it is my intention, once that vote takes place, to offer an amendment in the second degree to the remaining amendment of the Judiciary Committee. This vote will dispose of the overwhelming majority of the Judiciary Committee amendments.

I say for the benefit of the cloakrooms that that first block of amendments will probably be voted on sometime between, I would say, 2 and 3 p.m. this afternoon.

Mr. METZENBAUM. Mr. President, I just want for the moment to indicate my support for all of the amendments that have been offered by the distinguished chairman of the Committee on the Judiciary. These amendments, in my opinion, go a long way toward improving this bill. In all fairness and frankness to my colleagues in the Senate, they do not make the bill acceptable to the Senator from Ohio. However, I strongly urge Members of this body to support these amendments.

They certainly represent not only a consensus of the position of the Judiciary Committee but the unanimous position of the Judiciary Committee. I commend the distinguished chairman of the committee for his leadership in proposing these amendments in committee and offering them here, on the floor.

With respect to the one more controversial amendment which will be offered, as I understand it, by the distinguished Senator from Alaska, I am prepared to debate that at the appropriate point, when the amendment is offered.

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. STEVENS. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

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

Mr. STEVENS. Mr. President, my request was that the Judiciary Committee amendments be considered en bloc; that they not be considered as one amendment but a series of amendments that will be voted on en bloc.

The understanding the Commerce Committee had with the Judiciary Committee was that they had a series of amendments, and we would like to have them reported as a series of amendments and then voted on en bloc with the exception of the one amendment that was pulled off.

I ask, may that be done?

The PRESIDING OFFICER. It can be accomplished by unanimous consent.

Mr. STEVENS. I ask unanimous consent that the agreement be carried out and those amendments not be considered as unprinted amendment No. 4 but as a series from No. 4 through how many numbers they have to have in order to carry out the agreement we made, and that those amendments be considered en bloc for the purpose of voting with the exception of that one amendment we set aside, which is the tariff amendment which will be a separate amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The amendments are as follows:

UP AMENDMENT NO. 4

(Purpose: To amend the provisions relating to tariff filing and enforcement)

On page 65, line 23, strike out all after "item".

On page 76, beginning with line 21, strike out all through line 25 on page 77.

On page 78, line 1, strike out "(b)" and insert in lieu thereof "(a)".

On page 78, line 4, strike out "(c)" and insert in lieu thereof "(b)".

On page 79, beginning with line 6, strike out all through line 20 on page 80.

On page 80, between lines 21 and 22 insert the following:

(a) TARIFFS.—(1) Each controlled carrier shall file with the Commission, and keep open to public inspection, tariffs showing all its rates, charges, classifications, rules, and practices between all points or ports or its own route and on any through transportation route that has been established. However, common carriers shall not be required to state separately or otherwise reveal in tariff filings the inland divisions of a through rate. Tariffs shall—

(A) plainly indicate the places between which cargo will be carried;

(B) list each classification of cargo in use;

(C) set forth the level of freight forwarder compensation, if any, by a carrier or conference;

(D) state separately each terminal or other charge, privilege, or facility under the control of the carrier or conference and any rules or regulations that in any way change, affect, or determine any part or the aggregate of the rates or charges; and

(E) include sample copies of any loyalty contract, bill of lading, contract of affreightment, or other document evidencing the transportation agreement.

(2) Copies of tariffs shall be made available to any person and a reasonable charge may be assessed for them.

On page 80, line 22, strike out "(a) Controlled Carrier Rates" and insert in lieu thereof "(b) Rates".

On page 81, line 16, strike out "(b)" and insert in lieu thereof "(c)".

On page 82, line 14, strike out "(c)" and insert in lieu thereof "(d)".

On page 82, line 14, beginning with "Notwithstanding" strike out through "9(d), the" on line 15, and insert in lieu thereof "The".

On page 83, line 3, strike out "(d)" and insert in lieu thereof "(e)".

On page 84, line 3, strike out "(e)" and insert in lieu thereof "(f)".

On page 84, line 19, strike out "(f)" and insert in lieu thereof "(g)".

On page 87, strike out lines 9 through 11.

On page 87, line 12, strike out "(4)" and insert in lieu thereof "(3)".

On page 88, line 11, strike out the comma after "greater".

On page 88, line 12, strike out "less, or different".

On page 88, beginning with line 16, strike out through line 2 on page 89.

On page 89, line 3, strike out "(5)" and insert in lieu thereof "(2)".

On page 89, line 9, strike out "(6)" and insert in lieu thereof "(3)".

On page 89, line 21, strike out "(7)" and insert in lieu thereof "(4)".

On page 89, line 22, strike out "(8)" and insert in lieu thereof "(5)".

On page 90, line 23, beginning with "authorized" strike out through "tariffs" on line 24.

On page 97, line 3, strike out "Tariff Suspension" and insert in lieu thereof "Suspension of Right to Use Tariff".

On page 97, lines 4 and 5, strike out "(1), (2), (3),".

On page 97, line 5, strike out "or (8)".

On page 97, strike out all of line 6 after "suspend".

On page 97, line 12, beginning with "any" strike out through "or" on line 13.

On page 97, line 17, beginning with "under" strike out through "or" on line 18.

UP AMENDMENT No. 5

(Purpose: To eliminate the exemption for shippers' councils.)

On page 63, strike out lines 5 through 25.

On page 64, line 1, strike out "(d)" and insert in lieu thereof "(c)".

On page 67, strike out lines 4 through 19.

On page 67, line 20, strike out "(g)" and insert in lieu thereof "(f)".

On page 75, line 18, strike out "and".

On page 76, line 2, strike out the period and insert in lieu thereof "; and".

On page 76, between lines 2 and 3 insert the following:

(9) joint ventures established by small shippers to—

(A) consult and confer with any ocean common carrier or conference regarding general rate levels, charges, classification, rules practices, or services; and

(B) combine cargo with one or more small shippers for the purpose of obtaining time-volume rates and service contracts with ocean common carriers. For the purpose of this subsection, a small shipper shall be considered to be any shipper who in the normal course of its business (including any business conducted by a parent corporation or subsidiary that, in whole or in part, either controls or is controlled by such shipper) ships in international ocean transportation an annual average of not more than 35, forty-foot containers a month.

On page 78, line 6, strike out "shippers council" and insert in lieu thereof "shipper joint venture".

UP AMENDMENT No. 6

(Purpose: To clarify immunity for pooling marine terminal operators)

On page 62, line 26, after "services;" insert "and".

On page 63, strike out lines 1 and 2.

On page 63, line 3, strike out "(3)" and insert in lieu thereof "(2)".

On page 92, line 2, strike out "or".

On page 93, line 11, strike out the period and insert in lieu there of "; or".

On page 93, between lines 11 and 12 insert the following:

(4) boycott or take any other concerted action resulting

in an unreasonable refusal to deal.

UP AMENDMENT No. 7

(Purpose: To prohibit the pooling of net profits and losses)

On page 91, line 4, strike out "or".

On page 91, line 11, strike out the period and insert in lieu thereof "; or".

On page 91, between lines 11 and 12 insert the following:

(8) form or participate in a net profit or loss pool with other common carriers operating in the same trade.

On page 59, between lines 19 and 20 insert the following:

(17) "net profit and loss pool" means a pooling or apportionment of net profit or losses, or any similar arrangement that results in the participants sharing all or virtually all of their costs of operation, but the term does not include a pooling or apportionment of revenues in which each participant continues to bear his own costs even if such a pooling provides for certain adjustments to revenue or expense or results in the sharing of certain costs.

On pages 59 through 61, renumber paragraphs (17) through (28) as paragraphs (18) through (29), respectively.

UP AMENDMENT No. 8

(Purpose: to amend the remedy provisions.)

Beginning on page 95, line 22, strike through line 2, page 96 and insert in lieu thereof the following:

(f) REPARATIONS.—For any complaint filed within three years after the cause of action accrued, the Commission shall, upon petition of the complainant and after notice and hearing, direct payment of reparations to the complainant for actual injury (which, for purposes of this subsection, also includes the loss of interest from the date of injury) caused by a violation of this Act. Upon a showing that the injury was caused by activity that is prohibited by section 12(b) (5) or (7) or section 12(c) (1) or (4), or that violates section 12(a) (1) or (2), the Commission may direct the payment of additional amounts; but the total recovery of a complainant may not exceed twice the amount of the actual injury. In the case of injury caused by an activity that is prohibited by section 12(b)(6) (A) or (B), the amount of the injury shall be the difference, plus interest from the date of the injury, between the rate paid by the injured shipper and the most favorable rate paid by another shipper.

(g) INJUNCTION.—In connection with any investigation conducted under this section, the Commission, at its sole discretion, may request the Attorney General to bring suit in a district courts of the United States to enjoin conduct in violation of this Act after notice to the defendant, and upon a determination that—

(1) the Attorney General demonstrates substantial likelihood to prevail on the merits,

(2) irreparable injury would otherwise occur,

(3) issuance of the relief requested will not unduly harm the defendant or other persons, and

(4) the public interest would be served,

the court may grant a temporary restraining order or preliminary injunction for a period not to exceed ten days after the Commission has issued an order disposing of the issues under investigation. Any such suit shall be brought in the district in which the defendant person, partnership, or corporation resides or transacts business.

UP AMENDMENT No. 9

(Purpose: To amend the standard required for immunity)

On page 74, line 21, strike out "in the reasonable belief" and insert in lieu thereof "with a reasonable basis to conclude".

UP AMENDMENT No. 10

(Purpose: To assure a broader right of independent action from interconference agreements)

On page 66, line 25 beginning with "serving" strike through line 1 on page 67.

UP AMENDMENT No. 11

(Purpose: To amend the provisions regarding contract disputes)

On page 73, line 2 beginning with "In any" strike through "the contract." on line 5.

UP AMENDMENT No. 12

(Purpose: To reserve 5 percent of a shipper's tonnage to independent carriers)

On page 74, line 4, strike out "and".

On page 74, line 8, stike out the period and insert in lieu thereof "; and".

On page 74, between lines 8 and 9 insert the following:

(10) the contract shipper is permitted to utilize competing services for 5 percent or less of the shipper's tonnage that would otherwise be subject to the loyalty obligation.

UP AMENDMENT No. 13

(Purpose: To provide procedures to obtain needed information)

On page 70, line 3, strike out "a hearing" and insert in lieu thereof "an investigation and hearing".

On page 70, between lines 19 and 20, insert the following:

(f) INFORMATION.—At any time before the expiration of the forty-five day period referred to in subsection (a), the Commission, upon its own motion or motion of the complainant, may issue a subpena or discovery order for any additional information that it deems necessary to determine whether the agreement is in violation of this Act.

On pages 70 through 71 redesignate subsections (f) through (h) as subsections (g) through (i), respectively.

UP AMENDMENT No. 14

(Purpose: To restrain the Federal Maritime Commission from creating exemptions that would significantly lessen competition)

On page 103, line 22, before the period insert the following: "and is not likely to result in any significant lessening of competition in any trade serving the United States in which ocean common carriers operate".

UP AMENDMENT No. 15

(Purpose: To provide that once litigation on a Commission order has begun, the Attorney General has control over the subsequent proceedings)

On page 98, line 21, strike out "The" and insert in lieu thereof "Until a matter is referred to the Attorney General, the".

On page 99, line 6, strike out "the Commission shall" and insert in lieu thereof "the Attorney General may".

On page 101, strike out lines 19 through 23, and insert in lieu thereof the following:

(f) ENFORCEMENT OF NONREPARATION ORDERS.—In case of violation of any order of the Commission, or for failure to comply with a Commission subpena, the Attorney General or any party injured by such violation may seek enforcement by any United States district court having jurisdiction over the parties. If, after a hearing, the court determines that the order was properly made and duly issued, it shall enforce the order by an appropriate injunction or other process, mandatory or otherwise.

UP AMENDMENT No. 16

(Purpose: To give ample time for discovery of a violation)

On page 101, line 17 beginning with "1" strike out through line 18 and insert in lieu thereof "two years after the date of the violation of the order, or one year after the date the violation is known or reasonably should have been known.".

UP AMENDMENT No. 17

(Purpose: To clarify that certain carriers not previously permitted to engage in cartel activity, will not be so permitted under this Act)

On page 60, line 4, before the semicolon insert the following: ", or bulk cargo vessels".

On page 60, line 1, after "means" insert ", for purposes of this Act only,"

UP AMENDMENT No. 18

(Purpose: To amend the provision dealing with discussions of inland divisions of through rates)

On page 76, line 9, strike out "fixing" and insert in lieu thereof "discussing".

Mr. STEVENS. Mr. President, I want to call to the attention of the Members of the Senate, this is the first time we have had this situation this year. It is my understanding that amendments in the first degree must be filed with the clerk before 1 p.m. today if they are to be considered under the cloture rule, if cloture is voted tomorrow afternoon at 4 p.m. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. I hope Members will be on notice and that the two cloakrooms will notify Members that those amendments must be on file. It is the intention of the leadership to ask that we stand in recess between 12:30 and 1:30 p.m., so I now ask that filing of the amendments take place in accordance with the rule, notwithstanding the fact that we are in recess. Is that proper?

The PRESIDING OFFICER. It is in order by unanimous consent.

Mr. METZENBAUM addressed the Chair.

Mr. STEVENS. I ask unanimous consent.

Mr. METZENBAUM. May I?

Mr. STEVENS. Yes.

Mr. METZENBAUM. I do not wish to take issue with the acting majority leader, and I will be able to protect myself, but because it is just possible that some Members could be anticipating filing amendments until 1 p.m., I wonder whether the acting majority leader, when he takes the recess, could not at that point get unanimous consent that, notwithstanding the recess, any Member could file his amendments up until 1 p.m.?

Mr. STEVENS. That is what I am doing right now.

The PRESIDING OFFICER. That is the request of the acting majority leader.

Mr. METZENBAUM. Fine. I stand corrected. I withdraw my comments.

The PRESIDING OFFICER. Is there any objection?

The Chair hears none, and it is so ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. The amendments, I believe, have been sent to the desk?

The PRESIDING OFFICER. The Senator is correct.

STATEMENTS ON UNPRINTED AMENDMENT NOS. 5 THROUGH 18

Mr. THURMOND. Mr. President, I should now like to make a statement on unprinted amendment No. 5, shippers' councils.

In order to balance the power of the carriers who are permitted to cartelize and enforce their agreements with the help of the Federal Maritime Commission, S. 47 provides similar antitrust immunity for shippers' councils. Thus, rather than restraining the activities of carriers, S. 47 deals with their increased power by letting the shippers get together to price fix and engage in anticompetitive activities as well. Unfortunately, this solution has the sorry outcome of expanding the evils of price fixing to another industry. When widget manufacturers are permitted to "mutually consult and exchange information of views regarding rates, charges, classifications, rules, practices, or services," under Section 4(c) of this bill, there is little to prevent them from slipping into a discussion about the price of widgets at the same time.

This is far too risky a "solution." Eliminating the U.S. enforcement of conference agreements is a sufficient limitation on their power so as to make shippers' councils unnecessary. Accordingly, this amendment eliminates the exemption for shippers' councils provided in S. 47.

Mr. President, I have a statement on unprinted amendment No. 6, antitrust immunity for marine terminal operators.

S. 47 grants blanket antitrust immunity for Marine terminal operators to fix rates, to participate in pooling agreements and to engage in exclusive or preferential working arrangements. While some antitrust immunity may be appropriate to balance the bargaining power of the conferences, there is no justification for permitting pooling agreements. Indeed, we have been informed by representatives of the marine terminal operators that they neither need nor want immunity for pooling. In addition to eliminating pooling, our amendment would assure that marine terminal operator's cannot use their immunity for preferential or exclusive agreements to engage in group boycotts of independent carriers by adding them to the group of persons prohibited from such behavior.

Mr. President, I have a statement on unprinted amendment No. 7, an amendment to prohibit net profit and loss pools.

Pooling of profit and losses can have no puprose or effect except to reduce competition between carriers within a conference. If just revenues are pooled, a carrier will still have the incentive to keep his costs down in order to maximize his profits. If profits and losses are pooled as well, even this incentive is lost. This amendment would, therefore, prohibit the pooling of net profits and losses by making participation in such pool a prohibited act under section 12(c) of the bill. The language of this amendment was agreed to as part of the House/Senate compromise reached last Congress.

Mr. President, I have a statement to make on unprinted amendment No. 8, strengthened remedies.

The elimination of treble damage antitrust liability must be balanced by meaningful and substantial penalties for violation of the Shipping Act. This amendment increases the reparations which must be paid if there is a violation of the Shipping Act. It is consistent with the House/Senate compromise of last Congress.

Mr. President, I have a statement with respect to unprinted amendment No. 9, objective standard for activity pursuant to unfiled agreements.

As originally drafted, S. 47 would have provided antitrust immunity for all agreements within the scope of the act, even if the agreement was never filed or effective. The Commerce Committee amendment added two requirements for immunity: That the agreement be filed and effective, or that there was "reasonable belief" that the actions were pursuant to a filed and effective agreement. Our amendment makes the standard more objective than the "reasonable belief" of the particular carrier involved.

Mr. President, I have a statement to make concerning unprinted amendment No. 10, to expand the right of independent action from intraconference agreements.

As currently drafted, S. 47 would limit the right of independent action from interconference agreements in accordance with the language proposed to be stricken. There does not appear to be any justification for this limitation. The amendment would assure a broader right of independent action from interconference agreements.

Mr. President, I have a statement to make on unprinted amendment No. 11, loyalty contract disputes.

Loyalty contracts are a means for shippers to obtain discounts from the standard conference rate in return for

shipping all or a specified part of their goods via the conference. Shippers, however, will sometimes allow their customers to choose the form of transportation for their goods. When a customer requests a nonconference carrier, an occasional dispute will arise as to whether the shipper has deliberately breached the shipper-conference loyalty contract by guiding the customer's choice. S. 47 creates a special burden-of-proof rule for this situation. The amendment strikes this rule in favor of standard contract law.

Mr. President, I have a statement to make on unprinted amendment No. 12, loyalty contracts, percentage limitations.

S. 47 would allow conferences to require 100 percent of a shipper's tonnage to be subject to a loyalty contract. This would have the tendency of eliminating competition from independent carriers in trades where loyalty contracts are prevalent. The amendment would reserve 5 percent of a shipper's tonnage to independent carriers.

Mr. President, I have a statement to make on unprinted amendment No. 13, information needs.

S. 47 contains no procedure for a complaining party to obtain additional information which may be needed to determine whether a filed agreement will result in a violation of this act or substantial injury to a third party. This amendment will provide such a procedure.

Mr. President, I have a statement to make on unprinted amendment No. 14, to require a competition test for FMC exemption authority.

Section 18 of the bill gives the Federal Maritime Commission broad authority to exempt any activity or class of agreements from any requirement of the act so long as to do so would not "substantially impair effective regulation by the Commission." This broad and vague standard would allow the FMC to rewrite the carefully crafted provisions of this legislation almost at whim. This amendment, which was included in last year's House/Senate compromise bill, would restrain the FMC from creating exemptions that would significantly lessen competition.

Mr. President, I have a statement to make on unprinted amendment No. 15, court enforcement of commission orders.

Congress has long recognized that the Attorney General has the authority to conduct the litigation of the United States. Numerous policy goals are effectuated by this centralization of litigation authority. S. 47 deviates from this policy by permitting the Federal Maritime Commission to assess civil penalties and change that assessment after litigation has commenced, to seek payment of penalties through the courts, and to represent itself in any court case. This amendment, while allowing the Commission to assess penalties and conduct proceedings to that end, provides that once litigation on a Commission order has begun, the Commission's authority terminates and the Attorney General has control over any subsequent proceedings.

This amendment is specifically requested by the Department of Justice on behalf of the administration.

Mr. President, I have a statement to make on unprinted amendment No. 16, statute of limitations for bringing an action.

It could well be difficult to bring an action within 1 year of the violation as S. 47 now requires. The amendment will give greater time for discovery of a violation while providing a cutoff mechanism if due diligence would have led to the earlier discovery of a violation.

Mr. President, I have a statement to make on unprinted amendment No. 17, clarification of application to bulk parcel tankers.

There are only four major bulk parcel tanker companies serving the U.S. trades. Accordingly, the Commission has consistently refused to permit them to engage in joint activity and they have never had antitrust immunity. S. 47 automatically confers antitrust immunity on bulk parcel tankers because they meet the definition of "ocean common carriers." The amendment will clarify that these carriers, which have never been permitted to engage in cartel activity, will not be so permitted under S. 47, by removing them from the definition of ocean common carriers. However, I wish to make it very clear that this exemption from the definition of common carriers is for purposes of this act only.

Mr. President, I have a statement to make on unprinted amendment No. 18, protection against abuses of intermodal rate-setting authority.

An intermodal or through rate is the amount charged for carrying cargo from a port or inland point all the way to its inland destination. For example, shipping from London to Kansas City—via the Port of New York—would be an intermodal transaction. The costs could be divided into the port-to-port division—London to New York—and the inland division—New York to Kansas City.

Under current law, individual carriers negotiate with truckers and railroads for the inland divisions of intermodal transportation. Obviously, this leaves a lot of bargaining room for the surface carriers. S. 47 permits the conference to set the intermodal rate. This raises serious competitive concerns for the trucking and railroad industries.

Even though the bill prohibits conferences from doing the negotiating, surface carriers fear that the individual carriers will function like agents of the conferences, with the conference's bargaining strength behind them. At the least, the surface carriers believe they will be disadvantaged if ocean carriers engage in discussing about their surface rates.

Also of concern is the risk of extending price fixing into these other types of transporation. During an era of deregulation and renewed competition in the trucking and railroad industries, it hardly seems appropriate to introduce private price fixing by the back door. Nevertheless, we recognize that shippers want to be quoted an intermodal rate, particularly as the use of containerized loads increases.

In an attempt to balance these concerns, we suggest an amendment to clarify that carriers may not discuss with their conference members the prices they are able to negotiate for the inland divisions of their routes. Thus, while the carrier may inform the conference of its proposed charge for the entire intermodal transport, which information the conference could use in setting the conference intermodal rate, it would still be up to each individual carrier to separately and confidentially negotiate its rates with the railroad and trucking companies.

STATEMENT ON UNPRINTED AMENDMENT NO. 4

Mr. President, I have a statement on unprinted amendment No. 4, tariff filing and enforcement.

Under current law, carriers are permitted to participate in conferences to set the terms and prices for carrying sea cargo. The FMC, however, must review these agreements to determine if they are "contrary to the public interest." Only after the FMC has determined that the anticompetitive restraint is required by a serious transportation need, is necessary to secure important public benefits, or is in furtherance of a valid regulatory purpose of the Shipping Act, will antitrust immunity be granted for the activity. The agreement is then filed with the FMC which has the responsibility for enforcing it.

S. 47 does away with the FMC's public interest review of the agreements. Instead, the bill grants blanket antitrust immunity (with two very limited exceptions) to any agreement which the carriers choose to reach. At the same time, S. 47 provides that the agreements will continue to be filed with and enforced by the FMC.

Both the administration and the Federal Trade Commission have concluded that this is going too far. We must agree. The Department of Transportation, submitted testimony to our committee on behalf of the administration on this issue. These are the administration's words:

The administration is, however, strongly opposed to the provision of S. 47 that would continue to require the filing of tariffs and

their enforcement by the Federal government. The government has no business enforcing the prices fixed by a private producer group. Doing so is not merely unnecessary—it introduces substantial inefficiencies in conference ratesetting and perpetuates problems of excess capacity.

It should also be noted that the UNCTAD Code, which has been signed by most maritime nations, requires publication and adherence to tariffs, so it is not necessary to file them with the FMC to make them public. S. 47, as amended by this committee, would clearly continue to prohibit unfair or unjustly discriminatory rates or other contract terms. Thus, there are plenty of protections for the small shipper, without having the U.S. Government in the business of policing private cartel agreements.

Mr. President, that completes my statement on the various amendments that were included in the package brought to the floor by the Judiciary Committee.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. STEVENS. I ask the Chair, is the excluded amendment, to which I want to offer my amendment in the second degree, UP amendment No. 4? Is that the way it shows up in the RECORD?

The PRESIDING OFFICER. It is the first part of the original UP amendment No. 4 and could be assigned the number 4.

Mr. THURMOND. It is UP amendment No. 4.

Mr. STEVENS, I ask unanimous consent that the understanding of the chairman of the committee be what is shown in the RECORD.

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

Mr. HATCH. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

S. 47: THE SHIPPING ACT OF 1983

Mr. HATCH. Mr. President, as we begin debate on S. 47, I would like to express my opposition to the bill in its present form. The heart of my concern over this bill is the way in which it addresses competition. Since my first hours on this floor, 6 years ago, I have expressed my profound respect for the free enterprise system. As a basic economic policy, we reject the notion of giving control of commerce to either Government or to private cartels. I view our antitrust laws as a practical expression of our concern for economic democracy, and I have actively sought to insure the efficient operation of these laws.

I view the ability of the marketplace to determine prices as being infinitely wiser than any government authority. In addition to rejecting a nonmarket economy philosophy, our antitrust laws are designed to prevent individuals or firms from so controlling a part of commerce that they are able to substitute that control for the independent allocation of resources achieved by a competitive marketplace.

The bill before us strikes at these protections of our economic democracy. It permits an industry to cartelize, while granting the industry sweeping antitrust immunities.

Mr. President, for a wise purpose have our laws created a presumption against the policy of permitting cartels. Cartels, by their very nature, promote price-fixing conspiracy. Fixed prices discourage competition. And without competition, consumers suffer. I know of no historical rebuttal of these facts.

Based on the testimony of witnesses appearing before the Senate Commerce Committee and the Senate Judiciary Committee, and based on studies issued by the General Accounting Office and the House Republican Research Committee, I am not persuaded that circumstances in the shipping industry are so unique that carriers should be exempt from the greatest of our consumer protection laws, our antitrust laws. My concern, Mr. President, is over the increased prices of imported goods which will be paid by the consumers of Utah, and of every other State; increased costs which history, not theory, tells us will result from the operations of monopolistic power. My concern is over the increased costs of carriage which will be charged to the small shippers of Utah, and of every other State.

In the most recent testimony before the Senate Commerce Committee, Allen Ferguson, Chairman of the National Institute of Economics and Law testified that S. 47 "can be expected to impose costs of some billions of dollars per year on American consumers, farmers, workers and exporters."

Mr. Ferguson calculates that if conferences are able to raise tariff rates by 20 percent, the shipping costs of exports and imports, shipped on U.S. carriers would rise by $3 billion per year. Among shippers, the greatest disadvantage would fall on small- and medium-size shippers, those which predominate in Utah, and in every other State.

Subsequent testimony presented to the Senate Judiciary Committee by Thomas J. Campbell, Director of the Federal Trade Commission Bureau of Competition, is very precise on this point. He states,

> I believe that consumer welfare is best served by a policy of promoting competition in ocean liner shipping.

He continues:

> Further reduction or elimination of effective competition in liner shipping would be extremely unfortunate. The result would be to deny to U.S. exporters and importers, and ultimately U.S. consumers as well, the economic benefits of a competitive marketplace.

This language is clear and unmistakable.

The FTC Commissioners, comprised of three Republicans and two Democrats, authorized their Bureau of Competition, the antitrust enforcement arm of the FTC, to clearly state that S. 47, as reported by the Senate Commerce Committee, is inconsistent with the free enterprise system. They state that, in part, "S. 47 fails to provide necessary and feasible protections against cartel power."

I am concerned that we are allowing an institutionalized legislative precedent extending back over nearly 70 years to unreasonably dictate the final nature of this bill. The FTC testimony cites a survey conducted by the Canadian Government in 1982 which questioned Canadian users of ocean shipping services. More than 85 percent of the respondents were dissatisfied with exemptions granted to the cartels, and over half considered the marketplace to be the best regulator of the system. This FTC testimony should be closely read by my colleagues. For it not only states that S. 47 is seriously flawed, but it concludes that "unless these faults are corrected, the proposed Shipping Act of 1983 will inflict unnecessary injury on the American economy and the American consumer."

In addition to the testimony provided by witnesses, I would like to focus attention on a report by the House Republican Research Committee's Task Force on Congressional and Regulatory Reform, published July 14, 1982, entitled "The U.S. Maritime Industry: More Competition Is Needed".

This report concurs with President Reagan's acknowledgement that a strong U.S. merchant marine is vital as an "economic instrument for the support of U.S. interest abroad". The research committee's report emphatically supports the theory that the key to the development of a viable merchant marine and a way to offer the public quality liner service at the lowest possible price is through more—not less—competition.

Although our present open conference arrangements, regulated by the Federal Maritime Commission (FMC) have been inefficient and costly, the report states that increased cartelization can only have more serious economic consequences, and that exporters, importers, and consumers are likely to bear the brunt of less competitive policies through higher transportation and product costs. The report also postulates that less competitive policies may lead to carrier complacency and service quality to decline.

The report points out that advocates for cartelization have argued that

closed conferences have eliminated excess cargo space on their ships and result in effectively scheduled sailings. According to a 1981 University of Liverpool study, efficiency during the last 15 years has resulted primarily from the "introduction of new transport technologies and the associated development of intermodal transport systems."

Advocates of the closed conference system further argue that open conferences would not succeed because:

A high proportion of fixed costs in the industry would lead to destructive price wars, price collapse, bankruptcies, and eventual monopolization.

Shipping capacity could not adjust to cyclical shifts in demand.

Fleets operating as instruments of political and military power undercut conference rates so severely that these fleets would monopolize the industry. In addition, countries finding their lines squeezed out of particular trades would be compelled to protect their lines through subsidization and preferential cargo transport policies; thus, creating further inefficiencies.

Many of these same arguments were raised in other transportation industries, but successful deregulation suggests that fears of high fixed costs and an inability to adjust to demand changes are unfounded.

The report states: "Recent experience in airline, trucking and railroad industries indicate that domestic transportation can operate most efficiently in a free market. Many of these principles of competition can be applied to international ocean liner service. Theoretically, unfettered competition would balance liner supply and demand, apply downward pressure on rates, push out excess capacity, reduce costs, and produce optimal fare/service combinations." For example, the report cites "the oil tanker industry, where fixed costs are high but tankers are not arranged into conferences." The real cost of tanker service has declined steadily since World War II, while tanker fleet sizes have multiplied nearly twenty times," the report states.

In conclusion, the House Republican Research Committee said:

> It is desirable for the United States to improve its merchant marine capabilities. Yet, the current proposal with its call for a closed conference system, free of antitrust prosecution is not the best way to achieve it. The more complete monopolization of liner trades makes some subsidization of U.S.-flag operators a tax placed on the backs of importers, exporters and consumers. U.S. ocean commerce can now best be served by free market forces as a result of technological advances, evidence of increased competition worldwide, and the successful deregulation in other transportation industries.

Finally, I would like to draw the attention of my colleagues to a recent report to the Committee on Merchant Marine and Fisheries of the House of Representatives by the Comptroller General of the United States (July 1982), which concludes that the circumstances and condition of the present U.S. merchant marine does not justify legislation designed to protect the industry.

The report analyzes one of the reasons why this bill is pending before Congress: "Concern about the condition of the U.S.-flag liner fleet." The picture painted by those supporting increased antitrust immunity suggests that recent developments are leading to a deterioration of our cargo liners. The GAO report concludes:

> The evidence shows, however, that these developments are, in large part, attributable to the confirmation of a stagnent volume of U.S. liner cargoes, and the rapid adoption of container handling technology by U.S.-flag liner companies.

The report concludes that there are two alternatives for Congress to consider:

> The first is to initiate more price competition by reducing or eliminating the antitrust immunity currently granted to shipping conferences. The second is to expand the antitrust immunity * * *. The first alternative would introduce more price competition and competition would consequently be of more value to shippers.

Thus, the GAO offers the conclusion that a reduction of antitrust immunity for carriers, the reverse of this bill, would provide greater competition, and that this competition would benefit shippers.

In addition to concluding that the U.S. merchant marine is not in the state of decay which many S. 47 advocates are proclaiming, the report states that "it appears that the U.S.-flag liner fleet is not in a state of general distress significant enough to justify a major revision of the Shipping Act." I view these as significant conclusions which persuasively argue against the merits of this bill.

Mr. President, I appreciate the opportunity which I have had to address my concerns over this bill. In earlier days, the Supreme Court rightly noted that our antitrust laws are the Magna Carta of American free enterprise. To suspend these laws, is an act, a statement of supreme import. It is only with the threat of grave consequences that such an act should be undertaken. I do not believe that the advocates of this bill have created a presumption favoring the suspension of our antitrust laws; certainly not to the degree delineated by S. 47.

For this reason, I must oppose the bill in its present form, and for this reason I supported and continue to support the Judiciary Committee amendments which will shortly be offered by the chairman of the Judiciary Committee, Senator THURMOND.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HATCH, I yield.

Mr. STEVENS. Mr. President, before the distinguished Senator leaves, and I do know he does have an appointment, will the Senator yield for a question?

Mr. THURMOND. I am pleased to yield for a question.

Mr. STEVENS. Mr. President, it is my understanding now that UP amendment 4 is the amendment to which I will offer my amendment in the second degree, and we will vote on all the other amendments the Senator has offered prior to that time. Is that the Senator's understanding?

Mr. THURMOND. Mr. President, that is correct.

Mr. STEVENS. Is that correct? I will ask the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Very well.

I will say to the Senator that following the statement by the Senator from Washington (Mr. GORTON) we will recess at 12:30 p.m. Is the 1:45 p.m. time agreeable to the Senator for coming back in?

Mr. THURMOND. Yes.

Mr. STEVENS. I yield to the Senator from Utah.

Mr. HATCH. I would like to make a statement in support of the amendments of the distinguished Senator from South Carolina.

Mr. STEVENS. Would the Senator like to do it now?

Mr. HATCH. I would like to make that statement now.

Mr. STEVENS. Does the Senator from Washington have any objection?

Mr. GORTON. No.

Mr. THURMOND. Mr. President, let me explain to the Senator from Utah that I have made a statement on all the amendments. Senator STEVENS indicated he is about to offer an amendment to my UP amendment No. 4. Does the Senator want to speak on that or does he want to speak on the whole package?

Mr. HATCH. I want to speak on the whole package and then I will have some comments on UP amendment No. 4.

Mr. THURMOND. The Senator wants to speak on the whole package?

Mr. HATCH. That is correct.

Mr. THURMOND. I have no objection.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Utah.

Mr. HATCH. I thank the Chair.

Mr. METZENBAUM. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. HATCH. I yield.

Mr. METZENBAUM. I rise to offer amendments to the bill and amendments to the committee substitute prior to the p.m. deadline.

The PRESIDING OFFICER. The amendments will be received.

Mr. METZENBAUM. I yield back the floor to my friend from Utah.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. STEVENS. Before the distinguished Senator from South Carolina, the chairman of the Judiciary Committee, leaves, it is my understanding that there were two amendments in the Judiciary Committee's original package which were proposed by the Senator from Louisiana (Mr. LONG) that have not been included; is that correct?

Mr. THURMOND. That is correct.

Mr. STEVENS. I have been requested to offer those as a separate amendment now, which would be another amendment, so that Senator LONG will be able to have them considered. Is there objection to that as far as the Senator from South Carolina is concerned?

Mr. THURMOND. We have no objection.

Mr. METZENBAUM. Mr. President, reserving the right to object—and I do not intend to object—it is my understanding that the Senator from Louisiana has one amendment having to do with recycling, the recycling industry. Would the Senator from Alaska be good enough to explain what the other amendment is?

Mr. STEVENS. It deals with permitting U.S.-flag carriers exporting from foreign states which would otherwise be unavailable to the carrier by reason of cargo reservation law trade practices of such state, and it was in the original Judiciary Committee.

Mr. METZENBAUM. This was one of the Judiciary Committee amendments?

Mr. STEVENS. It did not come out with the Judiciary Committee. It was in the Judiciary Committee package to be offered by the chairman we are talking about.

Mr. THURMOND. Mr. President, we did not include Senator LONG's amendments in our package.

Mr. STEVENS. I am misinformed. It was Senator LONG's understanding they were there, and I wish to offer them now in behalf of Senator LONG so that they will be considered in conjunction with the rest of those items.

Mr. METZENBAUM. I have no objection to the recycling amendment. I would like to have an opportunity to study the other amendment. I have no objection to it, but I am taken somewhat by surprise.

Mr. THURMOND. Senator LONG is not here, and just out of courtesy to him I think it is proper for the assistant majority leader to offer them.

Mr. STEVENS. I have not made the request that they be considered part of the package. I was misinformed. I do offer it and send it to the desk in behalf of the Senator from Louisiana, I offer this amendment for him that he will wish to address in connection with the matters before the Senate now, and I ask that it be printed, be given a number, and that the same courtesy be given to Senator LONG as given to the other amendments, and that they not be considered out of order even though they touch the bill in more than one place.

Mr. METZENBAUM. They would not be considered as part of the Judiciary Committee amendments.

Mr. STEVENS. Not at all.

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

STATEMENTS ON UNPRINTED AMENDMENT NOS. 5 THROUGH 18

Mr. HATCH. Mr. President, I would like to offer my full support to all of the amendments which have been offered by Senator THURMOND on behalf of the Judiciary Committee. As Senator METZENBAUM has previously noted, nearly 70 days of hearings have been held on this, or similar, proposed legislation over the past 6 years. Unfortunately, the Senate Judiciary Committee has only enjoyed 6 days of jurisdiction and has held one hearing—all within the past 2 weeks.

I would like to commend the chairman of the Judiciary Committee, Senator THURMOND, for obtaining temporary jurisdiction over this bill. He deserves particular credit for assuring the integrity of his committee's jurisdiction, and for convening witneses on very short notice. I would also like to note that the testimony of the witnesses he convened has been significant from an antitrust analysis point of view.

Others on the Judiciary Committee, in addtion to myself, have expressed a deep concern over the sweeping extension of antitrust immunity permitted by this bill. Without the chairman's efforts, these concerns would not have been addressed, and no committee action would have been possible.

Finally, I would like to commend the efforts by Chairman THURMOND in drafting a series of amendments designed to address some antitrust deficiencies and anticompetitive flaws of this bill. These amendments were reviewed by the full Judiciary Committee in executive session last Tuesday, February 22, and were unanimously adopted. While the committee members expressed reservations about reporting the bill, despite the THURMOND amendments, the record will reflect unanimity with respect to these amendments.

It is no secret that I have some real concerns about this bill with or without the Thurmond amendments, and I believe we have to be very, very careful before we make a choice to grant wide, sweeping antitrust immunities in any sector of our commerce.

I reserve any further remarks I have to make until we debate the major amendment which is in controversy. I thank the Chair and 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. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GORTON. Mr. President, at some time before we vote, even on the series of amendments which are agreed to between the sponsors of the bill and the Commerce Committee on the one side and the Judiciary Committee on the other side, it is appropriate to have an explanation of the understanding of each set of interested parties on the meaning of those amendments.

The distinguished Senator from South Carolina, the chairman of the Judiciary Committee, has outlined a number of the amendments. As prime sponsor of the bill, I should like to do so as well, although I will simply take them one at a time and a number of those explanations or explanatory comments will not take place until after the recess at approximately 12:30 p.m. this afternoon.

In the order in which they have been presented, the first of the amendments, and one of the most significant, relates to shippers councils. The Commerce Committee, in reporting the bill, authorized the shippers councils for two separate purposes. One was simply to consult and to confer with on common carriers or with the conferences regarding general rate levels charges, rules, practices, and the like; and was open to all kinds of shippers, both large and small.

A second power of shippers councils in the Commerce Committee bill was actually to combine cargo and to negotiate rates for that combined cargo in order to give small shippers a greater voice in the way in which they were treated by carriers in international commerce.

There was a certain degree of objection to this set of propositions on the part of the Judiciary Committee, largely, I believe, because they were concerned about significant additional exemptions from the antitrust laws of the United States and were concerned that any such councils would be dominated by large shippers rather than by small shippers and that if push came to shove it would be the small shippers who would suffer.

After extended negotiations between the distinguished Senator from South Carolina, the chairman of the Judiciary Committee, and ourselves, the chairman suggested a change which I think is highly constructive and which is included in the package which is before the Senate right now. Instead of authorizing shippers councils, which is something new to the United

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States, though not to Europe, the Judiciary Committee proposes to go to a more familiar concept and to allow joint ventures to be established by small shippers, for two separate purposes.

Before I go into those purposes, I should point out that this excluded the large shippers, the major chemical manufacturing companies and the like, from any ability to engage in joint action among competitors. The theory of course is that these large shippers have enough market share and enough economic power to negotiate the best possible deal with ocean common carriers without having to join with their competitors in order to do so.

Small shippers are rather specifically defined in the proposal which the Judiciary Committee now makes to be shippers who, during the course of the year, average no more than 35 40-foot containers per month being shipped during the course of the normal business of each of those organizations. Those small shippers are allowed to form joint ventures for two purposes. The first is to consult and confer either with an individual ocean common carrier or with the conference regarding general rate levels, charges, classifications, rules, practices or services; that is to say, the entire mix of services which ocean common carriers offer to their customers. And then more specifically those small shippers are allowed to combine cargo with one or more of their own membership for the purpose of obtaining time volume rates and service contacts with ocean common carriers.

This is, of course, an important improvement over present circumstances. It clearly will enhance the ability of the small shippers who join in these joint ventures to get the best possible rates for the shipment of their goods and to see to it that they are in no way discriminated against by either large shippers or by the common carriers who are members of conferences or, for that matter, who are independents and are not members of conferences at all.

I should emphasize at this point, of course, that there is no requirement on any small shipper for joining into such a joint venture, but the people representing small shippers who appeared before the Commerce Committee indicated a very, very significant desire to engage some kind of organization of this sort so that they could gain the advantages of any efficiencies in operation and lower costs of operation on the part of common carriers which would result from the passage of S. 47.

As a consequence, speaking for myself, but I think reflecting the views of the majority of the members of the Commerce Committee, I would point out that this is probably an improvement over the bill as it was reported by the Commerce Committee and we are delighted to accept the shift from shippers councils to joint ventures limited to small shippers, which is contained in the amendments on which we will vote in a relatively short period of time.

Mr. METZENBAUM. Mr. President, on behalf of Senator HATCH, who I know had intended to qualify his amendment—it has been pretty relaxed about permitting amendment to be considered—he has an amendment that he intended to ask that it be considered germane for purposes of this measure and I, therefore, on his behalf, ask unanimous consent that it be considered germane.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS UNTIL 1:45 P.M.

Mr. BAKER. Mr. President, for the reasons which have been stated on the floor, I believe, it appears that the schedule of the Senate will be expedited if there could be a brief recess at this time. I ask unanimous consent that the Senate recess at this moment until the hour of 1:45 p.m. today.

There being no objection, the Senate, at 12:32 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COHEN).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, on Thursday last, the distinguished Senator from Ohio, Senator METZENBAUM, indicated on the floor that he anticipated that there would be votes on amendments on today, Monday; that they should be expected early, as I recall, and that there would be an objection to stacking the votes, all of which I understand and which were entirely proper to protect the position the Senator from Ohio was asserting.

It now appears, however, that we will deal with 14 of the amendments today, en bloc, perhaps, and a rollcall vote has been ordered on those amendments, one rollcall vote.

But I am now told that we have not ascertained any opposition to those votes. If that is the case on the other side, there is simply no reason to have a rollcall vote. I will not do it now so Senators will have a chance to register their objection, if they wish to, but later today, and before the vote occurs, I plan to ask unanimous consent to vitiate the yeas and nays on the vote.

Mr. METZENBAUM. Mr. President, if the floor leader will allow me to express my thoughts on this subject, I have no objection to vitiating the votes on the agreed-upon amendments, and I ascertain it would be a good procedure that we get on about our business in connection with this measure. I am prepared to move forward and do so.

The Senator from Alaska has an amendment that may entail some debate, but I would be prepared, at least for myself, to vote on that at 3:30 or 4 p.m. this afternoon. I then have an amendment that is pending. I would be prepared to vote on that immediately after the vote on the Stevens amendment. I am concerned. We have a cloture vote tomorrow. We have a limited time for debate tomorrow. I have a number of amendments that I am prepared to call up, am ready to call up. I am concerned that we are running out of time without anybody being particularly involved. But I think that cloture quite often is invoked by reason of the fact that there is some extended debate in order to bring it to a conclusion. It is not normally invoked to preclude a Member from calling up legitimate amendments that are germane. I do have a number of those.

I am concerned that tomorrow morning when we come in at 11:30 a.m. and recess from 12 to 2 p.m., from 2 to 4 p.m. having controlled time. I am simply attempting to point out to the leadership that I do not think it is his intention to deny any Member from asking for a vote.

I know the distinguished Senator from Utah has an amendment that he expects to call up.

All of this makes me believe that we ought to get on about our business and take the amendments that are noncontroversial, debate the Stevens amendment, agree to vote on it at 4 p.m., if that suits the leader's purposes, and debate the next amendment and vote upon that immediately thereafter. Senator HATCH has an amendment. Perhaps we can stack that up and vote on it. I know I have discussed stacking amendments, but it is obvious that we have not moved forward today. I am willing to expedite this decision with respect to amendments, having an opportunity to call up subsequent amendments.

Mr. BAKER. Mr. President, we came in today at 10 a.m., so that we would have time for Members to offer their amendments. It is now almost 2 p.m. Maybe it is just that it is Monday, but, really, I cannot ascertain that an awful lot has gone on between 10 this morning and 2 this afternoon. I do not know how much longer we will be in this afternoon. Perhaps I should have tried harder to get a time agreement on other amendments, or a time-certain vote. That would have expedited things. I doubt that I would have gotten an agreement on Thursday.

I am anxious to finish this bill. There are other things that must be done. It is the intention of the leadership yet this week to call up the Montreal protocols, if it is possible to do so,

and to try to deal with that sticky issue. There are other things backed up that argue forcibly that we finish this bill as fast as possible. But at least we have a cloture vote on for tomorrow at 4 p.m.

I am perfectly willing to change the order for the convening time tomorrow, which is now 11:30 a.m., I believe, to make it earlier if that will help. As far as I am concerned, I am prepared to stay in today as long as it appears useful to do so. I am even bold enough to suggest that maybe we could arrange the rest of the schedule on this bill, including a time certain for the vote on the remaining amendments and passage. I sense a certain stiffening in the jaw of the Senator from Ohio at this point, which indicates to me that may be unlikely. I heard him mumble that that was a perceptive understanding.

Mr. METZENBAUM. The Senator from Ohio is prepared to move forward. If the Senator from Alaska is prepared with his amendment, I am prepared to agree to a time certain on that amendment, subject, of course, to the agreement of the chairman of the Judiciary Committee. I have no objection to agreeing to vote on that at a time certain, nor do I have any objection to agreeing to a time certain on my amendment that is pending.

I guess, of the Senator from Utah—though I have no way of knowing—that he would be willing to agree to a time certain on his amendment. I do not think there is any effort on the part of those of us who are opposing this bill at this point to forestall some of these matters being brought to a conclusion.

Mr. BAKER. Mr. President, there is one aspect of the leadership of the Senate that I have learned from bitter experience. That is when to withdraw from the field of battle. I have a feeling now, and it is coming through to me strong, that it is time for me to withdraw from this conversation and return to the debate on the issue between the managers of the bill.

The Senate has many traditions. One of the new and growing traditions is the ability of the Senator from Ohio and the Senator from Alaska to resolve their differences. They do it sometimes with some gusto, but I have observed that sometimes, the Senator from Ohio and the Senator from Alaska have learned to resolve their issues. That may strain the generic meaning of the word, "issue," but it serves to dispatch the matter.

Mr. President, I am going to withdraw from the floor after repeating what I said before, that I am going to ask the Senate to stay in today as long as we can productively utilize the time. I am disappointed we have not done so by now. I asked the Senate to come in at 10 a.m. today, which is very unusual for Monday, owing to the various problems of Senators returning from the break.

I am prepared to change the order for the Senate to convene tomorrow at 11:30 a.m., if that seems useful to the purpose, which is to give Senators time to offer amendments which might not be disposed of today. I am prepared to shop for unanimous-consent agreements on amendments on this bill.

Having said all that, Mr. President, I am going to yield the floor in the hope that the Senator from Alaska (Mr. STEVENS) and the Senator from Ohio (Mr. METZENBAUM) may engage once more in the highly enthusiastic debate for which they are both noted.

Mr. METZENBAUM. Mr. President, what is the pending order of business?

The PRESIDING OFFICER. The question is on unprinted amendment Nos. 5 through 18 en bloc.

Mr. METZENBAUM. Would the Senator from South Carolina, the distinguished chairman of the Judiciary Committee, state whether he is prepared for a vote to be taken in connection with all his amendments, with the exception of the one that is in controversy with the Senator from Alaska?

Mr. THURMOND. In reply to the distinguished Senator from Ohio, I say that when we offered this package of 15 amendments, they agreed to accept 14 of them. If they want a rollcall, it is all right with me. I do not think it is necessary, however. The other one can be debated. I believe they said something about going over until tomorrow on that one.

What is the wish of the majority leader?

Mr. BAKER. Mr. President, before I answer the question of the distinguished President pro tempore, could I inquire of my friend, the minority leader, if he knows of any objection on his side or if he has an objection to vitiating the yeas and nays on this package?

Mr. BYRD. I have no objection, Mr. President. We have contacted our people through the cloakroom. We have no objection to vitiating the rollcall.

Mr. BAKER. Mr. President, I am ready to indicate we have no objections to vitiating the rollcall, so if no Senator now on the floor will object, I ask unanimous consent that the order for the yeas and nays on the amendments be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, once again, I wonder if that answers now the question put to the Senator from South Carolina?

Mr. THURMOND. The question was whether I wanted to vitiate the yeas and nays, to which I answered we have no objection.

Mr. BAKER. I wonder if the managers are ready to go forward now with the adoption of the amendments?

Mr. THURMOND. We are ready to go forward with those 14 that have been agreed upon.

Mr. GORTON. Mr. President, because there are 14 of these amendments and because they are somewhat technical in nature and should be explained on the RECORD, I shall take a few more minutes to discuss 13 of them. One of them, perhaps the most significant, I discussed before the luncheon break, with the indulgence of the Senator from Ohio. Those remarks are on their way to the floor now. I should be able to start my remarks on that subject within the next 2 or 3 minutes.

Mr. METZENBAUM. Would the Senator from Washington indicate the kinds of things that can be adopted in the Judiciary Committee absent the ones in controversy?

Mr. GORTON. I cannot imagine the remarks I would have would last beyond 2:30 p.m.

Mr. METZENBAUM. I hope we can adopt these. I hope we can then proceed to the Stevens amendments, with the exception of the one amendment still in controversy, and that we shall be in a position to vote that up or down as rapidly as possible. I am prepared to move forward.

Mr. GORTON. I would prefer that the vote on the Stevens amendment, which I assume will be a rollcall vote, be deferred until tomorrow because of the large number of absentees here. I think it is better to be debated and the Senator from Alaska and I are prepared to do so. I think it would be better if, upon conclusion of the debate on that in the next couple of hours, we nevertheless would debate an additional amendment before going on to vote.

Mr. METZENBAUM. I hope we can get on and move as promptly as possible, because I have a number of other amendments to call up before the cloture vote. As the Senator well knows, I cannot do that very well as long as this matter is pending.

Mr. GORTON. I believe I am not subverting any understandings if I agree to allow the Senator from Ohio to do just that, exactly as we debated one of these amendments on Friday last, with the understanding that it would not be voted upon until all of the Judiciary Committee amendments have been disposed of. I am sure we can go on the same basis this afternoon.

Mr. METZENBAUM. Let us see how far we can go, Mr. President. The more rapidly the Senator can go, the more prepared I am to cooperate. I hope he will not be delaying so we will not have to invoke cloture.

Mr. GORTON. Mr. President, my statement on these amendments is on its way here. For a very brief period, 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. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GORTON. Mr. President, before the break for lunch I had discussed one of the amendments presented by the Judiciary Committee, that relating to the substitution of joint ventures among small shippers for shippers councils.

I will now proceed to discuss the other amendments which have been agreed to between the Judiciary Committee and the Commerce Committee and outline their impact on the bill and the business which is the subject of this bill.

The next amendment deals with antitrust immunity for marine terminal operators, as that immunity was included in S. 47 as reported by the Commerce Committee.

The Judiciary Committee, in contrast, proposed that pooling agreements between marine terminal operators be removed from the scope of antitrust immunity offered by S. 47.

This amendment on the part of the Judiciary Committee is acceptable to me and to the distinguished Senator from Alaska and the members of the Commerce Committee because we understand that section 4(b)(1) will operate to permit marine terminal operators to enter into arrangements with vessel operators which vary rates with the volume of cargo offered.

The next Judiciary Committee amendment deals with intermodal rate setting authority.

The Senate will remember that on Friday we discussed a proposed amendment by the Senator from Ohio (Mr. METZENBAUM) which would strike any authorization for conferences to set intermodal rates, that is to say rates which would also include a segment of land transportation within the United States.

The Judiciary Committee, however, does have an amendment on that subject which is somewhat more restrictive than the form of the bill as it was reported by the Commerce Committee.

The Judiciary Committee amendment on intermodal rate setting authority would clarify the proposition that carriers may not discuss with their conference members the prices they are able to negotiate for the inland portions of their routes.

The Commerce Committee has consistently been of the view that conferences should be authorized to set and publish intermodal through rates. We have, at the same time, stated that conferences should not be allowed to use their market power to negotiate divisions of through rates with individual inland carriers. Only individual ocean carriers should be allowed to negotiate the inland portion of intermodal rates with individual inland carriers, and that is the purport of this amendment and of the bill as it will be amended by the Judiciary Committee's proposal.

Once such an agreement has been made it may be adopted by the entire conference.

We understand the Judiciary Committee amendment to be a clarification of these principles but not one which restricts or limits a conference's authority to set and publish through intermodal rates when the procedure which I have outlined has been followed.

The next amendment the Judiciary Committee has proposed and to which we have acceded deals with a percentage limitation on loyalty contracts.

A loyalty contract is an arrangement by which a shipper receives a prescribed, but lower, freight rate in exchange for a contractual commitment on the part of the shipper to ship with a particular carrier or conference. Those prices may be lower by amounts up to 15 percent.

Section 7 of S. 47 continues to provide for such loyalty contracts modeled on existing law. There are a number of changes in S. 47 but none would alter the cargo requirements of such agreements. Indeed, the effectiveness of the loyalty contract system as a tying device has been severely questioned in the past.

Loyalty contracts promote stability in the ocean transportation of our international trade and therefore ultimately result in lower costs for the American consumer. This delicate balance would have been drastically altered by the original Judiciary Committee amendment which would have further weakened the effectiveness of such loyalty contracts. The current proposed amendment would authorize a contract shipper under a loyalty contract nevertheless, to utilize competing services for not more than 5 percent of the shippers tonnage which would otherwise be subject to the loyalty obligation and, therefore, frees up the situation for somewhat more competition.

The next Judiciary Committee amendment deals with disputes relating to loyalty contracts.

The Judiciary Committee's amendment strikes the language setting out breach of contract rules in connection with loyalty contract disputes.

We understand, and I speak for myself and for the Commerce Committee, that that amendment does not in any way preclude such provisions from a loyalty contract itself. Obviously, a shipper and carrier should be free to negotiate whatever terms they desire.

The amendment would have normal contract law govern any such dispute in the absence of provisions covering the special breach of contract rules which are contained in the loyalty contract itself.

The next Judiciary Committee amendment has to do with the method by which orders of the Federal Maritime Commission are enforced in the courts of the United States. Essentially the amendment causes that enforcement to take place by litigation brought on behalf of the Federal Maritime Commission by the Department of Justice as opposed to the provision in S. 47 and pursuant to which the Federal Maritime Commission could represent itself through its own counsel.

The Judiciary Committee amendments to S. 47's provisions in this regard are certainly acceptable to us.

In point of fact, speaking for myself at this stage, as a former State attorney general, I generally favor consolidating the litigation responsibilities of the Federal Government in the Department of Justice and not in the individual agencies.

The committee does not interpret the amendment to effect any change or diminution in the existing authority of the Federal Maritime Commission to assess penalties, to compromise claims, or to represent its interests in appellate review proceedings arising under the Hobbs Act.

The next amendment by the Judiciary Committee would prohibit net profit and loss pools.

The Commerce Committee associates itself with the remarks of the distinguished Senator from South Carolina on the Judiciary Committee amendment which would prohibit net profit and loss pools.

The Commerce Committee recognizes the potential loss of the incentives of a carrier who is a party to such a profit and loss pool.

As a matter of interest, this provision was a topic of discussion during the 97th Congress and was an agreed part of legislation which passed the House of Representatives late during the 97th Congress but which was not disputed or debated on the floor of the Senate.

The next amendment has to do with the ability of the Federal Maritime Commission to require clarifying information. The proposal of the Judiciary Committee would state that the Federal Maritime Commission's ability to require information which has been submitted to it to be clarified is one which is consistent with the intent of S. 47.

It should be clear that the ability of the Federal Maritime Commission to subpena information in the 45-day period following the filing of an agreement will not cause undue delays of the processing of such agreements, and it must be at the request of a private person and not a Federal agency.

The final Judiciary Committee amendment with which we are dealing at this time amends the standard required for gaining immunity under the antitrust laws. The amendment of the Judiciary Committee would strike the language "in the reasonable belief" and insert in place thereof the language "with a reasonable basis to conclude."

Some background in respect to the past erosion of antitrust immunity first established by the Shipping Act of 1916 is probably useful and appropriate at this point in this debate.

For the first 50 years, after enactment of the Shipping Act of 1916, the courts held that the antitrust laws did not apply to liner conferences and agreements, and that the Shipping Act provided the exclusive remedies for unapproved activities which were within the scope of section 15 of the act.[1]

In 1966, the Supreme Court overturned 50 years of precedent in the Carnation case.[2] The Court held that Congress had not intended to grant the shipping industry total antitrust immunity and therefore that the implementation of ratemaking agreements which were later found not to have been approved by the Commission was subject to the antitrust laws. For the first time liner carriers found that the Shipping Act did not provide the exclusive remedy for alleged wrongs. Carriers were exposed to treble damages and penalties if they acted collectively in a way later found to have been outside the scope of their approved conference agreement.

In the Sabre case,[3] the antitrust exemption was further eroded. In that case, the Court held that even though the conference lines were operating pursuant to approved agreements, the particular rates which they agreed upon were so low as to be "detrimental to the commerce of the United States." The antitrust immunity conferred by approval of the conference agreement was retroactively found not to apply. Thus, where particular rates were later found to be unlawful under another provision of the Shipping Act, the act of agreeing upon those rates was subject to the full force of the antitrust laws.

I should emphasize that in this case the gravamen of the case was that rates were too low, not too high.

In the same year, it became increasingly more difficult for shipping conferences to obtain approval of their agreements. In the Svenska case,[4] the Supreme Court upheld a Commission decision that agreements which interfere with the policies of the antitrust laws will be approved only if the proponents can factually demonstrate that the agreement is required by a serious transportation need, necessary to secure important public benefits, or in furtherance of a valid regulatory purpose of the Shipping Act.

Thus, Svenska and subsequent cases have completely done away with the presumption of approvability which Congress intended to attach to agreements relating to international ocean shipping. Commercial standards for approval have been replaced with antitrust and regulatory standards.

As a result, the section 15 antitrust exemption of the Shipping Act has been seriously eroded, and shipping conferences act at their peril in conducting the very activities for which they were organized.

Conferences are encouraged to act collectively if they can surmount the hurdles which stand between their desire to act and Commission approval. When they do act after such Commission approval, they are in constant danger of retroactive application of antitrust penalties. Carriers and conferences are now unable reliably to predict that actions might later be found to have violated the antitrust laws.

The intent of these provisions is to confer antitrust immunity on agreements and conduct properly submitted to the regulatory process of the act. It confers no immunity on secret or covert conduct, on agreements that are not filed and in effect, and on conduct that is not undertaken with a reasonable basis to conclude that it is pursuant to an agreement. It is intended that this test allow latitude for good faith errors of judgment, particularly in situations in which the dividing line between prohibited and authorized conduct under the Shipping Act cannot be drawn with precision. At the same time, this test, though subjective, is limited by the objective test that the actor's belief be with a reasonable basis to conclude that the conduct is pursuant to a filed agreement. It is the intent however to resolve conflicts between the Shipping Act and the antitrust laws in the maritime sector in favor of Shipping Act jurisdiction.

Once the requirements of sections 5 and 6 have been met, activities pursuant to such agreements or undertaken or with a reasonable basis to conclude that such activities are pursuant to such agreements, are subject solely to the Shipping Act. Only the standards, remedies, and penalties of this legislation will apply. Carriers operating in the U.S. foreign commerce will no longer face a dual risk of being regulated under both the Shipping Act and the antitrust laws for their conference activities. This is intended to be a broad exemption from the antitrust laws for the activities outlined therein.

The amendment on the part of the Judiciary Committee is appropriate and should be adopted.

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

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

UP AMENDMENT NOS. 5 THROUGH 18 AGREED TO, EN BLOC

Mr. THURMOND. Mr. President, what is pending before the Senate?

The PRESIDING OFFICER. The question is on agreeing to unprinted amendments numbered 5 through 18, en bloc.

Mr. THURMOND. Is that 14 amendments?

The PRESIDING OFFICER. The Senator is correct.

Mr. THURMOND. Mr. President, I move the passage of the amendment.

The PRESIDING OFFICER. The question is on agreeing to unprinted amendments numbered 5 through 18, en bloc.

The amendments (UP Nos. 5 through 18) were agreed to, en bloc.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 4

(Subsequently numbered amendment No. 467.)

The PRESIDING OFFICER. The question is on unprinted amendment No. 4.

Mr. GORTON. Mr. President, the Senator from Alaska (Mr. STEVENS) will have an amendment to this amendment and will call that up as soon as he arrives on the floor. While we await his arrival, 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.

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[1] *See United States Navigation Co.* v. *Cunard Steamship Co.*, 284 U.S. 474 (1932) and *Far East Conference* v. *United States* (342 U.S. 570 (1952)).

[2] *Carnation Co.* v. *Pacific Westbound Conference*, (383 U.S. 213 (1966)).

[3] *Sabre Shipping Corp.* v. *American President Lines, Ltd.*, 285 F. Supp. 949 (S.D.N.Y. 1968), *aff'd sub nom. Japan Line, Ltd.* v. *Sabre Shipping Corp.*, 407 F. 2d 173 (2d Cir.) cert. denied. 395 U.S. 922 (1959).

[4] (*Federal Maritime Commission* v. *Aktiebolaget Svenska Amerika Linen*, 390 U.S. 238 (1968)).

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

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

Mr. METZENBAUM. Mr. President, I am glad the Senator from Washington came to the floor. I would like to make an inquiry of him and tell him that I am about to offer a unanimous-consent request and I wish to explain it.

As the Senator well knows, I have a number of amendments that I am prepared to call up, one of which is actually pending, and I am prepared to call up a number of others.

I know that we have agreed that the amendment of the Senator from Alaska will be called up next and that we vote on it. That is agreeable with me. It is also my understanding that Members on the other side of the aisle have indicated that they prefer not to vote this afternoon on the amendment of the Senator from Alaska. That is agreeable with me, provided that the Senator from Ohio is given an opportunity to call up his amendment and get them to a vote before cloture.

We are under a limited time tomorrow. It is for that reason that I hope the Senator from Washington will understand the unanimous-consent request I am about to make and will be sufficiently accommodating so that I may go forward with my amendments without in any way diminishing the rights of those who are on the opposite side of the aisle or on the opposite side of the issue from me.

Mr. GORTON. Will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. GORTON. How many such amendments are there?

Mr. METZENBAUM. Six, in addition to the one——

Mr. GORTON. We are speaking, then, of seven amendments on which there would be rollcall votes in addition to the amendment by the Senator from Alaska?

Mr. METZENBAUM. Yes. My unanimous-consent request would be that if we can get them to a rollcall vote, and I am prepared to move very rapidly to a rollcall vote on them after the amendment of the Senator from Alaska is disposed of and after the first amendment of the Senator from Ohio is disposed of, if we can get them to a vote, fine, and if not, I am asking unanimous consent that they be voted on immediately prior to the cloture vote.

Mr. GORTON. The Senator from Washington really is not able to answer that question of the Senator from Ohio since that is a question more properly directed to the majority leader. I will ask that he be called to the floor to deal with that.

In the interest of clarification, while we are waiting for the majority leader, however, I might ask the Senator from Ohio whether or not, recognizing that the Senator from Alaska does not wish to have his amendment voted on this afternoon, we might nevertheless go through debate on each of the additional six amendments of the Senator from Ohio during the course of the day today even though we were going to vote on all or most of them tomorrow before cloture?

Mr. METZENBAUM. We certainly can debate most of them and I think debate all of them. It is my understanding that there are some Members on both sides of the aisle who would like to be out of here by 4:30 or 5 p.m. I am agreeable to that as well. I do not believe that the amendments that I have are complicated. I think I might speak for just a few minutes to explain them and the Senator from Washington might want to speak for several minutes, indicating his opposition.

Mr. GORTON. I hope we could spend this afternoon in debate and not simply quorum calls. We will see whether or not we can make such an arrangement which would allow enough debate on each of these issues and also for a greater presence of Senators in attendance.

Mr. METZENBAUM. I did not want to press the issue this morning. I will wait for the arrival of the majority leader.

Mr. GORTON. If the Senator will await the arrival of the majority leader, I would appreciate it.

Mr. METZENBAUM. I certainly will.

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

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

Mr. STEVENS. Mr. President, it is my understanding that the amendment of the distinguished Senator from South Carolina is now pending, that amendment being committee unprinted amendment No. 4. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 19

(Subsequently numbered amendment No. 468.)

Mr. STEVENS. Mr. President, I send to the desk an amendment to that amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 19.

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

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

The amendment is as follows:

Strike on page 1, line 1 through line 9.

Strike on page 1, line 12 through line 14 on page 4.

Strike all on page 1, line 11, and insert in lieu thereof the following: "common carrier by water in foreign commerce or conference of such carriers shall charge or demand or collect or receive a greater or less or different compensation for the transportation of property or for any service in connection therewith than the rates and charges which are specified in its tariffs on file with the Commission and duly published and in effect at the time; nor shall any such carrier rebate, refund, or remit in any manner or by any device any portion of the rates or charges so specified, nor extend or deny to any person any privilege or facility, except in accordance with such tariffs: *Provided, however,* That the Federal Maritime Commission may in its discretion and for good cause shown permit a common carrier by water in foreign commerce or conference of such carriers to refund a portion of freight charges collected from a shipper or waive the collection of a portion of the charges from a shipper where it appears that there is an error in a tariff of a clerical or administrative nature or an error due to inadvertence in failing to file a new tariff and that such refund or waiver will not result in discrimination among shippers: *Provided, further,* That the common carrier by water in foreign commerce or conference of such carriers has, prior to applying for authority to make refund, filed a new tariff with the Federal Maritime Commission which sets forth the rate on which such refund or waiver would be based: *Provided further,* That the carrier or conference agrees that if permission is granted by the Federal Maritime Commission, an appropriate notice will be published in the tariff, or such other steps taken as the Federal Maritime Commission may require, which give notice of the rate on which such refund or waiver would be based, and additional refunds or waivers as appropriate shall be made with respect to other shipments in the manner prescribed by the Commission in its order approving the application: *And provided further,* That application for refund or waiver must be filed with the Commission within one hundred and eighty days from the date of shipment.".

Mr. STEVENS. Mr. President, this amendment provides a compromise of the final remaining issue between the legislation reported by the Commerce and Judiciary Committees. It concerns the filing and enforcement of tariffs. Adoption of this compromise I think would permit us to proceed with this long overdue legislation.

The Judiciary Committee amendment would revise some of the provisions of the Commerce Committee bill to in effect repeal the requirement that carriers publicly file and adhere to tariffs. Probably no amendment has been more contentious or divisive. The intent of the amendment, like all others proposed by the Judiciary Com-

mittee and accepted by the floor managers of S. 47, is to promote competition. There is widespread concern that instead the amendment would result in discrimination against small ports and small businesses, preclude enforcement against foreign shipholders, and disadvantage U.S. exporters.

Although there has been some support for the Judiciary Committee's position, the amendment has been strongly opposed by the U.S. ports, the carriers, U.S. labor, and others involved in this issue.

Given this impasse, it seems to me the sensible approach is to compromise and simply retain existing law without change while proceeding with the rest of the changes in the Shipping Act that are widely supported by all of the affected parties. While existing law with regard to this subject may not be perfect, it nonetheless does provide a strong basis for compromise and agreement among the affected parties and no one can assert injury by preservation of the status quo on this subject.

Mr. President, the amendment in the second degree that I have offered will preserve the existing provisions of the Shipping Act that have been in effect since 1963. I believe that this compromise can effectively settle this issue now between the Commerce Committee and the Judiciary Committee and it should enable us to join together and support this much needed legislation.

What this amendment does is to delete the Commerce Committee provisions with respect to tariff filing and enforcement and reinstate paragraph 3 of section 18 of the existing law which the Commerce Committee had stricken and inserted other language in lieu of that existing provision. All other changes in this amendment are strictly of a conforming nature, and as I said the intent of it is to preserve existing law and to preserve the interpretation of existing law as it has been provided in the past under the Shipping Act.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the Judiciary Committee offered 15 amendments to this bill which we feel are in furtherance of the public interest. Fourteen of these amendments have been accepted and adopted today.

I rise in opposition at this time to the amendment offered by the distinguished Senator from Alaska to UP amendment No. 4 which is one of the amendments in the Judiciary Committee's package and shall make a very brief reply.

Although some have characterized it as a compromise on the issues of tariff filing and enforcement, unfortunately it is not. The issue raised by this amendment is clear: Should there continue to be tariff filing and enforcement of tariffs by the Federal Maritime Commission? The Stevens amendment says yes; the Committee on the Judiciary says no.

Before adopting the committee amendment, which the Senator from Alaska now seeks to amend, the Judiciary Committee studied this matter thoroughly. Both the administration and a unanimous Federal Trade Commission support our committee amendment and not the Stevens amendment thereto.

While I understand the desire of the Senator from Alaska to preserve the status quo regarding tariff filing and enforcement, I cannot support his amendment. It directly conflicts with the Judiciary Committee's resolution of this difficult policy question and would serve to undermine the strength and effect of our effort to address the antitrust implications of S. 47. It is my belief that the Judiciary Committee amendment is in the public interest, without being amended by the Stevens amendment.

Mr. President, I must urge the defeat of the amendment by the distinguished Senator from Alaska.

The able Senator from Utah (Mr. HATCH) will speak briefly in behalf of the Judiciary Committee on this subject.

I now yield to the distinguished Senator from Utah.

Mr. HATCH. Mr. President, I have been concerned about the committee's jurisdiction of this bill. However, at this particular point in the proceedings, it is not my important consideration. I really have to offer my support to what has been referred to as Senator THURMOND's "tariff filing and enforcement" amendment.

Under current law, carriers are permitted to participate in conferences which set the terms and prices for the carriage of sea cargo. The Federal Maritime Commission (FMC), however, must review these agreements to determine if they are "contrary to the public interest." Only after the FMC has determined that the anticompetitive restraint is required by a serious transportation need, is necessary to secure important public benefits, or is in furtherance of a valid regulatory purpose of the Shipping Act, will antitrust immunity be granted for the activity. The agreement is then filed with the FMC which has the responsibility for enforcing it.

While these prices filed by the conferences are called tariffs, it should be noted that the FMC has no role in setting prices. The carriers alone determine the rates which their conference will file. And if there is some wrong committed by a carrier offering a discount from the tariff filed by his conference, it cannot be considered a wrong committed against the Government, or against shippers, or against consumers. At most, it is a wrong committed against the members of the conference who agreed to fix prices at a different level.

What we have here is price fixing par excellence. What we have here are cartel members being able to tell everybody else to get lost, and that concerns me a great deal.

S. 47 eliminates the FMC's "public interest" review of proposed agreements. And instead, the bill grants blanket antitrust immunity, with two very limited exceptions, to any agreement which carriers choose to reach. At the same time, S. 47 provides that the agreements will continue to be filed with and enforced by the FMC.

According to the House report filed on last year's version of this bill, the Department of Transportation has stated that the United States is "the only country on Earth that polices the price-fixing agreements of ocean carriers." And "if the rest of the world can price fix, without government help, why can't we?"

Mr. President, I object to the anticompetitive provisions of this bill, on which I elaborated in my opening remarks, but my objection is greatly multiplied against the provision of this bill which requires the U.S. Government to enforce price-fixing agreements.

I understand that U.S.-flag carriers oppose this amendment. Let me ask what industry would not want cartel authority, and then have the backing of their government in enforcing that cartel's agreements. These conferences have there own enforcement mechanisms and if the cartel members cannot hold together, a problem currently besetting the OPEC cartel, then let the members compete, and let consumers benefit.

Additional views in the House report state that U.S.-flag carriers demand Government enforcement of their cartels, because without such Government backing, their foreign competitors would cheat on the conference price. The report continues:

> Yet, these carriers tell us that the purpose of the conference as an institution is to allow for greater efficiencies so that goods can be transported at competitive rates. We are not asked to endorse the conference system so that monopoly overcharges may be exacted from the American people. We support the conference system for their benefit. So if the U.S. flag carriers are correct, foreign competition should not be a problem so long as we treat ocean carriers within our jurisdiction in the same manner that foreign governments treat ocean carriers within their jurisdictions. If the U.S. flag carriers are incorrect and the purpose of this legislation is to support monopoly tariffs, then "cheating" by those who want to cheat will continue, coaxed by market forces, yet either undetected in the maze of our over regulation or unreachable beyond our jurisdiction. Not only is it true that the FMC should not enforce tarifffs, it is true that the FMC cannot enforce tariffs.

The Judiciary Committee "tariff filing" amendment supports these views. This amendment would not remove the FMC authority to safeguard against predatory pricing, unjust discrimination, or other potential abuses of monopoly power. But, the amendment, approved unanimously be the Judiciary Committee, would remove the Federal Maritime Commission from the job of enforcing price-fixing agreements among ocean carriers. Without this Judiciary Committee amendment, ocean carriers not only would have complete immunity from antitrust laws, but, also, they would have the Federal Government seeing to it that no carriers offered discounts from the fixed price.

The Reagan administration and the unanimous Federal Trade Commission strongly support the Judiciary Committee amendment, as our chairman of the Judiciary Committee has stated on the floor. Testimony submitted by the Department of Transportation, on behalf of the administration, states:

> The Administration is . . . strongly opposed to the provision of S. 47 that would continue to require the filing of tariffs and their enforcement by the Federal government. The government has no business enforcing the prices fixed by a private producer group.

I could add to that that the Government has no business enforcing private agreements made by a cartel for the purpose of fixing prices, to the detriment of consumers in the United States.

Thomas J. Campbell, speaking on behalf of the Federal Trade Commission—consisting of three Republicans and two Democrats—also testified on this point. Mr. Campbell stated that:

> If it is necessary to grant antitrust immunity to these shipping cartels, then it would seem highly desirable that the FMC's authority over tariff filing and tariff enforcement be repealed.

This amendment is also supported by exporters and importers, farmers, consumer groups, and the American Association of Retired Persons.

Finally, I should like to once more commend the chairman of the Judiciary Committee for his sponsoring this amendment in the full committee, and for advocating this amendment on behalf of the Judiciary Committee before the Senate today. I urge my colleagues to support this vital amendment, and to oppose any effort to undermine its intent.

Furthermore, I understand that if the Stevens amendment should happen to be adopted rather than the amendment of the chairman of the Judiciary Committee and the full Judiciary Committee in support thereof, we would just go back to the same system, whereby the Federal Government would be sanctioning and enforcing private cartel agreements that are made to the detriment of individual consumers throughout the United States—not only consumers but also those who do shipping on a positive basis. I think this is wrong. I believe this undermines the very basis of the antitrust laws. It really takes away the protections that consumers should have.

I urge all Senators to vote for the amendment of the distinguished Senator from South Carolina.

Mr. GORTON. Mr. President, the retention of tariff requirement is not only widely supported by the vast majority of all interests, carriers, labor unions, ports, and most shippers, but it is a procompetitive rather than anticompetitive feature of the present regulatory system and of S. 47.

I should emphasize most strongly that should S. 47 not pass, tariff filing and enforcement will continue along with the many other features of the present law which not only hobble competition but which consistently add to the costs of ocean transportation on the part of both American importers and exporters.

It is the purpose of the distinguished Senator from Alaska (Mr. STEVENS) and his amendment to retain existing requirements not to move to a new and untried system in the field of regulation of ocean commerce.

The 68 days of hearings on shipping reform legislation which have been held by the Commerce Committee in recent years show broad and deep support for tariff requirements. Speculative arguments have been advanced that tariff requirements are anticompetitive, but they are pure speculation and they have brought forth no evidence to support those contentions. To the contrary, tariff requirements interact with other provisions in S. 47 in a manner which both promotes competition and provides certainty in the uncertain world of international trade.

The following points make clear that tariff requirements should be retained.

First. Tariff requirements promote competition by providing the shipping public with information on carrier rates and the services included in such rates. This information facilitates comparison shopping by shippers and the development of new price offerings by any carriers which discover that they are not competitive with the tariffs of other carriers. Information is the key to competition.

Mr. President, I wish to reemphasize that point. Competition is not possible in the absence of information as to what prices are. Tariff filing and enforcement simply see to it that every potential shipper can find out what the price of the carriage of goods are and can enforce that price against predatory activity in favor of its competitors. If a shipper does not know which carrier offers the lowest rate, that low priced carrier has no more than a random chance of getting that shipper's business. The tariff system, thus, promotes competition by facilitating the activity of information.

Second. Tariffs also facilitate Federal Maritime Commission enforcement of critical procompetitive provisions of the S. 47, such as the prohibitions against predatory pricing, unreasonable boycotts, and against conferences engaging in practices other than those authorized. Open and widely publicizing the tariff terms under which ocean transportation services are offered is the best protection against anticompetitive or predatory conduct.

Third. Tariffs facilitate enforcement of the antidiscrimination provisions of the legislation. From tariffs, both shippers and the Federal Maritime Commission are more readily able to determine the existence of discriminatory practices and file complaints and take other enforcement actions.

Fourth. Abolition of tariff requirements has almost no support from persons engaged in the real world business of ocean shipping.

And I wish to emphasize that this does not only apply to carriers but to most shippers as well, as well as to the other professions which are intimately involved in ocean shipping.

Fifth. Tariffs involve more than just rates, but also set forth what is included in these rates. Loading and unloading practices, demurrage, and other key components of a complete rate/service offering are reflected in tariffs. Thus, without tariffs, the Federal Maritime Commission would be restricted, compared to the present, in its ability to exercise its authority with respect to conference efforts to collectively set conditions of service. The Federal Maritime Commission would be hindered in measuring the effect of concerted activities with respect to rates and/or services in the competitive environment.

Sixth. The availability of tariff information is critical to ports. Decisions to invest millions of dollars in port facilities depend on information as to the demand for those facilities. The competitive status of carrier rates for service to a particular port and to competing ports is probably the critical indicator of demand for a port's services and the need to modernize a port's services.

Seventh. It should be noted at this point that this Judiciary Committee amendment does not affect the controlled carrier provisions of this act. Those provisions apply to carriers which are owned by various foreign flags including Eastern bloc nations which will be required to follow tariffs in any event. Precisely the rationale for requiring them to continue to file their tariffs apply to competition on the part of privately owned carriers,

both those under the American flag and those under foreign flags.

Eighth Tariffs are the key to enforcement of the provisions of the bill against secret rebating.

Ninth. Under S. 47, there is complete opportunity for ocean carriers and conferences, other than controlled carriers, to reduce tariff rates without Federal Maritime Commission approval. Yet those who would abolish tariff requirements appear to be saying little more than that ending tariff requirements would promote rate competition. Thus, those opponents of tariff requirements do not appear to recognize that, under this legislation, tariff rate reductions can be implemented on a moment's notice, only increases in rates are delayed in implementation. Thus, the secret rebating which would certainly result from the abolition of tariff requirements—rebating which appears to be all but advocated by the opponents of tariff requirements—is not needed to promote price competition. Secret rebating is simply an abuse that handicaps the ability of American carriers to compete fairly, under a bill which already allows price flexibility.

In addition, of course, secret rebating will almost exclusively be directed at large shippers and not against small shippers whose interests are so strongly advanced by this legislation. Further, the bill adds numerous devices such as service contracts and loyalty contract reforms to further enhance price competition.

Tenth. Tariff requirements are the handle by which the Federal Maritime Commission regulates the right of carriers to serve the U.S. trades. For severe violations of the law, the Federal Maritime Commission may suspend a carrier's tariffs. Since tariffs must be on file as a prerequisite to a service being offered, suspending a carrier's tariff is a straightforward and workable way of insuring compliance with the law, as the suspension of the tariff bars the offering of the service. The opponents of tariff filing have developed no substitute for this remedy, which is an important part of the bill's overall regulatory scheme. Those who would abolish tariff filing would allow illegal rebaters and predatory carriers to abuse the privilege of serving American ports with impunity.

An excellent analogy and precedent in this respect is the Airline Deregulation Act of 1978. In that act, Congress deregulated the air transportation industry. The objectives were to introduce competitive forces into the air transportation industry as much as possible. That act provided that in domestic air transport, carriers would no longer be required to file tariffs. Despite the extensive changes Congress made in the economic regulation of domestic air transportation, after lengthy debate and study, Congress continued the tariff filing and enforcement requirement in international air transportation when it passed the International Air Competition Act of 1980. International carriers by air are today required to file tariffs with the Civil Aeronautics Board, and those tariffs are subject to suspension by the Board.

S. 47 will follow the international aviation precedent if the Stevens amendment is adopted. Senator STEVENS' amendment is a compromise, and simply retains existing law without change. While existing law with regard to this subject may not be perfect, it nonetheless provides a basis for compromise. The existing tariff system works. American carriers, labor, and ports are unequivocally opposed to eliminating tariff filing and enforcement.

I wish simply once again to emphasize the fact that in the deregulation of air transportation Congress quite consciously sought not to end tariff filing and enforcement in international air transportation. It did so because customs in other countries are radically different from our own, and because many air transport companies serving international routes are owned by the nations in which they are located.

Precisely the same condition exists in the transportation by sea. It is an entirely different kind of business than is domestic trade by air, by rail, or by truck, and precisely the justifications which remain for requiring tariff filing and enforcement and nondiscrimination on the part of international air carriers apply with equal or greater measure in the transportation of goods by water.

Mr. METZENBAUM. Mr. President, will the Senator from Washington yield for a question?

Mr. GORTON. The Senator will.

Mr. METZENBAUM. The Senator from Washington has stated at an earlier point, and states once again, that labor supports this amendment—I am speaking about the Stevens amendment, that labor supports the Stevens amendment.

My understanding is that the AFL-CIO has a neutral position on the overall subject. My further understanding is that Mr. Frank Drozak, the head of the Maritime Trades Department of the AFL-CIO said in connection with this bill generally:

> While the regulatory bill may help the liner operators, it will also assist the foreign operators as well.

He was speaking about the bill last year.

> This is basically a housekeeping chore which will not develop the American maritime industry, will not create one new job, and will not reduce the unemployment problem of this country. Passage of this bill will increase the unemployment of American seamen, shipyard workers, and American supply businesses and will siphon off American taxes abroad.

In view of that statement and in view of the fact that Mr. Dennison, legislative counsel of the AFL-CIO, has advised me directly that the AFL-CIO has no position on the bill, would my good friend from Washington indicate on what basis he represents to the Senate that labor sides with supporting the Stevens amendment?

Mr. GORTON. I thank the Senator from Ohio for his question.

I would, in response, read into the RECORD at this point a copy of a letter which I hold in my hand, the heading of which is "AFL-CIO Maritime Committee, The Voice of Maritime Labor, 100 Indiana Avenue NW., Washington, D.C. 20001," and which is dated February 23, 1983, less than 1 week ago, which is addressed Senator PACKWOOD and reads as follows:

FEBRUARY 23, 1983.

Senator BOB PACKWOOD,
Russell Senate Office Building
Washington, D.C.

DEAR SENATOR PACKWOOD: We understand that during consideration of S. 47, the Ocean Shipping Act of 1983, the Judiciary Committee will be offering an amendment to eliminate the liner operators' current requirement of filing their tariffs with the Federal Maritime Commission and the F.M.C.'s authority to require compliance with such tariffs.

The AFL-CIO Maritime Committee has actively supported this legislation for several years but we are absolutely opposed to this Judiciary Committee amendment that would eliminate these requirements.

We respectfully urge your support for the defeat of this amendment.

Sincerely,

TALMAGE E. SIMPKINS,
Executive Director.

Mr. METZENBAUM. Is it not the fact that the AFL-CIO Maritime Committee is not actually affiliated with the AFL-CIO, and that on—I have in my hand a letter dated December 14, 1981, in which the Maritime Trades Department of the American Federation of Labor and Congress of Industrial Organizations wrote to Members of the House saying as follows:

> For your information, we would like to advise you that the only official representatives of Maritime Trades Department, AFL-CIO, who will be working on legislative matters on Capitol Hill are * * *

and then they list seven different names, one of which is not Mr. Talmage Simpkins, executive director, and it does not show anywhere in his letter any talk about the AFL-CIO Maritime Committee which, it is my understanding, is sort of an ad hoc committee for management and labor and not the official voice of the AFL-CIO?

Mr. GORTON. I simply answer the Senator from Ohio by stating that the quotation he has made is now, I believe—was it in 1982 or 1981?

Mr. METZENBAUM. The official statement as to who speaks for the

maritime trades is dated December 14, 1981. The statement of Mr. Drozak was made, I believe, in a speech, if my recollection serves me correctly—it was made on October 14, 1982, in connection with this matter.

So we have the AFL-CIO Maritime Committee representing their opposition to the Judiciary Committee amendment but that, if you will notice, even their stationery does not indicate that it is officially affiliated with the AFL-CIO or that it has authority to speak for it; whereas the Maritime Trades Department stationery indicates who has authority to speak for the AFL-CIO, and it does not list that group nor does it list Mr. Simpkins.

I am representing—and I would like the attention of my friend from Washington for 1 minute—to the distinguished Senator from Washington that Ray Dennison, the official spokesperson for the AFL-CIO has told me that labor, the AFL-CIO, does not have a position with respect to this legislation; and I am further representing that as of last Friday Mr. Dennison indicated to my staff that the only people who had authority to speak for the AFL-CIO were the seven people listed here:

Frank Drozak, President.

Jean F. Ingrao, Executive Secretary-Treasurer.

Marianne Rogers, Political Director.

Elizabeth Coker, Legislative Representative.

Frank Pecquex, Legislative Representative.

Mark Reihl, Legislative Representative.

Fred Somers, Legislative Representative.

And, therefore, I do not believe the AFL-CIO—in fact I do not have to say I do not believe, I feel certain in stating correctly that representing the position of the AFL-CIO is that of a nonposition.

Mr. GORTON. With respect to the distinguished Senator from Ohio, in the formal part of my remarks before he interrupted me with this question, I referred to organized labor. I did not refer specifically to the AFL-CIO, although the letter I have just read to the Senator does come from the AFL-CIO Maritime Committee.

I also point out to the Senator that both the statement of December 1981 and oral statements of last fall on the part of Mr. Drozak obviously do not apply to the Judiciary Committee amendment with which we are dealing at the present time because abolition of tariff filing was not included in any of the bills which were considered by the 97th Congress.

It was not until a meeting of the Judiciary Committee 6 days ago on last Tuesday that this became an issue. Obviously, in a period of 6 days the formal endorsing council of the entire AFL-CIO would not have an opportunity to take a position on a particular amendment. A group which is very, very intimately involved in the maritime trade on behalf of maritime labor has done so. I have read it into the RECORD, and I suppose that the summary is the letter which I have read on the correspondence which the Senator from Ohio has read into the RECORD must stand for whatever weight either of them may carry in the debate.

Mr. METZENBAUM. I agree.

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

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

Mr. LONG. Mr. President, I send an unprinted amendment to the desk on my own behalf and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair will advise the Senator there are two amendments currently pending.

Mr. LONG. Mr. President, I ask unanimous consent that they be temporarily set aside and that I may call up my amendment.

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

UP AMENDMENT NO. 20

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 20.

Mr. LONG. 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:

On page 95, line 7, strike out "or".

On page 95, line 11, strike out the period and insert in lieu thereof "; or".

On page 95, between lines 11 and 12, insert the following:

"(D) permits United States flag carriers to carry cargo of the importing or exporting foreign state which would otherwise be unavailable to such carrier, or available only on unequal terms by reason of the cargo reservation laws or trading practices (governmental or otherwise) of such state, provided that such agreement is not unjustly discriminatory among United States flag carriers."

On page 76, line 23, following "state,", insert the following: "and recyclable or recycled metals and metal bearing materials, waste paper or paper waste,".

Mr. LONG. Mr. President, it would be simpler to explain this amendment because the meaning is not clear from the mere reading of it.

I would like to explain the second part first because it is easiest to explain. The second part of the amendment, Mr. President, seeks to treat recyclable materials on the same favorable basis as is the case with regard to the virgin materials with which they compete and is the case with regard to bulk cargo. In other words, as S. 47 now stands, the tariff filing requirement would not apply to certain virgin materials nor would it apply to bulk products. It would apply, without this amendment, however, to wastepaper, let us say. Wastepaper competes with pulpwood, it competes with wood chips, and it is only fair that it be treated on the same basis, that we not discriminate against recyclable materials in favor of their competing virgin material counterparts.

In fairness to the recyclable industry, it should be treated on the same competitive basis as is the other.

The first part of the amendment, Mr. President, deals with the matter of equal access and pooling agreements. This part would require approval of equal access and pooling agreements entered into by U.S.-flag vessels out of necessity by reason of the cargo reservation laws or trading practices of other foreign countries. There was a provision in the House-passed compromise bill of last year that is essential to our carriers in the United States-South American trade. This amendment would add such a provision to S. 47.

The problem is the cargo reservation laws and trading practices of most Latin American countries restrict access to national flag and associated carriers. To establish associated carrier status, some U.S.-flag carriers have, of necessity, become a party to several equal access or pooling agreements in these trades. The effect of S. 47 without the language included in my amendment is to penalize U.S.-flag carriers by excluding them from trades where these restrictive laws of other countries exist.

Adoption of this amendment would merely require approval of equal access pooling agreements entered into by U.S.-flag carriers out of necessity by reason of the cargo reservation laws or trade practices of foreign countries.

Mr. President, this amendment is necessary in order to avoid doing unnecessary damage to American carriers who, through no fault of their own, are required to comply with the laws of foreign countries.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, as chief sponsor and manager of the bill, I simply wish to say that the dedication of the Senator from Louisiana to reforms of the Ocean Shipping Act of 1916 has existed far longer than I have been a Member of the Senate and has been highly principled and ef-

fective during that period of time. I wish to associate myself with his remarks and agree to the amendment.

Mr. LONG. I thank the Senator very much. I hope the amendment will be agreed to.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (UP No. 20) was agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, what is before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Alaska in the second degree is pending to the amendment of the Senator from South Carolina in the first degree.

Mr. GORTON. I thank the Chair.

UP AMENDMENT NO. 19

I will now summarize and conclude my reasons for supporting the amendment of the distinguished Senator from Alaska.

The Judiciary Committee amendment would repeal existing law requiring international ocean carriers to publicly file and adhere to tariffs. In contrast, the Commerce Committee would require that this basic element of common-carrier service be preserved, just as it has been in international aviation.

The amendment of the Senator from Alaska would resolve these differing positions by simply restating current law word-for-word. When the General Accounting Office study required under S. 47 is completed, Congress can then determine the proper ways to proceed on this highly controversial issue.

Tariff filing and enforcement is important:

First, the Antitrust Subcommittee of the Judiciary Committee of the House recommended tariff filing and enforcement as far back as 1962, and it has been the law since. The "Stevens' compromise" would simply continue that law.

Second, the amendment assures that similarly situated exporters and importers receive equal treatment in ocean shipping. It is the basis of the principle that ocean cargo carriers are common carriers. As such, they are prohibited from unjustly discriminating against other carriers, ports, or shippers. Without tariffs, these prohibitions are largely unenforceable, since secrecy will be encouraged.

Third, one of the major purposes of S. 47 is to assure that American companies engaging in international commerce are subjected to the same ground rules as their foreign competition. Unless there are tariffs to suspend, the enforcement mechanisms requiring foreign carriers to obey U.S. law become meaningless.

I wish to substantially emphasize that latter point. One of the great paradoxes and problems of the present law is the fact that the antitrust laws, to the extent that they apply in this area, are imposed and enforced almost solely against American-flag carriers. In curing that, we do not wish to go into a worse discrimination under which American carriers can effectively be regulated by the Federal Maritime Commission, but their foreign competition cannot be.

Eliminating tariff enforcement unfairly penalizes U.S.-flag carriers. Foreign shipping companies would be able to practice under-the-table pricing prohibited to American carriers under the Foreign Corrupt Practices Act, and engage in price discriminations unfair to American importers and exporters. The best way to prevent this is to require both United States and foreign carriers to adhere to their published rates.

Fourth, it has been argued that private enforcement actions are all that is necessary. However, this simply will not work. First, there is the extreme expense of bringing court action and conducting proceedings in foreign countries, as well as in U.S. courts. The biggest companies can afford it, but small shippers cannot. Second, foreign countries have often come to the aid of their carriers, and have prevented the application of U.S. laws in their countries. This is why some foreign carriers would not mind if the Judiciary repeal of tariff enforcement is successful. It is only the American interests that oppose the Judiciary amendment.

Mr. President, that concludes my remarks on the amendment of the distinguished Senator from Alaska. Unless there are other Members who wish to speak to the Stevens amendment, I believe that we have the majority leader coming to the floor to propound a unanimous-consent request which has met with the approval of all parties.

I note the Senator from Ohio standing. Does he wish to speak on the Stevens amendment?

Mr. METZENBAUM. Yes; I do, Mr. President.

Mr. GORTON. I yield the floor.

Mr. HATCH. Mr. President, will my friend from Ohio yield to me?

Mr. METZENBAUM. Yes.

Mr. HATCH. I should like to speak after the Senator from Ohio speaks.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I think we ought to understand what this amendment is all about. First, the suggestion has been made that all we are doing is putting back the current law. We cannot put back the current law in view of the fact that this bill is being amended in a host of different areas.

Back in 1962, there was a whole Federal Maritime Commission regulatory scheme. Since then, we have deregulated most transportation industries because of a renewed faith in the free enterprise system's ability to set prices. What this amendment will do is make it possible to deregulate ocean shipping, permit the cartels to engage in price fixing and in territory agreements, and permit pooling of revenues, but it will leave the worst aspect intact. It will make it possible for the Federal Maritime Commission to enforce the price-fixing aspect of the cartel.

We have to understand what that is all about, Mr. President. What we are really saying is that the cartel may operate that we are going to legalize by other sections of this measure. We are going to violate the antitrust laws—that is bad enough; then we are going to say that the Federal Maritime Commission is going to enforce the cartel agreement.

You have to understand why the cartel wants the enforcement. They want it because they are concerned that some members who agreed to the cartel will in fact violate the cartel. Ask the OPEC nations what that is all about. They found they did not have a means to provide enforcement, and the shipping industry does not have a means to provide enforcement. So if you accept the Stevens amendment, which the Judiciary Committee unanimously opposes, what you are in effect doing is saying that the Federal Government will be the policeman to enforce the cartel arrangement.

As Tom Campbell of the Bureau of Competition, speaking on behalf of all five members of the Federal Trade Commission, stated:

> There are two aspects, the posting of tariffs and the enforcement of tariffs. The Congress should know that the United States would in adopting this legislation join only 1 other county, Canada in having an arm of the government enforce cartel tariff agreements. None of the European trading partners have them. So, to whatever extent the argument is that it is necessary to help us come to the same footing as our European trading partners, I do not see why an arm of the Federal Government should be involved in enforcing prices fixed by this cartel. Let the cartel enforce its own prices if we must have a cartel.

The chairman then said to Mr. Campbell:

> Mr. Campbell, would you recommend that tariff filings and enforcement provisions be amended out of this bill?
>
> Mr. CAMPBELL. I would.

The Thurmond amendment would take it out. The Stevens amendment would put it back in.

Mr. President, I think it is important that we give some heed in this instance, and I would not always agree to that but in this instance I do, to the position of the Reagan administration, because the Reagan testimony submitted by the Department of Transportation on behalf of the administration stated as follows:

The administration is strongly opposed to the provision of S. 47 that would continue to require the filing of tariffs and their enforcement by the Federal Government. The Government has no business enforcing the prices fixed by a private producer group.

Mr. President, I do not always agree with the Reagan administration, but when they are right, they are right. In this instance, they are right. Therefore, in my opinion, the Stevens amendment should be rejected.

Eliminating this function does not expose the carriers to antitrust liability. It merely means if they want to price fix, they have to do their own supervision. If they want to have a cartel, which I oppose, then I, sure as the devil, do not believe that the U.S. Government ought to be providing enforcement of that cartel's provisions.

I yield the floor to the Senator from Utah.

Mr. HATCH. I thank the Senator.

The analogy has been made to the Airline Deregulation Act of 1978. It is argued that, although domestic airline transportation has been deregulated, tariff filing and enforcement was retained for international air transportation. However, there are significant differences between the manner in which tariffs are computed and filed in the international airline context and the tariff filing and enforcement proposed in this legislation for ocean common carriers. These differences make the analogy completely invalid, in my opinion.

First of all, before airlines are even permitted to meet to discuss tariffs, they must ask permission of the Civil Aeronautics Board. The ocean carriers, by contrast, are allowed to meet in their conferences any time they please to discuss and fix prices. Once the airlines have settled on an agreed tariff, they are required to submit it to the CAB. At that point, the tariffs are subject to challenge on the basis of reasonableness, and the CAB will review them if any such challenge is made. Even after the CAB has approved the reasonableness of the tariff, the President of the United States may exercise a veto power to disapprove the fare. In fact, the President exercised this power just last week in refusing to permit a proposed Canadian fare schedule to go into effect.

By contrast, S. 47 provides for no review of the tariffs set by the private conference cartels. There is no procedure for challenging these tariffs and certainly no evaluation of their reasonableness by either the CAB or the President.

Thus, the analogy to international airline tariffs is fatally flawed. It is one thing to permit the Government to enforce a tariff that it has had the opportunity to review for reasonableness, and to veto if it is unreasonable. It is quite another matter to have the U.S. Government enforce a price agreement reached by private parties in an unregulated cartel. This is going too far, and this is the practice that the Judiciary Committee amendment would stop.

Mr. President, I do believe that Senator THURMOND is more correct on this amendment and that we should support him.

In addition, I would like to put into the RECORD at this point a letter from Allen R. Ferguson, representing the National Institute of Economics and Law, and a statement in opposition to the proposed Ocean Shipping Act of 1983, S. 47, where the undersigned economists strongly oppose the Ocean Shipping Act of 1983.

I might just mention that the economists who signed this statement are:

Prof. Walter W. Heller, regents professor of economics, University of Minnesota, former Chairman, President's Council of Economic Advisers.

Sydney L. Jones, resident scholar, American Enterprise Institute, former Assistant Secretary of Treasury, 1974–77 and former Assistant Secretary of Commerce, 1973–74.

Dr. Thomas Gale Moore, senior fellow, Hoover Institution.

Prof. Lester Thurow, Massachusetts Institute of Technology.

Prof. James Tobin, Yale University, Nobel laureate, former member, President's Council of Economic Advisers.

Allen R. Ferguson, chairman, National Institute of Economics and Law.

I ask unanimous consent that this letter and this statement be printed in the RECORD at this point.

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

NATIONAL INSTITUTE OF ECONOMICS AND LAW,
Washington, D.C., February 25, 1983.

Hon. ORRIN HATCH,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HATCH: I understand that you are deeply concerned about some aspects of the currently pending "Ocean Transportation Shipping Act of 1983." Consequently, I am sending you the enclosed statement in opposition to the bill, signed by six prominent economists extending over a very broad range of policital identities.

You may recall that I met you in an entirely different context, when I was serving as co-chairman of the Social and Economic Committee of the Food Safety Council two years ago.

Sincerely,

ALLEN R. FERGUSON.

STATEMENT IN OPPOSING TO THE PROPOSED "OCEAN SHIPPING ACT OF 1983," S. 47

We the undersigned economics strongly oppose the Ocean Shipping Act of 1983. This is one of many special-interest bills intended to reduce the effectiveness of the antitrust laws. It would provide the ocean liner cartels (called "conferences") virtually total exemption from the antitrust laws and would annul much of the present limited governmental regulation. Yet it would require the United States Government, through the Federal Maritime Commission, to enforce price regulation established by private parties—giving their price agreements the force of law.

The bill would permit the cartel carriers to increase profits in ocean transportation and to protect those profits from competition. Higher liner rates can be expected to follow, and would, in some markets, be much higher.

The bill would impose on American consumers, workers, importers, farmers and other exporters, a burden of subsidizing foreign liner companies. In recent years, approximately three-quarters of the liner traffic has been carried in foreign-flag ships; consequently, the vast majority of the increase in profits would go to foreign companies, with a small fraction to American operators.

The bill provides a bail-out for an inefficient American industry—a bail-out that is provided through a kind of off-budget financing by permitting more monopolistic pricing as, in effect, concealed subsidies. The legislation would, thus, create legal, unregulated monopolies in an essential service that handles import and export shipments amounting to $148 billion in 1981. Although the bill is alluded to as a regulatory reform bill, it, in fact, undermines the premise of deregulation, namely that, freed of regulation, industries will be competitive—not cartelized.

The bill would serve special interests, predominantly foreign ocean liner operators, and would reduce jobs, make American products less competitive abroad, raise consumer prices at home, and require the government to enforce cartel agreements. It should be defeated.

RECESS FOR 1 MINUTE TO GREET GOV. MARIO CUOMO OF NEW YORK

Mr. BAKER. Mr. President, I observe that the distinguished Governor of the State of New York is in the Chamber. We welcome the Governor of New York. I ask unanimous consent that the Senate now stand in recess for 1 minute so that Members may greet him.

There being no objection, at 4:21 p.m., the Senate recessed until 4:22 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CHAFEE).

SHIPPING ACT OF 1983

The Senate continued with the consideration of the bill, S. 47.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I have just a brief summary before we finish

dealing with the amendment of the Senator from Alaska.

It is a paradox that the position for which both the Senator from Utah and the Senator from Ohio argue is one which would penalize the American merchant marine very, very significantly by causing easy enforcement against it of the requirements of ocean conferences here in the United States, but would make it almost impossible to enforce the same agreements against its foreign competition.

It is also a paradox that they argue for a system which would very significantly penalize the small- and medium-size shippers of the United States who, in the absence of filed tariffs, will have no convenient or practicable way of knowing whether or not they are getting the best possible deal. Nothing in the amendment by the Senator from Alaska prevents competition. As a matter of fact, it enhances competition because the most important factor in competition is knowledge about the competing parties. Tariffs provide that knowledge. There is so much independent action at work and so many services offered by nonconference carriers that the provisions of the Stevens amendment requiring the filing of tariffs mean that that competition is real for the small- and medium-sized shippers. This competition is real; it is not based simply on a theory on behalf of the sponsors of the Judiciary Committee amendment, a theory which would harm small shippers as well as the American merchant marines.

With that, Mr. President, I believe that debate on the so-called Stevens amendment is at an end.

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.

Mr. BAKER. Mr. President, there are a number of other amendments to be dealt with; and as Members will recall, there is an order for a cloture vote at 4 p.m. tomorrow, with the time between 2 and 4 p.m. to be equally divided and under the control of the majority leader and the minority leader or their designees. What that means is that we may be hard-pressed to finish before 4 p.m. all the items I am about to describe and enumerate, unless we come in much earlier than had been contemplated originally.

I am about to propound a unanimous-consent request, and I earnestly invite the attention of Senators who are involved, because I have to do it on a piecemeal basis. But I believe we can arrange the schedule of the Senate for the remainder of this day and tomorrow in a way that will accommodate the needs of all Senators.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

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

Mr. BAKER. Mr. President, I might say that Senators should be reminded that we originally had an order for 11:30 a.m. tomorrow, and this is advancing the time for the convening of the Senate until 9 a.m.

ORDER FOR THE RECOGNITION OF SENATOR CHAFEE ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order the Senator from Rhode Island (Mr. CHAFEE) be recognized for not to exceed 15 minutes on special order.

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

Mr. BAKER. The occupant of the Chair is most gracious in that respect.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that following the execution of the special order there be a period for the transaction of routine morning business not to extend past 9:45 a.m. with statements limited therein to not more than 5 minutes each.

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

Mr. BAKER. Mr. President, at the conclusion of the period for the transaction of routine morning business and not later than 9:45 a.m. the Senate will resume consideration of the pending business, which is S. 47.

UNANIMOUS-CONSENT REQUEST—S. 47

Mr. BAKER. Mr. President, I ask unanimous consent that after the Senate resumes consideration of S. 47 tomorrow there be 10 minutes of additional debate on the Stevens amendment to be equally divided between Senator STEVENS and the distinguished Senator from——

Mr. METZENBAUM. Senator THURMOND.

Mr. BAKER. Yes; between the distinguished President pro tempore, Senator THURMOND, and the minority leader or his designee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BYRD. Mr. President, reserving the right to object, I cannot agree to any further items on this until I check with my colleagues which I will do as rapidly as possible.

Mr. BAKER. Very well.

Mr. President, let me describe then what else I wish to do and perhaps the minority leader can consider the whole thing in sequence.

I withdraw the request in respect to the 10 minutes on the Stevens amendment in view of the reservation of the minority leader.

Mr. President, I would propose that when the Senate resumes consideration of S. 47 on tomorrow there be 10 minutes of additional debate on this Stevens second-degree amendment dealing with tariffs to be equally divided between the distinguished Senator from South Carolina (Mr. THURMOND) and the minority leader or his designee.

I further propose—and may I say this is not a request; I am describing it for the RECORD and for the minority leader and other Senators—that after the disposition of the Stevens amendment by vote on or in relation to that amendment the Senate then proceed immediately to vote on the underlying Thurmond amendment on or in relation to the underlying Thurmond amendment without further debate, amendment, or point of order.

Mr. President, after the disposition of the Thurmond amendment, I would then ask that the Senate turn to the consideration of the Hatch amendment on which there would be a time agreement of 30 minutes equally divided to be controlled by the distinguished Senator from Utah and the distinguished minority leader or his designee, on or in relation to the Hatch amendment.

After that, Mr. President, I would propose the Senate turn to the consideration of the Boschwitz amendment dealing with cargo preference on which there would be 40 minutes equally divided, and that after the disposition of the Boschwitz amendment the Senate turn to the consideration of seven Metzenbaum amendments dealing with: First, Justice/FTC revenue pool injunctions; second, loyalty contract limits; third, strike section 18 (FMC exemption powers); fourth, strike section 8(a)(2) (immunity for agreements "reasonably" with section 4 or section 18); fifth, add "among themselves" to section 4(a)(6); sixth, strike section 8; and seventh, intermodal.

I propose that on each of those amendments there be a 20-minute time limitation to be equally divided and controlled by the distinguished Senator from Ohio (Mr. METZENBAUM) and the manager of the bill or his designee.

Mr. President, after the disposition of the Metzenbaum amendment there would be two Stevens amendments on which there would be 30 minutes

equally divided, one dealing with the tariff issue in the first degree and the other dealing with the tariff issue in the nature of a substitute.

Mr. President, I would further propose that on any other amendments that may be offered there be a 20-minute limitation equally divided and to be controlled by the sponsor of the amendment or the manager of the bill except in those cases where the manager of the bill and the sponsor of the amendment are on the same side in which case the control would be in favor of the minority leader or his designee.

Mr. President, I would further propose that in view of the number of amendments that we have listed and the possibility of others that we reclaim from the previous order the hours between 12 and 2 when the Senate otherwise would be in recess but with the proviso that no rollcall votes would occur during that time.

Mr. President, that describes the nature of the rather extensive unanimous-consent requests that I would wish to propound, and I understand fully the requirement of the minority leader that he would wish to put that through his clearance process.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. This request would mean first of all that a rollcall vote could occur as early as 10 a.m. tomorrow morning.

Mr. BAKER. Yes; it would mean that.

Mr. BYRD. Second, perhaps I did not hear the majority leader, but I did not hear the majority leader make reference to the Hatch amendment.

Mr. BAKER. I believe I did. I think there was to be 30 minutes equally divided.

If I did not, Mr. President, I would include that. It is listed as on my list here as the third action proposed to be taken, that is, the Stevens second-degree amendment, then action on the underlying Thurmond amendment in the first degree, and then the Hatch amendment.

Mr. BYRD. I misunderstood the majority leader to say that was the Boschwitz amendment.

Mr. BAKER. The Boschwitz amendment is to be fourth.

Mr. BYRD. I thought I heard the majority leader say Boschwitz instead of Hatch.

Mr. BAKER. I thank the minority leader.

Mr. BYRD. Anyhow, the general time limit on other amendments would include that they be germane I suppose.

Mr. BAKER. Yes, Mr. President.

Mr. METZENBAUM. Mr. President, if I may interject for a moment, since these are to be prior to cloture, they need not be germane.

Mr. BYRD. This is one on which I would not want to agree that there be 10 minutes on any amendment.

Mr. BAKER. I think the minority leader's point is well taken.

Mr. BYRD. They have to be germane. I do not think a Senator would want to agree to limit that.

Mr. METZENBAUM. May I interject?

Mr. BYRD. I am sorry I interrupted the Senator.

Mr. METZENBAUM. There is some question as to whether some or all of these amendments are or are not germane.

In order to forestall that, we want to be certain they would be taken up prior to the cloture vote.

The amendments the Senator from Ohio was offering are amendments that are very relevant and pertinent to this pending bill. They are not something totally extraneous. The amendment that the Senator from Minnesota is offering is somewhat extraneous, but I will let him address himself to that subject.

The amendment of the Senator from Utah is relevant and pertinent to this bill.

But the germaneness question and also the question of affecting the bill in two places becomes an issue, and I would hope that the minority leader would not insist upon the germaneness question because I think it would only complicate the problem rather than help to resolve it.

Mr. BAKER. Mr. President, will the Senator yield to me? I believe I have the floor.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BAKER. May I say to the distinguished Senator from Ohio his amendments would qualify in any event.

I think the observation of the minority leader is very well taken. If we are to put a time limitation of 10 minutes, we certainly ought to know what we are dealing with.

Mr. METZENBAUM. I was not addressing myself to the catchall which, I understand, the majority leader is. In the catchall, where those are not designated, those would certainly have to be germane.

Mr. BAKER. I thank the Senator, and I thank the minority leader especially for calling that to my attention and, as I said, it is very well taken.

I would propose, in making the agreement, to provide that the other amendments in which a time limitation of 20 minutes is provided must be germane.

Mr. BYRD. Yes, indeed; because any major bill could be hooked on with a 20-minute time limitation, and we are not specifying that it be germane.

Mr. BAKER. Yes; that is the request.

Mr. BYRD. The only other problem I have is the listing of the 2 hours. The majority leader has said there will be no rollcall votes. If there can be no quorum-call votes I am concerned about attendance on my side of the aisle.

Mr. BAKER. As the minority leader has stated, if we start doing anything to quorum calls by unanimous consent—and I notice the Parliamentarian tenses up, gets nervous, because quorum calls are, of course, a constitutional right of every Senator—so I will strike that section.

Let me simply say that tomorrow or this evening, if possible, when we seek this unanimous-consent agreement finally that that portion will not be in there. But tomorrow if we get in a bind I may very well wish to speak with my colleague, the minority leader, about gaining some of that time in order to do justice to all Senators who have amendments.

Mr. President, I am prepared to ask the Senate to stay in as long as it is useful, and especially until the minority leader can give us an answer on the request.

Mr. BYRD. I have one more question of the majority leader, if I may. Will it be possible or can we have assurance that all of these amendments would be disposed of before the vote on the cloture motion?

The BAKER. That is one of the reasons I wanted to reclaim the 4 p.m.

I have some Senators who have already indicated to me that they did not wish to change the 4 p.m. time. It poses a problem though, as the minority leader earlier implied, and I would suggest for his consideration one course of action in between, and that is that any votes that are stacked tomorrow—and I am not sure they will be—but if any are stacked, that they would be acted on before the cloture vote would occur. Otherwise we are going to have a moving target on a 4 p.m. cloture vote, and I think some Senators on my side—at least one Senator I am aware of—would object to changing the 4 p.m. time.

Looking at the amendments we know of now, and measuring from 9 a.m. in the morning, it looks to me as if we can finish easily. But if there is a rain shower of unknown amendments tomorrow we may be in a different situation.

I might also say I would provide in the request that any amendments to those unknown amendments in the second degree or points of order, if the same are submitted to the Senate, would have a time limitation of 5 minutes equally divided.

Let me change that to no second-degree amendments to the unknown amendments.

Mr. BYRD. Very well, Mr. President. We will see as quickly as we can what the reaction is.

Mr. BAKER. I thank the Senator. I wonder if there is any Senator willing to go forward at this time to conserve time and offer an amendment for debate at least?

Mr. GORTON. Will the majority leader yield?

Mr. BAKER. Yes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. The Senator from Utah (Mr. HATCH) left his statements on his amendment with me to present. The Senator from Alaska, however, hopes to persuade the Senator from Utah not to bring his amendment up until after cloture is granted, with the agreement to have it considered germane, and I am attempting to contact the Senator.

Mr. BAKER. Mr. President, I am sure that cannot be done except by unanimous consent, and I am not at all sure that any request to qualify any further amendments after cloture would be granted.

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. GORTON. 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.

Mr. GORDON. Mr. President, earlier this afternoon the question was raised by the Senator from Ohio about the degree of organized labor opposition to the Thurmond amendment and support for the Stevens amendment. The Senator from Ohio quite properly at that point stated that the SIU and Mr. Drozak had not taken any position on the Stevens amendment.

Since the discussion of that point, I have been informed that Mr. Drozak and SIU, which represents the other group of maritime labor from those represented in the letter which I earlier read into the RECORD, do indeed strongly support the Stevens amendment.

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.

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The amendment offered by the Senator from Alaska (Mr. STEVENS) to the amendment offered by the Senator from South Carolina (Mr. THURMOND).

Mr. BAKER. Yes.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, first I ask unanimous consent that the Stevens second-degree amendment to the Thurmond amendment be temporarily laid aside at the conclusion of this request and that the Senate proceed to the consideration of the Hatch amendment on which there will be a 10-minute time limitation to be equally divided and on which no second-degree amendment would be in order.

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

Mr. BAKER. Mr. President, I ask that if a rollcall vote is ordered on or in relation to the Hatch amendment, it be sequenced to occur after the disposition of the Thurmond first-degree amendment which will be included in the request I am about to make.

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

Mr. BAKER. Now, Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 47 on tomorrow there be a 10-minute time limitation of the Stevens second-degree amendment to the Thurmond amendment to be equally divided with the time under the control of the distinguished Senator from Alaska and the distinguished Senator from South Carolina.

Mr. President, I further ask unanimous consent that after the disposition of the Stevens second-degree amendment, the Senate then proceed to vote on the underlying Thurmond first-degree amendment on which no debate would be in order and no further amendments would be in order.

I ask unanimous consent, Mr. President, that after the disposition of the Thurmond first-degree amendment, the Senate then proceed according to the order previously entered to dispose of the Hatch amendment on which debate has already been concluded; that after the disposition of the Hatch amendment, the Senate then proceed to the consideration of the Boschwitz cargo preference amendment, on which there will be a time limitation of 40 minutes equally divided under the control of the distinguished Senator from Minnesota and the minority leader or his designee; that after the disposition of the Boschwitz amendment, the Senate turn to the consideration of seven Metzenbaum Justice-FTC amendments on which there will be a time limitation of 20 minutes each equally divided, with control of the time allocated to the sponsor of the amendment (Mr. METZENBAUM) on the one hand and the manager of the bill on the other. The seven amendments are: First, the Justice-FTC revenue pool; second, loyalty contract limits; third, to strike section 18 FMC exemption powers; fourth, to strike section 8(a)(2), immunity for agreements reasonably within section 4 or section 18; fifth, add "among themselves" to section 4(a)(6); sixth, to strike section 8, and seventh, intermodal.

Mr. President, the order in which the Metzenbaum amendments were listed would not necessarily be the order in which they are presented, and I ask unanimous consent that the distinguished sponsor of the amendment may choose among that list the sequence in which he wishes to present them.

I further ask unanimous consent, Mr. President, that all amendments prior to cloture must be germane and limited to 20 minutes equally divided to be controlled by the sponsor of the amendment and the manager of the bill and provided that no second-degree amendment prior to cloture shall be in order.

Mr. BOSCHWITZ. All other amendments would have to be germane. Is that correct?

Mr. BAKER. That is correct.

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

Mr. BAKER. Mr. President, I thank the minority leader for his cooperation in working this out.

I also thank all Senators who have participated in the formulation of this agreement. I believe it will materially assist in the final disposition of this matter.

Mr. President, there is another matter: The order provides that the Hatch amendment will be presented at this time. It is not anticipated that it will take more than 5 minutes. It is anticipated that a rollcall vote will be asked for, and then, under the order, will be sequenced in to occur tomorrow after the disposition of the Thurmond first-degree amendment.

I remind Senators that we convene tomorrow at 9 a.m. Under this formulation, it is entirely possible that votes will occur early, perhaps before 10 a.m. in the morning. Senators should take account of that very real possibility.

Mr. BYRD. Mr. President, I ask the majority leader if he does not mean to limit an amendment to 20 minutes after cloture has been invoked.

Mr. BAKER. No; the request, I hope, was recorded by the Official Reporter of Debates that all other amendments prior to cloture must be limited to 20 minutes.

Mr. BYRD. Must be germane and limited to 20 minutes?

Mr. BAKER. Must be germane and limited to 20 minutes.

Mr. BYRD. And no second-degree amendments are in order.

Mr. BAKER. That is correct.

Mr. BYRD. After cloture, amendments will not be limited to 20 minutes, because they will not be germane after cloture, and I take it that the majority leader would allow second-

degree amendments to come in under cloture if they are timely filed.

Mr. BAKER. Mr. President, the way the request was put, it could perhaps be read either way, so let me clarify it this way:

All this agreement pertains to proceedings precloture. The postcloture provisions will be dealt with according to the provisions of rule XXII.

Mr. BYRD. I thank the majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that the request be modified to reflect that language.

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

Mr. BAKER. I thank the minority leader.

Now, Mr. President, I am prepared to yield the floor so that the distinguished Senator from Washington may call up the Hatch amendment, which I understand he has been requested to do.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I thank the majority leader.

The text of the agreement follows:

S. 47 (PRECLOTURE AGREEMENT)

Ordered, That when the Senate completes morning business on March 1, 1983, it resume S. 47, with 10 minutes equally divided in the usual form on the Stevens second-degree amendment, to followed by a vote thereon, to be followed by an immediate vote on the Thurmond first-degree amendment and a vote on the Hatch independent action amendment. Following this vote the Senate will proceed to the Boschwitz cargo preference amendment for 40 minutes equally divided in the usual form, to be followed by seven Metzenbaum amendments for 20 minutes each dealing with the following topics: Justice/FTC revenue pool; loyalty contract limits; strike section 18 (FMC exemption powers); strike section 8(a)(2) (immunity for agreements reasonably within section 4 or section 18); add "among themselves" to section 4(a)(6); strike section 8; and intermodal.

All other amendments offered prior to cloture must be germane and will be limited to 20 minutes equally divided in the usual form, with no second-degree amendments in order.

UP AMENDMENT NO. 21

(Subsequently numbered amendment No. 469.)

(Purpose: To promote the right of independent action)

Mr. GORTON. Mr. President, I have the rather interesting duty at this point of presenting Mr. HATCH's remarks on behalf of his amendment and then debating against him.

On behalf of the distinguished Senator from Utah (Mr. HATCH), the proponent of this amendment, I call up the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON), for Mr. HATCH, proposes an unprinted amendment numbered 21.

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

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

The amendment is as follows:

On page 65, line 17, through page 66, line 21, strike all of subsection (d), and insert on page 65, line 17: "(7) permit any member to take independent action on any rate, charge, classification, rule, or practice."

On page 66, line 22, strike "(e)", and insert in lieu thereof "(d)".

On page 67, line 4, strike "(f)", and insert in lieu thereof "(e)".

On page 67, line 20, strike "(g)", and insert in lieu thereof "(f)".

(By request of Mr. GORTON, the following statement was ordered to be printed in the RECORD:)

● Mr. HATCH. Mr. President, in remarks offered at the beginning of debate on this bill, I expressed my respect for our free enterprise system, and for the role of our antitrust laws in insuring competition. As a basic economic policy, the Congress of the United States has time, and time again, rejected the notion of giving control of commerce to either Government or to private cartels. We have viewed our antitrust laws as a practical expression of our concern for economic democracy, and have actively sought to insure the efficient operation of these laws. In part, our antitrust laws are designed to prevent individuals or firms from so controlling a part of commerce that they are able to substitute that control for the independent allocation of resources achieved by a competitive marketplace.

It is not without reason that our laws have created a presumption against the policy of permitting cartels. Cartels, by their very nature, promote price-fixing conspiracy. Fixed prices discourage competition. And without competition, consumers suffer.

Mr. President, this bill is designed to reduce competition among carriers. It is designed to permit conduct which, in other industries, would subject perpetrators to civil and criminal penalties. And proponents of the bill cite the current state of deterioration within the industry as a justification for protection. The GAO has concluded that "the U.S.-flag liner fleet is not in a state of general distress significant enough to justify a major revision of the Shipping Act." Other proponents argue that conforming to worldwide shipping practices dictates the need to rewrite our laws.

Beyond the idealogical convictions of the opponents and proponents to this bill, however, is the consensus that the monopolistic power granted to conferences must be balanced by some countervailing means. The bill proposed shipper's councils as one means for giving shippers a combined influence in consulting with conferences.

In principle, the Judiciary Committee members unanimously agreed that expanding the potential abuses of cartelization to another industry only multiplies the flaws of this bill. The Judiciary Committee amendment, eliminating the exemption for shipper's councils has earlier been adopted. Thus, even in the eyes of many proponents of this bill, the balance of monopolistic power, tilts in favor of the carrier cartels. To legislate monopolistic power should not be lightly undertaken. But to invite abuse of that power, by not providing for countervailing power, is unconscionable.

Mr. President, we have before us an amendment, under my sponsorship, which permits competitive market forces to counterbalance the potential monopolistic abuses of the carrier conference system. I urge my colleagues to adopt this amendment.

Under section 5(d), S. 47 currently allows carriers to take independent action, that is, to deviate from the conference tariff, only when a conference loyalty contract is in effect. This severely restricts the right of independent action, and would allow a conference to avoid independent action altogether simply by eliminating loyalty contracts. There is no valid justification for tying the right of independent action to the existence of loyalty contracts. My amendment would simply allow carriers to take independent action regardless of the existence of loyalty contracts. This amendment would permit the benefits of conference membership while its provisions for competition would insure the adoption of the lowest practicable tariff rates. This approach has the support of shippers, consumers and has been endorsed by at least one carrier.

The idea is not novel. Four years ago, I served as a member of the National Commission for the Review of Antitrust Laws and Procedures, along with other Senate colleagues. That Commission recommended the right of independent action which I am proposing today. The Commission recognized that:

. . . While this Commission is not now in a position to recommend that the ocean shipping immunity be abolished, it does appear that the immunity could be narrowed in some important respects to increase competition and enhance efficiency, in the absence of overriding defense or diplomatic considerations.

Specifically, each ocean shipping conference member should have a right of independent action. At present, conference agreements may preclude individual conference members from offering tariff rates and conditions which differ from those adopted by the conference. If a right of independent action were guaranteed in the Shipping Act, as it is in the Interstate Commerce Act, conference members could opt out of particular conference rates without losing their conference membership.

Subsequently, this same call for an expanded right of independent action was issued by the U.S. Department of Justice. The 97th Congress hearings record on this matter cites a Department of Justice study which concluded that a statutorily mandated right to independent action was necessary to offset the potential abuses presented by a conference system.

In its recent testimony before the Senate Judiciary Committee, the FTC concluded that a right to independent action was a procompetitive measure which S. 47 rightly used to offset the potential abuses of the dual rates permitted by loyalty contracts. One recent witness before pointed out the deficiencies of the proposed independent action provisions in S. 47. He views the appearances of the proposed language as "deceptive." He points out, that:

> An individual member of a conference does not have any general right of independent action, such as that provided in the Staggers Act to railroads in rate bureaus. Conferences are required to permit independent action only if they already have loyalty contracts in effect and if the proponent of the independent rate goes through a number of steps, subjecting its proposal to scrutiny and comment by all other members of the cartel. After such review, it can put an unpopular rate into effect, if it still wants to do so. However, conferences frequently operate on a principle of unanimity; therefor, the gains from any prospective unpopular independent action must be weighed against the costs of alienating other members of the conference, any one of which could veto some other future proposal. This suggests that truly independent action is most unlikely.

I fully agree with this statement, and urge any other Senator who supports competitive forces moving our economy, to support this amendment.●

Mr. GORTON. Mr. President, on my own behalf and on behalf of the Commerce Committee, I oppose this amendment, which would mandate that all members of conferences in international trade be permitted a right of independent action. The most fundamental reason for which I oppose this proposal is that the debate already has been carried on.

Were this bill to include a closed conference system—that is to say, a system in which conferences of carriers in a given trade could exclude any other new carriers from joining—a right of independent action would make a great deal of sense; in fact, it might well be vital.

On the other hand, we have included only open conferences in this bill. An open conference is one which any carrier wishing to join at any point can join.

We also have allowed a right of independent action in those conferences which utilize loyalty agreements, agreements under which a given shipper agrees to send all his goods under the flag of a single carrier or a single conference. This has been slightly amended by a Judiciary Committee amendment, already accepted, allowing 5 percent of any shipper's goods to be sent by other carriers or by other conferences.

The Commerce Committee in considering S. 47 agreed that requiring open conferences to permit all members to deviate from established rates by independent action would seriously weaken the ability of these conferences to maintain rate stability in the trades in which they operate. Rate stability is, of course, a major reason for permitting these cartels which would otherwise be prohibited by our antitrust laws.

While a requirement for independent action may possibly provide some short-term benefit to shippers if it resulted in lower freight rates, the Commerce Committee believes that in the long run it is more likely to be detrimental to shippers by undermining rate stability and causing reduced service if carriers are driven out of the trade for economic reasons. Major shippers could fully utilize their bargaining power by playing off one carrier against another. That, in turn, would lead to erosion of the conference system and the concurrent tariff structure which preserves the stability of the liner trades, and would leave only a few strong carriers surviving.

Finally, it should be noted that one of the specific policy objectives and standards of approval specified in the bill is "comity with nations engaged in trade with the United States."

In commenting on legislation in 1980, which was similar to S. 47, and opposing the requirement of independent action, the representative of the vessel operators of our major trading partners stated:

> This requirement (independent action) runs counter to the declaration of policy of the bill. If anything, it would seriously inhibit development and maintenance of an efficient, innovative, and economically sound ocean transportation system. Independent rate action between member carriers of a conference is totally destructive of the fundamental principles of liner conferences and the concept of mutual consultation between the conferences and shipping councils. Independent rate action does not only put a conference at risk but also potentially prejudices the interests of smaller shippers, as it is evident that the so-called independent rate action device will favor shippers who control large blocs of cargo; triggering the mechanism would be tantamount to legalizing unofficial rebating.

While there may be a need for independent action in certain trades where independents have made significant penetration and therefore caused disruption, the imposition of such a requirement upon all trades to satisfy unique problems creates too great a risk to the stability and durability of the conference system.

By retaining open conferences, permitting greater flexibility in carrier-shipper arrangements, permitting shippers' councils with the right to negotiate on general rate levels, and providing presumptive approval for conference agreements which provide for independent action, the Commerce Committee believes the legislation achieves its objectives more effectively than the alternative proposed by Senator HATCH.

I emphasize again that the benefits from this amendment would be highly disproportionate. They would go to large shippers who are already well able to use their bargaining position to get the lowest possibile rates, and they would freeze out small shippers even in connection with the joint ventures which they are permitted under this bill.

It is for precisely that reason that when representatives of all shippers' organizations, large and small, met with carriers to deal with and to negotiate this provision, they came up with the provisions in S. 47 which allow a certain degree of independent action but not complete independent action among conference members.

Finally, I emphasize that in almost every trade there are nonconference carriers and various independent operators who are not bound by any conference agreement whatsoever. This is already a highly competitive business.

The effect of the Hatch amendment would be, after a short period of time, to make it a less competitive rather than a more competitive business, and for that reason the amendment should be defeated.

Mr. BAKER. Mr. President, it is my understanding that the distinguished Senator from Utah does wish a rollcall vote on this amendment.

Mr. GORTON. It is my understanding as well.

Mr. BAKER. I thank the Senator.

Mr. President, in view of that I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, under the order previously entered, since the yeas and nays have been entered, the vote on this measure will occur in sequence after the disposition of the Thurmond first degree amendment on tomorrow. Is that not correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. Mr. President, I yield back the remainder of the time if any is remaining on the amendment on this side.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have here a series of requests that have been cleared by the distinguished minority leader, and I am going to put them in just a moment and then ask the Senate to go out until tomorrow.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business to extend not past the hour of 6 p.m. in which Senators may speak.

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

WEST VIRGINIA SENATE REQUESTS MUTUAL AND VERIFIABLE NUCLEAR WEAPONS MORATORIUM PROPOSAL TO U.S.S.R.

Mr. BYRD. Mr. President, I submit for the RECORD the following resolution adopted by the Senate of West Virginia.

SENATE CONCURRENT RESOLUTION No. 8

Whereas, the greatest challenge facing the earth is to prevent the occurrence of nuclear war by accident or design; and

Whereas, the nuclear arms race is dangerously increasing the risk of a holocaust which would be humanity's final war; and

Whereas, the United States of America and the Union of Soviet Socialist Republics already have a combined total arsenal in excess of fifty thousand nuclear weapons; and

Whereas, an all-out nuclear exchange between said two nations would result in the deaths of millions of Americans and Soviet citizens and would result, throughout the entire world, in death, injury and disease on a scale that has no precedent in the history of human experience; and

Whereas, there is widespread agreement that the United States of America and the Union of Soviet Socialist Republics currently have equal nuclear fighting capabilities with neither nation having a distinct advantage over the other; and

Whereas, an immediate halt in the testing, production and deployment of new nuclear weapons would help secure world peace and avoid the possibility of a nuclear conflagration and would save our nation, over the next ten years, billions of dollars in military expenditures, which savings could be used to help balance the federal budget, reduce taxes, create employment and improve human services; therefore, be it

Resolved by the Legislature of West Virginia, That the Congress of the United States adopt a resolution requesting that the President of the United States propose to the government of the Union of Soviet Socialist Republics a mutual and verifiable nuclear weapons moratorium by which the said two nations would agree to halt immediately the testing, production and deployment of all nuclear warheads, missiles and delivery systems; and, be it

Resolved further, That the West Virginia delegation to the Congress of the United States introduce such a resolution or join with other members of Congress in its introduction; and, be it

Resolved further, That copies of this resolution be sent to the Clerk and Speaker of the United States House of Representatives, the Secretary and Majority Leader of the United States Senate, and to each member of the West Virginia Congressional delegation.

CARIBBEAN BASIN INITIATIVE

Mr. PERCY. Mr. President, yesterday the President resubmitted the Caribbean Basin Initiative to the Congress. The new bill reflects changes introduced by the House of Representatives after its detailed consideration of the trade and tax portions of the CBI last year. The House voted 260 to 142 last December 17 in favor of this legislation.

I hope this Chamber will be able to give the same positive consideration to the CBI as soon as possible this year. I know we will have the full cooperation of Senator DOLE's Finance Committee in this effort.

Our neighbors in the Caribbean Basin are waiting for us to give them this very strong sign of our interest and concern for their future development and prosperity. As President Luis Alberto Monge of Costa Rica said to the Foreign Relations Committee when he visited us last summer:

> We have been waiting for 34 years for this kind of trade opportunity with the United States. It is vital to us for our future economic prosperity.

My good friend and neighbor, Robert Anderson, is our Ambassador to the Dominican Republic. In a recent speech before the American Chamber of Commerce in Santo Domingo, Ambassador Anderson described both the tremendous economic and political changes that have been taking place in the Dominican Republic since 1965 and the number of ways the Dominican Republic can take advantage of the enhanced trade opportunities represented by the CBI. A related article appeared in the Wall Street Journal describing the very difficult situation in which the Dominican Republic finds itself today and the crying need for the many changes that it has undertaken.

The Dominican Republic has a dynamic President in Dr. Salvador Jorge Blanco and a capable government ready to make the changes necessary to take full advantage of the Caribbean Basin program. Our support for the CBI will be a sign to them that we in the United States are behind their efforts to create democracy and prosperity in their country, our neighbor.

Mr. President, I ask unanimous consent that these two items be printed in the CONGRESSIONAL RECORD at this point.

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

THE DOMINICAN REPUBLIC: A CORNERSTONE FOR CARIBBEAN STABILITY

Ladies and Gentlemen: I am honored to be with you today, and am most grateful to your President and his Board of Directors for inviting me to meet with you. Initially, I thought it unwise, if not hazardous, to meet with such a prestigious group only five months after my arrival in the Dominican Republic. I decided, however, to follow your tradition of having the American Ambassador set the stage for the Thanksgiving holiday, counting on an ample feast tomorrow to enable you to recover.

Today I would like to share with you my appreciation of the mutuality of interests in Dominican/American relations and the outlook for the future in this important part of the world. I would never presume to be able to cover all the problems or identify the answers to them. I hope, however, to discuss some areas of interest to us all during our few moments together. And if this stimulates Americans and Dominicans alike to consider a positive and realistic approach to the stable future in the Caribbean which both our nations seek, I will have accomplished a limited, yet important objective.

Let me state at the outset that when President Reagan telephoned me to ask if I would serve as his representative in the Dominican Republic it was one of the most unforgettable moments in my 37 years of diplomatic service.

Unforgettable not just to be asked to serve my country once again as an Ambassador, but primarily because I would have a chance to become associated with a country so important to mine in so many ways. As I began to prepare myself for this assignment last Spring, it became abundantly clear that this was to be one of the greatest and most pleasurable challenges of my career. Senator Charles Percy, the Chairman of the Foreign Relations Committee of our Senate, succinctly stated the nature of this challenge in my confirmation hearings last May before his Committee. He said, "In short, you will have an opportunity to affirm and reaffirm our country's commitment to the political and economic development and well-being of the Dominican Republic and the countries of the Caribbean." What more welcome objective could one have than to have the honor of cooperating with one of our closest friends to achieve a common goal—stability and peace in the Caribbean. I pledge to you now that our Embassy will continue working diligently towards this imperative for both our countries.

I would now like to comment on the fundamentals of our relationship. One may ask if or why the Dominican Republic is of great importance to the United States. The answer is clear. The very location of your country on one of the most important strategic and commercial arteries for the United States speaks for itself. Nearly half of our trade, two thirds of our imported energy and more than half of the strategic minerals necessary for our industrial production pass through the Caribbean. Further, and this is not generally recognized, 70 percent of the reinforcement and resupply of Europe by the United States in the event of a NATO conflict will have to be transported from our ports in the Gulf of Mexico through the Caribbean and on to Europe.

As President Reagan noted in addressing this subject at the Organization of American States in February of this year: "Make no mistake. The well-being and security of

our neighbors in this region are in our own vital interest."

Aside from your geographic location, your country is, in my view, important to the United States for reasons which have to do with ideas and ideals, not numbers. They deal basically with what your nation stands for: democracy and freedom. No matter what those opposed to these tenets may proclaim, democracy can and will flourish. Indeed, it is flourishing in many places around the world: not just in Northern Europe and North America, but in Asia and in Africa, and here in the Caribbean as well.

Your nation and your leaders should rightly be proud of what has been accomplished in building democratic institutions in your country. Your constitution provides a valuable framework for elections, for the adoption of laws, for the administration of government, for a system of justice, and for the protection of human rights. That structure has been tested this year, and has been proven strong. We in the United States rejoice in this further success in consolidating a vibrant democratic system emerging from the will of the people and responsive to it. It is precisely because of this favorable evolution that the Dominican Republic is a cornerstone for stability in the Caribbean.

As the largest democracy in this critical area, your country stands as a model towards which the aspirations of all who love freedom can turn. I am thinking in particular of the many new or emerging nations in the Caribbean who are or will be deciding on their own systems of government. From my own travels during the past three years visiting many of these island states I can tell you that each passing year they look more and more towards your country in weighing what political and economic system best suits their needs. I think we would all agree, however, that the Dominican Republic's contribution to regional stability will be in direct proportion to the role it chooses to play in the area. For this reason, my Government welcomes the intention of the new Administration of President Salvador Jorge Blanco to reactivate or establish diplomatic relations with its democratic neighbors in the Caribbean. I see this as another sign of your Government's recognition that stability in this area is in its national interest, and of a readiness to assume greater responsibilities to contribute to it in a meaningful way. For this we are grateful.

The pursuance of a successful foreign policy rests first and foremost on political and economic stability at home. As we all know, the state of an economy is more often than not crucial to preserving political stability. That this is recognized by the new Administration is clear. Your President has already taken a series of difficult and courageous steps to surmount the pressing financial problems facing your nation. These, coupled with the reports of positive discussions with the International Monetary Fund and the Work Bank, make it difficult for me to share the views of the school of doom and gloom about this country's economic future. Rather, I am confident that with perseverance in the effort to obtain the badly needed infusion of additional foreign exchange, the short term difficulties will be overcome. I am not alone here. In his remarks in Santo Domingo on October 28, 1982, Henry Wallich, a distinguished Governor of our Federal Reserve Board, noted: "Temporary difficulties are likely to remain just that—temporary. They will scarcely be visible on the upward-sweeping graph of long-term trends."

One may rightly ask why I am optimistic about the long-term economic future of the Dominican Republic. A nation dependent on imported energy at prices set abroad. A nation dependent for its foreign exchange in large measure on the export of five or six primary products whose prices are also set in the world market place. My optimism stems from the fact that I have served in or worked with nations where there was little hope, no matter what effort and imagination their leaders could apply. Resources above the subsistence level were just not there. By comparison, I am now in a garden of Eden. The Dominican Republic has ample resources, human and material, for future development. Let us examine briefly this potential.

First, because of its political stability in recent years, because of its nearness to the United States market, and because of its long friendship with our country, the Dominican Republic is becoming more and more attractive to American investors. Your nation is truly a rare asset in this world. Where else, for example, would an American visitor ask me where he could invest in the Dominican Republic simply because, as he put it, "I love this country"? He really had no clear idea of where to invest. He just wanted to help a very special country which he felt deserved his support. Needless to say, our American Chamber will do its best to assist this friend of the Dominican Republic.

Secondly, the areas for potential growth in this country are clear and, as your Government has indicated, seem best fostered by private enterprise drawing on domestic and foreign investments. Agrobusiness and tourism are of particular interest and should prosper. Why, for example, could not the Dominican Republic export far more specialty fruits and vegetables to our market than now? Your okra and snow peas are the best. And then there is top quality pineapple which is being exported in limited quantities, but could supply an almost limitless market covering the Eastern part of the United States. From what I have been told there is room for expanding the export of processed and semi-processed tropical and other foods. With these opportunities go challenges, such as the development of clear Dominican product-recognition on the part of the American consumer, reliability as high quality, dependable supplier to meet the needs of an exigent market, and the ability to compete in the all-important area of transportation. These then would appear to be illustrative of areas worthy of exploration. And not to be omitted as part of the industrial potential is the twin plant concept. From conversations I have had with American firms, I can attest that there is an active interest here.

A third factor which would could benefit your country's agricultural and industrial development is the existence of a market which has not yet been exploited to its full extent. I refer to the English, French and Dutch-speaking islands of the Caribbean, which are so dependent on food imports. The aggregate population is over 11 million people. One may conservatively add another 11 million representing the annual influx of tourists. These 22 million potential customers then could be an interesting market for reasonably priced household items, shoes and clothing, and for non-traditional agricultural exports from the Dominican Republic. There may be good and sufficient reasons, but I am not clear, for example, why so many fruits and vegetables come from Central America via the United States for eventual consumption in the Eastern Caribbean. This may also merit examination, perhaps leading to positive and profitable action. Then again, I was perplexed to learn that no Dominican fruits and vegetables go to the Turks and Caicos, only 125 miles away. This currently represents $15 million annually in cash for some enterprising supplier.

With this brief overview of your country's potential, it is clear that there are no quick and easy answers. But it is equally clear that with realistic priorities, hard work, determination and persistence success may be achieved. Towards this end you may be assured that the United States will always be ready to play its part.

For the past twenty years, as you know, we have provided bilateral economic assistance in addition to our contributions to such multilateral aid efforts as the World Bank and Inter-American Development Bank. From 1975 through 1978 our direct bilateral assistance averaged $16.9 million per annum. During the following four years the average was $57.7 million. We fully expect our help to continue at about this level for the foreseeable future, even though the level of our assistance worldwide may drop slightly.

While our government-to-government aid programs can be helpful, particularly technical assistance, they should be considered a supplement to meeting the overall needs of a developing country. Experience in other areas has taught me one basic fact. It is the participation of private enterprise and the infusion of its capital that are the major determinants for economic development. It is in this spirit that our assistance can be most accurately viewed.

This spirit has been most recently expressed by the Caribbean Basin Initiative of President Reagan. The economic assistance part of this Initiative has been enacted into law. The two other parts are even more important than the first. These cover areas of great potential importance to your Government in its efforts to increase employment and export-oriented industries. The first represents a move never before taken by our country—to grant one-way free trade into our market for twelve years. Under this proposal, all imports from the nations included in the Initiative—other than textiles which are governed by international agreements—would enter duty free. For the Dominican Republic, 87 percent of its products now enter duty free. One might therefore ask what then is the real benefit to your country with only the remaining 13 percent of your exports being reduced to duty free status. In point of fact it will be of great potential benefit. Take sugar, for example, for which the Dominican Republic is now our number one foreign supplier. The reduction of the duty from 2.8 cents a pound to zero under the CBI will mean an increase of revenues of over $27 million. With regard to other products, there were 178 dutiable items imported into the United States from the Dominican Republic in 1980, for a total value of $74 million. A quick review of the Dominican share of the U.S. import market for these items indicates a handsome potential to capture a larger percentage of our market when certain items become duty free for your country, but not for those outside the CBI region.

The third part of our President's Initiative, designed to encourage American private investment in the Caribbean, would grant a 10 percent tax credit on any such in-

vestment. Despite the number of items already on the Congressional agenda, I am hopeful that these remaining sections of the CBI will be passed in the special session of our Congress which begins in less than a week. The visit, four days ago, of members of the Ways and Means Committee of our House of Representatives makes me even more hopeful. President Reagan has made it clear that he considers this a top priority for consideration by our legislators, and plans to do everything possible to encourage its passage.

One brief comment related to the tax incentive for American investors may be helpful. When considering this section of the CBI, our Congress will wish to know the views of our foreign friends towards American investments, and specifically what measures they wish to take in this regard. With regard to the Dominican Republic, it comes as no news to you, I am sure, that American businessmen have long questioned the merits of Law 861 as a stimulant to foreign investments. They now look forward to a change which might more realistically reflect the stated desire of the new Administration to attract increased foreign investment. As a final point on this important subject, I would only say that our Embassy will take every step possible to encourage investments by our countrymen, and that I will personally participate in this endeavor. Our effectiveness in these efforts, however, will only be determined when the investment policy of your Government is articulated.

After listening to these few thoughts, I hope you may now understand my enthusiasm for this assignment, my optimism about the future of the Dominican Republic, and the importance of your nation's role in the Caribbean for our mutual security. Remarkable strides have been made in the past twenty years. From a nation then, with one agronomist, two industrial engineers, and three economists, one has only to observe your country today. From a nation then, with virtually no middle class, observe it today. From a nation then, with most of its industrial production concentrated in the hands of one man, observe it today. From a nation then, with freedom of expression and freedom of assembly excluded, observe it today. From a nation then, with democratic institutions little more than symbols, observe it today. From a nation then, unconcerned with human rights, observe it today. And finally, from a nation then, oblivious to the needs and aspirations of the individual, observe it today: a vibrant democracy, a cornerstone for Caribbean stability.

Thank you very much.

[From the Wall Street Journal, Jan. 7, 1983]

CARIBBEAN CRISIS: DOMINICAN REPUBLIC, MIRED IN DEEP SLUMP, TURNS TO U.S. FOR HELP

(By Erik Calonius)

SANTO DOMINGO, DOMINICAN REPUBLIC.—When 23,000 U.S. troops landed in this Caribbean capital in 1965, forcing an end to a four-day civil war between battling populists and military factions, a curious graffito began to appear on the city's walls. "Yanqui go home," was the first phrase, as expected. But the second part was, "and take me with you."

The message says much of the continuing love-hate entanglement Dominicans have with the U.S. On one hand, the country of 5.7 million people has embraced American culture. "Lassie," "Los Duques of Hazzard," and "Plaza Sesamo" are seen daily on TV, from the spanish-tiled suburban homes to the galvanized-steel and wood shacks that huddle shoulder to shoulder in the barrios.

Baseball is the national pastime (along with the national lottery), and close attention is paid to the 19 Dominican players in the U.S. major leagues. Dominicans travel to the U.S. when they can; many are educated in the U.S. Surprisingly, 10% of the Dominican Republic's citizens live in the U.S., mostly in New York, often mailing their money home.

HISTORY OF INTERVENTION

The bitter feelings, on the other hand, are born of the long history of U.S. intervention in Dominican affairs: the U.S. military occupation of the country from 1916 to 1924, subsequent U.S. corporate ownership of 80% of the agricultural lands, then the 30-year iron rule of dictator Rafael L. Trujillo, whose repressive government was backed for many years by the U.S. government.

Most Dominicans remember the bloody occupation of 1965, and the tale of a U.S. marine is still retold. "People knew him by name," says a young Dominican, pointing to the darkened outline of a grain silo overlooking Santo-Domingo. "And he stayed up there night and day with a high-powered rifle and would kill anything that stepped into the street—a person, a dog, whatever. Later, people said that he had been sent to Vietnam and was killed there."

Now it isn't civil war that is rending this land of mountains and sugar-cane fields, but the worst economic chaos in 15 years. Sugar, which dominates the Dominican economy and provides as much as 50% of the country's foreign exchange, has tumbled in price recently to about six cents a pound on the world market, or about 11 cents less than Dominicans can produce it for. Cane fields are being pulled out of production, mills are being closed, and jobless workers are walking into an economy already strapped with 30% unemployment and substantial underemployment.

EARLIER PROSPERITY

Gone are the halcyon days of the early 1970s, when the Dominican economy galloped at an 11% growth rate and 60-cent-a-pound sugar provided cash for Mideast oil and U.S. food and consumer goods. Growth now has slowed to 2%, but years of import consumption have drained the economy of its cash.

"I'm taking over the presidency at a sorry time," 57-year-old Salvador Jorge Blanco said in August as he took office. Noting that the government was already $485 million in default on its $1.2 billion external debt, the former law professor said, "We have a national economy with debts of hundreds of millions of dollars, no cash on hand, and no lenders in sight."

The Dominican Republic can't do much to influence the world price of sugar. The country's one million tons hardly make a dent in a world market that produces 90 million tons and exports about 20 million. Nor has the Dominican Republic, or any other nation, successfully persuaded the European common market to end its subsidy of European beet-sugar producers, whose five million tons on the world market have caused prices to plummet. "We should declare war on France," says one Dominican sugar producer. "They might as well be dropping bombs on us as dumping sugar."

Short of that, the Dominican Republic is turning for aid to the U.S., stressing the common interest and history of the two nations and hoping to receive preferential treatment for its sugar. The Caribbean Basin Initiative would be a good place to start, Dominican leaders say.

The Caribbean Basin Initiative—as proposed last winter by President Reagan in a good-will gesture to 28 Caribbean and Central American nations—would offer the nations 12 years of tariff-free trade with the U.S. as well as a 10% tax-credit incentive for American investors in the Caribbean Basin region. Although the legislation died in Congress during the recent lame-duck session, the president has vowed to push it back into Congress in the new year.

If passed by Congress, the measure would remove the 2.8-cent-a-pound tariff currently levied on Dominican sugar, giving the country an immediate $27 million bonus. The measure would also drop tariff from about 178 other items exported from the Dominican Republic, for another $75 million (87% of Dominican exports already enter the U.S. without tariffs). And the 10% tax investment credit would spur activity in the nation's three "industrial free zones," which employ about 9,000 workers in manufacturing operations.

Beyond the proposed measures, Dominican leaders also want to increase their quota of sugar exports to the U.S. (where government subsidies keep sugar at about 20 cents a pound) to 800,000 tons from 500,000 tons. "The United States has a responsibility to us," says Francisco Pena Gomez, the secretary-general of the governing Dominican Revolutionary Party and mayor of Santo Domingo. "If the United States cannot give preference to the trade and sugar of the Dominican Republic, then it is directly causing the ruin of democracy in the Caribbean."

Statements like that tend to hit buzzers and bells in Washington, Mr. Pena Gomez knows, particularly at a time of tumult in Central America and perceived Soviet arms build-ups in Cuba. "One may ask if or why the Dominican Republic is of great importance to the United States," American Ambassador Robert Anderson said in a recent speech here entitled "The Dominican Republic: Cornerstone for Caribbean Stability."

"The answer is clear," he said. "The very location of the country on one of the most important strategic and commercial arteries for the United States speaks for itself."

In fact, half of U.S. trade, two-thirds of imported oil and 70% of reinforcement shipments to Europe in the event of a NATO conflict must steam through the Caribbean and past the Dominican Republic. For the same strategic reasons, the U.S. has demanded Dominican Republic allegiance in the past. It occupied the small country during World War I (because of "the threat of European intervention"), supported the Trujillo dictatorship (because Mr. Trujillo was anti-Communist), and landed 23,000 troops in 1965 (on the evidence of a "list of 50 Communists" who were allegedly manipulating the civil war).

U.S. interest in the Dominican Republic is also piqued by the fragile Democratic government that has emerged there in the last five years. The election last May of President Jorge Blanco was the fifth election since the 1965 U.S. occupation. But this election and the election of President Antonio Guzman in 1978 were the first truly free transfers of power in this land that had been governed for the past 500 years by a succession of foreign powers, dictators and military juntas.

In the past five years, personal liberties have flowered. Political exiles have returned

home. Political parties (including the Communist Party) are free to organize. The military forces have been more removed from the political process. A two-party system now fights it out in Congress and in the press (whereas traditionally, the party in control simply extinguished the other party). And a middle class of entrepreneurs has gained political power.

Furthermore, in a nation where a vocal crowd will often gather around a traffic accident and where baseball umpires are given police escort past hostile fans, Dominicans have embraced a free press. The country now has seven morning daily newspapers, a noon paper, three evening papers, six TV stations and more than 50 radio stations. "There are two things every Dominican feels he could do well," one Dominican says "be president or be a newspaper reporter."

CUTTING SALARIES

But just as the country has reached this new level of personal freedom, the economic fabric is unraveling. In recent months the new president has slashed the salaries of the country's 186,000 government workers (including 40 percent pay cut he took himself) and extended the government workday by one hour. He has imposed a 10 percent tax on luxury items and pushed into Congress measures to freeze business dividends, install wage and price freezes in the private sector, and establish the first property taxes since 1965.

Mr. Jorge Blanco recently declared a ban on 150 imports, ranging from cars, tractors and trucks to pasta, peanut butter and rice. Upbraiding his countrymen for importing foodstuffs that could be grown at home, he scolded, "Let me warn you: If we don't produce enough rice ourselves from today on, we'll have to eat more of the other foods produced here, because I plan to take the necessary steps, starting today, to outlaw the importation of rice."

They were strong steps from a political leader who won the election by less than a majority and whose countrymen are more accustomed to coup than compromise. Although the country now is calm by Dominican standards, government sugar workers recently battled police over wage demands, and at the city's university a student was killed by police during demonstrations that called for a doubling of the university's budget. Whether the young democracy can withstand such pressures is unanswered. "We can live with this austerity for a time, but we have to tell people that there's light at the end of the tunnel, and hope that tunnel isn't very long," says Bernardo Vega, the governor of the country's central bank.

But even if the economy recovers, observers see the need for long-term changes. The dependence on sugar is questioned, particularly since the volatile commodity gives no stability or sturdy promise of national income from year to year. Furthermore, the U.S. is using more corn sweeteners, and the State Department says the U.S. may get by without any sugar imports in as few as five or six years.

HOW SWEET IT WAS

Sugar had been like oil to the Dominican Republic, allowing the country to import its needs without learning to develop them locally. "Over the last few years we've been able to create the illusion of being a developed country—we have the latest computers, automobles and appliances," says Felipe Vicini. "But we aren't developed at all."

Stripped of its imported goods, the Dominican Republic is essentially what it was 100 years ago—a plantation society with thousands of acres of sugar cane, some bananas and cocoa, and several gold and silver mines. Today, in this plantation society, about 6% of the population owns 40% of the wealth. Most of the people are peasants, living in rural areas where unemployment is 50%, illiteracy is 80% and many of the adults and children are malnourished. The impoverished population spills over into urban barrios, and in the city streets children beg for money, contorting their arms and legs to appear as cripples.

In the sugar fields, wages average $3.50 a day, at least during the six-month cutting season when work is available. Much of the cutting is done by Haitians, trucked into the country under contracts arranged by the Dominican and Haitian governments. Many of the Haitians never return to their impoverished homeland, however, and Dominican officials concede that some half million of them roam the Dominican countryside, often working in conditions approaching slavery.

DIVERSIFICATION FAILS

Diversification of the Dominican sugar crops into grains and vegetables has thus far failed. The soil is too poor, and water too scarce in the sugar-growing regions to support anything other than sugar cane and pasture land. And turning sugar fields into pasture land would leave most of the 90,000 sugar workers in the country jobless. Improvements have been made in the living conditions of sugar workers lately. But low sugar prices have doomed plans to modernize the industry. At Gulf & Western Industires Inc. plantations in the eastern part of the Dominican Republic, an austerity budget has been put in effect. "We've increased our oxen-driven cart operation by 25%," says Calos Moales Troncose, the president of the Dominican unit. "We are being driven back in history" because of high oil prices.

Development of free industrial zones, focused to bring U.S. manufacturing from Asian underdeveloped countries to the Caribbean, is a popular idea here. But it has its critics, "That will only encourage us to convert our economy into one where we're selling cheap labor and no other resource," argues Felipe Vicini. "Let's not use misnomers. When people talk about putting in an electronics industry in the Dominican Republic, they're talking about a packaging industry. You bring in the subassemblies, you have Dominicans put it into a chassis and into a carton and ship it out."

"And do you know what the industry will do when it finds a cheaper source of labor somewhere else?" he asks. "Just what they did in coming here: They take a wrench and undo four bolts, remove their equipment, crate it up and ship if off."

WORKING ON JOBS

But the present government can't be choosy about where it finds jobs. Santo Domingo's Mayor Pena Gomez, who 17 years ago burst into Radio Santo Domingo and called the people into the streets in insurrection against the military government, made his first declarations in office ordering trash removed from the streets and potholes filled. Meanwhile, the stairways and corridors to his office are crammed with people wanting jobs in the state's sugar industry and its collection of 30 nationalized industries (both inherited from the Trujillo regime and both bankrupt). As secretary-general of the Dominican Revolutionary Party, however, Mr. Pena Gomez has loftier goals: a $90 million program to provide 5,000 new homes, several hydroelectric dams to provide irrigated land for a new class of small farmers. Democratic socialism is the form of government he espouses, "like Sweden, Norway or France," he says.

But skeptics don't feel the country has the educational or industrial base for such a government. "This country would run better under a benevolent dictator," says Alexander Rood, a Dominican importer who feels the country will inevitably turn to one in the next 10 to 15 years. "Latin people need direction," he says, adding, "Many people still look back to the time of Trujillo as a period of great growth."

THE HONORABLE MARGARET CHASE SMITH

Mr. MITCHELL. Mr. President, I am deeply gratified to be able to inform my colleagues that one of our Chamber's most distinguished former Members has returned to the Capitol for the first time in the decade since her retirement.

I speak of former Senator Margaret Chase Smith who represented the State of Maine with integrity and distinction for 32 years, 8 in the House of Representatives and 24 in the Senate of the United States.

Senator Smith has been honored in her home State by the dedication of a library for her papers in Skowhegan, Maine. But it has been 10 years since her former colleagues and those of us, like myself, who have admired Mrs. Smith for many years, have had a chance to meet her again, here in the Capitol. The Senate is honored by her return, and I am personally deeply honored to have had the chance to arrange for her return.

I want to take the opportunity to describe what I believe was Senator Smith's most enduring contribution to the public life of this Nation. That contribution consists not of one vote or one speech but of a lifetime of service which exemplified the best kind of representation an elected official can give.

It is the kind of representation that does not shrink from confronting challenges, and that is not wearied by the daily obligations of office.

Senator Smith's career demonstrated both her ability to speak with rare courage, disdaining the risk to her political future, and also to fulfill, with perseverence, one of the most fundamental and least appreciated of Senate duties—the duty to vote. In her Senate career, Senator Smith never missed a single rollcall vote on the Senate floor, a record rarely matched. It was not until I came to the Senate myself that I understood the difficulty of achieving and maintaining that kind of record. But there is no question that the daily responsibilities, unheralded and unsung, are as much a part of representative responsibility as the great debates of our time.

It is also in the larger sense of representation that Senator Smith's career commands our admiration.

The nature of an elected official's responsibility in a democratic republic such as ours is a matter of disagreement. Does representation imply carrying out the wishes of the electorate? Or does it imply the independent exercise of one's own judgment. Everyone elected to public office has wrestled with that question, for it goes to the heart of our system of government.

It is all too easy, with the abundance of polls now available, to accept the approach that votes cast, speeches made or not made, issues addressed or avoided should reflect the views of the majority. Some would say that is the most representative form of government. A political career resting on the views of majority public opinion, aside from probably being a successful one, can be defended as a legitimate and conscientious discharge of duty.

Yet it is a paradox that those who model their actions exclusively on the popular will ultimately tend to subvert that very will. Highly popular votes can have unintended outcomes. Highly attractive programs can have unbearable costs. And highly evocative speeches can stampede the Nation in a dangerous direction.

It takes courage and a farsighted view of our Nation and its future to stand aside, to consider the implications of popular clamor, and to act against it when it is misguided.

Senator Margaret Chase Smith exemplified that kind of courage and that kind of representation for the people of her State and the entire Nation when she led the effort that ultimately returned civil political discourse to the Senate.

I am referring to the famous Declaration of Conscience which Senator Smith made on June 1, 1950, at the height of the witchhunting and namecalling that then prevailed in our Nation's political life.

That action was not one that had the support of majority public opinion. It took immense courage to speak up against a member of her own political party, at risk of being personally smeared as so many other victims of McCarthyism were smeared. That, in my judgment, was an example of the kind of representation that we should all strive to provide for those who elected us to serve.

It is a kind of representation which does not avoid difficult and controversial issues, does not back away from confronting them and dares to break with popular belief when a higher principle is at stake.

Senator Smith's career was marked by that kind of integrity, intellectual rigor, and courage.

In her service in the Senate Armed Services Committee, Senator Smith consistently spoke for and voted for a stronger America without being blind to its changing security needs. Senator Smith's was the deciding vote in the historic 1969 ABM debate, which maintained the ABM system in production. But she did not hesitate, 3 years later, to cast her vote just as clearly for the SALT I Treaty, which limited ABM defenses for the purpose of curtailing the arms race. Senator Smith was guided, not by a rigid, unyielding adherence to hardware, but rather by an unyielding adherence to the national interest.

That is the difference between the kind of representation that blindly follows every up and down of the public opinion polls and the kind of representation that looks behind the immediate popular clamor to the roots of the issue at stake. It is the kind of representation that takes political risks for the sake of enduring principles that rise above temporary political expedience. And that is the kind of representation which our people enjoyed for 32 years while Margaret Chase Smith served in the Congress.

It is all too easy in the rush of everyday business to be guided by the immediate political practicalities and the imperatives of election campaigns. But representation which sets the good of the Republic and the endurance of our political system above those immediate demands is rare and difficult. It takes courage and single-minded dedication to the greater principles that underlie service in the Senate. It cannot be better expressed than in Senator Smith's own words of 33 years ago, when she said, "I think it is high time that we remember we have sworn to uphold and defend the Constitution." Senator Smith never forgot.

I am honored to be able to announce Senator Smith's visit to the Capitol after 10 years, and to be able to express my admiration for what she has always stood for in my mind: The best kind of public service.

ELEVENTH ANNIVERSARY OF THE SIGNING OF THE SHANGHAI COMMUNIQUE

Mr. DURENBERGER. Mr. President, today we observe the 11th anniversary of the signing of the Shanghai Communique which recognized the People's Republic of China as the one and only Government of China. This is a particularly memorable occasion for me because 4 years ago today I addressed this issue in my first speech in the Senate.

This communique and the Taiwan Relations Act created a deliberately ambiguous situation. These acts recognized the legitimacy of the PRC while insuring a close and continuing friendship with Taiwan. This policy has become particularly vexsome because both share a common vision of China, both claim the same territory for China, and both adamantly refuse to consider any form of partition. This ambiguity became particularly clear when our Government entered into negotiations to sell fighter aircraft to Taiwan.

While the political and military aspects of this situation have been highlighted in the press, there is a very worrisome issue that has not received the worldwide attention that it deserves. The human rights situation in Taiwan remains as serious as it was 4 years ago, when I was prompted to speak out in the Senate. The concerns I had then are the same today. While we have guaranteed our political relations with Taiwan, we have done nothing to insure that the Government of Taiwan observes the basic human rights of its people. Today, under martial law, the people of Taiwan are denied the same rights guaranteed to the citizens of our other allies. I can see no excuse for denying the Taiwanese the freedoms and fundamental rights that are already denied to people on the mainland. Martial law must come to an end in Taiwan so that the people's right to self-determination and representative government can begin.

But martial law is not the only issue. We often overlook the fact that the native Taiwanese are distinct from the mainland Chinese. As such, they are in the unenviable position of seeing their homeland treated by both the Communist and the KMT governments as simply a province of China, rather than a distinct entity. Their position is not dissimilar from that of people in the Baltic States, who have been incorporated into the Soviet Union despite a history and ethnicity which are not Russian.

The Shanghai Communique is a unique solution to a vexsome problem involving three governments. But it accepts without question the position long held by both the Communist and the KMT governments concerning Taiwan. As such, it is incomplete, for it does not take into account the views of the native Taiwanese themselves. This oversight is regrettable, to say the least.

Clearly, we cannot repudiate the Shanghai Communique. But I believe that we ought to bear in mind the position and the concerns of the native Taiwanese when we deal with the People's Republic and with authorities on Taiwan. To accept without question the view that native Taiwanese are Chinese subjects—regardless of who

governs China—is to overlook the concerns of many millions of people. And surely, the native Taiwanese would be no better off under a Communist government than under martial law. I hope, therefore, that we will bear in mind their views as we further deal with the People's Republic and with the authorities on Taiwan.

FREEDOM FROM HUNGER: THE AMERICAN CHALLENGE

Mr. CHAFEE. Mr. President, the distinguished junior Senator from Missouri, our colleague, Senator DANFORTH, gave a very thoughtful speech recently on the subject of hunger. It is a matter that has been of great concern to him and on which he has made thoughtful contributions in the past.

Mr. President, I ask unanimous consent that Senator DANFORTH's speech be printed in the RECORD in its entirety.

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

FREEDOM FROM HUNGER: THE AMERICAN CHALLENGE

(By Senator John C. Danforth)

Let us begin tonight, here at Lincoln University, an American commitment to free the world from the scourge of hunger. Let us commit ourselves to have that goal in sight by the end of this century.

I cannot think of a better place than the campus of Lincoln University to make such a commitment, and I cannot think of a better time than now. For Lincoln is the first of the 1890 land grant universities, and our land grant institutions have led the way, here in the United States, in making agricultural productivity a 20th Century miracle.

Aided by the land grant programs, American genius and know-how have made farming America's biggest business and the United States the leading food producer in the world. Farm productivity has increased tenfold in the past 50 years, and today the average American farmer can feed and clothe 75 Americans and some portion of the world besides. As a Food "superpower," we now harvest more than half of all exported grain and hold the largest grain reserves in the world. In fact, we now provide 50 percent of all the food in international trade. At the same time, we maintain enormous stocks of surplus commodities and find ourselves with millions of tons of foodstuffs that go unconsumed each year.

This great abundance of food is often taken for granted. It is difficult for most Americans to picture how much of the world's population still lives in abject poverty and hunger. But while high quality food is available in great quantities in the United States, hunger is a constant threat for many millions around the world.

Today, millions of human beings still suffer from hunger—in conditions of poverty that would fill us all with horror. Many of these people suffer from starvation caused by famine, natural disasters, and political crises. Many more suffer chronic malnutrition—the silent, day-to-day scourge of the world's poorest people, who wake up each morning without enough to eat.

Unlike a sudden natural disaster or a war, hunger is a continuing tragedy which seldom makes the headlines. Yet its enormity cannot be denied. Unbelievable as it may seem to us, who take for granted our food abundance here in the United States, at least one-eighth of the world's total population suffers from severe hunger and malnutrition most of the time. And the problem is getting worse.

Eight hundred million of the earth's poorest people never have enough to eat. Hunger reduces the human potential of these people: It diminishes their physical and mental capabilities. It makes them less energetic and less productive. It diminishes their ability to learn. It ultimately increases their susceptibility to disease and shortens their lifespan.

More than half of those suffering from hunger and malnutrition are children, under the age of five. Each year, between 13 and 15 million children, most between infancy and the age of three, die unnecessarily from the combined effects of malnutrition and the diseases to which it makes them susceptible.

The horrible magnitude of this problem can be expressed in many ways.

Forty thousand people awaken each day to die of hunger. Every year more than 20 million lives are lost.

In the next 60 seconds, 234 babies will be born: 136 in Asia, 41 in Africa, and 23 in Latin America. Twenty-three of these infants will die before their first birthday. Thirty-four more will die before the age of 15—most of these before the age of 5. Between 50 and 75 percent of these deaths can be attributed to a combination of malnutrition and infectious diseases.

In other words, one in every four children in the developing world dies before the age of 15—primarily from nutrition-related causes. Moreover, many of those who survive beyond the age of 15 will be stunted in growth and will suffer brain damage that will incapacitate them for life.

Most of these inadequately nourished people live in developing countries on the Indian subcontinent, in Southeast Asia, and in Sub-Saharan Africa. Many also live in parts of Latin America and the Middle East. But in 1983, Africa is clearly the most pressing concern. Africa is the heart of the tragedy. Africa is the only region in the world where per capita food production has declined over the past two decades. In Africa today, between 60 million and 70 million human beings face severe malnutrition, even starvation.

In Sub-Saharan Africa, food production has been decreasing at the same time the population has been growing. Prolonged droughts have ravaged the continent. The mass migration of refugees in the Horn of Africa and, most recently from Nigeria, has made the disaster even worse. As a result, starvation is a fact of life in African villages and refugee camps. The crisis is now intolerable, and daily it is getting even worse.

The tragedy in Africa is shocking. But just as shocking and disturbing is the fact that hunger and malnutrition have not disappeared even in the United States. Here, in Missouri and across the nation, hunger and malnutrition are becoming realities for Americans struggling with the problems of a sluggish economy, high unemployment, rising food costs, and the increased cost of utilities.

It is in the relief centers, food banks and emergency distribution facilities across the country that the problem of hunger becomes most visible. The number of people appearing at these facilities to request assistance has increased substantially. Church groups and other volunteer organizations have responded superbly to the increased demand, but they cannot meet the need for assistance by themselves. People are falling between the cracks of our social programs, and already we are hearing reports of rising infant mortality rates due to malnutrition and the increased incidence of such problems as infant water intoxication due to formula dilution.

It is hard to comprehend that, with our great agricultural abundance, so many people are going hungry. Yet some Americans are again suffering from the kind of hunger and malnutrition that once plagued our country before federal nutrition programs became a nationwide reality.

Against this miserable background, let me stress the positive. I am absolutely convinced that hunger can be conquered, not only here at home, but throughout the world. Along with a growing number of Americans, I am firmly persuaded that the resources, the techniques, and the human ability to eradicate world hunger already exist.

This is not to say that the eradication of hunger is a simple matter, for the more we study the question, the more complex it becomes. The distribution of food from our abundant resources is part, but only part of the answer, and we must continue our commitment to make that distribution. The food stamp program at home and the food for peace program abroad are essential in an effort to deliver our abundance to those who are unable to acquire or produce it themselves.

But distribution of surpluses, however essential in meeting emergencies, is not the long-term answer to the hunger problem. If relied upon to the exclusion of indigenous production, it can thwart developing countries in their own efforts to gain the self-sufficiency they need and want. It can upset local markets and blunt the economic reform and agricultural research efforts necessary for long-term strength in poorer countries. For this reason, emergency relief must be combined with a sustained effort to improve educational institutions, agricultural research, production incentive systems and transportation in Africa and elsewhere.

The obstacles are great, but I am confident that the world today possesses the resources, the technology, and the ability to overcome them. By working in cooperation with other developed nations we can do the job. By providing technical and financial assistance, promoting corporate investment, and encouraging the elimination of trade barriers, we can lead one-quarter of the human race out of conditions of absolute poverty and toward the agricultural self-sufficiency and balanced economic development that are necessary to the final eradication of world hunger.

There is no question in my mind that we can succeed in this effort. I am confident that we inhabit a world in which hunger is no longer an inevitable fact of life. We can succeed, provided only that we want to succeed and provided that we in America are willing to make the eradication of hunger a

primary national objective. And this is exactly what I propose we begin here and now. I propose that we declare the right to food a fundamental human right and freedom from hunger a fundamental American goal.

America is the leading food producer in the world. No other country is in our position to make this kind of commitment. No other country could undertake leadership to end world hunger. We can. Therefore, we must. But as yet we have not done so.

The United States is the world's largest donor of total food and technical assistance to developing countries, but our relative share of total assistance has been declining. In recent years, we have spent 20 times more on defense than development assistance, and we have ranked behind 12 other countries when such assistance is measured as a percentage of gross national product. If we are to take the lead in eliminating hunger, we must do much more.

If the elimination of hunger is to be a primary national objective, it cannot be secondary to some other objective. It has been argued that food should be used as a tool of foreign policy and that the shipping or withholding of food can be used to bring pressure on other countries such as the Soviet Union. But where it has been tried, the embargoing of food for foreign policy purposes has not worked well. The interruption of grain shipments to the Soviet Union did not lead to modifications of Soviet policy. It did cause significant hardship to our own farmers.

Here at home, it could be argued that to guarantee an adequate diet to all Americans lessens the incentive to work and encourages laziness. But I do not believe that hungry people make good workers or that the provision of a minimum diet reduces one's willingness to work.

What is more, the use of food as a means to some other end—to alter behavior at home or abroad, is more characteristic of a totalitarian value system than of the United States. If we value the dignity of human beings, then we should feed them because they are hungry, not because they do as we please. To make the elimination of hunger a national priority is to make a clear statement about our national values.

There is no doubt that a major effort to end hunger would serve the self-interest of the United States. If this were not so, our attention span on the issue would be brief indeed. Philosophical reflections on values are worthwhile, but when joined with national self-interest they gain the form and shape necessary for effective public policy.

To take the lead in eliminating hunger would reduce our own surpluses; it would open up markets abroad; it would help our agricultural sector; it would improve our balance of trade; and it would increase our influence in the third world. It would, in short, be of practical benefit to our country. But, again, beyond all the tangible advantage, it would further our system of values and appeal to the idealism of the American people. It would enhance our national identity.

The relationship between food policy and a country's value system were brought home to me in 1979 when I journeyed to Cambodia and the border of Thailand. There I saw refugees from political brutality in the most abject condition of human misery I had ever experienced. Thousands were lying on the ground, too weak to walk, dying of starvation before my eyes. I saw babies dying in their mother's arms. Hunger, once seen, is never forgotten.

Two Communist regimes, fighting over the same territory, caused this misery—two Communist regimes that were willing to use food as a weapon of war—two Communist regimes that seemed wholly insensitive to the human tragedy they were causing. And it was western countries, especially America, citizens of the western world, especially Americans, who were there on that border to see what relief they could provide. They had come from half way around the world. They had come to people of a different race and language—of an abhorrent political philosophy. They had come to help—to help because fellow human beings, however different, were in desperate need.

And when I returned from that journey, the response here in Missouri was enough to bring tears to the eyes. School children held car washes and bake sales. Fourth and fifth grade children from a school for the deaf contributed their nickels and dimes. Church groups gave their support.

Why did so many Missourians respond in this way? Why should they have cared about the Cambodians? What did Cambodia have to do with them? Were not these Cambodians of a difference race, a different tongue, a different ideology? What was so special about them that deserved our time, our funds, our attention?

And the answer, of course, is that they were not special at all. They were human beings and we valued them for that reason alone. They were suffering. They needed help. And we helped them. That was all that mattered.

It mattered then and it matters now. It must always matter—to us, to Americans. We believe in the value of human beings. We must always believe in that if we are to be true to ourselves. And we must demonstrate our belief by action.

There is nothing else on earth that shows forth a nation's values as much as food. How a nation deals with food—whether it hoards it, or withholds it or shares it—is a window into a nation's character.

Americans believe in their country—they should. Let us commit ourselves to giving substance to that belief. Let us commit ourselves to freeing the world from hunger.

HOUSE CONCURRENT RESOLUTION 65—WELCOMING QUEEN ELIZABETH AND PRINCE PHILIP

Mr. BAKER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of House Concurrent Resolution 65, a concurrent resolution welcoming Queen Elizabeth and Prince Philip on the occasion of their official visit to the United States, and I ask for its immediate consideration.

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

The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 65) welcoming Her Majesty Queen Elizabeth II and His Royal Highness The Prince Philip, Duke of Edinburgh, on their official visit to the United States.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. PERCY. Mr. President, House Concurrent Resolution 65, which is before the U.S. Senate today, welcomes Her Majesty Queen Elizabeth II, and His Royal Highness, Prince Philip, Duke of Edinburgh, to the United States for their current visit, and pays special recognition to the historic ties of friendship between the peoples of the United States and the United Kingdom.

It is fitting that we in the Senate join in this American welcome to the Queen and her husband during their 10-day tour of our west coast. The political, economic, and cultural links between the American and British peoples are uniquely deep and enduring. So much of our own national heritage is bound up with Great Britain. And our close ties continue in the present lives of our two nations.

The PRESIDING OFFICER. The question is on agreeing to the preamble to the concurrent resolution.

The preamble was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 65), with its preamble, was agreed to, as follows:

H. CON. RES. 65

Whereas Her Majesty Queen Elizabeth II and His Royal Highness The Prince Philip, Duke of Edinburgh, will pay an official visit to the United States from February 26 to March 7, 1983;

Whereas the Royal Couple will travel on board the HMY Britannia, visiting several cities on the west coast of the United States, including San Diego, Los Angeles, Palm Springs, Santa Barbara, San Francisco, Sacramento, and Seattle;

Whereas they will visit important United States naval facilities, institutions of higher learning, business and cultural organizations, and hospitals, and will spend a weekend at Yosemite National Park; and

Whereas they will be received by President and Mrs. Reagan at the President's ranch and, in return, will host a dinner for the President and First Lady aboard the HMY Britannia: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That in special recognition to the historical ties of friendship between the peoples of the United States and the United Kingdom, the highly valued political and economic relationship which exists between our two countries, and the cultural bonds which have long enriched our two societies, the Congress hereby extends a warm welcome to Her Majesty Queen Elizabeth II and His Royal Highness The Prince Philip, Duke of Edinburgh, on the occasion of their official visit to the United States.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, unless there is some Senator seeking recogni-

tion, and I see no Senator seeking recognition, I move in accordance with the order previously entered that the Senate now stand in recess until the hour of 9 a.m. on tomorrow.

The motion was agreed to, and at 5:53 p.m., the Senate recessed until Tuesday, March 1, 1983, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate February 28, 1983:

DEPARTMENT OF STATE

John Davis Lodge, of Connecticut, to be Ambassador Extrordinary and Plenipotentiary of the United States of America to Switzerland.

DEPARTMENT OF EDUCATION

Peter H. Raven, of Missouri, to be a Member of the National Museum Services Board for a term expiring December 6, 1987 (reappointment).

EXTENSIONS OF REMARKS

CHRIST CHURCH, UNITED METHODIST OF TROY, N.Y., CELEBRATES 175TH ANNIVERSARY AND TROY CONFERENCE CELEBRATES 150TH ANNIVERSARY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. STRATTON. Mr. Speaker, it is my distinguished honor to advise my colleagues of two important events that will be taking place later this year for the Christ Church, United Methodist in Troy, N.Y.

The 150th anniversary of the Troy Annual Conference of the United Methodist Church will take place in Troy on June 2-5. In addition, Christ Church, United Methodist, located in the city of Troy, will celebrate its 175th anniversary during the week of October 18-24.

Both of these milestones will be major observances in Troy's activities in the months ahead.

At this point in the RECORD I include a brief history of Christ Church, United Methodist and extend my best wishes to the conference and the congregation on these important occasions.

CHRIST CHURCH, UNITED METHODIST, TROY, N.Y.

HISTORY

When the village of Troy assumed its name and was incorporated in 1789 there were no churches. Early religious services were held either in a school house located on an open plot of ground between the present lines of Congress, Ferry, Second and Third Streets, or in the ball-chamber of Ashley's Inn on the east side of River Street between Congress and Ferry Streets. Here sermons were read by local citizens. After the Presbyterian meeting-house was built in 1792 on the south-east corner of First and Congress Streets the citizens of Troy usually attended services there until the denominational societies of their own faith organized. By 1793 the Methodists began to meet in their homes. As the group grew in numbers the meetings were held in the Rensselaer County Courthouse.

Although a "Class" had been established by the Rev. Elijah Chichester in 1805 it was not until November 29, 1808 that the Society was incorporated according to law and assumed the name "Methodist Episcopal Church of the village of Troy". Because of the inconvenience of holding meetings at the homes of members or in the Courthouse the trustees purchased for $500, plus annual interest payments of $35 until the payment was completed, lots 734 and 744 (the site of our present Parish House) from Jacob D. Van der Heyden. The conveyance was made on Christmas Day, December 25, 1808.

FIRST MEETING HOUSE—ERECTED 1811

This first meeting-house of the new congregation was not completed until 1811 because of the limited means of the members. The first church was a plain, two-story weather-boarded structure with its south gable facing State Street. The first pews were temporary ones made of rough planks. "When the church was fitted with more suitable furniture the seats were then but plain, unpainted pine benches backed with a narrow board. The pulpit was a plainly-constructed desk, standing on a small platform on which were several chairs. When used at night . . . the meeting-house was lighted with tallow candles in tin sconces hung along the walls of the building. Years afterwards, when doorless pews were put in the church, the benches were placed in the gallery, which had no sittings until then. The sittings on the east side of the church were occupied by the women and girls of the congregation, and those on the west side by the men and boys."

THE BRICK CHURCH—DEDICATED DECEMBER 1, 1827

The religious excitement of Troy plus the effect of several "revivals" greatly increased the membership of the Methodist congregation. The first meeting-house was "crowded above measure". "In the spring of 1827 the erection of a brick building was begun on part of the site of the old meeting-house. The new structure fronting with a gable immediately on State Street, a little east of the alley, was fifty-five feet wide and sixty-six feet long. On December 1, that year, the building was dedicated." At that time the congregation totaled 437 members. The old meeting-house was sold at public auction on February 28, 1827 for $500. The building was moved to the corner of State Street and Fifth Avenue where it was used as a courthouse while a new courthouse was being built. Later it was used as a grocery store until the erection of the present church which was begun in 1867.

In the spring of 1867, the property east of the brick church, extending to Fifth Avenue was purchased. "The corner-stone of the present church was laid on Thursday afternoon, June 25, 1868. . . . The new church, built of blue limestone, was dedicated by Bishop Matthew Simpson, on Thursday morning, March 30, 1871. The attractive edifice has a frontage of seventy-five feet on State Street and a depth of one hundred feet on Fifth Avenue. The auditorium, fifty-nine by seventy feet has 650 sittings and the gallery 250. The tower, nineteen feet square, rises to a height of eighty-five feet; and when completed, with the steeple, the height from the sidewalk to the finial on the spire, will be one hundred and seventy-five feet. The estimated cost of the church, when completed, will be $125,000." The spire was erected later in memory of Mr. and Mrs. William Cluett by their sons, J.W.A. and G.B. Cluett.

"The laying of the corner-stone (of the present Parish House) took place on Tuesday afternoon, May 30, 1882." The dedication of this building, which replaced the brick church was held on Tuesday afternoon, March 29, 1883.

The Methodist Episcopal Church in Troy, later known as the State Street Methodist Episcopal Chruch, mothered eight Methodist congregations throughout the city of Troy. The following is a brief history of those congregations and will suffice to show how some of them returned to make possible the congregation now called Christ Church, United Methodist.

In 1826 a small meeting house on Pawling Avenue, near the head of Winter Street was built by the trustees of the State Street Society for those who wished to hold meetings when the inclement weather or other reasons prevented them from attending State Street Church. This building was replaced in 1857 by a brick structure on the same site (now part of the East Side Hardware Corp.). The present Pawling Avenue United Methodist Church was built on the corner of Pawling Avenue and Woodlawn Court in 1903.

Due to the growth of our city northward, a Committee from State Street Church was appointed on May 23, 1831 to provide a place for preaching in the north part of Troy. The site on the northeast corner of Jacob and North Second Streets was chosen. A brick church, known as North Second Street Methodist Episcopal Church, was built and dedicated August 30, 1835. A new church was built on the same site and was dedicated on December 29, 1854. The name "Fifth Avenue Methodist Episcopal Church" was adopted February 9, 1888 shortly after the name of North Second Street was changed to Fifth Avenue by the city. In 1925 this church merged with State Street under the name of "Fifth Avenue-State Street Methodist Episcopal Church." Until recently the church building was used by the congregation of St. Peter's Armenian Apostolic Church. Currently it is being used by the congregation of the Bethlehem Temple Church.

The African Zion Methodist Episcopal Church was established in 1832 by members from a "Class" connected with the State Street Church. The first church was located on Fifth Avenue north of Liberty Street. The location of the church has changed several times throughout the years. Presently the congregation worships at 189 Fifth Avenue, North Troy, and is known as the Fifth Avenue A.M.E. Zion Church.

"A number of persons, designating themselves members of the Fourth Methodist Episcopal Church in Troy" met on September 24, 1838 and formally organized a society known as Levings Chapel. It was named for the Rev. Noah Levings, D.D., who as a blacksmith boy was converted in the old Methodist Episcopal Church of Troy in 1813, and afterwards was twice its pastor. The society erected a church on Mill Street and eventually changed the name to Levings Church. This church merged with the Green Island Church in 1968 and worships there. Because of structural weaknesses the Levings Church was razed a few years ago.

Desiring to strengthen the cause of Methodism in South Troy, a classleader of the State Street Church opened his home for preaching, prayer-meetings, and a Sunday School in 1844. Shortly thereafter a lot was

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

secured and a church erected on the northeast corner of Third and Monroe Streets. The building was dedicated on December 25, 1847. The church was discontinued about 1919. The structure has been considerably remodeled and is now used by the congregation of St. Nicholas Ukrainian Orthodox Church.

Trinity Methodist Episcopal Church was formed from a "Class" of Methodists from State Street and North Second Street (Fifth Avenue) Churches who began meeting on Congress Street in 1846 under the leadership of the pastor of the Third Street Church. The first building was a reconstructed wooden blacksmith's shop on the south side of Congress Street at its intersection with Ferry Street. It came to be known as "The Hemlock Church". In 1848, a site on Thirteenth Street, facing Prospect Park was purchased on which a church was built and dedicated on July 12, 1849. The name of the church was changed from "Congress Street" to "Trinity" in 1880. In 1965 the congregation known as Trinity merged with that of Fifth Avenue-State Street and it was at that time that the name Christ Church, Methodist was adopted. The "United" came following the merger of the two denominations, The Methodist Church and the Evangelical United Brethren Church, in 1968. The former Trinity building is now used by the congregation of St. Paul's Missionary Baptist Church.

The Vail Avenue Church was established on March 15, 1852 by a few members of the State Street Church and other residents of the community as the Methodist Episcopal Church in North Troy. In 1867, the church took the name of the Vail Avenue Methodist Episcopal Church and on April 2, 1888 because the street's name was changed to Sixth Avenue the name of the church was changed to "Grace". The cornerstone for a new church was laid August 16, 1888. In 1969 the congregation merged with St. Mark's Church to become The United Methodist Church of Lansingburgh. The congregation of the Apostolic Pentecostal Church now worships in the former Grace Church building.

The First German Methodist Episcopal Church of Troy, was organized on July 25, 1857. On March 25, 1863 a brick church at the corner of State and Union Streets was dedicated. In 1925 this church, too, merged with State Street Church. The Italian congregation of St. Titus Church purchased the building and used it as their place of worship for several years before disbanding. In the late 1960's the building was demolished by the Urban Renewal Agency.

Such has been the growth and spread of Methodism, along with the consolidation of some of her churches, in the city of Troy. The present gothic structure at Fifth Avenue and State Street has gone unchanged for a century. Over the years, renovations have been made within the Parish House especially, and in the undercroft of the church to provide classrooms, offices, and general meeting areas. Shortly after May 1, 1974 the one hundred year old pipe organ will be replaced by a three-manual Allen Digital Computer Organ. Accompanied by this new instrument, Methodists will continue to worship and sing, we trust, for a long, long time just as they have been doing across these many decades since the site was first acquired 165 years ago. This church has had a long and rich history. We ask God to bless her present ministry and to enlist from one generation to the next enthusiastic members to ensure her future.

The quotations and much of the historical data is from "The History of Methodism in Troy, New York" by Joseph Hillman published in 1888.

REFLECTIONS ON THE CHURCH

Not too many churches have had the distinction of ministering continuously from one location for more than sixteen decades. I am the 65th pastor to minister from our present site. The rather large number of former pastors who are still living would indicate to me that many of them came to this church as relatively young men.

While served by so many ministers across the years, this church has also challenged many to enter the pastoral ministry. I know of seven who have entered the ministry from our churches. Four of these men, three of whom are now retired, have given 144 years of accumulative service to churches in the Troy Conference.

Troy Annual Conference was established in 1832 and its first session the following year was held in the "brick church". Since then twelve sessions of our Annual Conference have been held in Troy . . . the last one being in 1953, the year I was ordained an Elder.

Many people have found the church at Fifth and State a friendly place. The merger in 1965 was a happy one and has made for a stronger witness. The keen interest and enthusiasm of so many college students have been both a challenge and an inspiration to me. I have never ceased to marvel at the loyalty of many of our members, some of whom travel considerable distance and pass other churches on the way.

With Troy's rebuilding of the central city, its new bridges and arterials, and our proximity to college campuses, our church is still strategically located for a ministry that should take us into our third century of service and beyond. The community of Christians, a church, will exist as long as her ministry serves the Lord, meets the needs of people, and there are members who take their vows seriously. This church has always been so endowed and I trust she always will be. This pastor shall ever be grateful for having had the privilege of serving for a time this great church.—WILLIAM A. GROSHANS ●

HANDICAPPED DRIVERS COURTESY BILL

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. DOWNEY of New York. Mr. Speaker, I would like to bring to the attention of my colleagues the handicapped drivers courtesy bill I am introducing. As we all are aware, the handicapped and disabled citizens in our Nation face a host of obstacles every day. Fortunately, because of mechanical and medical technological advances, the legislative efforts of this and other bodies, and the sheer courage and determination of our handicapped citizens, many are able to live relatively normal lives, free of the barriers and impediments that once burdened them.

My bill would remove yet another barrier for these citizens. It is not a physical barrier; it is a legal one. In many States, an out-of-State handicapped driver cannot park in in-State handicapped drivers' spaces. Imagine this absurd situation: an out-of-State handicapped driver receives a ticket on his or her special vehicle because he or she parked in a handicapped drivers' space—but was not certified by that State as being handicapped. The ticket costs the driver $50, to say nothing of the time and aggravation caused.

My legislation is not complex: it merely would put into law a simple congenial reciprocal arrangement by the States. That is, out-of-State handicapped drivers are extended the same rights and privileges as handicapped drivers in that State without further certification that they are handicapped. Thus, the handicapped driver is welcomed and respected in every State. What is more, this little courtesy, this small bit of interstate cooperation, costs the State nothing and reaps it great reward: the appreciation of the out-of-State driver who is visiting your home State.

Here, printed below, is the text of the handicapped drivers courtesy bill. I urge, on behalf of the handicapped drivers and travelers of our country, that we pass this legislation.

H.R. 1702

A bill to amend title 23, United States Code, to require the Secretary of Transportation to reduce the apportionments of certain Federal-aid highway funds to any State in which highway motor vehicles displaying a handicapped parking sticker issued by any other State are not allowed to park in the parking spaces in which highway motor vehicles displaying a handicapped parking sticker issued by such State are allowed to park.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 158. Handicapped parking privileges

"(a) In any State which allows any highway motor vehicle displaying a handicapped parking sticker issued by such State to park in parking spaces designated for use only by such vehicles, any highway motor vehicle displaying a handicapped parking sticker issued by any other State shall be allowed to park in such parking spaces under the same terms and conditions as apply to highway motor vehicles displaying handicapped parking stickers issued by such State, except that such State shall not require (1) any highway motor vehicle displaying a handicapped parking sticker issued by any other State to display a handicapped parking sticker issued by such State, or (2) the driver of, or a passenger in, such vehicle to be (A) examined for the purpose of determining if such person is handicapped or not, or (B) otherwise certified as handicapped by such State.

"(b) If, in any Federal fiscal year beginning after September 30, 1984, any State violates subsection (a) of this section, the Secretary of Transportation shall reduce the apportionment of Federal-aid highway

funds under each of sections 104(b)(1), 104(b)(2), and 104(b)(6), of this title in an aggregate amount of not less than one-half of 1 per centum and not more than 2 per centum of the amount to be apportioned to such State for the second fiscal year beginning after the last day of the fiscal year in which such violation occurred.

"(c) As used in this section, the term 'handicapped parking sticker' means any license plate, parking permit, or any other sticker or symbol issued by any State which indicates that the driver of, or a passenger in, any highway motor vehicle is handicapped.".

(b) The analysis for chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"158. Handicappted parking privileges.".●

AMERICAN LEGION POST 38 ESTABLISHES VETERAN'S SCHOLARSHIP PROGRAM

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mrs. HOLT. Mr. Speaker, recently, American Legion Post 38, in Dundalk, Md., was the subject of a laudatory news article which appeared in the Sun newspaper.

Officers of American Legion Post 38 met with representatives of Dundalk Community College and developed a scholarship program to retrain some of the area's veterans. The program was launched with a 3-hour seminar of stress and unemployment during which 20 to 21 veterans applied and were accepted for scholarships. The program was financed by the legion post and enables the veterans to take six credits, amounting to two courses, during the spring semester.

The actions on the part of legion officers and the community college are worthy of the honor of national recognition and appreciation. It is a privilege to represent a State in which such selfless and concerned individuals reside.

This is the kind of community spirit that made this country the great Nation that it is.●

SUCCESS: LIVINGSTON FARMERS ASSOCIATION

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. COELHO. Mr. Speaker, there is an amazing success story in Merced County, Calif. that I would like to bring to the attention of my colleagues. As told in the following Fresno Bee article, the Livingston Farmers Association has demonstrated that success comes to those who dedicate themselves to that end.

The Livingston Farmers Association is a cooperative of individuals, primarily of Japanese ancestry, who have, through hard work, overcome the economic challenges and cultural discrimination of early California to establish a highly respected farming operation. The association members exemplify the historical benefits which come to the individuals through banding together to operate cooperatively in the agricultural economy. Their reputation as excellent farmers with high quality produce and considerable economic strength should be an inspiration to all Americans, regardless of ancestry, who strive for success.

Mr. Speaker, at this point, I offer the aforementioned article.

JAPANESE-AMERICAN'S AG COOPERATIVE PROVES IMMIGRANTS' SUCCESSES

(By T. J. Burnham)

LIVINGSTON, MERCED CO.—Give to a struggling Japanese commune a home in windseared, near-desert ground; then, when their hope is as fresh as the new green vineyards, wrench them away under eyes of scorn in the piercing winds of war.

But this scenario of the Yamato (Japan) Colony, from its pale onset at Livingston in 1906 through the displacement of World War II Japanese citizens, does not fade in defeat. Instead, the Livingston Farmers Association is today a vision manifest in a thriving 9,000-acre cooperative of 74 small-scale farmers, mostly Japanese. Big on sweet potatoes and almonds, they sell $8 million in crops a year.

Respected as a farm community with some of the finest commodities in the state, the cooperative's evolution has been poignant.

One who remembers is Norman Kishi, a 78-year-old Nisei: a U.S. citizen whose parents immigrated from Japan. As a grassroots member of the colony, Kishi married Tokuto Domoto in 1934 in the first Nisei marriage held in the community.

His father, Tajiro, was one of the less than a dozen original Japanese who wandered to the "wild desert" in search of a homeland. "If they had it to do over, they probably would not have picked the Livingston soil," smiles Kishi. "There is nicer farmland."

It was a place for Japanese who could not be choosy. As socially isolated "aliens" restricted from owning land, they sought a home.

Even in their new home, anti-Japanese sentiments surfaced in the local newspaper, the Livingston Chronicle, by 1919, followed by boycotts and resolutions to exclude "picture brides"—potential wives from Japan who were selected by the colonists from photographs.

The hostility culminated with the erection of billboards on the highway into Livingston reading "No More Japanese Wanted Here," Norman remembers seeing as a 15-year-old.

His father came to California from Japan's Wakayama Prefecture, as did many of the colonists. He and other transient Issei—first-generation U.S. Japanese—sorted fruit in the Vacaville-Winters sheds.

It was when he moved to San Francisco to open a bathhouse that Tajiro Kishi came into contact with Japanese newspaper publisher Kyutaro Abiko. Yamato was Abiko's brainchild: a place for wandering Japanese to settle and begin new lives farming the sandy earth.

In an irregular checkerboard of 40-acre parcels, the dusty colony unrolled over the barren wild ground where Tajiro Kishi brought his wife and two sons, including 2-year-old Norman.

"Father planted table grapes, as did most of the colony," said Norman. "It was a desert when we came. My father was one of the few Japanese in California to own land, and it was purchased sight unseen." Fortunately for many at the colony, they purchased their land before the 1913 Alien Land Law blocked sales of land to Japanese.

What Tajiro and his wife saw when they arrived was little more than depressing desert. A San Francisco Chronicle story described an earlier unsuccessful colony on the site as having been "blown away." Blistering sandstorms and myriad jackrabbits owned the desolation, wrote Kesa Noda in his documentary book of "Yamato Colony 1906-1960."

"At first, they sold their produce independently at San Francisco," said Norman. "But the benefits of getting together to ship to the markets became evident. For one thing, we had a language barrier. We needed an English-speaking merchant."

So the first sangyo kumiai (marketing cooperative) was sparked in 1913, kindling the spirit of working together that was to evolve into today's united association.

The effort put order in the irregular flow of produce from the colony, ending the market flooding that was causing a strain on some growers. According to Noda, the first co-op manager put it to the community this way: "If you hold hashi (chopsticks) individually, you can certainly break them all, but if you put them together, why, you can't break a bunch of hashi!"

The co-op brought new vitality to Yamato. "It was like a desert that bloomed," recalls Livingston Farmers Association president Ken Hamaguchi. "The farmers began to produce and market peaches, and the economic strength of the Livingston cooperative members began to grow."

The Livingston Cooperative Society divided into the Livingston Fruit Growers Association—with Tajiro Kishi as the first president—by 1927, which merged into the Livingston Farmers Association in 1957. Between these quiet events, the interval was shattered by the bursts of Japanese bombs on Pearl Harbor.

World War II ripped the roots of Yamato from the Livingston earth, transplanting the Kishis and others to Colorado, while their neighbors like the Hamaguchis were banished into another desert in Arizona.

In a rushed bid for survival of the co-op colony, Livingston growers established a non-Japanese trusteeship that saved the community, and even reaped savings that awaited the farmers when they returned in 1945.

Deprived of the war's farm-boom profits, the Japanese returned to their fields with a rage for success through diversity. By last year, the co-op reported no less than 15 different crops in their association's program, led by a $2.7 million almond harvest and $2.2 million sweet potato bonanza.

Marketing heavily through the state's largest cooperative processor-handlers, the association's land is planted to grapes, raisins, peaches, nectarines, plums, walnuts, kiwi, persimmons and apricots.

A network of the latest facilities for storage, packing, loading, hulling and hauling serves the community, which shaves input

costs through cooperative service and purchasing strength.

While the community depends on others to market much of its produce, pride is strong in independent enterprise. "We market almonds through the California Almond Growers Exchange," said president Hamaguchi, "but we've developed the hull market ourselves. Our fruit labels are respected for our quality, and we sell our sweet potatoes and yams because our people grow them as well as anyone can."

And the association keeps a close watch on the activity of its co-ops, "We look at each market individually," explains LFA's general manager Rick Kindle. "If direct sales become justified, we may decide to change the way we do some business."

Fresh-product labels like Pride of Livingston and Yamato Colony already have given the co-op a preferred market identity, said Kindle. "More direct marketing may become desirable—particularly in Japan."

Trouble in the economy rippled into the farmers' association in 1982, Kindle acknowledges. But an eager new brood of Sansei, third-generation Japanese-American farmers, is lining up with efficiency ideals.

Removed from the barren bitterness that greeted their predecessors, newcomers like Hamaguchi's nephew, Don Hamaguchi, are stepping into leadership. He is the first Sansei director of the farmers association.

"His ideas are different," smiles the elder Hamaguchi, "but so were ours when we came to turn the desert into a farm."●

COMMUNISTS AND SOCIALISTS PROTEST AGAINST SECRETARY OF INTERIOR JAMES WATT'S POLICIES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. YOUNG of Alaska. Mr. Speaker, much has been said about Secretary of Interior James Watt and his policies of returning a balance to public land management. For a variety of motives, individuals and groups have consistently leveled charges against those policies that Westerners from working communities support. Recently, while in Columbus, Ohio, to honor Abraham Lincoln and William McKinley, Watt was again treated to a very sophisticated, organized protest, complete with one individual dressed as a chipmunk. Along with the normal list of groups associated with the chlorophyll blood set, he was treated in this instance to a wide range of mainstream Americans concerned with public land issues. Included within this group was a woman's group from the local university, the National Lawyers Guild, and People for Animal Rights. New additions to this growing cadre of loyal Americans fed up with Mr. Watt's policies for the public lands were no other than the Democratic Socialists of America, and the Communist Workers Party, long rumored to be in the forefront of the environmental extremism movement in America. I offer for the Member's information a text from the Columbus Citizen-Journal about the protest:

[From the Columbus Citizen-Journal, Feb. 18, 1983]

JAMES WATT SPEAKS AT PARTY BANQUET

(By Davyd Yost)

Nearly 500 demonstrators marched last night outside the Hyatt-Regency Columbus to protest the policies of U.S. Secretary of the Interior James G. Watt, who spoke inside at a Republican Party banquet.

Chanting slogans like, "Save energy, kill a Watt" and "Self determination for the American Indian nation," the protesters filled the sidewalk on Nationwide Boulevard and spilled around the corner at High Street.

Watt slipped in through a back door, unobserved by the protesters.

The hour-long rally was sponsored by the Ohio chapter of the Sierra Club in cooperation with 10 other organizations.

"We have the least federal lands of any state in the union," said Donn Young, a member of the Sierra Club's state executive committee. "We'd like to preserve what we have left."

In addition to Watt's proposals to open up protected federal lands to mining and drilling, Young said his group is upset with discussion about selling portions of the Wayne National Forest in Southern Ohio and with lax enforcement of strip mining laws.

He noted his group usually fights its political fights in legislatures and in the courts, not with placards and chants.

"But we felt with Mr. Watt, our presence was really needed. We had to be here," he said.

Several demonstrators were in costume as animals, underscoring their view that Watt is unsympathetic to wildlife.

Wayne Cope, who lives near Ohio State University, was dressed as a chipmunk and carried a sign reading "Who Needs Trees?"

"I've been an environmentalist for a long time," he said. "And the Indian affairs stuff really rubs, too."

He said he had handed out 800 pamphlets early yesterday detailing Watt's decisions. Only six people supported the secretary, he said.

Some Republicans participated in the protest.

Dick Cooper, who said he had supported Barry Goldwater for president in 1964 and has voted for "all Republican presidents except one" sported a red-and-white Republican nametag, a three-piece wool suit and a sign that read "Dim Jim Watt."

Cooper said he had been at a Republican fundraiser with Watt at the Palace Theatre shortly before the protest began.

"People gave President Reagan a big vote in 1980," he said. "They voted for a better economy. But they didn't expect what has happened to the environment."

The other organizations that planned the demonstration were: the Central Ohio Safe Energy Committee, Federation for Progress, Progressive Student Alliance, Democratic Socialists of America, People for Animal Rights, Communist Worker's Party, Stonewall Union, National Lawyers Guild, OSU Environmental Law Association and OSU Women's Law Caucus.●

SMALL BUSINESS TAX RELIEF ACT OF 1983

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. SCHULZE. Mr. Speaker, in the last Congress my Small Business Tax Relief Act attracted substantial bipartisan support. Unfortunately the conditions which motivated my introduction of this bill still exist. Therefore, on February 23, 1983, I introduced the Small Business Tax Relief Act of 1983.

Briefly, the seven provisions of my bill would:

First, permit a small businessman to sell his business, reinvest the profit within 24 months in another small business without paying tax, as in the case of an individual's residence;

Second, increase the amounts of property eligible for expensing in the year of purchase;

Third, permit rapid amortization of certain federally required expenditures;

Fourth, liberalize the provisions with respect to small domestic international sales corporations;

Fifth, provide for the optional cash or accrual method of accounting for sole proprietors;

Sixth, require the IRS to refund employers their proportionate share of excess social security payments made on behalf of employees who were employed by two or more employers during the year, and finally my bill would;

Seventh, grant a tax credit of $5 for each document or form which a small business is required to file under Federal law.

The Small Business Tax Relief Act of 1983 is a balanced and multifaceted bill which will assist our small entrepreneurs in a meaningful way. I urge all of my colleagues whose constituencies include small businesses to join me in facilitating the formation and growth of small business by cosponsoring the Small Business Tax Relief Act of 1983.

To give a more detailed explanation of my bill I am providing a description of each provision.

First, gain from a sale sole proprietorship. This "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 24 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism.

Second, increase the dollar limit on property eligible for expensing under the accelerated cost recovery system. This section of the bill would simply increase the amount which, at the option of the taxpayer, may be claimed as a deduction in the year in which property is placed in service. Current law limits qualifying property to a value of $5,000 in 1982 or 1983, $7,500 in 1984 or 1985, and $10,000 in 1986. The act would increase the amounts eligible as follows: Increase of $10,000 in 1983, $15,000 in 1984 or 1985, and $20,000 in 1986 or thereafter. This provision is designed to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability. Also, there would be great savings from reduced recordkeeping and accounting.

Third, rapid amortization of certain federally required expenditures. This section provides for the rapid amortization over a 36-month period of federally required expenditures for plant and equipment. The aim of this provision is to give rapid writeoff to businesses forced to comply with Federal laws or regulations such as OSHA, HHS rules for the handicapped, regulations governing pollution control, and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. This provision would apply only to existing facilities.

Fourth, removal of certain limitations of deferral in cases of small DISC's. The domestic international sales corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having an adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth, optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation of inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth, refund or credit of employer share of certain excess social security taxes are a source of agitation to most employers, because of the amount of related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld. However, there is no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms or paperwork.

Seventh, expense of filing Federal forms. This final section of the bill would grant a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision would help to defray the expense of complying with the requirements it imposes on business.

Tax policy plays an integral part in the success or failure of a new business enterprise. It is significant to note that the Small Business Administration indicates that out of every 10 new businesses, only 5 will be operating within 2 years. In order to insure the viability of our economy, it is essential that Congress take the actions needed to bolster the existing small business community and encourage the creation of new businesses.

I urge my colleagues to join with me in aiding American small business.●

ESTONIAN INDEPENDENCE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. GREEN. Mr. Speaker, on February 24, 1918, the nation of Estonia declared its independence. Today, I would like to commemorate the 65th anniversary of the Declaration of Estonian Independence, and in doing so, reiterate the right of Estonia and all other captive nations to their languages, their cultures, and above all, to self-determination.

Estonia continues to face grave threats from the Soviet Union. Overindustrialization has produced labor shortages which have triggered floods of immigrants. By 1979, only 64.7 percent of the country's population was Estonian. In Tallinn, the Estonian capital, only 51.5 percent of the population is Estonian. When its new harbor is completed, this percentage could fall even further.

Equally frightening are Soviet attacks on the very language and culture which give Estonia its identity. Recently, a Helsinki newspaper printed photocopies of a Soviet order that the Russian language be given perferential status in all government and educational activities in Estonia. Such suppression of a people's language is intolerable, and we in the free West must continue to speak out strongly against Soviet dominance of Estonia.

I ask my colleagues to join me in continued opposition to Soviet oppression of Estonia. We must each reconfirm our nonrecognition of Soviet incorporative actions, and renew our dedication to the dignity, the independence, and the freedom of the nation of Estonia.●

BARD YOUNG: AN OUTSTANDING UNION LEADER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. FORD of Michigan. Mr. Speaker, during my career in public service spanning more than two decades, I have never known a more dedicated and forward-thinking union leader than Barden Young, director for region 1E of the United Auto Workers. As he completes his career of 41 years of service with the UAW, it is indeed an honor to have my colleagues' attention to pay tribute to a man who has my utmost respect and admiration.

Long before they were a daily phenomena, Bard Young had the foresight to recognize that plant closings and the havoc they would wreak on communities throughout the country were a problem to be addressed by the Congress. He devoted a considerable amount of his personal time and effort in helping then-Senator Walter Mondale and me draft plant closings legislation. His research and diligence remain the core of legislation I introduced in subsequent sessions of Congress.

His astute observations also warned us of the international energy crisis we would face, and the increasing power of big oil and gas corporations. I only wish that more of us had heeded his predictions when there was more potential for controlling what have become runaway prices.

From the very beginning of his union stewardship organizing Wolverine Tube, which would become a unit of Walter Reuther's home local, Bard displayed the courage in leadership which would propel him into an influential role as an international UAW representative in June 1944. He established a firm base in region 1E during his tenure as the administrative assistant to then Codirector Ed Cote. Then in 1962, Bard was elected regional director for 1E and has been re-elected at each subsequent convention. His name is familiar throughout my district and the State of Michigan in labor, political, educational, and governmental circles, from Detroit to Flat Rock, Romulus, Northville, Wayne, Ypsilanti, and Saline.

On a daily basis, Bard oversees some 300 individual contracts, administered through 29 local unions, and provides services to 50,000 UAW members. At the same time, he has devoted considerable time to the Democratic Party, and has served as a delegate to the last four National Democratic Conventions. He is also currently the elected chairman of both the Monroe and Washtenaw area UAW-Community Action Program Councils and vice chairman of the Wayne County UAW-CAP Council.

Bard has been a vital force in many, many peoples' lives—a strong advocate for health and safety in the workplace, a fighter for fair wages, and equitable treatment for all. While he is leaving the UAW in an official capacity, I know I speak on behalf of my constituents, his brothers and sisters in the union movement, and the State of Michigan when I urge him to continue his active role in the UAW and the Democratic Party.●

JAMES J. WARREN COMMEMORATES 25 YEARS AS MEMBER OF THE BOARD OF TRUSTEES OF THE STATE UNIVERSITY OF NEW YORK

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. STRATTON. Mr. Speaker, it is my distinct honor to be able to advise my colleagues that James J. Warren of Albany, N.Y. retired at the end of last year after giving 25 years' service as a member of the board of trustees of the State University of New York.

Mr. Warren was appointed to his position by former Gov. Averell Harriman and served with distinction in dealing with many complex problems that confronted the State University of New York system during the early developmental stages as well as in recent years when the system has become one of the preeminent State university systems in the United States.

He rose to the position of vice president of the board of trustees. Even in the face of this very demanding job, he always found time to take an active part in numerous community interests in the Albany area, while at the same time operating a plumbing business.

James Warren is one of those truly unique individuals who has gone above and beyond the call in serving his community and State for many years. It is my honor to insert in the RECORD at this point two editorials from Albany newspapers commending James Warren, as well as a newsstory detailing the retirement dinner given him in December.

[From the Albany Knickerbocker News, Dec. 14, 1982]

"MR. STATE UNIVERSITY"

Like many Albanians, James Warren has seen the State University of New York grow in achievement and stature in the last 25 years. Unlike his fellow citizens, though, Mr. Warren has been more than a casual observer—he had much to do with that growth because he has served on the system's Board of Trustees for a quarter century.

Tonight, some 500 friends and associates will honor Mr. Warren at a dinner at the Empire State Plaza. Then, at the end of the month, Mr. Warren will officially retire from the board.

Though he is well known in this city both as a businessman and tireless civic worker, Mr. Warren's role as vice chairman of the SUNY trustees has been anything but ceremonial. He has guided the system in such divergent areas as administration, Regents liaison, help for the educationally and culturally disadvantaged, even site selection. He played a role in the selection of the old D&H and Albany Journal buildings as SUNY headquarters, thereby saving two priceless assets of Albany history.

Mr. Warren's efforts for SUNY have earned him a reputation as "Mr. State University," and Richard Gillman, SUNY assistant vice chancellor, believes that "says it all" about this extraordinary man.

But not quite. Some words of tribute and thanks are in order for so long a period of dedication. Tonight is a fitting time for those words.

[From the Albany Times-Union, Dec. 11, 1982]

25 YEARS

James J. Warren, the only Albanian now serving on the State University of New York's Board of Trustees, will retire at the end of this month after 25 years' service to the university.

Appointed by Gov. Harriman in 1957, Mr. Warren's years of service coincided with the university's greatest period of growth. For those years of dedication, he will be honored at a dinner Tuesday, Dec. 14, at the Empire State Plaza Convention Hall.

The honor is well-deserved. We congratulate Mr. Warren and wish him the best of luck.

[From the Albany Times-Union, Dec. 15, 1982]

SUNY MUSTERS 500 TO SALUTE WARREN

James J. Warren claims he just happened to "fit the bill" in 1957 when former Gov. W. Averell Harriman was seeking someone to appoint to the Board of Trustees of the State University. "He wanted a Democrat from upstate who was a Catholic," Warren chuckled Tuesday.

Warren, a plumber who never went to college, will retire as vice president of the board of trustees on Dec. 31, after 25 years. He was honored Tuesday evening for his accomplishments in education at a dinner with 500 students, faculty and staff in the main convention center at the Empire State Plaza.

When Warren joined the board, "It was even difficult to get a chancellor," he said. "Now people are looking for the job."

When he was appointed, the system had only 37,000 students. Today there are 380,000, making it the largest state university system in the country.

Graduated from the Vincentian Institute in 1930, Warren went directly to work in the plumbing and heating business established by his father in 1906.

He became active in the Vincentian athletic program through membership in the school's Men's Association. Soon he was involved in, and eventually president of, such organizations as the Albany Community Chest, the Council of Community Services, the New York State Welfare Conference and the State Association of Community Councils and Community Chests.●

AN EDUCATIONAL MILESTONE: UND'S 100TH BIRTHDAY

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. DORGAN. Mr. Speaker, yesterday the State of North Dakota began celebrating a milestone in its history—the 100th birthday of the University of North Dakota in Grand Forks.

I am honored to be a graduate of UND and am proud of its contributions to the State and Nation.

The University of North Dakota was founded 6 years before North Dakota won statehood. Legislation establishing the university was signed into law by Territorial Gov. Nehemiah Ordway on February 27, 1883. In October, the cornerstone for UND's first building was laid. The next year, the first students showed up on campus—11 the first day and 79 during the first year.

With only three high schools in the northern half of the Dakota Territory, UND's four faculty met after the first day of class and decided that not one of the new students was qualified to attend college.

It took 5 years to turn out the first graduating class. The faculty decided to bring its students up to university level first.

In its first century, the university matriculated more than 132,000 students. Today, its enrollment tops 11,000 students, representing every North Dakota county, every State in the Nation and 44 foreign countries.

The University of North Dakota has evolved into the State's largest and most diversified institution of higher education, offering more than 130 instructional programs at the undergraduate and graduate levels through 11 schools and colleges.

I join other State officials in offering my congratulations to a great institution, the University of North Dakota. Happy 100th birthday, UND.●

A FAREWELL TO BEN GILMAN

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. FISH. Mr. Speaker, in February, the town of Newburgh's Republican Committee held its annual Lincoln Day dinner. The committee honored our good friend and colleague, Congressman BEN GILMAN, as its man of the year. Congressman GILMAN was redistricted out of the Newburgh area, and now I have the honor of representing this historic area of New York. I realize what big shoes I have to fill in following BEN.

I would like to share with my colleagues the tribute appearing in the dinner journal.

Benjamin A. Gilman has been the epitome of a public servant to the people of Orange County and the Mid-Hudson Valley. His energy and determination are legendary; his devotion and dedication are unmatched.

Ben Gilman was initially elected to the House of Representatives of the United States in 1972, and has been reelected to each succeeding Congress. Despite redistricting which caused us in Eastern Orange County to lose his representation, Mr. Gilman was reelected in 1982 over another incumbent who had never lost a Congressional election.

The scope of Mr. Gilman's victory was a tribute to the reputation he has justly earned over the years as a true representative of the people and champion of the underdog.

Those who are concerned about the plight of our POWs and MIAs—those who are concerned about the future of mass transportation in our region—those who are concerned about our senior citizens—those who are concerned about world hunger—those who are concerned about the loss of human justice and dignity throughout the world—those who are concerned about bringing economic development to our region—all of these groups and many others know that they have a special friend in Ben Gilman.

In their four page profile of Ben Gilman on June 19, 1978, People magazine said: "Ben Gilman sees his political life as one long effort to help individuals in distress."

Born in Poughkeepsie, raised in Middletown, and educated by the Middletown public school system, Ben Gilman skillfully represents Orange County because he is truly one of us.

He served in the 19th Bomb Group of the 20th Air Force during World War II, when he earned the Distinguished Flying Cross and Air Medal for flying 35 missions over Japan. A graduate of both the Wharton School of Finance of the University of Pennsylvania, and New York Law School, Ben Gilman was well trained for his career of public service—of helping others.

Ben served as an Assistant Attorney General of New York State prior to his election to the State Assembly in 1966. His distinguished six year tenure in the State Legislature made him the natural choice for Congress in 1972, when he defeated a three-term incumbent of the other party.

Ben's services in Orange County would fill many pages in this booklet; he is past county commander of the VFW, a member of the JWV, the American Legion, the Elks, the Grange, the Local, State, and National Bar Associations, the Hudson-Delaware Boy Scout Council, the ZBT Fraternity, and on and on.

Now that Ben Gilman is beginning his sixth term in Congress, it promises to be his most effective ever. He is now Ranking Minority Member on the House Select Committee on Narcotics Abuse, and is Ranking Minority Member on two Subcommittees of his two primary Committee assignments—the House Foreign Affairs Committee and the House Post Office and Civil Service Committee. As the years have gone by, Mr. Gilman's stature as a national leader has grown, so that now he is respected, admired and loved by his colleagues in Washington as he has been by us in New York.

Unfortunately, we in Eastern Orange County and Southern Ulster County can no longer claim him as our own.

And so tonight we join in bidding Ben Gilman a fond farewell, with the hope that someday, the boundary lines will be redistricted again, so that we will regain his sterling leadership.●

ALLEGRO KIDS—SETTING AN EXAMPLE FOR AMERICA

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. PATTERSON. Mr. Speaker, although America is struggling through these difficult times of high unemployment and limited financial resources, the spirit of sharing with the less fortunate is vibrantly alive in the hearts of many citizens.

In my home district a group of more than 200 young musicians of various ages are sponsoring a "concerthon" in order to raise money for the Muscular Dystrophy Association (MDA). It is refreshing to know that these young people are willing to donate their talents to assist those who are in need.

The Allegro Kids, as they are affectionately known, are students of the Allegro Music Studio in Buena Park, Calif. Their concerthon will feature accordion music ranging from classical to popular rock and roll.

In 1981, the Allegro Kids successfully raised $10,000 for MDA, and this year they hope to surpass that figure through the proceeds collected from the sale of tickets, record albums, other items, and a door-to-door canvassing effort.

Mr. Ed Kearney, coordinator of this humanitarian fundraising event is also the founder and director of the Buena Park Allegro Music Studio. Ed's commitment to music and children is reflected in his studio motto which reads: "All Tomorrows Belong to the Children and the Children Belong to Us All."

It is with great pleasure that I invite my colleagues to join me in recognizing Ed Kearney and the Allegro Kids for their unselfish efforts and outstanding community service. Their work is an inspiration to us all and we hope that the 1983 concerthon is a resounding success.●

AGRICULTURAL COMMISSIONER REX LYNDALL RETIRES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. COELHO. Mr. Speaker, the history of California's ascendancy to the top spot among the agricultural States of this Nation is replete with stories of individual commitment and dedication of heroic proportions. I would like to bring to the attention of my colleagues a particular gentleman who has dedicated his professional career to public service in California's agricultural heartland. Mr. Rex Lyndall, who retired at the end of 1982, has served for over a quarter of a century as the agricultural commissioner in Merced County, Calif.

His integrity, commitment, and knowledge have made him a tough standard against which other agricultural commissioners will be judged. As the following article from the Merced Sun-Star demonstrates, Rex Lyndall, dean of California agricultural commissioners, deserves our hearty congratulations on the occasion of his retirement. His departure from the day-to-day agricultural operations of Merced County has created a void not easily filled.

Mr. Speaker, at this point I offer the aforementioned article.

OUTGOING AG OFFICIAL LOOKS BACK ON CAREER

(By John Spitler)

Adjusting himself in his new office's comfortable highbacked chair, Rex Lyndall chuckles as he recalls the beginning, how it was when he first broke in as an agricultural commissioner.

That was up north in foggy Del Norte County in 1951.

Lyndall, who retires at the next week, remembers with a smile—and possibly a touch of sentiment—the quaint 10-by-20-foot wooden-framed house that was his office. And how a prisoner from the local jail would come by early each morning and build a fire in the building's little cast iron pot-bellied stove.

How there were no telephones, or biologists, inspectors, clerks, or assistants to direct or fret about.

Just Rex Lyndall.

"I was the only one working for me," says the 23-year Merced County veteran. Indeed. He did all the inspecting, measuring, checking and issuing of permits. "I even did my own typing," Lyndall recalls, grinning.

Today, by contrast, there is no one man department.

Forty-eight full and parttime employees conduct the day-to-day business of the Merced County Agricultural Commissioner's office. Their job descriptions cover the gambit, from clerks and biologists to animal control officers and vertebrate control field men.

And they operate out of spacious 25,000 square foot quarters repleat with a large adjoining classroom. Behind the office is a product testing laboratory, workshop, bait mixing facility, metrology and nematode laboratories and equipment and storage areas. All are part of the new County Agriculture Center in northwestern Merced.

Lyndall says that although his surroundings have changed dramatically in 31 years as an agricultural commissioner and sealer of weights and measures, the basic purpose remains intact.

Except nowadays there is considerably more emphasis on pesticide use enforcement and environmental concerns. "There is emphasis now toward consumer protection," the commissioner says.

"There is a lot of emphasis on contents of packages as well as quality of certain products, including gas."

But agriculture, for its part, has changed a good deal since his coming here, he says. Farming operations have become more centralized, more mechanized, less labor intensive.

"When I first came here," he says, "there was a lot of fruit packing on the farms. It was hard to control quality. At the present time most packing is done at central packing sheds.

"In 1960 there was still a lot of cotton being picked by hand. Tomatoes were all picked by hand. Now, both cannery tomatoes and cotton are all machine picked," Lyndall says.

One of the most interesting evolvements Lyndall has seen in the 20 years he's been here has been the dramatic increase in the use of pesticides by farmers. He says, for example, farmers used to use "weeder" grease in cotton to control the small weeds. Today, for the most part, this chore has been taken over by chemicals.

"There has been the development of exotic products including kiwis and pistachio nuts," the commissioner says. "There was a period of time," he recalls, "for planting citrus here, but because of severe frosts . . . only one small citrus orchard is left in the county."

Lyndall also notes the amazing increase in almond and cotton plantings since his early days in the county. Almonds represented just a few thousand acres in the late '50s. There are nearly 60,000 acres today.

Cotton has done about the same. Peaches, on the other hand, slipped in status from many thousands of acres to just over 4,000 acres countywide today. Row crop vegetable often took their place.

And as the county's farming face changed, so too did its urban centers. Thousands of new residents moved here with Air Force assignments, to retire or to seek their fortunes free from the rigors of the big city.

Admist all this change, the agricultural commissioner's office found itself being unavoidably drawn into an ever larger role as the watchdog between the producing and consuming publics.

Local officials who watched this taking place have appreciated Rex Lyndall's quiet efficiency.

Former Merced County Supervisor Johnnie Ramondini had this to say: "He was dedicated to his department, a real asset to the community . . . and he always worked very closely with the public."

Ramondini says that, unlike many counties, Merced County has had few problems with pesticide poisonings or misuse. "Rex always made sure spraying was done at the proper time. He or his men would go out and check conditions and wouldn't issue a permit if the weather wasn't right. He wouldn't gamble it.

"He ran a very conservative department," Ramondini continues, "but not too conservative." He always kept very efficient people who were up to date and who were knowledgeable in agricultural pesticides.

Lyndall was born in Antioch, but raised and schooled in Hayward. Work experience before beginning as an agricultural commissioner included work with the U.S. Maritime Service, employment with the Alameda County Mosquito Abatement District and as vector control officer for two hospitals in San Leandro.

Lyndall is a member of the Lake Port Masonic Lodge, the Scottish Rite Temple in San Jose and the Rotary and Elks clubs here.

Friends and associates are invited to attend a 2 p.m. Jan. 23 buffet reception and dinner for Lyndall in the Merced Elk's Lodge, 1910 M St. Friend. Those seeking information should call 726-7431.●

PAC MAN GOES TO ASIA

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. HERTEL of Michigan. Mr. Speaker, I bring to the attention of my colleagues an article which appeared in the February 23 edition of the Washington Post. The article reports that Atari, Inc., plans to lay off 1,700 of its workers in California as a result of moving its production to Hong Kong.

I find this announcement to be perplexing in light of all those reports we have been reading about which project a grand scale expansion of high-tech industries to take up the slack—in jobs and production—of our seriously depressed manufacturing sector. The advocates of this scenario espouse the theory that a dying steel industry should be laid to rest in lieu of the onslaught of Pac Man technology.

I represent a district in Michigan which depends upon the vitality of a sound and productive auto and steel industry. These are industries savaged by a major economic downturn and other circumstances which have produced massive unemployment and major distress to those communities dependent upon the economic activities of the manufacturing sector. As these industries have declined, the Atari's of the world have promised high-tech jobs for the massive void in manufacturing.

If we continue to depend on the evolution of the service sector and high-technology industries to employ our jobless workers, we will be sorely disappointed. What is needed is an economic policy which will help us rebuild our basic manufacturing industries, to strengthen our industrial capacity, and to put America's people back to work. We must not be mesmorized into a false sense of security that there is a job waiting around the corner of every computer or that a high-tech society is a panacea.●

INDEXING IS CENTRAL TAX ISSUE OF OUR TIME

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. KEMP. Mr. Speaker, the central tax issue of our time is indexing the personal tax code to protect American workers from automatic, inflation-caused tax increases.

Those who want to keep indexing stand for the idea that individual workers and savers have a right to their earnings, and that any taxation must be by representation. The average American family would be hurt by the repeal of indexing, since 78 percent of the tax increased would fall on those with incomes of less than $50,000 a year, and 86 percent of all small businesses pay individual, not corporate, income tax rates.

I once heard a Democratic Senator say that in all his years in the Senate, he had never once voted for a tax increase—and that was why he opposed indexing, so he would never have to. Those who want to repeal indexing prefer the "midnight tax" to an accountable up-or-down vote. They must logically also stand for more inflation—because you cannot raise revenue unless the Government inflates the currency and devalues the dollar.

I want to recommend to my colleagues the following editorials that appeared in the Finger Lakes Times and the Buffalo Evening News. After reading them, I think you will agree that the only honest way to freeze taxes is to keep indexing.

[From the Finger Lakes Times, Feb. 16, 1983]

THE PLAN TO KILL TAX INDEXING

(By Ernest Conine)

If Paul Revere is still around, it is time to saddle his horse and prop him up for another ride—this time to warn the American people that congressional Democrats are cranking up a campaign to repeal one of the

new genuine tax reforms to be enacted in our lifetimes.

In 1981, Congress passed a law that, in addition to tax breaks for business, provided for a three-stage 25 percent reduction in personal income taxes and a system of so-called tax indexing, to begin in 1985.

If Americans have to give up indexing or the third-stage 10 percent tax cut due next summer, they would be well advised to tell their congressman that they prefer to skip the tax reduction and keep indexing.

Tax indexing is an abstract-sounding phrase used to describe a process under which taxes are automatically adjusted to take account of inflation. That sounds fair enough, and it is.

However, virtually every key Democrat in Congress, including House Speaker Thomas P. O'Neill, Jr. and senior Democrats on the tax-writing committees in both houses, want indexing repealed. And, while President Reagan flatly threatens to veto any such measure, the determination to defend indexing is far from solid among key Republicans on Capitol Hill and even within the administration itself.

Why the compulsion to get rid of indexing now, two years before it would take effect? The answer is obvious to anyone who understands both indexing and the thought processes of politicians.

As things stand without indexing, the progressive tax system works to push people into higher tax brackets when their incomes rise, whether the higher income results in more purchasing power or merely keeps them even with inflation.

The result is that, in times of inflation, tax revenues rise 1.6 times as fast as aggregate personal income. In other words, if prices rise 13 percent and a typical family's income also rises 13 percent, that family's taxes will rise not 13 percent but almost 20 percent.

It follows that the percentage of the gross national product going to the government moves up, too—all without members of Congress having to suffer the political pain of voting for higher taxes.

This inflation dividend is a godsend to members of Congress, and Democrats, especially, are loath to give it up. But, while the revenue-generating propensities of an unindexed tax system make life easier for politicians, the burden of unlegislated tax increases on the average citizen are just as real as when Congress raises taxes openly instead of on the sly.

Growing public comprehension of that fact led to the enactment of the indexing provision of the 1981 tax law. Beginning in 1985, the personal income tax tables will be adjusted in accordance with the rate of inflation the previous year.

If by chance the inflation rate was zero, there would be no adjustment; indexing would not come into play that year. But if the inflation rate was 10 percent, for example, the entry level into each of the tax brackets would be raised 10 percent.

Contrary to what its critics would like you to believe, indexing does not produce tax cuts. Revenues would continue to rise in lock step with inflation and economic growth. But taxes would no longer rise at a disproportionate rate, thrusting taxpayers into higher tax brackets even when their incomes, adjusted for inflation, had not increased at all.

Members of the anti-indexing camp argue that, with the federal budget awash in red ink, the country simply cannot afford indexing. What they really mean, but prefer not to say, is that taxes must be increased, but they want to be spared the necessity of openly voting for the higher taxes.

From the standpoint of holding the federal budget deficit to tolerable proportions, it became obvious months ago that tax cuts provided by the 1981 law were too large.

Rising concern over the huge deficits that were in prospect led to the enactment last year of some partly offsetting tax increases. Even so, the red ink for fiscal 1984 alone is estimated at almost $200 billion, which is well above President Jimmy Carter's four-year total. Unless something is done, the national debt could increase by an explosive trillion dollars by 1988.

Deficits of that magnitude would guarantee a return to high interest rates and, in the opinion of most economists, keep both the American and the world economies in the doldrums for years to come.

Let us face it: Something has to be done about the frightening budget deficits in prospect for the next few years, and that something almost certainly includes tax increases.

Indexing's repeal would, according to the Congressional Budget Office, bring a total of about $90 billion in extra revenues through fiscal 1988. The estimate apparently presumes an inflation rate of a bit under 5 percent.

But Congress does not have to repeal indexing to increase revenues. It need only raise taxes in full view of God and everybody.

Leaving indexing intact even as taxes are being raised seems illogical at first thought, but it is not. Indexing is a sort of truth-in-taxation law; it forces government to be honest with the people by taking the appropriate political responsibility when tax increases are deemed necessary.

Let us also stipulate that, as the California experience is demonstrating, indexing can have an unfortunate effect on revenues when the country is simultaneously experiencing inflation and severe economic recession. Under these circumstances, the cost of providing a given level of government services continues to rise but revenues fail to keep pace.

A case can be made for amending the tax-indexing provisions to allow the president to suspend indexing for a given year by executive order when his economic advisers officially predict that economic growth in that year will be less than, say, 1 percent.

Alternatively, the law could be amended so that indexing would apply only to the extent that inflation exceeded 3 percent or some other threshold level.

But Democratic leaders in Congress are not interested in fine-tuning the tax-indexing provision; they want to kill it.

If the American people are on their toes, it would not be allowed to happen.

[From the Buffalo Evening News, Feb. 14, 1983]

DON'T REPEAL PROTECTION AGAINST "BRACKET CREEP"

The federal tax law passed by Congress and signed by President Reagan in 1981 contained an incisive reform that will protect taxpayers, beginning in 1985, from the pernicious effects of so-called "bracket creep." Unfortunately, however, some influential Democratic leaders in Congress, including Rep. Daniel Rostenkowski, chairman of the principal tax-writing committee in the House, now want to repeal this enlightened reform before it even takes effect.

Bracket creep occurs, of course, when pay raises designed to compensate for inflation provide more dollars to workers, thus pushing them into higher personal income-tax brackets.

The workers then pay Washington more in taxes even though the extra dollars they received in their paychecks did not, because of inflation, actually increase their "real" income. Because of inflation, the added income buys no more. Yet those extra dollars still require steeper tax payments.

The 1981 reform sought by the President and approved by Congress corrects this injustice by indexing the income-tax system to rises in the cost of living.

Those who want to repeal the indexing feature often point to the large federal budget deficits looming in the years ahead. But indexing would not prevent Congress from increasing income tax rates in the future if it decides the government needs to raise additional revenues.

What indexing would do is deny Washington the automatic revenue bonus it now gets from inflation. That is money the government receives without having to vote to raise taxes. Bracket creep conveniently assists legislators who want to spend more public money each year but do not want to vote higher taxes to finance the higher spending.

For the public, however, that offers another reason to keep indexing in the law, not to remove it. Fortunately, many in Washington, including President Reagan and such House leaders as Rep. Barber Conable of Alexander, support indexing. Calling indexing "the most significant part" of the 1981 tax reform, Rep. Conable has pledged to "do everything I can to preserve it."

So should all members of the House and Senate who are concerned about the integrity of the tax system and its impact on taxpayers. Government should not benefit from the same inflation that robs the public—and indexing helps assure that it won't so benefit. If government really needs more money, then elected officials should raise taxes openly and be held accountable for that decision—and indexing promotes such democratic accountability.

Indexing represents a common-man reform. It fairly shields workers and families from tax injustices due to inflation. Without question it should be preserved in the tax law.●

LEARNING ABOUT THE RUSSIANS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. HAMILTON. Mr. Speaker, I would like to bring the following article from the Cincinnati Post to the attention of my colleages.

GETTING TO KNOW YOU . . .

(By Richard Reeves)

LENINGRAD, U.S.S.R.—The squeeze bottles on the bench of the United States team in the World Junior Hockey Championships early this month were filled not with water but with Russian Pepsi-Cola. It was just another Soviet-American misunderstanding: American stomachs can't tolerate the brownish local water, but when American

coaches wanted the stuff boiled, the Soviets thought they were being deliberately insulted.

So, armed to the teeth, with hockey sticks and hydrogen bombs, the two proud military superpowers continue stumbling into the future—a future each has the capacity to destroy. "Never in human history," said Rep. Paul Simon, D-Ill., who happened to be here during the championships, "has it been so important that two peoples understand each other. And what's happening? "Not much," he said, answering his own question. "And we seem to be the people doing the least about it."

Simon is one of the few members of Congress who seems genuinely concerned about the lapse of U.S.-Soviet cultural exchange agreements and the astonishing decline of Soviet studies in American universities and research institutions. (The concerned members of Congress include Sen. Richard Lugar, R-Ind., Sen. Joseph Biden, D-Del., and Rep. Lee Hamilton, D-Ind.)

Fewer and fewer Americans are learning less and less about the people, the culture, the politics and the principal language of the other superpower. There are extraordinary statistics to show this: There are only 100 or so teachers of Soviet economics working in American universities; there are fewer than 300 advanced (third year or better) Russian-language teachers in the entire United States; the number of Ph.D. theses on Soviet policy is fewer than 10 a year.

On the Soviet side, English is the official second language of a country that has 130 of its own languages spread across 11 time zones. Soviet high school students are required to read American writers from James Fenimore Cooper and Mark Twain to Sinclair Lewis and Tom Wolfe. Speakers at Communist Party functions and editorials in Pravda, the party's newspaper often assume that audiences and readers are regular listeners to the Voice of America and the British Broadcasting Corp.—which they are.

But Americans, official and unofficial, seem determined to become even more ignorant about our great rival for world power. More than 50 American colleges have dropped Russian-language courses during the past three years, while the president of the United States has been speaking and acting as if he is content to have his nation see the Soviet Union as nothing more than a marauding dragon that must be slain.

Actually, the Soviet Union, up close, looks more like a dinosaur than a dragon. The Marxist-Lennist experiment is failing—and that is no secret to the people living in or even running the Soviet empire.

But the fact that it is not heaven does not mean that the Union of Soviet Socialist Republics will collapse of its own ponderous weight. It just doesn't work very well. And the people who run it, starting with Yuri Andropov or whoever will be in charge for the near future, are going to have to try to do something, probably something drastic, about that.

The need to concentrate on structural reform at home—Soviet productivity is not going to be increased any more by putting heroric workers' pictures on factory walls—is one reason that there is no doubt in my mind that Soviet leadership really wants arms control agreements much more than, say, President Reagan does. Another reason is that, despite a 20-year military buildup, the Soviets will inevitably fall behind the United States in the future as weaponry becomes technologically more and more complex. The overall technological gap between the two societies today is wider than it was during the reign of Peter the Great at the beginning of the 18th century—and it will widen every day, in peace and war.

That is not necessarily a comforting thought—for the Soviets, for Americans, for the world.

Do we want to ignore and caricature the Soviets and push them to the wall economically and militarily? Or are our interests best served if the Soviets have the time and the room to get their nation working reasonably well—buying a lot of American products and processes along the way—while both superpowers continue to attempt to find some balance of military terror and security?

I, for one, would rather sell to them than beat them. But it will never be easy establishing a working arrangement. That can only begin with greater knowledge, contacts and exchanges—beginning with efforts like the Lugar-Biden "Soviet studies bill" establishing just a $50 million federal endowment to finance research and analysis.

The interest on the endowment will buy a little knowledge. Understanding, though, can't be bought—only work will over the long term. I said to Dr. Sergey Plekhanov of the Soviets' U.S.A. Institute: "If I were the president of the United States, and I gave you my word that we would never use nuclear weapons first, would you believe me?"

"Such things," he answered, "are never taken on trust."

"No," I said, "Not by us either."●

ENERGY TAX CREDITS HELP LOCAL COMMUNITIES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. BEREUTER. Mr. Speaker, in recent months, the energy tax credit incentives for development and utilization of alternative energy forms have been under attack. Labeled as wasteful or ineffective, the credits have been a prime target for individuals seeking to close loopholes and raise revenues.

Recently, the announcement of a new waste-to-energy powerplant in Lincoln, Nebr., proved the value of these tax credits. Thanks to these credits and accelerated depreciation provisions of the 1981 Economic Recovery Tax Act, more than 200 temporary construction jobs will be created in the community by this plant. Roughly 20 permanent jobs will be created and the environmental condition of the city will be improved as well.

I encourage my colleagues to read the following article from the Lincoln Star which describes this noteworthy project. Certainly, your communities could reap similar benefits if these credits are continued.

[From the Lincoln Star, Feb. 4, 1983]

PROPOSED POWERPLANT WOULD BURN CITY GARBAGE

(By Gerry Switzer)

Wheels have been set in motion to gain city approval for plans to construct a $20 million waste-to-energy plant at 32nd and Huntington streets.

The proposed plant would generate steam power for the University of Nebraska, double the proposed life of the city's landfill, and create temporary jobs for 200 local construction workers, as well as 18 to 22 permanent jobs.

Energy Complexes Inc., based in Sioux Falls, S.D., next week will submit a request for a special use permit to construct a garbage-burning facility on the property, which otherwise is adequately zoned, an ECI official said Thursday.

In outlining the proposal to members of the Waste Energy Task Force, ECI president Robert Hoff said if approval is obtained, construction would get underway by early summer. Completion of the plant is slated for the fall of 1984.

He said the contractor would be a New Jersey firm which would subcontract locally and use practically all local workers on the project.

Hoff said ECI has acquired an option for purchase of the site from George Abel.

Mayor Helen Boosalis said she has no problem with the location and the proposed plant would tap a source of energy that otherwise would be wasted.

"I think its fine," she said, noting the proposed plant is somewhat smaller than had been discussed earlier, "but it's still a great help to our landfill."

Hoff said over the last three days he and other representatives of his firm have held 14 meetings with city officials, Chamber of Commerce members, bankers, neighborhood groups and garbage collectors.

He said ECI wants all parties to have as much information about the plan as possible before the matter goes to the Planning Commission and City Council.

Hoff said the site would allow the waste-to-energy plant to supply steam to both UNL campuses.

Although no agreement has been drawn, contract negotiations are underway with UNL for selling steam from the plant, he said.

UNL would be the plant's sole customer, Hoff said. If an agreement is not reached with UNL, the plant probably would not be built.

"Without a steam customer, you have nothing," Hoff said.

He said he anticipates no problems in obtaining the right-of-way for pipelines. Negotiations already are underway with Abel for acquisition of an easement on the former railroad track right-of-way from the plant site to 17th Street where the land becomes university-owned property.

ECI already has obtained a pollution permit and ECI officials claim no odor is emitted from the completely enclosed tipping floor and pit area.

"The only difference between this and any other power plant is that you just so happen to use garbage" to generate the power, Hoff said.

The air leaving the plant through the stack will meet or exceed state and federal standards for air quality, ECI officials said.

The concrete structure has been "totally over-designed" in anticipation of more stringent Environmental Protection Agency laws which might be implemented in the future, Hoff said.

Although federal cutbacks have eliminated grants and loans that might have been available to the city through the U.S. Department of Energy, new tax incentives are playing a major role in this proposal.

Hoff said the investment and energy tax credits and the 1982 Economic Recovery Act provision for accelerated depreciation "make the economics of the project work."

"Frankly, if it were not for those," he said, "it could not be done."

A year ago ECI entered into negotiations with the city for a similar plant at 78th and Fletcher on land adjacent to the Archer-Daniels-Midland facility.

After negotiating for nine months with ADM for a contract to supply steam for the soybean processing plant, no agreement was worked out, Hoff said.

Projected to significantly extend the life of the city's landfill, the proposed incineration plant would reduce buried volume by approximately 90 percent, Hoff explained.

Plant operation would not require residents to separate their garbage, as earlier plans before the city had suggested.

According to the ECI proposal, the plant would be designed to process and burn a maximum of 240 tons per day and would have the capability of processing refuse around the clock.

Hoff said steam output would average 500 million pounds annually.

Between 25 and 50 trucks would enter the gates daily, be weighed on a truck scale, and then proceed to the tipping area. They would be backed into one of the eight stalls where the driver would dump his load into the refuse receiving pit.

A clamshell crane would mix and pick up the waste and load it into a hopper which would hydraulically ram-feed it into the rotary combustor where the garbage would be incinerated, Hoff explained.

Heat from the incineration would be collected to create steam in a boiler.

The sterile ash, reduced to 5 to 10 percent of the volume of the refuse which is fed into the combustor, would then be taken to the landfill, Hoff explained.●

CONGRESS MUST ACT TO PROVIDE RELIEF TO NATURAL GAS CONSUMERS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. MAZZOLI. Mr. Speaker, the recession has really hurt my hometown of Louisville and Jefferson County, Ky. Unemployment is over the 10 percent mark and high interest rates continue to squeeze small businesses out of existence. Consumers—especially the elderly on fixed incomes—are hard-pressed to afford the necessities of life: food, shelter, and heat.

In the midst of these tough times, in Louisville and Jefferson County, where over 80 percent of the households use natural gas for heating, gas prices rose a whopping 35.2 percent in 1982. Something has to be done.

To understand this whole matter, we have to go back to 1978 when Congress passed the Natural Gas Policy Act (NGPA). This was one part of a larger plan designed to deal with the shortage of oil and gas in America brought on by the Arab oil embargo of the early 1970's.

The NGPA lifted the controls on prices the producers could charge for certain kinds of "new" gas—mostly that from deeper deposits and hard-to-reach areas. This was done in order to increase the economic incentive and, thus, encourage producers to drill for natural gas.

But the NGPA did not remove price controls of "old" gas—gas already discovered and already flowing through pipelines. This protected consumers from paying high prices for gas already on hand and available.

The Natural Gas Policy Act of 1978 was adopted against a background of severe supply shortages of gas. In the late 1970's there were business and factory shutdowns and school closings because of gas curtailments. We do not have such situations today. So, to that extent, the NGPA has been successful.

But since the gas supplies are now so extensive that we have a glut on the market, I am disappointed and chagrined—as we all are—that the price of natural gas has not gone down. Instead it has gone up sharply.

One of the culprits here appears to be take-or-pay contracts. These contracts provide that gas pipelines must pay producers for the gas they have contracted to purchase whether or not the pipelines have customers for the gas. Take-or-pay contracts have, in many instances, forced pipelines to sell high-priced "new" gas to consumers—raising our gas bills—while leaving cheaper "old" gas in the ground.

To address this problem, I have cosponsored H.R. 4 to allow pipeline companies to ignore take-or-pay clauses up to 50 percent of a contract when there is a surplus of gas.

Another bill I have cosponsored, H.R. 873, requires pipelines to deliver the least-cost mix of old and new gas to the local utilities. It also gives pipelines the authority to refuse to take high-priced gas offered by a producer if lower-priced gas is available.

Other legislation I have cosponsored would give the Federal Energy Regulatory Commission (FERC), which oversees natural gas matters, the authority to deny rate increases requested by public utilities where FERC finds the utility to have made imprudent gas purchase agreements. In other words, my bill makes sure the consumer does not have to pay through the nose because the gas pipeline failed to bargain hard with gas producers to get the lowest price for the gas.

The President, too, has been examining this difficult situation. But he seems to favor a solution which I feel will be worse than the problem. He wants to immediately decontrol all natural gas prices. I have added my name to House Resolution 38, which expresses the sense of the House that no such decontrol should be permitted.

One thing is clear. It is time to take action to provide necessary relief to all gas consumers in Louisville and Jefferson County and the entire Nation.●

GIVE PEACE A CHANCE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an important article by David Carsen entitled "Give Peace a Chance" which recently appeared in the Gannett Westchester Newspaper chain.

David Carsen was an engineer on the Manhattan Project in Oak Ridge, Tenn., from 1943 to 1945, and currently devotes himself to writing about efforts to stop the insane arms race. His is an important voice in the national grassroots disarmament movement which opposes the Reagan administration's drive to expand our arsenals and escalate the arms race.

Mr. Carsen's article makes several important points, two of which I would like to highlight for my colleagues:

First, he was one of a select group of scientists to attend a 1945 meeting at which the concept of total destruction was presented. Physicist Leo Szilard showed that only about 550 first-generation nuclear fission bombs—approximately 15 kiloton—each were necessary to "return the United States and the U.S.S.R. to the stone age." Today there are over 40,000 atomic bombs in the world stockpile, and their yield far exceeds the model used by Dr. Szilard.

Second, in the face of this "monumental lunacy," as Mr. Carsen puts it, we need a new measure of thinking by people of scientific and political stature who are unequivocally dedicated to stopping the arms race. The present arms control negotiators for both superpowers have simply been engaging in "nuclear tango" as our arsenals continue to grow. Indeed I am appalled at President Reagan's nomination of Kenneth Adelman to lead the Arms Control and Disarmament Agency. Mr. Adelman is thoroughly unqualified to direct the Federal agency with primary responsibility for arms control. He is shockingly ignorant of the mechanics of arms control, and has been publicly scornful of disarmament negotiations. That is why I recently circulated a statement expressing concern for Mr. Adelman's nomination. Sixty Members of the House cosigned this statement, which was presented to the Senate Foreign Relations Committee, and will be presented to the full Senate upon its confirmation vote. I am also including in today's RECORD a copy of the letter.

As Mr. Carsen notes in his articles:

The path to peace may take many twists and turns, but all the signposts will read the same; Verifiable nuclear freeze, SALT II with annual reductions; 50 percent reduction in all nuclear arms; and finally, a verifiable arms control relationship. These signposts do not read MX missile; Pershing 2 missile; SS-20 missiles with multiple warheads, ad infinitum, ad nauseam.

I commend this important article to the attention of my colleagues, and congratulate Mr. Carsen for his contribution to the vital debate on arms control.

GIVE PEACE A CHANGE

(By David Carsen)

For two years the world was precariously balanced between two men: A sick old Russian who used tyranny over mind and body as a device for ruling, and a slick old American with a winning smile that continues to belie a meanness of understanding. The recent replacement of the sick one by a master spy will probably drive us closer to war in the pursuit of peace.

Vegetius' maxim "He who would desire peace should prepare for war" has been a failure for 3,000 years. In today's nuclear world it has lost all meaning. Pouring endless billions into nuclear arms creates an unlimited spiral of military growth, but little or no additional defense. Wisdom would dictate following a new maxim: "He who would desire peace should prepare for peace." Wisdom would also dictate that we find this path to peace, because the punishment for refusing to see the common destiny of humanity will be the destruction of each of us in his own separate nation.

To understand the monumental lunacy of the atomic weapons policy being pursued by the ideologues in Washington and Moscow, some history is in order. What makes it even more poignant to me is that it is also personal history.

Several months after the bombing of Hiroshima in August 1945, a meeting was held in New York City to discuss the implications of the new cosmic force that made obsolete toys of all our previous instruments of death. The audience, small and somewhat select, was composed almost entirely of the scientists, engineers and military personnel who helped fashion the first atomic bomb. At this meeting the concept of total destruction was first presented in chilling detail.

The speaker was the physicist Leo Szilard, one of a group of scientists who fled the fascist regimes in Europe, carrying his gift of genius to this country. Using 240 Hiroshima-type bombs of 15-kiloton strength in his model, he showed how the United States could be turned into a radioactive wasteland with most people dead or dying, industrial and population centers charred embers and survivors eugenically harmed. He then did the same thing for the Soviet Union, but he had to use an additional 50 bombs. Give or take a bomb or two, or 50, all that was needed to return the U.S. and the USSR to the stone age was something less than 550 first-generation nuclear fission bombs.

Today, there are more than 40,000 atomic bombs at the ready, almost equally divided between the two groups of antagonists. But even this does not begin to describe the senselessness that has overtaken our peoples and our leaders. Szilard dealt only with "small" 15-kiloton bombs (the equivalent of 15,000 tons of dynamite). Our present stockpiles include large numbers of fusion H-bombs with massive megatonnage (million tons of dynamite). Using a one-megaton figure as the average bomb strength and recognizing that this has 80 times the explosive power of the Hiroshima bomb, one can only question President Reagan's logic when he says he plans to "preserve the values we cherish" by nuclear dismemberment.

There is, however, a real problem when one attempts to deal with the Soviet Union. It is difficult for us, in our democratic society, to trust a government that denies its citizens the most basic human rights, such as freedom of opinion, freedom to exchange information, freedom of movement—or in fact, any freedom that impinges on its hermetically sealed society. Yet, we must assume that even this xenophobic government is not eager to destroy the fruits of all its efforts and bring its people to the brink of extinction.

Here, the critical period in U.S. history is becoming increasingly turbulent. A polarization is setting in. Two groups are actively seeking converts, and each is fearful of the other. One makes the claim that it is arming only for defense. The other says that the nature of nuclear arms is such that the U.S. cannot arm itself without becoming a threat to the USSR and that the USSR cannot arm itself without becoming a threat to the U.S. While the public seems to favor the second group, the president belongs, heart and soul, to the first. Unfortunately, he feels so keenly about his convictions that he has made specious accusations founded more in delusion than in fact.

It would be difficult to assemble a complete roster of the millions of "well-meaning people in the freeze movement that were being manipulated," but the Roman Catholic bishops unquestionably head the list. When did they become agents for the KGB? Is it possible that 200 U.S. congressmen were all being irresponsible or manipulated when they voted for a joint resolution calling for a mutual and verifiable nuclear weapons freeze? If we add the majority of voters in eight states who approved a nuclear freeze concept (more than 25 percent of the national electorate), the nation would seem to be in serious trouble if all the people were dupes, sleepwalking into the future.

Is it conceivable that the nation could survive such incompetence as was displayed by the majority of the chiefs of staff when they registered sincere doubts about the MX missile dense pack mode? How can we interpret Pope John Paul's statement that the "development of arms of war is the scoundrel of our times"? Is he also sleepwalking? Has Robert Runcie, archbishop of Canterbury, joined the godless when he voiced his concern about the feasibility of our policy of nuclear deterrence? Have most of our Nobel laureates lost their patriotism when they consistently warn against the proliferation of nuclear weapons? Are they also being dupes when they urge that we must take risks for peace instead of risks for war?

No, I am afraid that we live in a cosmic world and our president seems unable to understand or cope with it.

Einstein warned us, "We shall require a substantially new manner of thinking if mankind is to survive." The U.S. and the U.S.S.R. need men of scientific and political stature whose hearts and minds are dedicated to establishing a world free of nuclear terror. The present arms control negotiators, on both sides, are singularly free of these qualifications. The best that can be hoped for from them, if there is hope at all, is just another nuclear tango—considerable whirling and twirling and nothing else.

Instead, let us lead the way by selecting people who are capable of a new measure of thinking. In doing so, we would send a message to the U.S.S.R. and to the world that we really mean peace when we say peace. Such a list would include:

George Kennan, former ambassador to U.S.S.R.;

John Kenneth Galbraith of Harvard;

Hans Bethe, physicist, Nobel laureate;

Adm. Noel Gaylor (ret.), former director of National Security Agency;

George Wald, biochemist, Nobel laureate;

Thomas J. Watson, former ambassador to U.S.S.R. and retired chairman of the board of IBM.

Certainly, such a list would be eminently satisfactory to the people of our country, to our NATO allies (whose populations are increasingly fearful of the consequences of our present policies) and possibly—just possibly—to the U.S.S.R. If such a list were presented to the Russians, wouldn't they, at the very least, be placed on notice that their protestations for peace would have a hollow ring if they didn't try to match the peace-directed image of our negotiators?

It would be presumptuous of me to suggest a comparable list of Russians, but if Andrei Sakharov were to be placed at the head of their arms-control negotiators, the Soviet Union would send a message of peace that would be heard round the world. This one man, physicist, Nobel laureate, humanist, dissenter and hero for all peoples would change the Soviet image overnight. If, in addition, Dr. Eugene Chazov, the Russian cochairman of the International Physicians for the Prevention of Nuclear War, was included, the sincerity of their desire for peace would become totally believable.

The path to peace may take many twists and turns, but all the signposts will read the same: Verifiable nuclear freeze; SALT II with annual reductions; 50 percent reduction in all nuclear arms; and finally, a verifiable arms control relationship. These signposts do not read MX missile; Pershing 2 missile; SS-20 missiles with multiple warheads, ad infinitum, ad nauseam.

If these suggestions are not acceptable to the Russian masterspy and to the slick American and their cadres of bureaucrats and apparatchiks, I offer the following for consideration:

There are innumerable building plots still available in Terra Del Fuego, south of 52 degrees latitude. My studies show that the ozone layer in this southernmost tip of South America will not be materially destroyed by the nitric acid that will be released by the nuclear explosions when the unthinkable occurs. For those who have the will and the wealth to carry it through, this could be a way out.

For those, however, who cannot and will not accept such a solution, a much more difficult step will have to be taken. A new manner of thinking will have to prevail. Concern with life after death must be replaced by concern with life before death. You will have to recognize that there are hawks and doves, and that they think differently. You will have to vote as you have never voted before, with care and thought. Remember that you will be voting for yourself and for untold millions who can't. This thoughtfulness may be the only way that you can save you and yours.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 14, 1983.

We are deeply concerned with President Reagan's nomination of Kenneth Adelman to head the Arms Control and Disarmament Agency (ACDA). While we clearly recognize that it is the responsibility of the Senate to act on this nomination, we would like to express our serious concerns as members of the House of Representatives.

ACDA is charged with formulating, coordinating, and implementing our nation's arms control policies; researching, preparing and managing U.S. participation in negotiations; and publicly disseminating information on arms control. Since 1961 ACDA has provided six administrations with a balanced view to the Pentagon's assessment of the feasibility of disarmament.

In order to best carry out ACDA's mandate, its director must possess exceptional stature, knowledge, and assertiveness. The individual must be able to master the intricacies of arms control and have the will to provide the administration with a view that might contradict that of the Pentagon. Furthermore, an individual who is a recognized advocate of responsible arms control is vital to meeting the legitimate concerns of millions of Americans and European allies who have joined the grassroots mutual disarmament movement.

We oppose Mr. Adelman's confirmation because he has not demonstrated any of these qualities. On the contrary, he has displayed a shocking ignorance of arms control issues and a disdain for the efforts of the past five presidents:

He has been scornful of the SALT process and of arms control in general. In an article in *The American Spectator*, December 1979, he stated that "We should expect nothing much from the SALT process. . . . It has not saved money for either side, and is unlikely ever to do so; it has not reduced the destructive power of either side, and is unlikely ever to do so; and it has not enhanced strategic stability (quite the contrary), and is unlikely ever to do so". He goes on to say: "That treaties cannot compel nations to reduce arms and embrace peace startles only the naive, historical know-nothings".

Other pronouncements from Mr. Adelman indicate that he fails to recognize the seriousness of the arms control movement in the U.S. and would be unreceptive to grassroots support for arms control. In a summer 1979 *Policy Review* article, he says "The scare technique, repeated long and hard enough, works. It easily penetrates public consciousness and the media. The newspapers, in fact, lap it up, much as they do any mass murder, rape, or assassination".

Mr. Adelman does not seem to accept a fundamental premise upon which our strategic doctrine and arms control policies have rested for 30 years—that a nuclear war is unwinnable and cannot be survived. He has advocated increasing our efforts in the areas of ballistic missile defense (which would require abrogation of the ABM ban) and civil defense. In his article "Beyond MADness" in the summer 1981 issue of POLICY REVIEW, Mr. Adelman stated: "Largely because of the mutual assured destruction (MAD) doctrine, the strategic case for ballistic missile defense has not been considered on its merits for more than a decade. With the fall of MAD will come the correction of this oversight. Proponents of missile and civil defense advocate that the U.S. match the Soviet efforts to acquire the capacity to fight a prolonged nuclear conflict".

Mr. Adelman's views on "limited nuclear war" are particularly disturbing. Also in "Beyond MADness", he says "The U.S. should be prepared (and be seen to be prepared) to put our strategic forces into limited play in limited crisis that may arise in the wider world, such as the Berlin Crisis of 1961 and the Middle East war of 1973. U.S. forces should not be fashioned solely for the most remote crisis of all; that of an all-out U.S./U.S.S.R. nuclear conflict".

In his recent confirmation hearings before the Foreign Relations Committee, Mr. Adelman displayed a shocking incompetency on arms control questions. When asked by Senator Pell if he thought a nuclear war could remain limited, Mr. Adelman replied, "It is an area that I have not gone into . . . I don't have a strong opinion". When asked by Senator Helms if he would support a verifiable agreement with the Soviet Union to eliminate all nuclear weapons, Adelman said: "I have never thought about that in my life". Senator Cranston asked whether the Soviets are violating the terms of SALT II. He responded: "That is not an area I have looked into. It is not an area I am knowledgeable about at all". Senator Cranston pressed him on the question of possible Soviet cheating on SALT II and Mr. Adelman said in effect that one has to know exactly what the treaty requires to answer that question. Asked whether he knows all that, he responded "no".

Mr. Adelman's past performance suggests to us that he is simply unprepared and unqualified to lead the federal agency with primary responsibility for arms control policy.

We are deeply disappointed with the President's nomination, and believe that it reflects the Administration's casual attitude towards arms control as nothing more than a public relations nuisance which requires custodial care by a disarmament neophyte.

We understand that the Administration intends to spend millions of dollars on a public relations campaign to placate the rising tide of European opposition to its policies. We suggest that the Administration would do far better to renew a commitment to arms control, and to prove that commitment by appointing a recognized advocate of mutual disarmament whose expertise in this field is unquestionable. As the New York Times noted in a recent editorial:

"If even at this late hour the Administration is really content with the nominee's modest credentials, then it still does not care enough about arms control or still has not learned enough about how to attain it".

We hope that the Senate will consider these views in its deliberations.

Richard Ottinger, Berkley Bedell, Les AuCoin, Howard L. Berman, David E. Bonior, Robert Borski, George E. Brown, Jr., Mike Barnes, John Conyers, Barney Frank, Tony Coelho, Vic Fazio, Julian C. Dixon, Edward F. Feighan, Ronald V. Dellums, Walter E. Fauntroy, Mervyn Dymally, William H. Gray III, Don Edwards, Tom Harkin, Bob Edgar, Dennis M. Hertel, Thomas M. Foglietta, Robert Kastenmeier, Marcy Kaptur, George Miller, John J. LaFalce, Robert Matsui, Richard H. Lehman, Robert J. Mrazek, Mel Levine, James L. Oberstar, Mickey Leland, Major R. Owens, Ed Markey, Pete Stark, Bruce A. Morrison, Pat Schroeder, Norman Mineta, John Seiberling, James Scheuer, Ron Wyden, Gerry Sikorski, Howard Wolpe, Peter W. Rodino, Timothy E. Wirth, Charles E. Schumer, Doug Walgren, Edolphus Towns, Barbara Boxer, Robert Torricelli, Bruce F. Vento, Parren J. Mitchell, Ted Weiss, Robert Garcia, Bill Ratchford, George W. Crockett, Gus Savage, Matthew G. Martinez, James Weaver.●

UNITED NATIONS PRAISED BY UNA

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. GREEN. Mr. Speaker, I would like to take this opportunity to share with my colleagues a statement by Mrs. Ruth Bishop, president of the United Nations Association of New York, which appeared in the winter edition of the UNA of New York's News. The statement is an insight full assessment of the importance and value of the United Nations, and it deserves a large audience:

RUTH BISHOP REPORTS

As the new year begins, I, as President of the UNA of New York, NY, would like to share with you my thoughts about the United Nations and our Chapter's relation to it.

I am persuaded that people initially become members of our Chapter because they wish to become identified with the United Nations as well as to show their support of the United Nations. . . .

If my premise that our members want to be identified with the United Nations is right, then it follows that when they are confused or angry at certain actions or reported actions, taken or not taken by the United Nations, they show their displeasure with the United Nations by resigning from UNA-USA. Our Chapter regrets the loss of members who resign—or those who purposely allow their membership to lapse. But, and this is gratifying to us who work daily at strengthening our Chapter, a personal letter—a lengthy letter that expresses our Chapter's regret at the resignation or lapse of membership—frequently results in a renewal of membership. We also stress our belief that the now more frequent public criticism of the United Nations, even when it is voiced by the Secretary General, is preferable to the emotional disappointment of those whose unrealistic expectations of total success in securing worldwide peace often prevent them from realizing that a step-by-step approach to fulfilling the aims of the Charter is essential to establishing lasting peace.

In my opinion, the Security Council, so often criticized, has proved to be a solid structure that has been and is working remarkably well. As long as one superpower can veto the wishes of another superpower, the world has an essential, usable brake on worldwide disaster. Let us recall that it was the United States that insisted upon the veto as the price of our belonging to the United Nations. Without it, the Senate would not have consented to the United States' joining the United Nations. For many years, while the Allies, the permanent members, dominated the Security Council, the United States did not use the veto.

It is only since decolonization occurred, and more than one hundred new nations have been created, that the use of the veto by the United States has become more frequent. The veto, as it was intended to do by the founders of the United Nations, still serves to insure to a large extent that the Big Powers are able to act as a balance to the expressions and votes on resolutions in the General Assembly.

Let us judge the thirty-seven years of development of the United Nations as outlined in the Charter against the millions of years of recorded history; and let us rejoice in its existence, imperfect today but always having the potential—indeed only it has the potential, to create that core of justice, freedom and peace universally desired.

. . . The United Nations is as strong as its member nations permit it to be. Let us inform our President and the State Department of how we feel about the value of the United Nations to the United States, today and in the future.

I would also like to point out that Mrs. Bishop is not alone in her views. Mr. Orville Freeman, Chairman of the Board of Governors of the UNA of the U.S.A., wrote to Mrs. Bishop complimenting her on her statement. I would like to share this letter as well.

February 10, 1983.

DEAR RUTH: I write to compliment you on the winter issue of the UNA of New York News. I thought it was extremely well done.

Further, I was most impressed by your column outlining the strategy followed by the New York Chapter. It makes eminent good sense. Also, your positiveness where the UN is concerned and the importance of the UNA in keeping it moving was extremely well stated.

See you soon.

Sincerely yours,

ORVILLE L. FREEMAN.●

A U.S. SIGNATURE ON THE LAW OF THE SEA TREATY IS WHAT THE SOVIET UNION WANTS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1983

● Mr. YOUNG of Alaska. Mr. Speaker, on February 21, 1983, TASS, the Soviet news agency, reviewed an article written for the New York Times by Presidential Counselor Edwin Meese. The article, which concerned the U.S. decision not to sign the Law of the Sea Treaty, was considered by TASS to be an example of "U.S. hegemonist ambitions."

TASS points out that deep-sea mineral resources include such strategic minerals as cobalt and magnesium,[1] which are used in steel production and for the manufacture of jet engines. TASS calls a recent agreement between the United States and its allies a "downright imperialist" document. According to the Soviet Union, "U.S. sabotage of the Law of the Sea Convention shows that the Reagan administration puts its imperial, materialistic ambitions above the interests of an overwhelming majority of the countries of the world community."

Before U.S. supporters of the Law of the Sea Treaty begin applauding the Soviet statements, let me bring a few facts to light. When the final draft of the treaty text was put to a vote last year, the United States voted against it. The U.S.S.R. and a number of Soviet-bloc countries abstained. The United States has refused to sign the treaty; the Soviet Union has signed, but has not ratified, the treaty. This Congress has passed a domestic seabed mining law, the Deep Seabed Hard Minerals Act. The Soviet Union has similar laws on its books, passed before the Law of the Sea Treaty was signed. The Soviet Union does not want the treaty any more than the United States does.

What the Soviets do want is full U.S. participation in the treaty regime. Major U.S. mining companies have stated that they would be unlikely to mine if the United States were to participate in the treaty. TASS is correct: Cobalt and manganese are important to the U.S. defense and industrial base. If we do not get these materials from the seabed, where will they come from? Not from mineral deposits in the United States, which are rapidly being locked up in wilderness status. What about foreign sources? In 1980, the United States imported 93 percent of its cobalt from such stable countries as Zaire, Zambia, and Finland. We imported 97 percent of our manganese from Gabon, Brazil, and the Republic of South Africa, among others: 73 percent of our nickel supply—a material that was not mentioned in the article but which is present on the deep seabed—came from Canada, Norway, New Caledonia, and the Dominican Republic. Let us not forget that, a few years ago, Canada called for a nickel OPEC to control world supply and price of nickel.

If by chance U.S. companies do decide to mine under the treaty, we have another problem. Those companies would have to share their sensitive defense-related technology with the multinational enterprise created under the treaty. I am sure the Soviets would welcome the opportunity to keep track of U.S. technology. The Soviets could also save some money: Part of the revenue derived from seabed mining would go to such organizations as the Palestine Liberation Organization and other national liberation groups.

Mr. Speaker, I suggest that we ignore the false tears being shed by the Soviet Union on behalf of a new world order and recognize the Law of the Sea Treaty for what it is: an attempt by a number of nations to rob from the rich and keep for themselves. The United States made the right decision when it refused to sign the treaty. Now let us move forward with the establishment of customary international law that benefits U.S. interests. Let us put the Law of the Sea Treaty behind us and take positive steps—such as establishing an exclusive economic zone and continuing negotiations on reciprocating states agreements—that will show the world community that the United States intends to act fairly but firmly in the area of oceans policy.

MEESE'S ARTICLE ON LOS CONVENTION REVIEWED

["Why Is Washington Against the 'Charter of the Seas'?"—TASS headline]

[Text] Moscow February 21 TASS—TASS political news analyst Robert Serebrennikov writes:

In an article in the New York Times, presidential adviser Edwin Meese reveals the true aims behind the Washington administration's open sabotage of the Law of the Sea [LOS] Convention. This important international code, the first to establish universal rules for the exploration and exploitation of the world ocean and its resources, has already been signed by 119 states.

"The sea-bed resources—an important alternative for the future"—Meese stated. But what sort of a future is visualised by the influential adviser to the Washington administration, who is referred to as Reagan's "right hand"? With a brazenness that is the hallmark of the present U.S. Administration, he makes no secret of Washington's ambitions and militarist designs.

The convention's chief problem is the ban of deep-sea extraction of mineral resources, Meese says. Of all the mineral resources of the sea bed, the U.S., in his own admission, is interested above all in the important quantities of such strategic minerals as magnesium and cobalt needed for the production of steel, jet engines and other important components of U.S. defence and industrial base.

The programme to divide the world ocean according to U.S. wishes is candidly explained by Meese through statements that at present the U.S. has to rely on imports to make up for its shortage of strategic materials. However, Meese complains, many foreign suppliers are unreliable and in some case the resources have been depleted.

In working out the plan for an uncontrolled exploitation and plunder of the seabed resources, the U.S. military-industrial complex and the Pentagon do not like to see the establishment of control over the extraction of valuable minerals in international waters, or the development of practical measures to organise effective international cooperation in using the sea-bed resources in the interests of all countries and peoples, as provided for by the Law of the Sea Convention.

These U.S. circles are especially displeased with the convention provisions which declare the mineral resources on the floor of the world ocean's international areas to be the "common heritage of mankind", and set norms for their exploitation.

In its bid to achieve military superiority, the Washington administration is making increasing use of material and strategic resources within the framework of carrying out an unprecedented nuclear-missile arms build-up. It strives to extend its great-power

[1] This appears to be a mistranslation; the mineral is manganese, not magnesium.

"U.S. vital interests" concepts on to the seas, the sea-bed and the subsoil thereof.

That is why Washington is trying to torpedo the Law of the Sea Convention—that universal "charter of the seas" which is an obstacle in the way of the U.S. hegemonist ambitions.

That is why the Reagan administration is stepping up its furious assault on the convention. It has refused to contribute its share to the budget of the preparatory commission which is working out the modalities for the practical implementation of the Law of the Sea Convention. In September 1982, the U.S. concluded, with three West European countries, a downright imperialist separate agreement on the exploration exploitation of mineral resources in the world ocean. That collusion actually aims at disrupting the convention, and amounts to an arbitrary claim to the most promising parts of the ocean floor, and to dividing the world ocean in the interests of imperialism. The U.S. sabotage of the Law of the Sea Convention shows that the Reagan administration puts its imperial, militarist ambitions above the interests of an overwhelming majority of the countries of the world community.

SEABED? NO, BED OF NAILS

(By Edwin Meese 3d)

WASHINGTON.—The Law of the Sea Treaty failed to achieve international consensus at Jamaica's Montego Bay. The United States and 46 other nations, together accounting for more than half the global gross domestic product, withheld their signatures. Twenty-two abstained, and 24 did not attend. Thus, the way is cleared to develop more promising arrangements.

This is as it should be. For had the treaty been universally accepted, it would have undermined the future national and economic security of the United States and many of its allies.

The treaty's main problems lay in its restrictions on deep seabed mining. The seabed contains vast quantities of such strategic minerals as manganese and cobalt, which are necessary to manufacture steel, jet engines and other vital products essential to our defense and industrial base. The United States and other countries must now rely heavily on imports to meet their strategic-mineral needs. Yet many foreign suppliers are not reliable, and in other cases higher-grade ores are being depleted. The seabed's resources therefore represent an important future alternative.

At present, all nations have the right to mine the seabed under the doctrine of "freedom of the seas." According to international law, the resources of the ocean floor belong to no one. They are the legitimate property of whoever undertakes the expense and risks of bringing them to the surface. The Law of the Sea Treaty stands this principle on its head. It asserts that the seabed's minerals are "the common heritage of mankind," meaning that they belong collectively to all nations. While the concept sounds noble, in practice it implies that no nation has the right to mine without permission from the "body of the whole"—effectively repealing "freedom of the seas" as it applies to ocean mining.

The treaty would do this by creating an "International Seabed Authority" modeled loosely on that United Nations, to govern seabed mineral production. The authority's assembly, like its United Nations counterpart, would be dominated by the developing countries. These nations in the past have not only been hostile to the United States and free-world interests but in the United Nations have supported the Soviet position as much as 80 percent of the time. The structure of the authority's executive council would help them succeed. Unlike the Security Council, the executive council would have no permanent members and no great-power veto—two provisions that have protected our interests in the United Nations. Thus, had America agreed to the treaty, we would have entrusted our own and our allies' access to the seabed's minerals to the goodwill of nations that have, for the most part, opposed our objectives.

The authority's control over seabed mining would have been virtually complete. The authority would have its own mining company (the "Enterprise"), which would enjoy preferential treatment and generous subsidies, financed primarily by its would-be competitors. Private or national companies wishing to mine would first have to apply for a license, which the authority would not be obliged to approve. If it were granted a license, a firm would be required to survey two mining sites, one of which the Enterprise would appropriate for its own use. The authority could compel competing firms to hand over their mining technology to the Enterprise or the developing countries, quite possibly choking off creation of needed technology in the first place. It could also limit the quantity of minerals that could be extracted.

Even the most enthusiastic companies might well balk at accepting these terms on top of mining's inherent risk and expense. American mining firms, in particular, have already stated that they would not mine under the treaty's provisions. For this reason, the treaty poses a threat to both the industrialized countries as well as the developing nations, who will need strategic minerals as their own economies mature. For no one will benefit from the seabed's riches if the minerals remain on the ocean floor.

Nor can these problems be solved, as some have argued, by the Law of the Sea's "preparatory commission," which only sets the detailed rules for implementing the treaty and cannot change its substance. What is needed instead is an arrangement that will reaffirm customary international law.

One of the Reagan Administration's first efforts has been to review how those areas of consensus and traditional law in the treaty, such as overflight and navigation rights, can be reinforced. Second, we need to develop alternative ways, outside the limiting framework of the treaty, to preserve all nations' access to the seabed's mineral resources. The United States will continue to work with other countries toward the creation of such arrangements.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 1, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 2

8:30 a.m.

Appropriations

*Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Occupational Safety and Health Administration, Mine Safety and Health Administration, departmental management, and the President's Committee on Employment of the Handicapped, all of the Department of Labor.

SD-116

9:00 a.m.

Appropriations

*Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Department of the Interior and related agencies.

SD-138

*Judiciary

To hold hearings on low-level radioactive waste disposal compacts.

SD-226

9:30 a.m.

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Board for International Broadcasting, Federal Communications Commission, Federal Trade Commission, and the Japan-United States Friendship Commission.

S-146, Capitol

Banking, Housing, and Urban Affairs

International Finance and Monetary Policy Subcommittee

To hold hearings on S. 397, proposed Export Administration Act Amendments, S. 407, proposed Export Administration Enforcement Act, and S. 434, proposed Office of Strategic Trade Act.

SD-538

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 14, S. 18, S. 77, S. 100, title V of S. 124, S. 251, S. 398, S. 490, and S. 575, measures to develop and expand markets for U.S. agricultural commodities.

SR-332

Armed Services

To resume hearings to review those items in the President's budget for fiscal year 1984 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, fo-

cusing on Navy/Marine Corps programs.
SD-628

Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on S. 212, authorizing funds for fiscal years 1984 through 1986 for the U.S. Travel and Tourism Administration, Department of Commerce.
SR-253

Finance
Business meeting, to consider the nominations of Margaret M. Heckler, of Massachusetts, to be Secretary of Health and Human Services, and John A. Svahn, of Maryland, to be Under Secretary of Health and Human Services, S. 446 and S. 527, bills to revise certain IRS provisions with respect to the tax treatment of agricultural commodities received under a payment-in-kind program, S. 144, to establish the concept of reciprocity of market access as an objective for U.S. trade policy where American products are competitive, and to consider those items in the President's budget for fiscal year 1984 which fall within its legislative jurisdiction, and recommendations which it will make thereon to the Budget Committee.
SD-215

Foreign Relations
To hold hearings on proposed authorizations for the U.S. Information Agency.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 450, proposed Mail Order Consumer Protection Amendments.
SD-342

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs administered by the Department of Education.
SD-430

Joint Economic
To hold hearings to examine the impact of the President's new federalism program on State and local government.
2247 Rayburn Building

10:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

11:00 a.m.
Judiciary
To resume oversight hearings on organized crime in the United States.
SD-226

11:30 a.m.
Foreign Relations
To hold hearings on proposed authorizations for the Board for International Broadcasting.
SD-419

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Peace Corps, and the Inter-American Foundation.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior and related agencies.
SD-138

Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings on the Middle East.
SD-419

3:00 p.m.
Labor and Human Resources
To hold hearings on the nomination of Margaret M. Heckler, of Massachusetts, to be Secretary of Health and Human Services.
SD-430

MARCH 3

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the earthquake hazard reduction program.
SR-253

*Judiciary
Security and Terrorism Subcommittee
To resume hearings, in closed session, on proposed budget requests for fiscal year 1984 for the Drug Enforcement Administration.
SD-226

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and the Federal Grain Inspection Service, Department of Agriculture.
SD-124

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings to discuss Executive Order 12372 which rescinds OMB Circular A-95 as of April 30, 1983, relating to the intergovernmental consultation process, and the proposed rules that implement the order.
SD-342

Rules and Administration
To hold hearings on S. Con. Res. 7, to authorize and provide for a bust of Carl Hayden to be placed in the Capitol.
SR-301

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings to review budget estimates for fiscal year 1984 for research, development, and acquisition programs of the Department of Defense.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Agency for International Development.
S-126, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Coast Guard, Department of Transportation.
SD-138

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1984 congressional budget.
SD-608

Finance
To resume hearings to review structural unemployment initiatives developed by the administration, and to discuss the current state of the national unemployment situation.
SD-215

Foreign Relations
Closed briefing on worldwide intelligence matters.
S-116, Capitol

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue oversight hearings on the implementation of vocational education programs administered by the Department of Education.
SD-430

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
SR-253

11:00 a.m.
Judiciary
To continue oversight hearings on organized crime in the United States.
SD-226

1:00 p.m.
* Judiciary
Immigration and Refugee Policy Subcommittee
Business meeting, to consider pending calendar business.
SD-234

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Agency for International Development.
S-126, Capitol

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for solar and renewable energy programs of the Department of Energy.
SD-192

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the Intelligence community.
S-407, Capitol

3:30 p.m.
Select on Ethics
To hold a general business meeting.
Room to be announced

MARCH 4

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Economic Regulatory Administration, Energy Information Administration, and the Office of Hearings and Appeals, all of the Department of Energy.
SD-192

9:30 a.m.
Appropriations
Business meeting, to consider proposed legislation appropriating funds for job assistance programs, committee report to the Budget Committee, and budget deferrals of the Economic Development Administration of the Department of Commerce, and the Department of Agriculture.
SD-192

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on nuclear energy programs (other than breeder reactor programs).
SD-366

Joint Economic
To hold hearings on the employment-unemployment situation for the month of February.
SD-628

10:00 a.m.
Finance
To hold hearings on the administration's new federalism proposal.
SD-215

Judiciary
To hold hearings on S. 216, proposed Federal Anti-Tampering Act.
SD-226

MARCH 7

8:30 a.m.
Appropriations
Labor, Health and Human Services; Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Education.
SD-138

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on the legal ramifications of constitutional amendment proposals, including S. J. Res. 3, with the specific goal of reversing the Supreme Court's decision in Roe against Wade, relating to the right to abortion.
SD-226

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Representative to the United Nations, and voluntary contributions to international organizations and programs of the United Nations.
SD-192

Energy and Natural Resources
To hold oversight hearings on the implementation of the Energy Emergency Preparedness Act (P.L. 97-229).
SD-366

Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on S. 529, to revise and reform the Nation's immigration laws.
SD-418

MARCH 8

8:30 a.m.
*Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings to review the President's budget request for fiscal year 1984 for the Department of Energy's conservation and supply programs.
SD-366

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold closed hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
*Energy Conservation and Supply Subcommittee
To hold hearings on S. 589, authorizing funds for fiscal year 1984 for capital improvement projects on Guam.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Export-Import Bank of the United States.
S-126, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Railway Association, and Conrail.
SD-138

Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Education for Economic Security Act, and to review math and science education programs in elementary and secondary schools.
SD-430

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

Joint Economic
To resume hearings to examine the impact of the President's new federalism program on State and local government.
2212 Rayburn Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the Veterans of Foreign Wars.
SR-325

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Holocaust Memorial Council, and the National Endowment for the Arts.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy research and environment programs of the Department of Energy.
SD-192

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

MARCH 9

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for elementary and secondary education, education block grant, and impact aid.
SD-124

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Communications Commission.
SR-232A

9:30 a.m.
Agriculture, Nutrition, and Forestry
Soil and Water Conservation Subcommittee
To hold hearings on proposed legislation providing for soil and water conservation programs.
SR-328A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
To hold hearings on proposed legislation relating to natural gas policy.
SD-366

*Governmental Affairs
Permanent Subcommittee on Investigations
To hold closed hearings to investigate alleged involvement of organized crime and mismanagement of funds in

the hotel and restaurant workers union (HEREIU).

SD-342

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings to review the current status of the multilateral development banks of the Department of the Treasury.

SD-192

Appropriations

Transporation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Architectural and Transportation Barriers Compliance Board, and the Office of the Inspector General and the Office of the Secretary, Department of Transportation.

SD-138

Environment and Public Works

Environmental Pollution Subcommittee

To continue hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.

SD-406

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on the proposed Education for Economic Security Act, and to review math and science education programs in elementary and secondary schools.

SD-430

Veterans' Affairs

To hold hearings on proposed legislation providing for veterans' health care services.

SR-418

1:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation authorizing funds for the National Science Foundation.

SR-253

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the National Park Service of the Department of the Interior.

SD-192

MARCH 10

8:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for vocational and adult education, education for the handicapped, and rehabilitation services and handicapped research.

SD-192

9:00 a.m.

Commerce, Science, and Transportation

To resume hearings on proposed legislation authorizing funds for fiscal year 1984 for the National Oceanic and Atmospheric Administration, Department of Commerce, focusing on fisheries programs.

SR-253

9:30 a.m.

*Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings to receive testimony from the Secretary of Commerce on the overall budget for the Department of Commerce, and on proposed budget estimates for fiscal year 1984 for general administration, Economic Development Administration, International Trade Administration, U.S. Travel and Tourism Administration, Patent and Trademark Office, National Telecommunications and Information Administration, National Bureau of Standards, Minority Business Development Administration, Economic and Statistical Analysis, and the Bureau of the Census.

S-146, Capitol

Energy and Natural Resources

To continue hearings on proposed legislation relating to natural gas policy.

SD-366

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.

SD-126, Capitol

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Veterans Administration.

SD-124

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To resume hearings on automobile safety, focusing on occupant protection.

SD-562

Environment and Public Works

Environmental Pollution Subcommittee

To continue hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.

SD-406

*Judiciary

Separation of Powers Subcommittee

To hold closed hearings on the Taiwan Communique.

SD-226

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on problems occurring from the manufacture and distribution of imitation controlled substances, known as look-alike drugs.

SD-628

Select on Intelligence

Budget Authorization Subcommittee

To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.

S-407, Capitol

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.

S-126, Capitol

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Geological Survey of the Department of the Interior.

SD-192

Appropriations

Energy and Water Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Energy Regulatory Commission of the Department of Energy, and the Nuclear Regulatory Commission.

SD-192

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal years 1984 and 1985 for the Nuclear Regulatory Commission.

SD-406

MARCH 11

9:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To continue hearings on automobile safety, focusing on the role of government and industry in bringing improved car safety technology to the marketplace.

SR-253

9:30 a.m.

Energy and Natural Resources

To continue hearings on proposed legislation relating to natural gas policy.

SD-366

10:00 a.m.

Finance

To hold hearings to examine certain tax preferences for banks, credit unions, savings and loan associations, and other financial services.

SD-215

Select on Intelligence

Budget Authorization Subcommittee

To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.

SD-407, Capitol

MARCH 12

9:30 a.m.

Energy and Natural Resources

To continue hearings on proposed legislation relating to natural gas policy.

SD-366

MARCH 14

8:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for student financial assistance, student loan insurance, higher and continuing education, higher education facilities loan and insurance, and educational research and training activities overseas.

SD-192

9:00 a.m.

Commerce, Science, and Transportation

To resume hearings on proposed legislation authorizing funds for fiscal year

1984 for the National Oceanic Atmospheric Administration, Department of Commerce, focusing on weather and satellite programs.

SD-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 267, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.

SD-366

1:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for AMTRAK.

SR-253

Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on S. 41 to extend the revenue sharing program for local governments through fiscal year 1986, and S. 525, to require that installment payments of revenue sharing allocations be paid at the beginning of each quarter.

SD-215

MARCH 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institute of Education, education statistics, bilingual education, and libraries, all of the Department of Education.

S-126, Capitol

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.

SR-253

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service, Department of Agriculture.

SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on conservation and renewable energy programs.

SD-366

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 336, to revise prohibitions against persons guilty of criminal offenses holding specified offices or positions, and clarifying the jurisdiction of the Department of Labor relating to the detection of and investigation of criminal violations relating to ERISA.

SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Interstate Commerce Commission.

SD-138

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.

S-407, Capitol

10:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Commodity Credit Corporation, Foreign Agricultural Service (including P.L. 480), Office of International Cooperation and Development, Department of Agriculture.

SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior, and the Department of Energy.

SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for departmental administration of the Department of Energy.

SD-192

MARCH 16

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for college housing loans, special institutions, Howard University, departmental management (salaries and expenses), Office for Civil Rights, and Office of the Inspector General, all of the Department of Education.

SD-192

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Terrence M. Scanlon, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

SR-253

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the U.S. Trade Representative, Securities and Exchange Commission, and the U.S. Arms Control and Disarmament Agency.

S-146, Capitol

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.

SR-253

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Civil Aeronautics Board.

SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.

SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 564, to establish the U.S. Academy of Peace.

SD-430

Veterans' Affairs
To hold hearings on proposed legislation providing educational assistance for certain members of the Armed Forces.

SR-418

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.

SD-192

MARCH 17

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Railroad Retirement Board, ACTION (domestic programs), Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the Soldiers' and Airmen's Home.

SD-192

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to receive legislative recommendations for fiscal year 1984 from AMVETS and the Blinded Veterans Association.

334 Cannon Building

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and the National Agriculture Library, Department of Agriculture.

SD-124

Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.

SR-253

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Railroad Administration of the Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
SD-138

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Surface Mining of the Department of the Interior, and the Advisory Council on Historic Preservation.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for atomic energy defense activities of the Department of Energy.
SD-192

MARCH 18

8:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Oceanic and Atmospheric Administration of the Department of Commerce, Marine Mammal Commission, and the Small Business Administration.
S-146, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

10:00 a.m.
Judiciary
Agency Administration Subcommittee
To hold oversight hearings on the indemnification of and contributions to Government contractors.
SD-226

MARCH 21

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Rehabilitation Act of 1973.
SD-430

Labor and Human Resources
Labor Subcommittee
To hold hearings on the current health and future prospects of defined benefit pension plans under the Employee Retirement Income Security Act.
SD-562

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearing on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on fossil energy programs.
SD-366

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Appalachian Regional Commission, and the Tennessee Valley Authority.
SD-192

MARCH 22

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Mediation and Conciliation Service, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mine Safety and Health Review Commission, and the President's Commission on Ethical Problems in Medicine.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Economic Research Service, Statistical Research Service, and the World Agricultural Outlook Board, Department of Agricluture.
SD-124

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Highway Administration, Department of Transportation.
SD-138

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the broken family, focusing on its effects on children.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Land Management of the Department of the Interior.
SD-138

MARCH 23

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings to receive testimony from the U.S. Attorney General on the overall budget for the Department of Justice, and on proposed budget estimates for fiscal year 1984 for general legal activities, Antitrust Division, general administration, Executive Office for U.S. Attorneys, U.S. Marshals Service, and the Office of Justice Assistance, Research and Statistics.
S-146, Capitol

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Education of the Handicapped Act.
SD-430

Small Business
To hold hearings to review umbrella contracting and its impact on small businesses.
SR-428A

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Panama Canal Commission, and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
SD-138

Select on Intelligence
Budget Authorization Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Pennsylvania Avenue Development Corporation, and the Smithsonian Institution.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

2:30 p.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.

MARCH 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Governmental and Public Affairs, Office of the General Counsel, Office of the Inspector General, Office of the Secretary, and departmental administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Legal Services Corporation, U.S. Information Agency, and the Equal Employment Opportunity Commission.
S-146, Capitol

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Science and Technology Policy, and the Council on Environmental Quality.
SD-124

*Labor and Human Resources
Aging, Family and Human Services Subcommittee
To continue hearings on the broken family, focusing on its effect on adults.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy conservation programs of the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 4

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Health and Human Services.
SD-192

APRIL 5

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Health Resources and Services Administration, and the Office of the Assistant Secretary for Health, both of the Department of Health and Human Services.
SD-124

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Food and Nutrition Service, and the Human Nutrition Information Service, Department of Agriculture.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Minerals Management Service, and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 6

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-138

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to radiation, and other related matters.
SR-418

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 7

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Farmers Home Administration, Federal Crop Insurance Corporation, Office of Rural Development Policy, and the Rural Electrification Administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Bureau of Investigation, Drug Enforcement Administration, drug task forces, Immigration and Naturalization Service, and the federal prison system.
SD-146, Capitol

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Environmental Protection Agency.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Forest Service of the Department of Agriculture.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 8

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Social Security Administration, and refugee programs, both of the Department of Health and Human Services.
SD-192

APRIL 11

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Health Care Financing Administration, Department of Health and Human Services.
SD-192

APRIL 12

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Human Development Services, Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Food and Drug Administration, Department of Health and Human Services, the Farm Credit Administration, and the Commodity Futures Trading Commission.
SD-138

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Aviation Administration, Department of Transportation.
SD-192

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Domestic Volunteer Services Program.
SD-430

Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
SD-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 13

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management (salaries and expenses).
SD-192

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, Commission on Security and Cooperation in Europe, and the Commission on Civil Rights.
S-146, Capitol

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs.
SD-430

Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' health care services, proposed legislation providing educational assistance for certain members of the Armed Forces, and proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.
SR-418

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Centers for Disease Control, Department of Health and Human Services.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Science Foundation.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Urban Mass Transportation Administration, Department of Transportation.
SD-192

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue oversight hearings on the implementation of vocational education programs.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Endowment for the Humanities, and the Office of Federal Inspector, Alaska Natural Gas Transportation System.
SD-192

APRIL 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Alcohol, Drug Abuse, and Mental Health Administration, scientific activities overseas, and retirement pay for commissioned officers, all of the Department of Health and Human Services.
SD-192

APRIL 19

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Indian Health Service of the Department of Health and Human Services, and the Office of Indian Education.
SD-192

10:00 a.m.
*Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for adoption services.
SD-430

APRIL 20

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, U.S. International Trade Commission, and the Federal Maritime Administration.
S-146, Capitol

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of bilingual education programs by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for fossil energy research and development programs of the Department of Energy.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.
S-146, Capitol

APRIL 21

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of State, and certain international organizations.
S-146, Capitol

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue oversight hearings on the implementation of bilingual education programs by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Fish and Wildlife Service of the Department of the Interior.
SD-192

APRIL 25

2:00 p.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192

APRIL 26

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-124

*Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for child abuse prevention and treatment programs.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior.
SD-138

APRIL 27

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-138

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the land and water conservation fund.
SD-192

APRIL 28

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Emergency Management Agency, and the Neighborhood Reinvestment Corporation.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Strategic Petroleum Reserve, and the Naval Petroleum Reserves, Department of Energy.
SD-138

APRIL 29

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

MAY 2

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

MAY 3

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

2:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

MAY 5

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Revenue Sharing (New York City loan program), Federal Home Loan Bank Board, and the National Credit Union Administration.
SD-124

MAY 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Housing and Urban Development.
SD-124

MAY 18

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

2:00 p.m.
Veterans' Affairs
To continue oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

MAY 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

JUNE 8

10:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 15

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review certain health care and other services provided Vietnam veterans.
SR-418

JUNE 22

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on certain health care services for veterans.
SR-418

JUNE 29

10:00 a.m.
Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' compensation.
SR-418

CANCELLATIONS

MARCH 2

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MARCH 3

9:30 a.m.
Special on Aging
To hold hearings on the future of Medicare.
SD-628

JULY 20

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on the role of management in implementing automated data processing systems at multiple VA hospital sites.
SR-418