HOUSE OF REPRESENTATIVES—*Monday, April 18, 1983*

The House met at 12 o'clock noon.

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

We pray, O God, that against the anguish and tension of our world we will see the hope and promise of Your love; that in contrast to the evil destruction of selfishness, we will know Your peace; that in spite of those who do wrong, we will do what we can for right and justice. Empower all people by Your spirit, O Lord, to rise above the crude and crass and evil of the day to acts of dignity and noble purpose, wherein Your will is known and Your grace is ever apposed. In Your name, we pray. Amen.

THE JOURNAL

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

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

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. 64. An act to establish the Irish Wilderness in Mark Twain National Forest, Mo.;

S. 96. An act to establish the Lee Metcalf Wilderness and Management Area in the State of Montana, and for other purposes;

S. 543. An act to designate certain national forest system lands in the State of Wyoming for inclusion in the National Wilderness Preservation System, to release other forest lands for multiple use management, to withdraw designated wilderness areas in Wyoming from minerals activity, and for other purposes;

S. 597. An act to convey certain lands to Show Low, Ariz.;

S.J. Res. 51. Joint resolution designating May 21, 1983, as "Andrei Sakharov Day"; and

S.J. Res. 62. Joint resolution to provide for the designation of the week beginning on May 15, 1983, as "National Parkinson's Disease Week."

COMMUNICATION FROM THE CLERK OF THE HOUSE

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

WASHINGTON, D.C.,
April 15, 1983.

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

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5, rule III of the Rules of the U.S. House of Representatives, the Clerk received at 3:25 p.m. on Friday, April 15, 1983, the following message from the Secretary of the Senate: That the Senate passed without amendment H.J. Res. 80.

With kind regards, I am,
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Friday, April 15, 1983.

S. 89. An act to amend the Saccharin Study and Labeling Act;

S. 126. An act to remedy alcohol and drug abuse; and

H.J. Res. 80. Joint resolution to authorize and request the President to issue a proclamation designating April 17 through April 24, 1983, as "Jewish Heritage Week."

THE WHITE HOUSE IS PLAYING A MEAN TRICK ON THE UNEMPLOYED AND HARD-HIT COMMUNITIES

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

Mr. RATCHFORD. Mr. Speaker, there is an old trick magicians play called "now you see it, now you don't." Now, it looks like the White House is playing this trick on Congress.

We are told the administration is planning to cut back future expenditures to compensate for funds appropriated in the bipartisan jobs bill last month.

Perhaps the administration's support of the jobs bill was, like a magic trick, just an illusion. But the victims of this sleight-of-hand are the 11 million unemployed Americans whose bad fortunes are not all going to change overnight.

The commitment to economic development and jobs that began in the jobs bill should be a beginning, not an end. The White House is playing a mean trick on the unemployed and hard-hit communities. Let us hope the Congress is more straight forward with the American people.

CUTTING TAXES AND CUTTING SPENDING IS THE RIGHT MEDICINE

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

Mr. SOLOMON. Mr. Speaker, in the last few months, have you noticed how few liberal Democrats have taken the floor to berate Ronald Reagan and Reaganomics?

Six months ago, you would have had this whole aisle filled up here, and maybe for good reason, because for several months now, most economic indicators have been on the rise, indicating an even stronger economic recovery than we had expected. But if you watched the Sunday evening news this past week, every single economic indicator was good news. Inflation was a minus; retail sales were up; industrial output was soaring; auto sales were up; housing and construction was on the move; and Reaganomics was working. This means that cutting taxes and cutting spending was the right medicine, after all.

But, now what do the Democrats want to do? Mr. Speaker, they not only want to increase spending, but they want to increase your taxes again. Wake up, America. The Democrats are about to get into your pockets again. And if you do not like it, let them know about it.

ARKANSAS WILDERNESS AREA

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

Mr. BETHUNE. Mr. Speaker, the people of my State are proud of our State motto, "Arkansas is a Natural."

Part of the reason is that, back in the early part of this century, President Teddy Roosevelt had the foresight to set aside two large tracts of land, one known as the Ouachita National Forest, and the other one known as the Ozark National Forest. And for that reason, those lands have been protected for a long time now. It enhances the beauty of our State. As everyone knows, Arkansas has fine people. We also have beautiful land.

The Forest Service has been charged with the responsibility of managing those national forests since the inception and the set-aside by President Roosevelt. Under their authority, they can permit private entrepreneurs to come in and clearcut rather sizable

☐ 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.

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portions of the forest, they can permit mining, they can build roads through those forests. Now, to a certain extent, that is good. It is good for the economic development. But once that sort of thing is done, you cannot go back and undo it.

Therefore, I believe we ought to set aside a portion of those lands as wilderness so that they will be protected from that kind of development. Therefore, I am introducing today a bill which will set aside 6 percent of the national forest lands in Arkansas, 11 areas all together, as wilderness, and they would be protected for perpetuity.

I think it is a good thing to do, and I think the people of our State will support it. Additionally, I have asked the Forest Service and the Department of Agriculture to withhold any development in those areas until my other colleagues in the Congress from the great State of Arkansas can have a chance to deliberate and reach a consensus on this issue.

NUCLEAR FREEZE RESOLUTION

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 60 minutes.

Mr. LEVITAS. Mr. Speaker, I take this time again to address some of the important issues that have been raised during the discussions that we have had in this House over the last several weeks with respect to House Joint Resolution 13, the so-called nuclear freeze resolution, and I do so, Mr. Speaker, because I feel that one of the most important things that has come out of this entire matter has been the ongoing discussion of the issue which relates to the very survival of humankind on this planet.

□ 1210

It is an important issue that deserves full, careful, and thoughtful consideration. In that regard I think those people across this Nation who have been actively involved in the matter of discussing nuclear arms control in the context of the so-called freeze movement, or in other efforts, deserve a great deal of credit for focusing both public and congressional attention on this matter. Many individuals that I know personally who have spoken to me or written to me about this matter are people for whom I have the greatest respect. They are good, they are intelligent, they are educated, they are informed individuals, and I think what we have seen is an outpouring of concern by these individuals which has thus far found expression only in the context of what has come to be known as the nuclear freeze movement.

But the important thing, Mr. Speaker, is the fact that all sane and rational people, in this country and in the world, know several things; we know that we must take steps not only to deal with an immediate piece of legislation pending on the floor of this House, but we also must move to a situation where the world will become a safer place, and where we will have an opportunity to give to future generations a world that is safe from the threat of a nuclear catastrophe. We have come to focus on the resolution now pending before this House, and one of the most important developments in this entire discussion occurred on Wednesday of last week when the chairman of the Committee on Foreign Affairs took the opening time to explain what he understood House Joint Resolution 13 to mean.

I think it is very interesting that in that discussion, which will form a portion of the legislative history of the nuclear freeze debate, a great many things which have previously been said publicly about that debate and about what a nuclear freeze really means were quite different from the public discussion, particularly within the nuclear freeze movement.

I am reminded of the quotation from Lewis Carroll by Humpty Dumpty. "'When I use a word,' Humpty Dumpty said in rather scornful terms, 'it means just what I choose it to mean, neither more nor less,'"

I think what we saw develop in the discussion of explaining what a nuclear freeze means, at least within the context of House Joint Resolution 13, is Humpty Dumpty having decided that the words, "nuclear freeze," mean something quite different from what many people who have been active in the nuclear freeze movement might have thought they meant.

For example, and I think, very importantly—and I commend the gentleman from Wisconsin for recognizing the importance—it means that the freeze discussion would be resolved in the course of negotiations, and that those negotiations explicitly involve an opportunity for modernization of nuclear forces, which is a matter that those of us who have concerns about a freeze without modernization or movements toward reduction have been concerned about for quite some time.

Now, it may be that if proponents of a nuclear freeze who have been discussing this matter around the country were fully informed and understood what the redefinition of "freeze" now means within the context of House Joint Resolution 13, they might be somewhat disappointed because the new explanation of what is involved in a nuclear freeze goes directly to the question of negotiation, which provides broad scope, including such matters, according to the gentleman from Wisconsin, as modernization and indeed even the possibility of testing itself.

But the entire debate that we have had thus far has been for the most part a high level discussion of this issue, which some of the proponents have described as the most important single issue facing this Congress or indeed facing humanity in the world today, and I hope that the debate and the discussion will continue along those lines.

I must say that during the course of proceedings on last Wednesday, I got the feeling in one or two instances that this debate had not measured up to those standards. For example, I heard several of the proponents of House Joint Resolution 13 speak to their colleagues as they entered the doors on either side of this Chamber, and, when being asked to explain what the nature and impact of a particular amendment was, gave a response which simply said, "the pro-freeze vote is no," with no explanation or no consideration of the important issues that were being developed. I do not think that that served well the type of debate that an issue that is the most important to mankind deserves.

I also saw a "Dear Colleague" letter what went out from one of the proponents of House Joint Resolution 13, and it said that no amendments were acceptable, no matter what they were and no matter how they may be phrased. Now, that is a very serious approach to something that we ought to be discussing, because what it was saying is: "Don't clutter my attention with any facts. Don't bring any logic or reason to my attention that might affect my voting one way or the other on a particular amendment that is pending or which might be offered." It simply said, "We don't want to deal with the substance; we simply want to make a symbolic gesture and enact a term rather than a piece of legislation."

All of us who are approaching the matter of arms control in a serious and concerned way have a common interest, and that is an end to the arms race. I repeat, an end to the nuclear arms race. I do not think that there are any people who have any understanding about what nuclear war could mean who believe that there could be such a thing as a survivable nuclear catastrophe. So we have got to devise the most effective means, not only of talking to ourselves about what needs to be done but of trying to have some impact upon the Soviet Union and its leadership to make certain that we can have a negotiated mutual and vertifiable treaty that will end the arms race and bring about a reduction in the nuclear arsenals we both have.

Unfortunately, the nature of our two systems of government, that of the United States and that of the Soviet Union, is quite different. In this country and in Western Europe we

have democratic societies where the citizens make the decisions through their elected representatives and where their grievances or concerns, whether by protest or other means, are made known to the leaders of these countries, and that formulates public policy.

There is no doubt in my mind that demonstrations, both in Western Europe and in this country, have had an impact upon policymakers and have had an impact upon the administrations of these countries, and I think one of the reasons that this movement has had the impact and gained the attention that it has received is that many of the early decisions made by the present administration in this country gave cause for alarm that there would not be serious arms control negotiations, and that we would not achieve a safer way through some sort of arms control treaty. It was in response to that that people all across this Nation and in Europe approached the problem by expressing themselves through participation either in demonstrations or through other means of making their concerns known. There has been a response, both in the Congress and, I believe, even in the administration.

But the sad part is that there are not demonstrations of this sort in the Soviet Union because in the Soviet Union, if there were such demonstrations, the people involved in the demonstrations would be arrested and convicted for crimes against the state. And yet we know that there can be no arms control treaty unless the Soviet Union is prepared to go into good faith negotiations with the United States on these matters; and it will not simply result in a treaty being adopted when people in this country or even this Congress express themselves in a certain way unless that expression motivates or provides incentives for the Soviet leadership to take similar corresponding action.

□ 1220

Thus far the history has been that they are not responsive to those types of treaties, those types of in-treaties and those types of demonstrations that we have seen by citizens of free nations in the West.

In fact, the only time we have ever seen the Soviet Union make any effort toward arms control or arms reduction was in response to specific actions we in the West have taken. The Soviet Union would not participate in antiballistic missile treaty discussions where they had already developed such systems until the U.S. Congress voted to develop systems of the same sort. Then there were such negotiations. When the Soviet Union deployed the hundreds of SS-20 intermediate nuclear force missiles in Europe, there was no such thing as discussions or negotiations about limiting or controlling or reducing those until the NATO Alliance agreed that we would respond by deploying Pershing II's and cruise missiles and only then was there a discussion entered into in Geneva for INF negotiations; so it will be in the case of strategic arms control that until the Soviet Union realizes that we in the West, and particularly the United States, are prepared to take those steps necessary to bring about negotiations, that there will be no serious negotiations.

It concerns me as a Member of this body to watch what our European allies have done very courageously, looking literally down the barrels and down the missile tubes of the Soviet Union, to agree to go forward and take action for deployment of intermediate range missiles by NATO, if necessary, in order to bring about a reduction of intermediate range nuclear weapons that the Soviets have deployed and are continuing to deploy, pointing at those very nations. It takes not only a great deal of courage on the part of the political leadership of Germany and Great Britain and other of our Western Allies to take these courageous actions, but it also takes a commitment by the populations of those countries who know that the Soviet threat is a clear and present danger with modern nuclear weapons pointed directly at them.

How will those European leaders and Europeans feel if we in the United States respond with anything that demonstrates less than similar courage and commitment? Will we cower after they showed courage? Are we going to provide the Soviet Union with a victory that does not even involve negotiations at Geneva? Are we going to make the decisions in this Congress that will give the Russians everything they want in return for nothing?

I hope and pray that that will not be our decision, because it concerns the future of the world. If we give the Soviet Union everything it is trying to accomplish without having to negotiate a quid pro quo, a reduction, then it is my concern that the Soviet Union will look upon the two negotiations now going on in Geneva and, indeed, the conventional force negotiations that are going on in Vienna, as unnecessary exercises, because they know that they do not have to make any concessions to achieve their purposes of maintaining their level of force deployment, with regard to both intermediate range and strategic missiles in Europe and in the Soviet Union.

So I would hope that as we continue this very important debate, Mr. Speaker, we realize that we have got to give incentives to the Soviet Union to enter into serious discussions, not merely to freeze the levels, whether they are strategic or intermediate range, where they are today but, indeed, to go beyond that and see a reduction, a building down of the nuclear warheads that are pointed at each other.

I would hope that as we in this country and in this Congress continue this debate, that we not get hung up on cliches or slogans. I have no doubt that there are many people across this Nation who because of their frustrations and concerns have become fixed on a term "freeze" and that there are leaders who are leading these people in that direction, that that leadership not end up being the Pied Pipers of our generation, leading the children to destruction, but rather, that the leadership be leadership that can look upon this subject and this discussion in a much broader context, to see how we can get away from the arms buildup to an arms reduction, from MIRV'd missile systems to deMIRV'd systems, which would be more stabilizing and create either a smaller kill target or create less likelihood of first strike capability.

It is for these reasons, Mr. Speaker, that I am hopeful and desirous that we in the interest of achieving peace and security in this world do not create a situation which is more dangerous simply because we have lost the will to do that which is necessary.

We must remember what happened in Europe before World War II. In the 1930's following in the aftermath of the great destruction that was visited upon Europe during World War I, there was a great peace movement that built up, particularly in France and Britain, and at that time the leadership of France, and even more so Britain, was taking a position that they could avoid the growing threat of tyranny and Fascism and Naziism in Europe by not being prepared to deal with it if necessary. There were marches throughout Britain of people, well-intended people, who were very concerned about not having another war, who marched under the banner that "we will not fight for King or country," and yet thousands upon thousands of those very marchers had to pay a price of their blood during World War II, because in the face of tyranny the attitude of the Western alliance in Europe in the 1930's was not adequate to deter the growing threat of miltarism and of tyranny that was growing in Germany and in Italy at that time.

Now, Winston Churchill said, during that period of time, that, "You cannot keep so great a nation in an inferior position. What others have they must have," was the argument that the Germans were making.

Churchill said that:

> It is a most dangerous demand to make. Nothing in life is eternal, but as surely as Germany acquires full military equality with her neighbors while her own grievances are unredressed, while she is in the temper which we have unhappily seen, so

surely should we see ourselves within a measurable distance of the renewal of general European war.

His words were not heeded. His words that were saying to the British that we must prepare to meet the German threat, the Nazi threat, if we are to avoid conflict, were words that went unheeded and, indeed, the Germans, the Nazis, built up their war machine, while France and Britain did not.

The outcome is now a matter of tragic history. World War II came upon Europe as a dark cloud, because at a time when there was an opportunity to say to the aggressors, "You shall not have a free hand," the Western Allies, Britain and France, passed that up because there was such a fervor to bring about peace and to avoid the risk of rearmament that many of those who were leaders of the peace movement felt would only lead to war.

□ 1230

How tragically mistaken they were, because they did not learn the lesson that has been a lesson in all history: In the face of an aggressor, you do not get peace by not being prepared for war. You must be prepared to meet that threat of aggression if you are to avoid war, is the unmistakable lesson of history.

It is for that reason, in the context of this important debate which we are now engaged in, that we must not simply be talking to ourselves, we must not be simply saying, "Would it not be nice if we could stop building nuclear weapons or modernizing our forces" in the hopes that the Soviet Union would do likewise.

Every piece of evidence we have indicates that the Soviet Union is not only continuing to deploy SS-20 missiles in Europe, but that the Soviet Union, at a rapid pace, is continuing to modernize their SS-19's and their SS-13's, that they are continuing to build at an increasing pace the Oscar-class and Typhoon-class nuclear submarines, that they are going forward with a buildup of their forces. And what we have got to do is create a context within which there will be no incentives for the Soviet Union to continue their nuclear buildup even as freeze or START negotiations go forward. They will have forces at a certain point where there will be no incentive for the Soviet Union to take any action other than to maintain the force levels that they now have. They will not move to reduce.

Therefore, Mr. Speaker, I would hope that in the next days and weeks as this House completes its action on the matter of nuclear arms control as embodied in House Joint Resolution 13, and as the other body takes up similar matters relating to arms control, that we will come together at some point with a rational approach, that will create more stability, less opportunity for first strike capabilities, and that we can gradually but certainly continue to see a reduction in the nuclear forces that both sides have under circumstances where the fear of vulnerability will be lessened.

And I think that that will take moving away from cliches and moving away from preconceptions, and focusing upon the substances of what we are talking about. And if we are able to do that, if we are able to do more than pass a slogan; if we are able to create a context of arms negotiations in which there will be greater stability for both sides, less hair-trigger response concern on both sides, where both sides will see that it is in their mutual interest to gradually reduce the number of nuclear warheads that we have and make them less destabilizing, that we will have done more for future generations than anything else. But if all we end up doing is going through an exercise, a symbolic march led by pied pipers, then we will have done a great disservice to the future of mankind.

Mr. SEIBERLING. Mr. Speaker, would the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman has made a very good contribution to this continuing debate in the statement that he has just completed. Much of what he says I find myself in complete accord with.

I was a college student during the period before the United States entered World War II and I was one of those who advocated intervention by the United States on the side of Britain and France and was labeled a warmonger at the time because the popular position of students in this country was, "We do not want any part of it."

And of course they all ended up, along with myself, being involved.

I think the analogy to the situation that existed at that time, while to some extent valid, is not completely valid, because we are not dealing with a government like Nazi Germany, which has proclaimed its intention to, in effect, conquer the Western democracies by military force, despite the rhetoric of Marxist ideology. I think the debate that is going on, and the nuclear freeze proposal that is involved in the debate, is an effort to express a feeling that our side of the arms control negotiations is insufficiently flexible and that the posture of our Government, particularly the President, himself, is unduly bellicose. The Soviets are taking advantage of that, because that kind of a posture feeds on the fears which are certainly legitimate fears, of the people here and abroad, of the consequences of a nuclear war.

And there is a general sense that this thing is drifting out of control; meanwhile the weapons are piling up and up and up and nobody is really getting a handle on the situation.

I was fortunate enough to be with a group of Congressmen who went to the Soviet Union in January and met with the two top arms control negotiators, Mr. Karpov and Mr. Kvitsinsky. When I came back I put my notes on our meeting in the CONGRESSIONAL RECORD. And the members of that delegation seemed to feel that those were an accurate summary of the discussions that we had.

The Soviet position, insofar as their response to the U.S. negotiating position, was not without some validity. I think placing 300-some SS-20's in a position to attack Western Europe was a serious mistake and was unnecessary from any reasonable defensive point of view. But their rationale is that the French and the British have nuclear missiles aimed at the Soviet Union, some 160 nuclear missiles. And therefore that their action was merely a response.

That would be plausible if the Soviets had merely deployed a number which could have been the equivalent of the French and British missiles. But the Soviets went on and put in many more, which was certainly not justified. Yet this is the pattern of the nuclear arms race for the last three decades.

The pattern has been that one side deploys a new system and then the other side deploys a countering system, and maybe improves upon it or expands it and then there is a further reaction and so on and so forth. The Soviets are now threatening that if we deploy Pershing II's in Europe they will respond with intermediate range missiles that can attack the United States.

So the thing goes on. That is what the nuclear freeze resolution is all about. Freeze resolution supporters are saying to the people in the executive branch, and the American people are saying to Congress, that the nuclear arms race has gone crazy, it has gone way beyond deterrence, it is now at a point where it is beginning to get completely out of control.

Now if the gentleman would yield further, I would like to get his reaction to something.

Mr. LEVITAS. Before I do, may I just comment on what the gentleman has said?

Mr. SEIBERLING. Certainly.

Mr. LEVITAS. Because I find very little if anything in what the gentleman has just said that I disagree with. Indeed I think he has, perhaps more succinctly and more eloquently than I,

made precisely the point I was trying to make in my remarks.

I think one of the benefits and important consequences of the nuclear freeze movement both in this country and in Western Europe, has been to focus attention both in Congress and elsewhere upon the concerns and fears that the people have about the possibility of a nuclear war catastrophy. And I think one of the reasons this movement has gotten so much momentum in the last 2 years is because of the attitude or perceived position of this administration as one that did not appear to have a realistic and serious good faith policy toward bringing about serious discussions and negotiations.

□ 1240

And I think that if nothing else were accomplished by the good people in the nuclear freeze movement, this has been achieved and we in the Congress, and perhaps even to a certain extent in light of the Scowcroft Commission report, people in the administration are now taking an attitude which will be more realistic and more flexible. And it is for that reason that I am hopeful that our debate as the lawmakers will be one that will not be trivialized simply with slogans, but will try to provide a framework within which realistic incentives can be provided and realistic reason given to the Soviet Union to enter into these negotiations.

And I thank the gentleman for making these points.

Mr. SEIBERLING. If the gentleman will yield further, I certainly agree with what he has just said.

Let me say this. When we met with Karpov and Kvitsinsky we started out by telling them that we support the zero option that the administration has proposed while recognizing that there may be other alternatives that could be explored. And they said, well the trouble with the zero option is that it does not take into account the British and French missiles that are aimed at the Soviet Union. And they noted that Britain and France are both members of NATO and that in any conflict they certainly are not going to be on the side of the Soviet Union.

Now it does seem to me that with that opening our administration could be more flexible, and maybe they have in their secret discussions, but in the public debate they have not. The administration have come back with a proposal of something less than zero option, but they have not spelled it out.

It does seem to me there are plenty of possible intermediate negotiating positions. For example, the British and French take the position that they are not going to eliminate their nuclear missiles, even if the Soviets eliminated theirs. The United States takes the position that it cannot rely just on the British and French missiles in the case of a Soviet threat and have to have some counter to the SS-20's that is under the control of the United States.

Well there are possible negotiating positions. Kvitsinsky said they would be willing to reduce their SS-20's down to the level of the British and French missiles, for starters. It seems to me that we could counter with a proposal, for example, that we would try to get the British and French to each agree to limit their total number to 100 missiles and we would put in 50 Pershing II missiles and the Soviets would scale down so that on their side they had 150 missiles.

That is the kind of flexibility that in actual negotiations is needed and maybe that flexibility will be forthcoming. But I do not see any sign of it in the public statements of this administration. There is no sign of practical, realistic proposals coming out of this administration, particularly in the light of the fact that when Nitze and Rostow tried to work out a deal with Kvitsinsky, they got their ears pinned back last year by the administration.

So there is a general sense on the part of the public that the Reagan administration is not serious, and that feeds the constant fear that is behind the antinuclear demonstrations in Europe and the antinuclear movement in this country.

It is a sad thing, because we cannot negotiate the arms control agreements in the Congress and certainly it cannot be negotiated in the newspapers, but we are trying to send a message. I am glad to see that the gentleman is joining us.

This administration first has got to do something to stop this escalation, and the first thing the President could do to contribute to that would be to just stop the scare talk. And second, they have got to try to move forward with realistic proposals.

I could also go into the Soviets' reaction to our administration's position on the strategic nuclear weapons. The U.S. proposal would be, from the Soviet point of view, that they eliminate the bulk of their land-based ICBM's, which is the mainstay of their nuclear force and we would not eliminate the bulk of our nuclear force, which is in B-52-carried cruise missiles and in submarine launched missiles.

That was all right as an initial opening ploy, but it certainly is not going to be acceptable to the Soviets if we want a balanced agreement that protects both sides. The public is saying there must be progress, not merely political rhetoric, and so far all we have had is the latter.

Mr. LEVITAS. I thank the gentleman for his observation and I would like to take a moment to respond to a couple of points because I think he has raised some very important issues.

Mr. Speaker, I want to comment on a couple of specific points that the gentleman from Ohio has made.

First, the matter of the British and French missiles and the Soviet attitude toward them. It is my understanding based upon my study of this matter that the British and French missiles are basically national defense systems which have as their purpose considerations quite different from the NATO alliance missiles as such or the SS-20's. For example, it is pretty obvious that 162 missiles in no way could be considered as a first strike capability against the Soviet Union. The thought of launching 162 missiles, whatever the number of warheads against the enormous arsenals of the Soviet Union would simply be an invitation to suicide.

It is my understanding that the role of the British and French missiles, which have different targeting considerations from those that we are talking about in the INF negotiations, are essentially retaliatory strike capabilities that the British and French seek to have under their own national control.

On the other hand, it is quite true that the Soviet Union makes the case why should they remove their missiles from Europe if we or our allies maintain 162 missiles pointed at the Soviet Union for any reason. And it would be my hope, although I have no more information than is now generally available to the public, but it would be my hope that what the administration was attempting to communicate in its proposal that was announced just prior to the recess of the talks in Geneva this month, that when they said there could be intermediate stages of negotiation for reduction of theater forces that it took into account some of the concerns the Soviet Union has about the British and French missiles and which was expressed to the gentleman and his delegation when he was there.

As the gentleman points out, the administration did not and I think correctly did not try to spell out in a press conference what was intended by that intermediate stage negotiation. What concerned me—and I would be interested in knowing from the gentleman from Ohio what his feeling was—was that the Soviet response to that statement which was made just before these talks recessed, was one of pretty much rejection out of hand, not waiting until they got back to Geneva to have some of the proposals flashed out, but it is my recollection that Mr. Gromyko in a press conference in Moscow almost immediately several days after, indicated that that would not be an acceptable negotiating stance.

Now I would hope that this is nothing more than public posturing and that when the negotiators get back to Geneva they will be sitting down and having serious discussions on an intermediate stage negotiation which will take into account some of these concerns that the Soviets have about the British and French missiles.

What I am concerned about, and I am sure the gentleman from Ohio is, too, that even as we debate this subject in Congress today, the Soviet Union is continuing to deploy SS-20 missiles pointed toward Western Europe.

□ 1250

Mr. SEIBERLING. Well, I think that the response of Mr. Gromyko was a very disappointing one, although the administration spokesman, at the time they released their proposal, made also the statement that an initially negative response was expected.

That is no question that the Soviet Union is trying to take political advantage of the general fear on the part of people here and in Europe over the nuclear arms race and are exploiting it for their own ends, as they did, for example, during recent elections in Germany.

However, I think that, to the extent that the posture of our administration seems to be one of either rigidity or undue bellicosity, we simply help the Soviet to use the issue politically and encourage them to do so.

I must say that I agree completely with the gentleman that there is no valid excuse, if the Soviets were merely trying to balance off British and French missiles, for the continuing buildup of SS-20's I suspect that about the only legitimate argument one can make for that continued buildup is that it is a way of continuing to put pressure on the United States, just as we are using the MX missile threat as a means of trying to put pressure on the Soviet Union.

I do feel that the Soviet Union, from our years of experience with it, is a government which will try to exploit every possible weakness that it can find in the United States and its allies, that it will get away with whatever it thinks it can get away with in international affairs and, for that reason, we cannot just assume that if we are nice, the Soviet Union will be nice too. I think sometimes President Carter conveyed that impression, and that may be one reason that he is no longer President.

But the other side of the coin is that it is just as bad to make statements, as the President did, that we are going to put economic pressure on the Soviet Union and cause the breakup of their economy. That is hardly going to build an atmosphere of mutual confidence. And then we have statements by administration spokesmen that we are going to build up the MX as a bargaining chip but we do not intend to give it up, which makes no sense whatsoever, if it is indeed a bargaining chip. I just think that this administration needs to get its act together so that it can really find out whether the Soviets are serious about arms control. I happen to think that they are, from talking to their top negotiators and from talking with some of their other leaders, and particularly some of their economists. I talked with a Soviet economist who was at a gathering at the U.S. Embassy in Moscow, and I asked him what the arms race was doing to the Soviet economy. He said, "It is ruining our economy." I said, "Well, it is ruining the U.S. economy." And I added, "What concerns me is that, while the two superpowers go on escalating the arms race, other countries like Japan, who are not doing that, are going to grab the ball and run away with it economically." He said, "That is a very legitimate concern, and it is one that concerns us, too."

So there are pressures on the Soviet Union. This is a threat to them. It is a costly undertaking. And we really need to believe that there are already pressures in the Soviet Union that favor a scaling down of the arms race.

But when the President of the United States goes on the radio and talks about how he now wants to investigate the possibility of missile defenses that will not even be feasible, if ever, until the next century, what does that say about his seriousness as to nuclear arms reductions and eliminating this whole terrible threat by negotiation? That is a lot cheaper way, if it can be brought off, and a lot better one than trying to build some kind of star-wars defense system which will probably be destabilizing and only provoke a similar effort on the other side.

I think that this debate has been very healthy. I think the gentleman's contribution today has been a very salutary one, and I am happy that he gave me the opportunity to participate in it.

Mr. LEVITAS. I thank my good friend and colleague, the gentleman from Ohio, for his comments, and I have listened to his discussion of this matter not only today but on previous occasions, and I believe that he has perhaps been not only one of the most effective but one of the most responsible advocates for the position that he articulates so well.

I, too, am concerned that the administration adopt a more credibly perceptive position on arms control, not only in the sense of the position that it takes or stakes out at Geneva, but also in terms of the personnel that we have representing us in connection with arms control matters.

I think the recent appointment of Mr. Adelman, regardless of his abilities or experience, but based upon his reported approach to arms control, exacerbated the concerns that many people have had about the sincerity of this administration in arms control.

I understand that this administration has proposed substantial budget cuts for the arms control agency, including such matters as removing computer capabilities and library resources, and the like, at the very time we are engaged in the most important arms control discussions of the last 10 or 15 years. That also creates the apprehension that the gentleman describes.

But just as important as sending signals to the White House and to President Reagan, to this administration, we have also got to be very mindful of the types of signals we are sending to the Kremlin and to the Soviet Union.

The gentleman is, of course, quite correct in saying that the Soviet Union is not going to take action simply because they are nice guys. They are not nice guys. One has only to look at the history of Soviet intervention and aggression. You do not have to look at Afghanistan and Poland, to begin with. You can go back to Czechoslovakia, you can go back to Hungary, and now look at Poland and Afghanistan, where we have seen the direct manifestation of the use by the Soviet Union of brute force to accomplish their political objectives.

I fear that as we look around the world today, there are other areas beyond Afghanistan where the possibility and potential of Soviet involvement is very real—Iran being one of them. And I am concerned that the signals that we send to the Soviet Union are signals that let them realize that they do not have a free hand and that there has got to be negotiations toward realistic arms control and reduction, because if they ever believe that they can accomplish without negotiations the same decisions about our defenses, about our deployment of intermediate force missiles, about our strategic forces, without participation in negotiations because of the types of pressures they are bringing to bear upon public opinion in Western Europe and indeed in some instances even in the United States, that they would have no reason whatsoever for engaging in meaningful arms control negotiations.

One of the proposals that we discussed last week in the course of the debate was what we described as the mutual guaranteed build-down of nuclear forces, which would assure an end to the arms race in terms of increase and a movement toward more stability, the possibility of ending the MIRVing race and moving toward stabilizing deMIRV'd forces. And I believe that that is another example of constructive discussion and consideration. I frankly believe that when the

other body has completed its deliberations on this matter we are going to see a great deal of movement in that type of direction. I think the Scrowcroft Commission Report has also signaled that the reduction of nuclear warheads and a movement to the small single warhead mobile missile may be a realistic approach to take in arms control. But we have got to talk in reality and not just in symbolism.

William Safire has a book known as "The Political Dictionary, the New Language of Politics," and in it he defines demagog as "one who appeals to greed, fear, and hatred, a spellbinding orator careless with facts and a danger to rational decision."

And I would hope that, on a matter as important as the survival of humanity on this planet, we avoid being demagog on either side of this issue, that we do not exploit fear, and that we are not trivial with the utilization of our facts that are going to drive us to certain decisions.

Last week during the course of the debate, one of our colleagues made reference to the build-down concept and said that he was unwilling to swap two crossbows for one artillery piece.

□ 1300

Now, I suggest that the gentleman knows better than that. Crossbows and artillery pieces have to do with delivery systems, if you will. There are many types of artillery shells, from TNT to nuclear. There are many types of arrows that can be launched from a crossbow.

The guaranteed build-down focuses on the reduction of a number of nuclear warheads that both arsenals contain today, and we should not trivialize this debate by not addressing what are really serious concerns. I am confident that as this debate continues and as we go from the consideration in this body to the consideration in the other body, we will be not only sending the correct signals to this administration but we will not endanger our security and the peace of the world by sending the wrong signals to the Soviet Union.

We in this country have never said, even when we had a monopoly upon nuclear weapons, that we would use those weapons for purposes of accomplishing our political aims by launching a strategic attack against the Soviet Union. The Soviet Union, on the other hand, has built up a massive first strike capability which indeed threatens the Western World and Western civilization today, and it is for that reason that I passionately appeal to our colleagues that we must address this matter of nuclear arms control in a rational way, in a way which will bring about substantial reduction of nuclear forces in order to maintain the security of the Western civilization of which the United States is today the foremost leader.

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

Mr. LEVITAS. I am happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I think the gentleman is absolutely right in objecting to the trivialization of some of the serious issues that were brought up, and his amendment on the build-down is certainly one of them. I voted against it. I have some serious problems with it.

For one thing, I felt the Congress should not put itself in the position of trying to dictate the details of arms control settlements; and second, I felt that unless we spelled out the kind of weapons we were getting rid of versus the kind we were replacing them with, there was some basis for saying we still might end up with a more powerful nuclear force in one more accurate, more powerful warhead than the two that were disposed of. But that is an issue which I do not think we need to go into at great length today.

I do feel, however, that it is important for those of us who support the nuclear freeze resolution—and I am one of those, and I support it strongly—to make it clear that we are under no illusions about the necessity of maintaining the continued ability to offset whatever nuclear forces the Soviets have until such time as they and we work out an agreed upon freeze and reduction. And the reduction is, of course, the most important objective.

Those of us who support the freeze simply feel that at some point we have to call a halt, and I am satisfied that the scare tactics that are used by the administration, including the President himself, implying that somehow the Russians have a tremendous advantage in strategic weapons over the United States at this time, are presenting something that is simply not true. And they are making that statement, knowing that it is not true, but for purposes of trying to stampede the opposition into giving way.

That is not to say that there are not specific threats which must be countered, and particularly in Europe with the SS-20's. I do not see how we can tolerate the continued deployment of those huge numbers of SS-20's against NATO countries. It is clearly an effort to do an end run on the United States and to alter the balance of power in Europe, which we must not tolerate. The Soviets need to understand that, but we need to be realistic and flexible in our efforts to try to counter that and not merely use it, as I think the administration started out doing, for its own propaganda ends.

So there is a lot to be said for getting serious on both sides of this issue. I do feel that the Soviets are serious, and if we are serious, we can make progress. If they decide we are not serious, then they are just going to try to exploit the thing politically, and that would be a terrible tragedy for all mankind.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman from Ohio (Mr. SEIBERLING) and in conclusion let me say that I appreciate his comments on, for example, the build-down concept, which, I want to reemphasize, is simply a concept. I trust that as the discussion of that concept proceeds, the gentleman from Ohio and others will look at it with real seriousness in terms of structuring a build down of nuclear forces in a way that addresses the matter of the megatonnage of reduced forces, the development of single warhead missiles, and a de-MIRV'ing of our present arsenals on both sides.

I think, as the gentleman and others in the debate indicated, if that is the case, we should take a look at these other alternative approaches and they will see the importance of moving toward arms reduction within that context.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield further?

Mr. LEVITAS. Let me just make this one concluding remark first.

I am troubled that there are some who support the nuclear freeze who believe that simply by freezing at present levels and nothing else, with no more testing, no more R&D, and no more deployment, we are going to move toward a safer world. That is certainly not the case, because as our forces and indeed the Soviet forces deteriorate, we raise the hair trigger response mode both sides would have to engage in, and I certainly would not want to see American forces sitting beside silos of deteriorating, unreliable, unpredictable capabilities, nor would I want the President of our country to know that he could not rely upon whatever forces we have at our disposal.

So I think that we have got to be very concerned about doing more than just freezing, whatever "freezing" might mean today, but I think we have got to drive ourselves and the Soviet Union with realistic incentives to reduction of nuclear forces in a way that gives both sides assurances for their own security.

Mr. Speaker, I will be happy to yield to the gentleman from Ohio now, if he wishes me to do so.

The SPEAKER pro tempore (Mr. KAZEN). The Chair advises the gentleman from Georgia he has 2 minutes remaining.

Mr. LEVITAS. I thank the Chair.

Mr. SEIBERLING. Mr. Speaker, I will simply make a unanimous-consent request.

Mr. Speaker, during the last Saturday office appointments I had in my congressional district, I was visited by a Catholic priest, now stationed in my district, who had recently returned from 9½ years in El Salvador. It was

his view that there was no way that the United States could successfully block the eventual success of the guerrilla movement there by the policies presently being employed. He pointed out that the proposed solution, early elections, would not work as long as the center and leftwing candidates had substantial reason to suspect that they would be assassinated.

It was his belief that a dialog must be opened up between the Government of El Salvador and the guerrilla leadership, and that effective curbs on the violence of the military and paramilitary death squads would have to be one of the top items on the agenda.

Mr. Speaker, the Washington Post for Sunday, April 17, contained an excellent article by Samuel L. Popkin, associate professor of political science at the University of California. Professor Popkin had made an indepth study of the pacification program in Vietnam and draws some interesting comparisons between the situation there and that in El Salvador. His ultimate conclusion is:

> The price of any further aid to the government of El Salvador must be its readiness to deal ruthlessly with indiscriminate killing. In the long run, it is easier for a government to maintain its authority if it can claim credit for protecting the lives of its citizens than if it provides roads and schools while leaving citizens' lives at risk.

The full text of the article follows these remarks:

[From the Washington Post, Apr. 17, 1983]

PACIFICATION WON'T FLY IN SALVADOR

YOU HAVE TO PROTECT LIVES TO WIN HEARTS AND MINDS

(By Samuel L. Popkin)

There is a new bumper sticker in California that reads: "El Salvador Is Spanish for Vietnam."

The Reagan administration has made this comparison inevitable by urging an extensive pacification program for rural El Salvador at the same time it is asking for increased military aid.

As a social scientist who once studied the pacification program in Vietnam, I find myself being asked whether such a program can work in El Salvador. That is, will new roads, schools and clinics along with expanded local government in control of a local militia make a difference to the campesinos? (In Vietnam, after all, the pacification program did enable the Saigon government to establish control over most of the country.)

To believe that local government and infrastructure will win campesino support while lawless violence rages is to ignore a major lesson from Vietnam. The question Congress should be asking is whether it makes any sense at all to bother about such programs in El Salvador when the most elemental form of pacification—physical security—is denied to rural people by their own government.

The lesson from the pacification program in Vietnam is that the control of violence is more important in a long war than programs to improve rural welfare. The successes of the pacification program in Vietnam resulted not from capital projects and local government but from bringing a measure of physical security to the everyday lives of the villages.

What villages appreciated was the ability to go to their fields without being abducted and to retire at night confident that they would not be killed in their sleep.

It took a long time for the American and South Vietnamese military to learn that how they fought the war affected the reponse of the peasants to the Saigon government. Too often when guerrilla forces were reported in a village, the military bombed the village. When villagers reported that a neighbor had talked with guerrillas, the neighbor was arrested or killed. The villagers quickly learned that it was very costly to cooperate with the armed forces no matter how strongly they opposed the guerrillas.

The suppression of violence will be harder in El Salvador. In Vietnam, the violence the peasants feared most was misdirected American firepower. The pacification program put American advisers into positions from which they could protect peasants from our lethal weaponry. In El Salvador, there will be no American advisers with such authority and there are two sources of violence to be controlled: the regular military and the quasi-official death squads.

In El Salvador, campesinos fear indiscriminate killing by the regular military and by death squads carrying out secret executions at the behest of, or with the acquiescence of, military officers or landowners. In addition to controlling the regular military, any pacification program must bring these death squads to heel. Any program that tries to co-opt these groups or make them its agents without controlling their violence will fail. More than that it will increase the likelihood of a bloodbath by giving them a new license to practice terror.

In Vietnam, there were thousands of American civilian and military advisers to protect the pacification program and those who administered it. In the absence of such protection in El Salvador, could rural officials stand up to the regular military or the death squads? What then would their lives be worth?

The temptation for the Reagan administration is to not confront the problem directly but to defer it to a later time. This is what all past administrations did in Vietnam.

The electoral cycle leads our presidents—in Richard Betts' phrase—to nibble the bullet rather than bite it. With a presidential or congressional election always imminent, every president chose to buy time in Vietnam rather than to risk the short-term costs of reform. Reform risks destabilizing a government or provoking opposition on the right but it is necessary if there are to be any long-term gains.

Without reform, pacification merely defers collapse and raises the stakes. The next president will inherit a larger war to which more of the nation's prestige has been committed.

If the lessons of Vietnam are to be applied to El Salvador, the president and Congress must ensure that any commitments that raise the stakes in El Salvador will increase the chance of ultimate success.

The price of any further aid to the government of El Salvador must be its readiness to deal ruthlessly with indiscriminate killing. In the long run, it is easier for a government to maintain its authority if it can claim credit for protecting the lives of its citizens than if it provides roads and schools while leaving citizens' lives at risk.

In El Salvador as in Vietnam, real pacification must follow the priorities people everywhere acknowledge, be they peasants or philosophers. The fundamental human right is still the right to life.

Mr. LEVITAS. Mr. Speaker, I yield back the balance of my time.

THE IMMIGRATION REFORM AND CONTROL ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I am pleased to report to our colleagues that my Subcommittee on Immigration, Refugees, and International Law voted on April 6, 7 to 1 to report out to the full Judiciary Committee H.R. 1510, the Immigration Reform and Control Act of 1983.

I want to personally thank my seven colleagues on the subcommittee—SAM HALL, BARNEY FRANK, GEORGE CROCKETT, LARRY SMITH, DAN LUNGREN, BILL MCCOLLUM, and HAM FISH—for their extraordinary dedication to this issue, not just in this subcommittee markup, but over the past 2 years. Two weeks ago, they sat through two long sessions in order to complete action on this most important piece of legislation.

The bill emerged from the subcommittee as it had come in—a fair and balanced piece of legislation. The delicate symmetry of the bill continues, though we have adopted some amendments to make it an even more agreeable and attractive measure than was sent to the floor late last Congress.

I also want to thank each of the witnesses who came before the subcommittee during the 7 days of hearings on the bill. The subcommittee established a substantial hearing record during consideration of the legislation in the last Congress. However, our hearings this year were not perfunctory. On the contrary, the witnesses we heard gave the subcommittee many new suggestions, some of which are incorporated in the measure the subcommittee reported. For the benefit of our colleagues, Mr. Speaker, I am including a summary of the bill as reported by the subcommittee at the conclusion of my remarks. If any Members have any questions, please contact me or the subcommittee staff on 5-5727.

I look forward to seeing the Immigration Reform and Control Act of 1983 enacted into law this year.

The summary of the bill follows:

SUMMARY—IMMIGRATION REFORM AND CONTROL ACT OF 1983, H.R. 1510

(As reported by the House Subcommittee on Immigration, Refugees, and International Law, April 6, 1983)

I. ILLEGAL IMMIGRATION

A. Employer Sanctions

Makes it unlawful for any employer knowingly to hire for employment or to recruit for a fee or consideration, after the date of

enactment, any alien not authorized to work in the United States.

Requires employers of four employees or more to have all prospective employees show them, as a condition of hiring, either: (1) a U.S. passport, or (2) a U.S. birth certificate or social security card and a driver's license, or a state issued I.D. card, or an alien identification document.

Requires such employer, to attest in writing, under penalty of perjury, that he has seen the necessary documentation; requires the employee, to attest in writing, under penalty of perjury, that he or she is authorized to work in the U.S.

Any employer of four or more employees who does not meet the requirements for checking documents, signing the appropriate form, and retaining the appropriate form is liable to a civil fine of $500 per employee hired.

Employers who hire employees referred by a governmental referral service do not need to meet the requirements of checking documents as long as the employee presents a form, to be retained by the employer, stating the governmental referral service has checked the documents of the employee in cases where that has occurred.

States that within three years of enactment the President shall make such changes "as may be necessary" to make the system more secure.

States that the bill does not authorize the creation of national identification cards.

Establishes a graduated penalty structure for hiring unauthorized aliens—first offense: warning; second offense: $1,000 civil fine per unauthorized alien hired; third offense: $2,000 civil fine per unauthorized alien hired: fourth offense: $3,000 criminal fine per unauthorized alien hired or one year in jail, or both. Also, Attorney General may seek an injunction to stop "pattern or practice" violators.

Requires extensive outreach program to inform employers, employees, and the general public of this new law. Allows violations occurring during the first six (6) months after enactment to go unpunished.

Gives violators a right to a hearing before a Department of Justice Administrative Law Judge. (See page 2.)

Requires Civil Rights Commission to issue reports on possible discriminatory effect of this law.

Creates an affirmative defense for employers who have complied with the attestation requirements in good faith.

Creates a Department of Labor/Department of Justice/Equal Employment Opportunity Commission Task Force to review complaints of discrimination. Authorizes $6 million each year for fiscal years 1984, 1985, and 1986 for its activities.

Makes it a felony to use fraudulent documents in order to obtain employment.

B. Increased Border and Other Enforcement; User Fees

Creates criminal penalty for bringing an alien to the U.S., knowing or in reckless disregard of the fact, that the alien had not received prior official authorization to enter.

Provides a three year authorization for the Immigration and Naturalization Service to carry out their present duties, to increase enforcement and service to the public generally, and to implement the provisions of H.R. 1510. (Fiscal Year 1984—$743 million; Fiscal Year 1985—$718 million; Fiscal Year 1986—$763 million. This is approximately $500 million more over the three years than would be provided under a static budget.)

Allows Attorney General to impose fees for the use by aliens of border and other immigration facilities and services in an amount commensurate with cost.

C. Adjudication Procedures and Asylum

Creates United States Immigration Board, an independent agency within the Department of Justice. Seven member Board is appointed by the President with the advice and consent of the Senate, with members serving six year-terms. It may meet en banc or in panels of three or more. It hears all appeals from decisions made by the Administrative Law Judges.

Chairman of the Board appoints Administrative Law Judges to hear all exclusion and deportation cases (including those involving asylum), challenges to fines, and all other matters heard by the present immigration judges. Some of the Administrative Law Judges are specially trained to hear asylum cases.

Decisions by the Administrative Law Judges would be reversible by the Board if not supported by substantial evidence.

Judicial review in habeas corpus, exclusion and deportation cases available in U.S. Court of Appeals for the Federal Circuit.

Judicial review of asylum matters available in U.S. Court of Appeals for the Federal Circuit once a final order of deportation or exclusion has been entered.

At asylum hearings, alien is entitled to an open hearing, representation by counsel, the right to call witnesses, present evidence, and confront witnesses.

Aliens who attempt to enter the U.S. without proper documents can be excluded unless they assert some reasonable basis for entering the U.S. or claim asylum, in which case they are entitled to go before an Administrative Law Judge and receive a full scale hearing.

Requires speedy asylum hearing: If alien is not given asylum hearing within 45 days of the filing of the application, the alien, if detained, will be released on parole.

Imposes various time limits in the processing of asylum claims.

D. Adjustment of Status

Adjustment of status procedure would not be available to aliens who have violated the terms of their nonimmigrant visa.

II. LEGAL IMMIGRATION

A. Country Ceilings

Increases ceiling for colonies to 3,000 from the present 600.

Increases per country ceilings for Canada and Mexico to 40,000 from the present 20,000.

Requires the President to submit to Congress every three years a report on the impact of immigration on the U.S.

B. G-4's

Relief provisions are provided for certain children and widowed spouses of employees of international organizations.

C. Nonimmigrants

Special procedure esablished for H-2 seasonal workers in agriculture:

The employer must apply to the Secretry of Labor no more than 50 days in advance of need, asking for foreign workers; employer then must attempt to recruit domestic workers;

The Secretary of Labor must provide a decision on the certification no later than 20 days in advance of need;

If the Secretary of Labor determines that a certain number of qualified U.S. workers will be available at the time needed, but at the determined time those workers are not qualified and available, an expedited procedure to determine need would be available.

Establishes a three year phased down transition program for agricultural producers to employ aliens who would not otherwise be entitled to enter or work in the U.S.

H-2 and "transition" workers guaranteed certain benefits such as housing or a housing allowance and worker compensation (to be provided by the employer if not available under a state program).

D. Visa Waiver

After the Immigration and Naturalization Service has implemented a system to track the entry and exit of nonimmigrants, the State Department may establish a three year pilot nonimmigrant visa waiver program for eight countries which provide or will provide a similar benefit to the U.S. The visa refusal and visa abuse rates for the nationals of such countries must be minimal, and the visitors must have nonrefundable, roundtrip tickets.

E. Foreign Students

Foreign students who enter the U.S. after date of enactment will not be allowed to adjust status or return to the U.S. until they have resided in their home countries for two years, unless such a student is an immediate relative of a U.S. citizen. Foreign students who entered before date of enactment, will not be permitted to adjust status, and must leave the U.S. to seek a visa if they wish to return. Exceptions are allowed, until 1989, for students with degrees in natural science, engineering, computer science, or mathematics with certified job offers in industry or who have advanced degrees and have been offered a teaching or research job by a college or university. Exceptions also for adjustment to three year nonimmigrant training status in industry.

III. LEGALIZATION

Permanent resident status (not citizenship) for aliens who have continuously resided in the U.S. since before January 1, 1981 and who are not excludable (See below).

Federally funded public assistance (other than emergency medical care, aid to aged, blind, or disabled, and for serious injury or in the interest of public health) will not be available to permanent residents for four years (other than "Cuban/Haitian entrants").

Persons will not be eligible for legalization who:

Have been convicted of a felony or three misdemeanors committed in the U.S.;

Have assisted in political persecution;

Have been convicted of a crime involving moral turpitude, or two or more offenses for which sentences aggregating five or more years were imposed;

The government has reason to believe seek to enter for activities inimical to the welfare, safety or security of the U.S.;

Are, or have been, anarchists, Communists, or who advocate the overthrow of the government;

Are Nazis;

Would engage in subversive activities;

Have been convicted of a drug violation, other than simple possession of 30 grams or less of marijuana;

Are nonimmigrant exchange aliens subject to a two year foreign residency requirement.

Authorizes "such sums" for each year through Fiscal Year 1989 for the purpose of reimbursing state and local governments for increased educational and public assistance

costs resulting from the legalization program.

Provides that aliens in the U.S. continuously since before January 1, 1973 may adjust to permanent resident status if of good moral character and not ineligible for citizenship; imposes a four year public benefits disability on aliens thus legalized.

MISCELLANEOUS

A. Putative Fathers

Recognizes, for preference petitioning purposes, the relationship between a biological father and his illegitimate child.

B. Retirees

Allows self-sufficent aliens who entered U.S. prior to 1978 in expectation of obtaining an immigrant visa as retirees to adjust to permanent resident status.●

EMERGENCY HOUSING ASSISTANCE ACT OF 1983

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, I rise to point out and remind my colleagues that tomorrow on the agenda for business we have the scheduling of H.R. 1983, the Emergency Housing Assistance Act of 1983. It will come to us under an open rule, with 2 hours of debate, which we hope will afford every possible opportunity to each and every Member who wishes to be heard on this very important matter.

At this point I rise in order to anchor down two very important points: First, this act, which incorporates an emergency home mortgage assistance program, provides also for grants to governmental entities throughout the country in order to enable them to meet the growing and the now state-of-crisis problem of the homeless in our country.

□ 1310

I want to make sure that every Member understands that the result of this was only after very extensive and comprehensive hearings. As a matter of fact, the last hearing we had was during the waning hours of the lameduck session of Congress last December on the very question of the homelessness of people, Americans, without shelter.

We had testimony, in fact, it was an emergency hearing, from witnesses coming from every single geographical sector of the country, urban as well as rural, and it was a very distressing hearing. The presentation of the testimony clearly and irrefutably outline the context of the current problem of homelessness.

As I said in December, tragically for our Nation, we do not have to go to Calcutta or other places where for years you could go and see people actually die out in the streets. We have had them doing that in America.

Fortunately for us, this last winter we had a relatively mild winter, but the growing dimensions of that problem of homelessness that should disturb us is the result of the loss of shelter, not by the traditional homeless, the hobo, the wanderer, the ne'er-do-well, the alchohlic, but families, entire families, people who just a few months before did have shelter and through no fault of their own, found themselves literally living in public areas, under bridges, in parked cars, in parks and public areas of cities and towns.

So this is a recognition of an attempt on our level to help those communities that have set up shelter programs in confronting the growing problem of homelessness. That is the second part of the bill.

The first part and the main thrust of this bill is to afford emergency assistance to homeowners who are facing the loss of their homes through foreclosure or distress sales.

There again, we had many hearings, not just a few, and some of these hearings going back to 2 years ago mostly because I have been attempting to have the Congress react to this type of need for the period of 2 years. It was not until it because obvious that we had a crisis in our midst and particularly in those areas in which we still see in unfortunate areas, such as West Virginia, communities where the unemployment rate is not 20 or 25 percent, but 90 percent—90 percent.

We still have counties in Pennsylvania where your unemployment rate is still better than 23 percent; but the testimony that we had from all sections of the country, from the sheriff in Ohio who testified just a matter of weeks ago, that this question of distress sales would become acute at this point, this month of April, whereas they had been able to temporize.

This is exactly what we had foreseen when we concluded that the need was for this legislation.

Now, this legislation is neither new nor novel, much less radical. During the depression, for example, and the creation of the Homeowners Loan Corporation, this is exactly what our Government did, except that there the Government's intervention was direct and comprehensive. the Government actually went in and assumed the mortgage.

Under our plan, and benefiting by the experience of prior legislation and the economic track record of the country, we have perfected this legislation to the point where I am secure that by the time it comes up for debate tomorrow all the serious-minded and responsible and above all responsible Members of this House will give it their wholehearted support.

It is not a budget buster. Under the requirements of our rules today, the inflationary impact of this, if approved, is nil, no adverse inflationary impact.

Budgetary impact—we also had this and we passed it by the Budget Committee and it has its stamp or its imprimatur of conformity with the aims and objectives and controls that the House itself through the budgetary process has heretofore respected.

So we are talking about something that is clearly at this point our duty to confront.

We presented it on an emergency basis and that is the way the legislation is labeled. That is the way it was considered in the committee and the subcommittee. We had quick action on this. The subcommittee approved this bill a long time ago. We subtracted it from what is known as H.R. 1, which is the Housing and Rural Recovery Act or authorization bill for housing for 1983. We subtracted these two sections, the mortgage assistance section and the assistance for the homeless section and encapsulated them in this version of an emergency bill, which was given the number of H.R. 1983.

It would have come up 2 weeks ago, except for the fact that the leadership wisely considered that we had other matters that demanded priority before we had the Easter break.

As a matter of fact, I said 2 weeks ago, actually 4 weeks ago.

Then last week the very sad and untimely death of one of our colleagues prevented the debate and the discussion of it last week; so we will be facing it tomorrow, everything being equal, God willing, and I just want the Members to have at least an idea of what it consists of.

So at this point, Mr. Speaker, I ask unanimous consent to insert into the RECORD the copy of H.R. 1983 and also that Mr. JOSEPH P. KOLTER, our distinguished colleague from Pennsylvania, also be shown as a cosponsor of this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Cosponsors of the bill include: Mr. GONZALEZ, Mr. ST GERMAIN, Mr. FAUNTROY, Mr. PATTERSON, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. LOWRY of Washington, Mr. MITCHELL, Mr. HUBBARD, Mr. D'AMOURS, Mr. SCHUMER, Mr. FRANK, Mr. COYNE, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, Ms. KAPTUR, Mr. ERDREICH, Mr. LEVIN of Michigan, Mr. CARPER, Mr. KOLTER, and Mr. TORRES.

The bill follows:

H.R. 1983

A bill to amend certain housing and community development laws to provide emergency mortgage assistance to homeowners and emergency shelter for the homeless

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 "Emergency Housing Assistance Act of 1983".

EMERGENCY MORTGAGE RELIEF

SEC. 2. Title I of the Emergency Housing Act of 1975 is amended to read as follows:

"TITLE I—EMERGENCY MORTGAGE RELIEF

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Homeowners Emergency Relief Act'.

"FINDINGS AND PURPOSE

"SEC. 102. (a) The Congress finds that—

"(1) the Nation is in a severe recession, and the sharp downturn in economic activity has driven large numbers of workers into unemployment and has reduced the incomes of many others;

"(2) as a result of such adverse economic conditions, the capacity of many homeowners to continue to make mortgage payments has deteriorated and may further deteriorate in the months ahead, leading to the possibility of widespread mortgage foreclosures and distress sales of homes; and

"(3) many such homeowners could retain their homes if they received temporary financial assistance until economic conditions improve.

"(b) It is the purpose of this title to establish a program that will preserve and promote forbearance with respect to mortgages and, through emergency mortgage relief payments, prevent widespread mortgage foreclosures and distress sales of homes resulting from the temporary loss of employment and income.

"DEFINITIONS

"SEC. 103. For purposes of this title:

"(1) The term 'district' means any Federal home loan bank district established by the Federal Home Loan Bank Board under section 3 of the Federal Home Loan Bank Act.

"(2) The term 'Federal supervisory agency' means the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration.

"(3) The term 'Fund' means the Homeowners Emergency Relief Fund established in section 109.

"(4) The term 'monthly net effective income' means the monthly gross income of a mortgagor, less any Federal, State, or local income or employment taxes due with respect to such income.

"(5) The term 'mortgage' includes a land contract or other instrument providing for the sale and purchase of property referred to in section 105(a)(1), and the term 'mortgagor' and 'mortgagee' include the parties to such agreement of sale and purchase.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(8) The term 'total monthly housing expense' means the sum of (A) the monthly payment of principal, interest, taxes, assessments, ground rents, hazard insurance, and mortgage insurance premiums due by a mortgagor with respect to a property assisted under this title; (B) the monthly maintenance costs of such mortagor with respect to such property; and (C) the monthly utility costs of such mortgagor with respect to such property.

"EFFECTIVE MORTGAGE DELINQUENCY RATE

"SEC. 104. (a)(1) The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, carry out the program established in this title.

"(2) For the purpose of carrying out such program, the Secretary shall contract to make, and make, assistance available under this title in any district when, on an average monthly basis for a period of 3 consecutive months for either such district or the Nation, the amount of funds represented by mortgage loans and contracts that are accounted for in a mortgage delinquency series maintained by the Federal Home Loan Bank Board, and for which payments have been delinquent for 60 days or more, exceeds 1.3 percent of all funds represented by mortgage loans and contracts accounted for in such series.

"(3) For purposes of determining when such assistance is to be made available pursuant to paragraph (2), the Secretary shall take into account all months beginning with or after the third month before the month in which the Emergency Housing Assistance Act of 1983 is enacted.

"(4) With respect to the initial occurrence, after the date of the enactment of such Act, of the delinquency rate condition described in paragraph (2), the Secretary shall begin to contract to make, and make, assistance available at the beginning of the first month after the month in which the mortgage delinquency series referred to in such paragraph indicates that such condition has occurred.

"(5) The mortgage delinquency series referred to in paragraph (2) shall be made available by the Federal Home Loan Bank Board to the Secretary and the Congress on a monthly basis and shall contain data on the mortgage delinquency rate during the previous month for each district and for the Nation.

"(b)(1) Once assistance is made available under this title in any district, the Secretary shall continue to contract to make, and make, such assistance available until the date on which the mortgage delinquency series referred to in subsection (a)(2) indicates that the amount of funds represented by 60-day delinquent mortgage loans and contracts accounted for in such series has declined, on an average monthly basis for a period of 3 consecutive months for both such district and the Nation, to below 1.2 percent of all funds represented by mortgage loans and contracts accounted for in such series, except that—

"(A) such assistance shall continue to be made available pursuant to contracts entered into before such date; and

"(B) the Secretary shall reinstitute the program established in this title in such district whenever the delinquency rate condition described in subsection (a)(2) reoccurs.

"(2) In any case in which such program is reinstituted in any district, the Secretary shall begin to contract to make, and make, such assistance available beginning with the day after the date on which such mortgage delinquency series indicates that such delinquency rate condition has reoccurred.

"(c) The Secretary shall promptly notify each financial institution or other mortgagee holding a mortgage on property in any district in which the Secretary has determined to institute or reinstitute the program of assistance established in this title.

"ELIGIBILITY FOR ASSISTANCE

"SEC. 105. (a) No assistance may be made with respect to a mortgage under this title unless—

"(1) the property securing such mortgage (or other security interest in the case of units in cooperative or condominium projects or in the case of any manufactured home and the lot on which such home is situated) is a one- to four-family residence (including one-family units in a condominium project, a membership interest and occupancy agreement in a cooperative housing project, and any manufactured home and the lot on which such home is situated) and is the principal residence of the mortgagor involved;

"(2)(A) the mortgagee involved has indicated to such mortgagor its intention to foreclose; or

"(B) payments under such mortgage have been delinquent for at least 90 days;

"(3) such mortgage is not insured under the National Housing Act or assisted under title V of the Housing Act of 1949;

"(4) such mortgagor has incurred a substantial reduction in income as a result of—

"(A) a loss of, or reduction in (i) his or her employment; (ii) his or her self-employment; or (iii) returns from the pursuit of his or her occupation; or

"(B) any similar loss or reduction by any person contributing to the income of such mortgagor;

which reduction in income renders such mortgagor unable to correct a mortgage delinquency within a reasonable time or to resume full mortgage payments;

"(5) the Secretary has determined that payments under this title are necessary to avoid foreclosure and that there is a reasonable prospect that such mortgagor will be able to—

"(A) resume full mortgage payments within 36 months after the beginning of the period for which payments under this title are provided or upon termination of assistance under this title; and

"(B) make the payments under such mortgage in full by its maturity date or by a later date agreed to by such mortgagor and mortgagee; and

"(6) an amount equal to the original principal obligation of such mortgage does not exceed the principal amount that could be insured, at the time such mortgagor applies for assistance under this title, with respect to the property of such mortgagor under section 203(b) of the National Housing Act (or under section 203(n) or 234(c) of such Act with respect to a unit in a cooperative housing project or condominium project, respectively).

"(b) For purposes of this section, there shall be a rebuttable presumption that a mortgagor will be able to fulfill the requirements set forth in subparagraphs (A) and (B) of subsection (a)(5).

"(c) Upon a determination that the conditions of eligibility described in subsection (a) have been met by a mortgagor, such mortgagor shall become eligible for the assistance described in section 107.

"APPLICATION FOR ASSISTANCE

"Sec. 106. (a) During any period in which the program established in this title is in effect in any district, each financial institution or other mortgagee shall, not less than 30 days prior to instituting any foreclosure proceeding with respect to any property described in paragraphs (1), (3), and (6) of sec-

tion 105(a), assist the mortgagor involved in the preparation and submission to the Secretary of an application for assistance under this title. Such application shall not be required if such mortgagor executes a waiver of assistance under this title after full disclosure of his or her possible eligibility.

"(b) If any mortgagor submits an application for assistance under subsection (a), the financial institution or other mortgagee involved may not institute foreclosure proceedings with respect to such mortgagor prior to the receipt of notification from the Secretary under section 107(g) with respect to approval or disapproval of such application for assistance.

"(c) A mortgagor may submit an application for assistance after foreclosure proceedings have been instituted, in which event such proceedings shall be automatically stayed until receipt of notification from the Secretary under section 107(g).

"(d) In States that require judicial approval of foreclosure, compliance with this section shall be pleaded and proved as a precondition to foreclosure of any mortgage eligible for assistance under section 105. In all States, failure to comply with the provisions of this section shall be the basis of an action to enjoin a foreclosure. Proof of the refusal of the mortgagor involved either to submit an application or to execute a waiver under this section shall satisfy the burden of proof established in this subsection.

"(e) Each application for assistance under this title, other than an application submitted under subsection (c), or waiver of such application shall contain the certification of the mortgagee involved that—

"(1) not less than 3 full monthly installments due under the mortgage involved are unpaid after application of any partial payments; and

"(2) such mortgagee has extended to the mortgagor involved the same or greater opportunities for voluntary forbearance as such mortgagee extended to similarly situated mortgagors within the 4-month period ending March 31, 1983.

"ASSISTANCE PAYMENTS

"SEC. 107. (a) Assistance under this title shall be provided in the form of emergency mortgage relief payments made by the Secretary to mortgagees on behalf of mortgagors. Such payments shall be made using amounts available in the Homeowners Emergency Relief Fund.

"(b)(1) Payments with respect to any mortgage under this title shall be in an amount that, together with the contribution of the mortgagor involved, is equal to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, expenses of the mortgagee involved in connection with payments or repayments under this title, and mortgage insurance premiums due under such mortgage, and the initial such payment shall include an amount necessary to make the payments on such mortgage current. Payments under this title shall not exceed amounts that the Secretary determines to be necessary to supplement the amounts, if any, that the mortgagor involved is capable of contributing toward such mortgage payments.

"(2) Payments on behalf of any mortgagor under this title shall not be less than the amount required to ensure that the total monthly housing expense of such mortgagor does not exceed 38 percent of the monthly net effective income of such mortgagor.

"(c) Payments under this title may be provided for a period of not to exceed 18 months plus any period of delinquency. Such period shall be extended for a period not to exceed 18 months if the Secretary has determined that such extension is necessary to avoid foreclosure. The Secretary shall establish procedures for (1) each mortgagor, on whose behalf payments are made under this title, to inform the Secretary of any significant increase or decrease in income; and (2) periodic review, to be conducted not less than once annually, of the financial circumstances of such mortgagor for the purpose of determining the necessity for continuation, termination, or adjustment in the amount of such payments. Such payments shall be discontinued at any time if the Secretary determines that, because of changes in the financial circumstances of such mortgager, such payments are no longer necessary to avoid foreclosure.

"(d)(1) All payments under this title shall be secured by a lien on the property involved and by such other obligation as the Secretary may require. Such lien shall be subordinate to all mortgages existing on such property on the date on which the initial assistance payment is made under this title on behalf of the mortgagor involved.

"(2) Payments under this title shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward the expenses of a mortgagee in connection with the payment or repayments made under this title. The Secretary may establish interest charges on payments made under this title, except that the interest charge on the payments made on behalf of any mortgagor shall be set at a single rate that does not exceed whichever of the following rates is less: (A) 10 percent; and (B) a rate determined by the Secretary of the Treasury taking into consideration the average interest rate on all interest bearing obligations of the United States then forming a part of the public debt, computed at the end of the month preceding the month in which the initial such payment is to be made on behalf of such mortgagor. Such interest charges on any payments made on behalf of a mortgagor under this title shall not begin to accrue until termination of such payments. Such interest charges shall be payable notwithstanding any provision of any State constitution or law or local law that limits the rate of interest on loans or advances of credit.

"(3) The Secretary shall establish the monthy repayment to be made by any mortgagor under this title at an amount necessary to ensure that the sum of such monthly repayment and the total monthly housing expense of such mortgagor does not exceed 38 percent of the monthly net effective income of such mortgagor. The Secretary may, at the option of any mortgagor, establish appropriate incentives for early repayment of the amount owed to the Secretary under this title, including forgiveness of part of the interest charged on the payments made on behalf of such mortgagor. The Secretary shall establish procedures for (A) each mortgagor making repayments under this title to inform the Secretary of any significant increase in income; and (B) periodic review, to be conducted not less than once annually, of the financial circumstances of such mortgagor for the purpose of determining the necessity for adjustment in the amount of such repayments.

"(4) All receipts from repayment made to the Secretary under this title shall be deposited in the Homeowners Emergency Relief Fund established in section 109.

"(e) Payments by the Secretary under this title may be made without regard to whether the Secretary has previously taken action under this title on behalf of a mortgagor, except that payments may not be provided on behalf of a mortgagor under this title for more than an aggregate of 36 months.

"(f) The Secretary shall provide homeownership counseling to mortgagors on whose behalf payments are made under this title.

"(g) The Secretary shall process applications for assistance under this title in as expeditious a manner as is practicable. In carrying out this title, the Secretary shall provide that, within not more than 45 calendar days from the receipt of an application for assistance under this title, the mortgagor and mortgagee involved will be notified by the Secretary of his determination to approve or disapprove such application for assistance.

"AUTHORITY OF THE SECRETARY

"SEC. 108. (a) The Secretary may make rules and regulations that are consistent with the provisions of this title and are necessary to carry out the provisions of this title.

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in the Secretary by this title, the Secretary shall—

"(1) have the power, notwithstanding any other provision of law, whether before or after default, to provide by contract or otherwise for the extinguishment upon default of any redemption, equitable, legal, or other right, title in any mortgage, deed, trust, or other instrument held by or held on behalf of the Secretary under the provisions of this title; and

"(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon the Secretaty by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which assistance has been provided pursuant to this title.

In the event of any such acquisition, the Secretary may (notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States) complete, remodel and convert, dispose of, lease, and otherwise deal with, such property.

"(c) Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this title. Any funds collected by the Secretary under this section shall be deposited in the Homeowners Emergency Relief Fund established in section 109.

"HOMEOWNERS EMERGENCY RELIEF FUND

"SEC. 109. (a) There hereby is established in the Treasury of the United States a revolving fund, to be known as the Homeowners Emergency Relief Fund.

"(b) The Fund shall consist of—

"(1) any amount approved in appropriation Acts for purposes of carrying out this title;

"(2) any amount received by the Secretary as repayment for payments made under this title;

"(3) any amount collected by the Secretary under section 108; and

"(4) any amount received by the Secretary under subsection (d).

"(c) The Fund shall be available to the Secretary for purposes of carrying out the provisions of this title, including—

"(1) the making of emergency mortgage relief payments to mortgages on behalf of mortgagors under section 107;

"(2) the provision of homeownership counseling under section 107(f); and

"(3) the administrative expenses of the Secretary in carrying out the provisions of this title.

"(d) Any amounts in the Fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of this title shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

"AUTHORIZATION OF APPROPRIATIONS; LIMITATION ON BUDGET AUTHORITY

"SEC. 110. (a) There is authorized to be appropriated to carry out the provisions of this title $760,000,000 for fiscal year 1983. Any amounts so appropriated shall be deposited in the Fund and shall remain available until expended.

"(b) The aggregate amount of assistance made available over the duration of the contracts entered into under this title, including amounts expended for the provision of homeownership counseling assistance under section 107(f), may not exceed $760,000,000.

"ACTIONS BY FEDERAL SUPERVISORY AGENCIES

"SEC. 111. (a) Each Federal supervisory agency, with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall, not later than 14 days following the date of the enactment of the Emergency Housing Assistance Act of 1983—

"(1) communicate in writing with each such institution or mortgagee encouraging them to exercise forbearance (including the acceptance of partial payment), to the maximum extent possible, with respect to residential mortgage foreclosures;

"(2) waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies, to the extent the waiving or relaxing of such limitations is not inconsistent with laws relating to the safety and soundness of such institutions or mortgagees; and

"(3) take such actions as may be necessary to ensure that each such institution or mortgagee complies with the requirements established in section 106.

"(b)(1) In considering applications for advances, the Federal home loan banks shall give special consideration to those institutions that have exercised forbearance in residential mortgage foreclosures as a result of actions taken pursuant to this section.

"(2) in considering applications for advances or discounts, the Federal Reserve banks shall give special consideration to those depository institutions and other borrowers that have exercised forbearance in residential mortgage foreclosures as a result of actions taken pursuant to this section.

"(3) in considering applications for extensions of credit, the National Credit Union Administration Board, on behalf of the National Credit Union Central Liquidity Facility, shall give special consideration to members that have exercised forbearance in residential mortgage foreclosures as a result of actions taken pursuant to this section.

"REPORTS TO CONGRESS

"SEC. 112. (a) Within 60 days after the date of the enactment of the Emergency Housing Assistance Act of 1983, and within each 90-day period thereafter, the Secretary shall make a report to the Congress on—

"(1) the current rate of delinquencies and foreclosures in the housing market areas of the country that should be of immediate concern if the purposes of this title are to be achieved;

"(2) the extent of, and prospect for continuance of, voluntary forbearance by mortgagees in such housing market areas;

"(3) actions being taken by governmental agencies to encourage forbearance by mortgagees in such housing market areas;

"(4) actions taken and actions likely to be taken with respect to making assistance under this title available to alleviate hardships resulting from any serious rates of delinquencies and forclosures; and

"(5) the current default status and projected default trends with respect to mortgages covering multifamily properties, with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner that, while giving weight to the financial interests of the United States, into full consideration the urgent needs of the many low- and moderate-income families that currently occupy such multifamily properties.

"(b)(1) The Secretary shall, after consulting with the Federal Home Loan Board, conduct a study to determine if a mortgage delinquency series other than the mortgage delinquency series referred to in section 104(a)(2) would be a more effective and efficient series to utilize in carrying out this title.

"(2) The Secretary shall, by April 1, 1984, transmit to the Congress the findings and conclusions of such study along with any legislative recommendations concerning the program established in this title.".

EMERGENCY SHELTER ASSISTANCE

SEC. 3. (a) Section 107(a) of the Housing and Community Development Act of 1974 is amended by inserting after the first sentence thereof the following new sentence: "In addition to such amounts authorized to be set aside for grants under subsection (b), there is authorized to be appropriated $100,000,000 for fiscal year 1984 to carry out the provisions of subsection (d).".

(b) Section 107(c) of the Housing and Community Development Act of 1974 is amended by inserting ", or appropriated for use under subsection (d)," after "subsection (b)".

(c) Section 107 of the Housing and Community Development Act of 1974 is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"(d) The Secretary shall, to the extent approved in appropriation Acts, make grants to States, units of general local government and Indian tribes for the provision of shelter and essential services for individuals and families who are subject to life-threatening situations because of their lack of housing, except that in the case of a grant to a State, the Secretary shall first certify that the purposes of this subsection will be more effectively carried out by making a grant to such State that has an existing program that serves such individuals and families. Such grants shall be awarded on the basis of the need for emergency housing in the area where the project is or will be located, shall take into account regional variations in the cost of providing shelter, and shall consider the extent to which units of general local government and nonprofit organizations are currently providing shelter and assistance. Such grants may be used by such units of general local government or by local nonprofit organizations to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any necessary health and safety measures that are required to protect the individuals using such shelter, and for other purposes described in section 105(a) that are consistent with the purpose of this program. In the case of a structure that is rehabilitated with assistance under this subsection, such structure shall be used for emergency housing, after such rehabilitation, for a period of not less than 3 years. In providing grants under this subsection, the Secretary shall take into consideration the special needs of families and single women. The Secretary shall ensure that grants provided under this subsection are used solely to provide additional shelter capacity and essential services and are not used to replace amounts currently expended in the provision of such shelter and services. The restriction contained in the preceding sentence shall not apply to applicants under this subsection that, pursuant to a State constitutional mandate, have provided shelter to any person who presents himself or herself for shelter."

MORATORIUM ON PAYMENTS UNDER RURAL HOUSING LOANS

SEC. 4. Section 505 of the Housing Act of 1949 is amended—

(1) by striking out "is authorized under regulations to be prescribed by him to" and inserting in lieu thereof the following: ", prior to foreclosing any mortgage or taking any other action, including the acceptance of a deed voluntarily given, that would result in the loss by the borrower of housing financed under this title, shall, under regulations prescribed by the Secretary,"; and

(2) by adding at the end thereof the following new sentences: "The Secretary shall ensure that each delinquent borrower under this title is provided notice, in a timely and meaningful manner, of the assistance available under this section. The Secretary shall, to the extent necessary, provide technical assistance to each such borrower in applying for such assistance. The Secretary may, before or after any period of moratorium under this section, reamortize the accrued debt of any delinquent borrower under this title for a new period equal to the original amortization period, if such reamortization is likely to result in the resumption of periodic payments by such borrower.".

Mr. GONZALEZ. Mr. Speaker, I should like the record to also show for the benefit of those who will be able to read it in sufficient time before the debate, some of the high points.

But first, the history.

As I said earlier, this is not new or novel legislation. As a matter of fact, not too long ago, in 1975, our same subcommittee, the same committee, approved the emergency homeowners assistance law, based on a different thrust and triggered by a different set of factors. It never was implemented.

In 1975, you will remember, we had a strong recession. In fact, our figures showed then that the intensity of its impact in this area was the first time

that it had been that adverse since the Depression period.

Well, of course, now we are confronting a longer lasting period, not a recession, but in effect a depression. In fact, one of the objections raised by those that seemed to be at the time we had the hearings on the subcommittee level was that maybe we ought to hold up, because recovery was around the corner.

I think the testimony of the sheriff from Ohio clearly revealed why there is a continuing need for this legislation and an urgent need to implement it as soon as possible, and that is, that this one county in Ohio, and he was testifying in the first week in February, he himself, that sheriff from that one county, would be confronting over 1,200 distress sales by this month, by this time this month, unless something could be done, and he had temporized off and on with some 37 cases in which the distress sale had been actually avoided through the action that he took of in effect postponing the distress sale and because of the ability of that prospective eligible homeowner to come back and find some kind of temporary or submarginal employment; revealing again why it is that we have such faith in our fellow Americans, because the other objection raised up to now, the only two basic objections has been those, that first one that maybe we ought to hold up because maybe the need will disappear.

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The fact is that this need is cumulative. Better than 65 percent of the unemployed are today now not receiving any kind of compensation whatsoever. They are off those unemployment compensation rolls. They have exhausted their compensation, but they are still unemployed. So, this is a very serious question as to the validity of the statistics upon which the President and the supporters of the administration are basing their so-called economic revival. The folks back home in my district ask me: "Where is inflation less? It is not at the grocery store. We are paying, if anything, more for food. It is not shelter. We just got our notice that our rent is going to be raised." In fact, I got my notice in Washington, D.C., last week that my rent would be raised.

So, everything is going down except in the cost of the necessities of living, such as shelter and food.

Now, when it comes to unemployment, the unemployment figure is not reduced; as a matter of fact it is greater, because the statistics—and this is why I question them—do not reveal those that have just simply disappeared off the list of unemployment simply because they are not receiving unemployment compensation any longer and therefore are not defined as legally or statistically unemployed.

But what it means is that those of us who are saying we are representatives of the people have the duty of at least being responsive to what it is the real world is all about. The real world is that we ought to respond to the one big thing that identifies an American with his country, and his soil, and maintaining the unity of his family upon which our country must depend in turn, and that is some homeownership. This is what is at stake at this point.

Now, because of other factors there is no question in my mind that for the past 10 years we have cheated these generations of young Americans from the great dream of homeownership, of being able, if they wanted to, to own a safe, decent, affordable house. But that is a complicated issue we are trying to address even minimally, because at this point some of us are just trying to struggle to keep alive those policies and programs that housed America for 40 years. The miracle of the United States, of this great country of ours, in 1940 over 63 percent of our dwellings were substandard; today it is about 7 percent.

Two years ago it was less than that. In 40 years, America performed the housing miracle of the world; never in any land in any country, at any time, has such an action been performed. America literally was housed. The basic thrust for that was the ability to mass produce, which in turn was based on the development of a financial underpinning, institutional underpinning that made it possible. This was the creation of the savings and loans. All of that, only because the Government and the American people through their representatives made a commitment to that purpose and intent, and with the massive intervention and infusion of the collective forces of the people, its Government.

This is what is at issue, ironically at this point. Some of us have barely managed to keep alive. We were able to defeat the attempts to kill off these basic programs 2 years ago. But all we have been able to do is keep minimal life in some of these basic programs such as FHA, for example. But in the meanwhile, the whole financial institutional underpinning has disappeared. S&L's today are no different from banks. There is no financial institutional device at this point that will enable America to keep a commitment, to provide affordable housing to the American family that needs and wants to have its own home.

I think this is a terrible commentary on our time and in our era and in our generation, and quite unnecessary, because it has, and it will eventually, I am sure, develop the ability to once again or continue what it did, once again, over a 40-year period; but it has to be done through deliberate and collective action on our part.

It is not self-operative; it is going to have to be worked on. And this recognition of H.R. 1983 on an emergency basis is just merely an attempt to afford those American families that have a home, about to lose it through no fault of their own, a chance to keep it.

Now, the other, the second objection is that this program would be abused. Well, we built in all of the possible safeguards that anybody could put in.

As a result of these objections partially and also through foresight and experience and reading the history of the enactment of prior efforts, we have put limitations where I, for the life of me, cannot see. I did not think they were necessary. The same arguments were raised during the depression period against the Home Owners Loan Corporation. Yet what happened? When the Home Owners Loan Corporation was finally closed out and its books terminated, it made a profit to the American taxpayer, millions of dollars. Taxpayers did not lose a thing. The Government did not lose anything. Those homeowners kept their homes. Why? Because if there is any one thing in this dramatic testimony from these sheriffs who have the job to go up and board up that home and throw out that family, they will tell you the last thing that that family will do will be to forego whatever meager amount of money they have coming in and make that payment on that house. They will even shortchange themselves in food, clothing, automobiles. That has always been the hallmark of the average American family I know. That is what history has shown us.

So, I have that faith. I am secure that with this plan of temporary assistance, and with good will and good faith administration on the part of the administrators, which, of course, always we must have faith will happen, I think the same thing will happen as happened in the thirties, that we will not waste the substance of this great land but rather add to its welfare, its well-being, its wealth, and above all that priceless ingredient, the happiness and stability of its families.

□ 1330

No citizen who has anything in the way of a connection between himself and his efforts as a citizen trying to earn a living and his soil can even be disconnected from those most loyal and supportive of the Government and the country. And no more and greater instability results, no greater potential for social mischief then when that connection is missing.

So I urge my fellow Members to support us tomorrow, be present. There is no such thing as a perfect bill ever having been written by anybody, including a committee. So if my col-

leagues have constructive amendments, we would welcome them.

Let me again say briefly that this is not new, novel, or radical legislation. If anything, it is perhaps in the 21½ years I have been a member of this committee and subcommittee, one of the most finely honed, after presentation of diverse testimony, legislation that I have had the great privilege of working with, for and on behalf of in the 21½ years.

As I said, we have present programs, for instance, the one has to do with the FHA related mortgages, which resulted from prior legislation, but that is tied up in court and it has not been implemented at this point. Our legislation is targeted for those who have their mortgages under VA. And can anybody tell me what greater area at this point or targeted area we should have than trying to help our veterans? VA and the conventional mortgagor which is the overwhelming preponderant number of mortgagor homeowners.

So it fills a need, it is responsive to clear, comprehensive, and fulsome testimony garnered from every point of this great Nation. And I urge support for its passage and approbation.

Let me say further that the fact that this need is here is not debated by those who so far have expressed opposition. They admit there is need. What they cannot make up their minds is either ideologically, philosophically, or as to whether or not if we wait long enough there will not be any need.

Let me tell my colleagues that this need is recognized over on the Senate side. The Senate last week marked up the housing bill by the full committee. It is ready now for the full Senate. And it includes a section to provide emergency mortgage assistance for homeowners except that their version, I do not think, has the precautions, the opportunities, and the implementation of those opportunities as well provided for as our version.

THE PROBLEM OF INTERNATIONAL MIGRATION

(Mr. FISH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FISH. Mr. Speaker, I have recently returned from Geneva, Switzerland, where I attended an international seminar on the subject of undocumented migration.

That seminar was conducted by the Intergovermental Committee for Migration (ICM), which is a nonpolitical, operational entity which has been dealing with migration and refugee matters since its creation in 1952. ICM has received the support of many members of the House Judiciary Committee over the years and it has been instrumental in the processing and movement of refugees from many areas of the world to the United States.

At the seminar, delegates from many governments which are members of ICM, as well as many of the sending and receiving countries, discussed in detail their perspectives and problems concerning international migration and the need for international responses to them.

The distinguished chairman of the Judiciary Committee, PETER W. RODINO, JR., delivered a major address at the ICM seminar. In his remarks, he addressed the serious worldwide problem of undocumented migrants and emphasized the urgent need for both unilateral and multilateral solutions to it. His thought-provoking comments were enthusiastically received by the participants at the meeting, as was his call for further exploration of this complex problem by the international community.

Because of the timeliness and significance of his remarks, I wish to share them with my colleagues by inserting them into the RECORD at this point:

REMARKS OF HON. PETER W. RODINO, JR., AT THE SIXTH ICM SEMINAR ON UNDOCUMENTED MIGRANTS

It is a privilege—and a distinct pleasure—for me to participate in this Sixth ICM Seminar on Undocumented Migrants.

At the outset Director Carlin, let me say that I am delighted to return to Geneva after several years to meet with you and your staff, and of course, the representatives of the member governments of ICM. I am also pleased that a colleague from the House of Representatives Committee on the Judiciary has joined me as a participant in this seminar. Congressman HAMILTON FISH JR., of New York, the senior Republican member of our committee, presently serves on the Subcommittee on Immigration, Refugees, and International Law which is now considering comprehensive legislation dealing with the subject of illegal migration.

I have long been an ardent supporter of ICM, and I continue to have a deep and abiding interest in the organization and its objectives. I believe our presence here, along with that of Mr. Robert McConnell, representing the Attorney General of the United States and other representatives of the executive branch of our Government, attests to the importance that the United States attaches to the committee and its humanitarian endeavors.

Approximately a year ago, on the occasion of ICM's 30th anniversary, in my message to Director Carlin, I expressed the "hope that as ICM examines its future, it would play a more active role in identifying and surveying those areas of the world that require the infusion of skilled, and in some cases, unskilled labor" and that "a survery would provide valuable service to the United States and to other member governments."

I also called on the Director "to convene an international conference to examine in detail the future trends of international migration and how best ICM can respond to these future responsibilities."

Mr. Director, I compliment you and your working group, for having selected as the theme for the Sixth ICM Seminar on adaptation and integration of immigrants, the problem of undocumented migrants. It is a subject which merits—and demands—serious attention and consideration by the international community. Our experience in the matter certainly confirms that the issues are extremely complex, emotionally charged and politically sensitive. Nonetheless, we have a responsibility—on a global basis—to pursue practical and humane solutions.

In 1980 I had the honor of participating in a lecture series on immigration held at Georgetown University in Washington, D.C.

At that time, I pointed out that the only operational international entity dealing with migration was the intergovernmental Committee for Migration. I stressed that ICM had to be more innovative and resourceful in developing effective approaches to worldwide migration. I am gratified that this series of seminars is attempting to provide this direction and am especially appreciative that this seminar is dealing with a most timely and serious problem.

We are, after all, living in an era of mass migration, in a world populated with millions of refugees, economic migrants, victims of military and civil strife, and natural disasters. We are living in a world where tragedy resulting from such mass migration—particularly from undocumented migration—is commonplace.

Although the phenomenon of mass migration is not new, it has become so pervasive and its potential consequences so catastrophic that it must now be considered in a global context. Quite simply, the development of policies to respond to international migration can no longer be only the responsibility of just the sending or receiving countries. That responsibility now must be shared by the entire world.

While responses to specific migration patterns can, and should, be addressed on a bilateral, regional or hemispheric basis, ultimately the international community as a whole must accept the responsibility of bringing—and maintaining—some order out of the chaos with which we are confronted. Ad hoc, reactive responses by individual countries are no longer sufficient. My own country's experience with the 1980 Cuban boatlift clearly demonstrates that long-term, carefully planned international approaches are imperative.

The population of the world has increased by 75 percent in the past 30 years, from 2.5 billion in 1950 to 4.4 billion in 1980. The developing countries grew much more, both in numbers and rates. Their populations almost doubled, increasing from 1.7 to 3.3 billion.

The magnitude of the potential problem in the Western Hemisphere is exemplified by the fact that the most rapid population increase during the same 30 year period was in Latin America, which grew from 164 million to 368 million. I believe it is this area that will produce the greatest pressures to emigrate over the next decade.

Mexico presents a particular problem. That country, which already has a high proportion of young, working-age males, will double its population by the year 2000. At the current time, 31 million of Mexico's population of 68 million is under 15 years of age and 50 percent of its work force is either unemployed or underemployed. Because Mexico cannot create enough jobs to accommodate its citizens, the pressure for outmigration to the United States will continue.

But Asia, Africa, and Europe will also produce large numbers of undocumented migrants over the next decade. The dimensions of the problem are already clear: Millions of Afghans in Pakistan and Iran following Soviet intervention in Afghanistan; millions more refugees and displaced persons in Sudan and Somalia after the Ethiopian civil war and the Ethiopia-Somalia conflict over the Ogaden; and hundreds of thousands of Poles unwilling to return to their country. And, as you are all aware, these are but a few of the many examples I could mention.

We are, in short, faced with a problem which knows no boundaries and spares virtually no part of the globe. And the solutions are far more complicated—and far more elusive—than they were 50 or 100 years ago.

Before turning to some concrete suggestions as to how the international community should deal with mass migration, let me take a few moments to review the character and causes of the phenomenon as it stands today. For while the current pattern is in many respects similar to migration patterns of the past, there are important differences.

Political upheavals and the resulting flow of refugees continue to be a major part of the current mass migration, as they have been throughout this century. The United Nations estimates that refugees have accounted for more than half of all international migration since the end of the first world war. Although figures are at best inexact, the current worldwide refugee population is conservatively estimated by both the U.S. Department of State and the United Nations High Commissioner for refugees at 7.5 million.

The admission and resettlement of refugees has been complicated in recent years by the difficulty in distinguishing between political refugees and economic migrants. In some cases, economic migrants turn themselves into political refugees by the act of departure, and in other cases political unrest and poverty are so closely intertwined that the two become almost indistinguishable as motives for flight. The United States has faced the difficult distinction in connection with the Indochinese, Haitians, and Salvadorans.

Economic, labor-related migration is the dominant pattern of our era, overshadowing even the movement of political refugees. Counting those in both legal and illegal status, more than 20 million workers were estimated to be outside their home countries in the late 1970's, together with countless dependents. This included an estimated 6 million in the United States, 5 million in Western Europe, and 3 million in the Middle East, with other large concentrations on the West African Coast and in South Africa.

The labor migration of the current era resembles the voluntary, labor related mass migration of the 19th century which, among other things, populated the United States. However, three are some important differences. Migration then was primarily for permanent resettlement. Today's migration is more temporary, at least in its initial phases. It is heavily characterized by single males traveling alone for work, leaving their families behind them, to whom they send money and eventually return. In fact, of course, many do not return but are joined instead by their families in the host countries.

Migration in the 19th century was generally from comparatively developed to undeveloped countries. This trend has been at least partially reversed today, with labor migration tending to flow from developing to developed or capital-rich developing countries. At least 12 million of the estimated 20 million workers outside their countries are thought to be from developing countries. Finally, another major difference between the mass migration of our era and that of the past was summarized by demographer Kingsley Davis: "In the past migration has helped to fill the world with people. That the world is not full is a new condition that complicates prediction."

Experience with labor migration has differed under different circumstances, notably in developed and developing countries, but in both cases there have been problems. Turning first to labor migration to developed countries, the primary example here, of course, is the guest worker programs of Western Europe. The importation of foreign guest workers greatly facilitated Western European recovery following World War II and the subsequent economic boom. According to the United Nations, by 1973 more than 6.6 million foreign workers were employed in Western Europe, representing an estimated one-seventh of the labor force.

The economic recession and oil crisis in 1973 brought and end to Western Europe's need for guest workers, although not necessarily to their presence. More than 600,000 returned home to their sending countries, which included Turkey, Yugoslavia, Portugal, Italy, and Greece. This was, of course, a far smaller number than had been expected to return. In the face of the halt to labor recruitment, many guest workers remained behind and were joined by their families in the receiving countries—Germany, France, Switzerland, the Netherlands, Luxembourg, Sweden, and Belgium. This has resulted in unexpected social and political problems in these countries, summed up in the now famous statement by Max Frisch, the noted Swiss writer, "We called for workers and there came human beings."

The lessons most commonly drawn from the Western European guest worker experience are that temporary workers cannot be used for permanent jobs and that temporary migration is not necessarily temporary. According to the United Nations, "The most important lessons to be derived from the Western European experience are the advantages of comprehensive planning over the formulation of labour migration policies on an ad hoc basis." The Western European experience has been of great interest to the United States in our deliberations over alternative means of controlling our own largely illegal labor migration, about which I will have more to say shortly.

Labor migration to the capital-rich developing countries has had the greatest impact in the Middle East. Approximately 2.7 million foreign workers were employed in the eight major oil-exporting countries there in 1980, up from 1.7 million in 1975. In 1980, the foreign workers constituted 30 percent of the total employment in the eight countries. In Saudi Arabia, the foreign workers accounted for nearly half of the work force, as many as 1.6 million. In Kuwait, the natives made up on an estimated 40 percent of the 1.5 million population. The majority of the new labor migrants to the Middle East were from Asian countries. In 1980, India and Pakistan accounted for 23 percent, with large numbers also from Malaysia, the Philippines, and Korea.

Labor migration to the developing countries has also been accompanied by problems, including a concern that the heavy dependence on foreign workers is potentially destablizing, politically as well as economically. There are also indications that the rights of the workers are more limited than they were in Europe. Finally, with the recent fall in oil revenues, the oil-exporting countries of the Middle East are duplicating the experience of the Western European receiving countries in the early and mid-1970's, although apparently with more success. The numbers of foreign workers allowed in these countries are being decreased as the need for them diminishes.

Turning now to the United States, our labor-related migration is primarily undocumented or illegal. The opportunities for labor migration under current U.S. immigration laws are comparatively limited. Of the 270,000 visas available annually for permanent immigration, a maximum of 54,000 is allocated for those who enter on the basis of their needed occupational skills, a number which also includes the accompanying immediate family members of the workers. Immigrants entering on the basis of their family ties are, of course, permitted to work, as are refugees, but they are not admitted specifically for the purpose of work.

The United States also has a small, nonimmigrant temporary worker program, popularly referred to as the "H-2 program," which accounts for approximately 43,000 temporary entries annually. While this program may be expanded slightly, it seems highly unlikely that the United States will institute a large-scale temporary worker program. Our current domestic unemployment rate is over 10 percent, and we have unpleasant memories of the abuses, exploitation and adverse impact which occurred under the Mexican Bracero program, which lasted from 1942 until 1964. We have learned useful lessons from the Western European experience with guest worker programs.

The recent United Nations report surveying international migration policies and programs notes that the United States has the world's largest stock of illegal immigrants, a finding which comes as no surprise to me. The U.N. credits this to our high wage levels, virtually unregulated labor market, and long open borders. The exact size of the undocumented alien population is unknown, but it is estimated at between 3.5 and 6 million, of which 50-60 percent is believed to be Mexican. The causes and impact of this illegal immigration are believed to be primarily economic. There is no question that what we are dealing with is illicit labor migration. The migrants come for employment at higher wages than they can earn at home. They are outside the protection of the law, and consequently are subject to exploitation. This gives them a competitive advantage over U.S. workers. They are believed to displace them and adversely affect wages and working conditions.

The problem of illegal immigration has been before the U.S. Congress since the early 1970's. The most common legislative remedy proposed is penalties for employers who knowingly hire alien workers who are unauthorized to accept employment in the United States. Legislation which I sponsored establishing such penalties passed the House of Representatives twice, in 1972 and 1973, but was not acted on by the Senate. A similar bill is now under active consideration by our committee. Provision is also made in this bill—and this is essential—for a legalization program which would allow a substantial number of the current undocu-

mented population to regularize their status and remain legally. The only alternatives are the continued tolerance of an exploited underclass of workers or mass deportations, neither of which is acceptable.

While it is severe in the United States, the problem of undocumented migration is increasingly a worldwide problem. It seems to be an inevitable spin-off temporary labor migration, which is generally imperfectly regulated to begin with. According to the U.N. report, "All of the labour-importing countries have large numbers of illegal foreign workers." The report noted that the European Economic Community (EEC) countries were estimated to have at least 600,000 illegal immigrants in 1976. Other estimates put Italy's illegal population at 500,000 and France's at 300,000. Venezuela is estimated to have 2 million illegal migrants, 800,000 of whom are believed to come from Columbia.

Undocumented migration is also a function of the difficulty I referred to before of distinguishing between political refugees and economic migrants. In short, it is endemic to this particular era of mass migration.

However, it is one thing to recognize the problem as it exists, it is quite another to find solutions that are feasible, sensible and sympathetic. When countries are less concerned about perceptions and sensitivities they may resort to direct and extreme enforcement actions.

In just the last few months, for example, we have witnessed Nigeria's mass expulsion of hundreds of thousands of Ghanians, and the massacre of thousands of Moslem immigrants by Hindu tribesmen in the Indian state of Assam.

There is no question that soverign nations have the right to control their borders, to set criteria for permanent admission and employment and to expel from their territory persons who may be detrimental to the national interest and security. But in exercising these sovereign rights, international considerations, consequences and agreements—such as the Helsinki agreement—cannot be ignored.

Certainly one cannot minimize the difficulties in defining our appropriate national and international responsibilities relating to migration. To a great extent, this will depend on the nature of the movements and their root causes.

I will spend the final minutes of my remarks setting forth what I believe are those responsibilities for three specific types of international migration. These are: Temporary labor migration; forced migration; and uncontrolled/undocumented migration.

With regard to temporary labor migration, we must insure that such movements are carefully planned and regulated rather than simply responding to the serious social and economic problems they often create "after the fact". As I stated, we have learned from the mistakes of massive guestworker programs. Now, we must assess the advantages and disadvantages of free labor market movements, as well as, strictly controlled contract labor systems.

In developing any policy for such temporary migration, it is clear that carefully negotiated bilateral and multilateral arrangements must be made; it is evident that labor migration cannot be effectively regulated only by the receiving country. Arrangements must insure that the economic needs of the receiving country are met, that the rights of the migrants are protected, and that the migrants return home once their task is completed. The receiving country can only do so much in encouraging the return of migrants and for this reason the sending country must be actively involved in the process. In this regard, ICM's "return of talent" program should be carefully examined to find what types of incentives can be provided to encourage the return of these migrants.

With regard to forced migration I find nothing more abhorrent than the governmental expulsion of persons from their country for political or economic reasons. It is my strong belief that all members of the world community have a firm obligation to prevent mass expulsion and to utilize any and all diplomatic measures to protest such actions when they occur.

Each sovereign nation has an obligation to develop contingency plans to handle a mass influx and the world community must be prepared to bring international condemnation against the offending country and insist that it abide by international law in accepting the return of its own nationals.

We have seen how the expulsion of ethnic Chinese from Vietnam in 1979 affected regional stability and how the Cuban boatlift to south Florida in 1979 created serious problems for our country.

I do not believe these problems can—or should—be addressed on either a regional or national basis. It is the duty of the international community, acting in concert, to take remedial measures.

The first action should be the urgent internationalization of the problem. This responsibility must be placed in an international mechanism, which would be able to provide an immediate operational response. Based on recent events, the need for effective international machinery to respond to these emergencies is obvious.

From a national standpoint, the first asylum countries must strongly resist the temptation to use these events for their own propaganda or foreign policy purposes. This only exacerbates an already serious problem and indeed efforts to obtain foreign policy gains can only encourage similar actions by other unfriendly governments.

In short, I do not believe any government should encourage a mass exodus from any country by extending an open invitation or welcome to such individuals.

Finally, regarding uncontrolled/undocumented migration, which is a most severe problem, not only for the United States, but also for most countries in the free world. It should be clear to all of us that global pressures for this type of migration will increase for some time to come. I certainly believe that every nation has a clear responsibility to protect its national interest by preventing the uncontrolled influx of aliens.

In doing so, however, a national government cannot ignore the root causes of the problem and the international consequences of unilateral actions to curb it.

Likewise, that problem must not be viewed solely as a problem of the receiving country. The sending nations of the world must recognize their responsibilities to provide for their own citizenry and must be willing to accept the return of their nationals.

As I said in my speech at Georgetown University in 1980, "Emigration should not be viewed by sending countries as a mechanism for solving their internal economic and political problems. Instead, these countries must pursue domestic policies designed to create jobs, reduce population growth, strengthen their economies, and improve the distribution of wealth."

In my judgment, there is an urgent need for a better understanding and acknowledgment of these responsibilities on the part of both sending and receiving nations and a willingness on their part to accept such responsibilities.

These are certainly not easy tasks, but discussions between sending and receiving countries must begin now. In addition, we must foster a greater concern about, and interest in, migration problems on the part of the foreign policy community in our respective countries. In short, migration must become a higher priority item on each of our foreign policy agendas.

Migratory problems by definition do not lend themselves solutions and as a result, we must diligently pursue bilateral and multilateral discussions—perhaps leading to formal international agreements on the subject of international migration.

I congratulate the Director for having arranged for this seminar, but I only look upon it as a first step. It has given each country and the experts in the field a forum to set forth their policies, problems and perceptions on illegal migration.

This seminar has established the groundwork for convening the international conference I called for in my message to the Director on the occasion of ICM's 30th anniversary. I still consider ICM as the logical focal point for "studying and planning a future course in resolving international migratory movements."

I therefore reiterate my call for an international conference under ICM auspices "to examine in detail the future trends of international migration", to include the issues we are discussing, as well as the subject of refugees.

I hope that the member governments will join me in calling for such an international meeting where concrete government positions can be established and a program set in motion.

Thank you.●

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. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. MAZZOLI, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BEDELL, for 30 minutes, on April 26.

Mr. TORRICELLI, for 30 minutes, on April 26.

Mr. WEISS, for 45 minutes, on April 26.

EXTENSION OF REMARKS

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

Mr. FISH and to include extraneous material, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,207.50.

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

Mr. CORCORAN.

Mr. MCKINNEY in two instances.

Mr. MOORHEAD.

Mr. BADHAM in two instances.

Mr. GINGRICH.

Mr. BROOMFIELD in two instances.

Mr. MICHEL.

Mr. LOWERY of California.

Mr. CONABLE.

Mr. FISH.

Mrs. SCHNEIDER.

Mr. WYLIE.

Mr. LENT.

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

Mr. RODINO in two instances.

Mr. LEVITAS.

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. SCHUMER in three instances.

Mr. RATCHFORD.

Mr. STARK.

Mr. SCHEUER.

Mr. LAFALCE.

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. 64. An act to establish the Irish Wilderness in Mark Twain National Forest, Missouri; to the Committee on Interior and Insular Affairs.

S. 96. An act to estalish the Lee Metcalf Wilderness and Management Area in the State of Montana, and for other purposes; to the Committee on Interior and Insular Affairs and Agriculture.

S. 543. An act to designate certain national forest system lands in the State of Wyoming for inclusion in the National Wilderness Preservation System, to release other forest lands for multiple use management, to withdraw designated wilderness areas in Wyoming from minerals activity, and for other purposes; to the Committee on Interior and Insular Affairs and Agriculture.

S. 597. An act to convey certain lands to Show Low, Ariz.; to the Committee on Interior and Insular Affairs.

S.J. Res. 51. Joint resolution designating May 21, 1983, as "Andrei Sakharov Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 62. Joint resolution to provide for the designation of the week beginning on May 15, 1983, as "National Parkinson's Disease Week"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 89. An act to amend the Saccharin Study and Labeling Act; and

S. 126. An act to remedy alcohol and drug abuse.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 80. Joint resolution to authorize and request the President to issue a proclamation designating April 17 through April 24, 1983, as "Jewish Heritage Week."

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on April 15, 1983, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 80. An act to authorize and request the President to issue a proclamation designating April 17 through April 24, 1983, as "Jewish Heritage Week."

ADJOURNMENT

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

The motion was agreed to; accordingly (at 1 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 19, 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:

925. A letter from the Under Secretary of Defense (Research and Engineering), transmitting the annual report on the defense industrial reserve, pursuant to section 809 of Public Law 93-155; to the Committee on Armed Services.

926. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a notice of the decision to convert to contractor performance the support activities at Dugway Proving Ground, Utah, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

927. A letter from the Chairman, National Credit Union Administration, transmitting a report on the feasibility and desirability of permitting Federal credit unions to compensate members of their boards of directors; to the Committee on Banking, Finance and Urban Affairs.

928. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the 69th annual report of the Board, covering calendar year 1982, pursuant to section 10 of the Federal Reserve Act; to the Committee on Banking, Finance and Urban Affairs.

929. A letter from the District of Columbia Auditor, transmitting a report entitled, "Revenue for February 1983," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

930. A letter from the District of Columbia Auditor, transmitting a report entitled, "Review of Smoke Detector Compliance by the District of Columbia Government," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

931. A letter from the District of Coumbia Auditor, transmitting a report entitled, "University of the District of Columbia President's Discretionary Fund," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

932. A letter from the Acting Deputy Assistant Secretary of Defense, transmitting the annual testing report for the overseas dependents' school for school year 1982-83, pursuant to section 1405 of Public Law 95-561; to the Committee on Education and Labor.

933. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to reduce costs and the public reporting burden of the Energy Information Administration; to the Committee on Energy and Commerce.

934. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report for the period ending March 31, 1983, of the price and availability of certain defense articles, pursuant to section 28 of the Arms Export Control Act; to the Committee on Foreign Affairs.

935. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed lease of defense articles to Portugal, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

936. A letter from the Director, Peace Corps, transmitting notice of proposed changes in an existing records system pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

937. A letter from the Assistant Secretary of the Interior (Indian Affairs), transmitting a proposed plan for the use of Shoshone-Bannock Tribes of Fort Hall judgment funds awared in Docket 326-C-1 before the U.S. Clains Court, pursuant to sections 2(a) and 4 of Public Law 93-194; to the Committee on Interior and Insular Affairs.

938. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a draft of proposed legislation to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic property throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

939. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $92,889.93 in excess royalty payments to the Texas Gas Exploration Corp., pursuant to 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

940. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the

eighth annual report recommending deauthorization of various water resources projects, pursuant to section 12 of the Water Resources Development Act of 1974, as amended (H. Doc. No. 98-48); to the Committee on Public Works and Transportation and ordered to be printed.

941. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice that NASA's fiscal year 1983 space applications program will exceed amounts authorized, pursuant to section 104(2) of Public Law 97-324; to the Committee on Science and Technology.

942. A letter from the Secretary of Agriculture, transmitting a report of the Department's activities related to minority recruitment in the Foreign Service for the period ending September 30, 1982, pursuant to section 105(d) (1) and (2) of the Foreign Service Act of 1980; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on April 12, 1983, the following reports were filed on April 15, 1983]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1010. A bill to amend the Mineral Leasing Act of 1920 with respect to the movement of coal, including the movement of coal over public lands, and for other purposes; with an amendment (Rept. No. 98-64, Pt. I). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. H.R. 2065. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendments (Rept. No. 98-65). Referred to the Committee of the Whole House on the State of the Union.

[Filed April 18, 1983]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1723. A bill to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, Sailors' Snug Harbor, and San Francisco Bay National Wildlife Refuges; with amendments (Rept. No. 98-66). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1935. A bill to ratify an exchange agreement concerning national wildlife refuge system lands located on Matagorda Island in Texas (Rept. No. 98-67). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (by request):

H.R. 2570. A bill to authorize appropriations for the Bureau of the Mint for fiscal year 1984, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BETHUNE:

H.R. 2571. A bill to establish the Flatside Wilderness in Ouachita National Forest, Ark., and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. BEVILL:

H.R. 2572. A bill to release the city of Gadsden, Ala., from all the terms, conditions, reservations, and restrictions contained in a certain deed with respect to certain real property which was previously transferred by such deed as surplus property to the city for airport purposes; to the Committee on Public Works and Transportation.

By Mr. CARNEY:

H.R. 2573. A bill to modify the navigation project for Moriches and Shinnecock Inlets, N.Y., to the Committee on Public Works and Transportation.

By Mr. CONABLE (by request):

H.R. 2574. A bill to amend the Internal Revenue Code of 1954 to provide for the inclusion of certain employer contributions to health plans in an employee's gross income; to the Committee on Ways and Means.

H.R. 2575. A bill to restructure the medicare hospital insurance program; to the Committee on Ways and Means.

H.R. 2576. A bill to make improvements in the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 2577. A bill to provide for voluntary private alternative coverage for medicare beneficiaries, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. DICKINSON:

H.R. 2578. A bill to require that not more than one-fourth of the budget authority of any department or agency of the executive branch may be obligated during the last quarter of a fiscal year; to the Committee on Government Operations.

By Mr. LANTOS:

H.R. 2579. A bill to amend the Internal Revenue Code of 1954 to provide a credit or deduction for amounts contributed to a homeownership opportunity account; to the Committee on Ways and Means.

By Mr. LENT (for himself, Mr. DOWNEY of New York, Mr. CARNEY, Mr. MCGRATH, and Mr. MRAZEK):

H.R. 2580. A bill to direct the Secretary of Transportation to designate the Long Island Expressway, New York, as part of the Interstate System, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LOWERY of California (for himself, Mr. PACKARD, and Mr. BADHAM):

H.R. 2581. A bill to impose a moratorium on offshore oil and gas leasing, certain licensing and permitting, and approval of certain plans, with respect to geographical areas located in the Pacific Ocean off the coastline of the State of California; to the Committee on Interior and Insular Affairs.

Mr. MARKEY:

H.R. 2582. A bill to amend the Solid Waste Disposal Act to provide compensation for injury, illness, or death resulting from certain exposure to hazardous substances, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

Mr. MITCHELL:

H.R. 2583. A bill to amend the Small Business Act to improve assistance to victims of disasters; to the Committee on Small Business.

By Mr. RAHALL (for himself, Mr. PERKINS, Mr. MURTHA, Mr. ROE, Mr. MURPHY, Mr. WILSON, Mr. MOLLOHAN, Mr. WISE, Mr. MCNULTY, and Mr. BOUCHER):

H.R. 2584. A bill amending title 49 of the United States Code with respect to standards for rail rates and determinations of rail carrier market dominance, with respect to railroad accounting principles, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RINALDO:

H.R. 2585. A bill to amend the Flood Control Act of 1970 to include the possible prevention of loss of life among the factors to be considered in evaluating the benefits of proposed water resource projects; to the Committee on Public Works and Transportation.

By Mr. LOWERY of California:

H.J. Res. 238. Joint resolution designating the week beginning May 8, 1983, as "Navy Nurse Corps Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

79. By the SPEAKER: Memorial of the Legislature of the State of Arizona, relative to the Clean Air Act; to the Committee on Energy and Commerce.

80. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to the track abandonment program of Conrail; to the Committee on Energy and Commerce.

81. Also, memorial of the Legislature of the State of Nebraska, relative to American POW and MIA servicemen and civilians in Southeast Asia; to the Committee on Foreign Affairs.

82. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to the Federal general revenue sharing program; to the Committee on Government Operations.

83. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to health care to veterans exposed to atomic radiation; to the Committee on Veterans' Affairs.

84. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to foreign steel importation; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

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

H.R. 79: Mr. DOWNEY of New York.

H.R. 550: Mr. REID.

H.R. 569: Mr. PORTER.

H.R. 1084: Mr. MCDONALD, Mr. DEWINE, Mr. ALBOSTA, and Mr. RUDD.

H.R. 1244: Mr. MINETA and Ms. KAPTUR.

H.R. 1266: Mr. FAUNTROY, Mr. MRAZEK, Mr. DWYER of New Jersey, Mr. VENTO, Mr. RANGEL, Mr. ROE, and Mr. WYDEN.

H.R. 1398: Mr. FRANK.

H.R. 1441: Mr. BEDELL and Mr. LEACH of Iowa.

H.R. 1527: Mr. McCollum.

H.R. 1604: Mr. Boner of Tennessee and Mr. Forsythe.

H.R. 1620: Mr. Broyhill, Mr. Yatron, and Mr. D'Amours.

H.R. 1646: Mr. McCloskey and Ms. Mikulski.

H.R. 1693: Mr. Bedell, Mr. Waxman, and Mr. Studds.

H.R. 1701: Mr. Bliley, Mr. Hansen of Utah, Mrs. Martin of Illinois, Mr. Frenzel, Mr. Denny Smith, Mr. Porter, Mr. Roemer, Mrs. Holt, Mr. Dellums, and Mr. Forsythe.

H.R. 1795: Mr. Dorgan, Mr. Rahall, and Mr. Emerson.

H.R. 1799: Mr. Simon.

H.R. 1823: Mr. Mitchell, Mr. Edgar, Mr. Duncan, and Mr. Gray.

H.R. 1876: Mr. Conable and Mr. Ratchford.

H.R. 1883: Mr. Richardson, Mr. Harkin, Mr. Simon, Mrs. Boxer, Mr. Mineta, and Mrs. Schroeder.

H.R. 1942: Mrs. Schneider.

H.R. 1948: Mr. Heftel of Hawaii and Mr. Guarini.

H.R. 1998: Mr. Dixon.

H.R. 2172: Mr. Bliley, Mr. Emerson, and Mr. Rudd.

H.R. 2228: Mr. Gibbons, Mr. Lehman of Florida, Mr. Hutto, Mr. Fascell, Mr. Fuqua, Mr. Nelson of Florida, Mr. Pepper, Mr. Chappell, Mr. McCollum, and Mr. Mica.

H.R. 2276: Mrs. Johnson.

H.R. 2403: Mr. Stokes, Mr. Weiss, Mr. Conyers, Mr. Garcia, Mr. Berman, and Mr. Gray.

H.R. 2432: Mr. Myers, Mr. Hiler, Mr. Weaver, Mr. Roe, Mr. Mazzoli, Mr. Bilirakis, Mr. Tauke, Mr. Stokes, Mr. Gingrich, Mr. Neal, and Mr. Bennett.

H.R. 2438: Mr. Ratchford and Mr. Gejdenson.

H.R. 2485: Mr. Ratchford, Mr. Morrison of Connecticut, Mrs. Johnson, Mr. Gejdenson, Mrs. Kennelly, and Mr. Forsythe.

H.R. 2490: Mr. Mavroules, Mr. Sikorski, Mr. Gejdenson, Mr. Feighan, Mr. Wilson, Mr. Weiss, and Mr. Clay.

H.J. Res. 44: Mr. Boehlert.

H.J. Res. 71: Mr. Guarini and Mr. Rinaldo.

H.J. Res. 139: Mr. Chandler, Mr. Breaux, Mr. Perkins, Mr. Reid, Mr. de Lugo, Mr. Dellums, Mr. Edwards of Alabama, and Mr. Hammerschmidt.

H.J. Res. 153: Mr. Leland, Mr. McKernan, Mrs. Boxer, Mr. McNulty, and Mr. Scheuer.

H.J. Res. 160: Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Anderson, Mr. Andrews of North Carolina, Mr. Annunzio, Mr. Barnard, Mr. Barnes, Mr. Bates, Mr. Bedell, Mr. Beilenson, Mr. Bennett, Mr. Berman, Mr. Bevill, Mr. Biaggi, Mr. Bilirakis, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Borski, Mr. Boucher, Mrs. Lloyd, Mrs. Boxer, Mr. Britt, Mr. Brown of California, Mrs. Byron, Mr. Carney, Mr. Carr, Mr. Chandler, Mr. Chappell, Mr. Clay, Mr. Coats, Mr. Coelho, Mrs. Collins, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Coughlin, Mr. Courter, Mr. Coyne, Mr. Crockett, Mr. Daschle, Mr. Daub, Mr. de la Garza, Mr. Dellums, Mr. Donnelly, Mr. Dowdy of Mississippi, Mr. Downey of New York, Mr. Durbin, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Early, Mr. Edgar, Mr. Edwards of California, Mr. Evans of Iowa, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mr. Feighan, Ms. Ferraro, Mr. Fish, Mr. Florio, Mr. Foglietta, Mr. Foley, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Forsythe, Mr. Frank, Mr. Frost, Mr. Fuqua, Mr. Gaydos, Mr. Gibbons, Mr. Gonzalez, Mr. Green, Mr. Guarini, Mrs. Hall of Indiana, Mr. Hall of Ohio, Mr. Hammerschmidt, Mr. Hansen of Idaho, Mr. Hatcher, Mr. Hawkins, Mr. Hefner, Mr. Heftel of Hawaii, Mr. Hertel of Michigan, Mrs. Holt, Mr. Horton, Mr. Howard, Mr. Hoyer, Mr. Hughes, Mr. Hutto, Mr. Ireland, Mr. Jacobs, Mr. Jones of Tennessee, Mrs. Kennelly, Mr. Kildee, Mr. Kindness, Mr. Kostmayer, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lehman of California, Mr. Lehman of Florida, Mr. Leland, Mr. Lent, Mr. Lipinski, Mr. Long of Maryland, Mr. Lungren, Mr. McCain, Mr. McGrath, Mr. NcNulty, Mr. Madigan, Mr. Markey, Mr. Martin of New York, Mr. Martin of North Carolina, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. Michel, Ms. Mikulski, Mr. Moakley, Mr. Murphy, Mr. Murtha, Ms. Oakar, Mr. Oberstar, Mr. O'Brien, Mr. Ortiz, Mr. Ottinger, Mr. Patterson, Mr. Price, Mr. Pritchard, Mr. Quillen, Mr. Rahall, Mr. Ratchford, Mr. Richardson, Mr. Robinson, Mr. Roe, Mr. Sabo, Mr. Savage, Mr. Sawyer, Mr. Scheuer, Mrs. Schneider, Mr. Shelby, Mr. Shumway, Mr. Simon, Mr. Sisisky, Mr. Skeen, Mr. Skelton, Mr. Smith of Florida, Mr. Snyder, Mr. Solarz, Mr. Spence, Mr. Staggers, Mr. Stark, Mr. Stokes, Mr. Stump, Mr. Sunia, Mr. Swift, Mr. Tallon, Mr. Tauke, Mr. Tauzin, Mr. Torricelli, Mr. Towns, Mr. Traxler, Mr. Udall, Mr. Vandergriff, Mr. Vento, Mr. Vander Jagt, Mr. Walgren, Mr. Washington, Mr. Waxman, Mr. Weiss, Mr. Wheat, Mr. Whitten, Mr. Williams of Ohio, Mr. Winn, Mr. Wirth, Mr. Wise, Mr. Won Pat, Mr. Wortley, Mr. Wright, Mr. Wyden, Mr. Yatron, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Corcoran, Mr. Mineta, Mr. Rudd, Mr. Nelson of Florida, Mr. Mollohan, Mr. McKernan, Mr. Martinez, Mr. Nowak, Mr. Morrison of Connecticut, Mr. Lowry of Washington, Mr. Neal, Mr. Olin, Mr. Shannon, Mr. Kogovsek, Mr. Montgomery, Mr. Patman, Mr. Owens, Mr. Perkins, Mr. Rodino, Mr. Roemer, Mr. Ackerman, Mr. Long of Louisiana, Mr. Reid, Mr. Archer, Ms. Kaptur, Mr. Sikorsky, Mr. Pickle, Mr. Gramm, Mr. Evans of Illinois, Mr. Brooks, Mr. Daniel, Mr. Levine of California, Mr. Boehlert, Mr. D'Amours, Mr. Rinaldo, Mr. Hopkins, Mr. Mica, and Mr. Myers.

H.J. Res. 190: Mr. Edgar, Mr. Bereuter, Mr. Conte, Mr. Bevill, Mr. Frenzel, Mr. McGrath, Mr. Courter, Mr. Weiss, Mr. Lehman of California, Mr. Hughes, Mr. Hertel of Michigan, Mr. Boucher, Mr. Gray, Ms. Mikulski, Mr. Sunia, and Mr. Feighan.

H.J. Res. 192: Mr. Bedell.

H.J. Res. 208: Mr. Carper, Mr. Fauntroy, Mr. Wolpe, Mr. Lehman of California, Ms. Oakar, Mr. Wortley, and Mr. Patterson.

H.J. Res. 215: Mr. Mica.

H.J. Res. 219: Mr. Dowdy of Mississippi, Mr. Richardson, Mr. Eckart, Ms. Mikulski, Mr. Tauzin, Mr. Lent, and Mr. Ritter.

H. Res. 149: Mr. Scheuer, Mr. Purcell, Mr. Skelton, Mr. Wolpe, Mr. Patterson, Mr. Simon, and Mr. Gray.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.J. Res. 13

By Mr. LOTT:

—Page 5, after line 23, insert the following:

Sec. 3. Any nuclear warhead, missile or delivery system both the United States and the Soviet Union do not agree to freeze would not be frozen.

By Mr. SILJANDER:

—On page 4, after line 16, strike lines 17 through 18 inclusive and insert in lieu thereof.

"(1) Pursuing the objective of negotiating an immediate, mutual and verifiable freeze.

"(2) Pursuing the objective of negotiating an immediate, mutual and verifiable reduction.".

Redesignate succeeding paragraphs accordingly.

On page 4, line 23, strike the word "objective" and insert "objectives".

On page 4, line 24, after the word "freeze" strike out the comma and insert "and reduction,".

On page 5, after line 3, strike lines 4 through 8 inclusive and insert in lieu thereof,

"(4) Proceeding from this mutual and verifiable freeze and/or reduction, promptly pursuing additional, substantial, equitable and verifiable reductions through numerical ceilings, annual percentages, or any equally effective and verifiable means of strengthening strategic stability, in order to achieve expeditiously mutual reductions to the absolute minimum level of nuclear forces essential to deterring and finally eliminating the possibility of nuclear war.".

On page 5, beginning on line 19, strike out "objective" and insert "objectives".

On page 5, line 21, after the word "freeze" strike out the comma and insert "and/or reduction".

On page 5, line 23, after the word "proposals" insert "including but not to exclude substantial, equitable, and vertifiable reductions.".

By Mr. ZSCHAU:

—On page 4, line 18, after the word "freeze" insert the following: ", determining if stabilizing reductions of nuclear weapons can be negotiated within the context of the freeze and if so,".

On page 5, line 4 strike out "Proceeding from" and insert "Pursuing" and on line 5 strike out "pursuing" and insert "and".

H.R. 1983

By Mr. BETHUNE:

—On page 4, line 24, after the word "property" insert the following: "except that such costs shall not include more than 50% of the costs of maintaining a golf course on the premises".

—On page 4, line 24, after the word "property" insert the following: "except that not more than 50% of the costs related to the maintenance of gardens, lawns and shrubs on the property shall be included".

—On page 4, line 24, after the word "property" insert the following: "except not more than 50% of the costs of employing individuals to clean the inside of the residence shall be included".

—On page 4, line 24, after the word "property" insert the following: "except that not more than 50% of the costs attributable to the maintenance of riding stables on the premises shall be included".

—On page 5, line 2, after the word "property" insert the following: "except that such costs shall not include more than 50% of the costs attributable to running a sauna".

—On page 5, line 2, after the word "property" insert the following: "except that such costs shall not include more than 50% of the costs attributable to heating a swimming pool, running a Jacuzzi, heating a "hot tub" or maintaining any other private recreational facility".

—On page 5, line 2, after the word "property" insert the following: "except that such costs shall not include the lighting tennis courts on the premises".

—On page 7, after line 14, insert the following new subsection:

"(d) Notwithstanding any other provision of this section, the Secretary may not institute or reinstitute the program of assistance established in this title in any district unless, following the occurrence or reoccurrence of the delinquency rate condition described in subsection (a)(2), each Federal supervisory agency with respect to financial institutions subject to its jurisdiction, and the Secretary with respect to other approved mortgagees, determine that such program will not reduce the degree of forbearance, or result in any increase in the number or rate of foreclosures, by such financial institutions and mortgagees with respect to mortgages on residential property in such district.".

By Mr. COLEMAN of Texas:

—On page 16, after line 11, insert the following new subsection:

"(h) In reviewing applications for assistance under this title, the Secretary shall give priority to properties located in units of general local government with rates of unemployment that exceed the national average.".

By Mr. WYLIE:

Amendment in the nature of a substitute.

—Strike all after the enacting clause and insert in lieu thereof the following:

"SHORT TITLE

"SEC. 1. This Act may be cited as the 'Emergency Housing Assistance Act of 1983.'

"ACTIONS BY FEDERAL SUPERVISORY AGENCIES

"SEC. 2. (a) Each Federal supervisory agency, with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall, not later than 14 days following the date of the enactment of the Emergency Housing Assistance Act of 1983—

"(1) communicate in writing with each such institution of mortgagee encouraging them to exercise forbearance (including the acceptance of partial payment), to the maximum extent possible, with respect to residential mortgage foreclosures;

"(2) waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies, to the extent the waiving or relaxing of such limitations is not inconsistent with laws relating to the safety and soundness of such institutions or mortgagees; and

"(b)(1) In considering applications for advances, the Federal home loan banks shall give special consideration to those institutions that have exercised forbearance in residential mortgages foreclosures as a result of actions taken pursuant to this section.

"(2) In considering applications for advances or discounts, the Federal Reserve banks shall give special consideration to those depository institutions and other borrowers that have exercised forbearance in residential mortgages foreclosures as a result of actions taken pursuant to this section.

"(3) In considering applications for extensions of credit, the National Credit Union Administration Board, on behalf of the National Credit Union Central Liquidity Facility, shall give special consideration to members that have exercised forbearance in residential mortgage foreclosures as a result of actions taken pursuant to this section.

"ACTION BY SECRETARY OF AGRICULTURE

"SEC. 3. Section 505 of the Housing Act of 1949 is amended—

"(1) by adding after 'the Secretary is authorized' the following: 'and encouraged to take all reasonable steps,'; and

"(2) by adding at the end thereof the following new sentences: 'The Secretary shall ensure that each delinquent borrower under this title is provided notice, in a timely and meaningful manner, of the assistance available under this section. The Secretary shall, to the extent necessary, provide technical assistance to each such borrower in applying for such assistance. The Secretary may, before or after any period of moratorium under this section, reamortize the accrued debt of any delinquent borrower under this title for a new period equal to the original amortization period, if such reamortization is likely to result in the resumption of periodic payments by such borrower.'."

H.R. 1190

By Mr. MADIGAN:

—(1) Page 2, strike out lines 3 and 4 and insert in lieu thereof the following:

That this Act may be cited as the "Consolidated Farm and Rural Development Act Amendments of 1983".

—Page 2, line 9, strike out "$300,000" and insert in lieu thereof "$250,000".

—(2) Page 2, line 11, strike out "$400,000" and insert in lieu thereof "350,000".

—(3) Page 8, after line 14, insert the following new subsection:

(d)(1) Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture—

(A) shall conduct a nationwide evaluation of the need for additional potable water and for additional water supply and waste disposal facilities in rural areas, and

(B) shall submit to the Congress a report describing the results of such evaluation.

(2) There is authorized to be appropriated $5,000,000 to carry out paragraph (1).

—(4) Page 9, line 3, strike out "$25,000,000" and insert in lieu thereof "$35,000,000".

—(5) Page 8, line 17, insert "(a)" after "SEC. 4.".

Page 9, after line 3, insert the following new subsection:

(b) Section 310B(d)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)(5)) is amended by striking out "greater than 10 per centum." and inserting in lieu thereof "of up to, but not exceeding 20 per centum. The Secretary shall permit an applicant to make the required equity investment in the form of cash, tangible earning assets at book value, appraisal surplus, or any combination of such forms.".

—(6) Page 8, line 17, insert "(a)" after "SEC. 4.".

Page 9, after line 3, insert the following new subsection:

(b) Section 310B(d)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)(5)) is amended by inserting after "(5)" the following: "No loan may be made or guaranteed under this section, section 304, or section 312 for a business or industrial enterprise unless the applicant for such loan is unable to obtain sufficient credit elsewhere to finance the applicant's needs at reasonable rates and terms taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant is located for loans for similar purposes and periods of time, and, in the case of guaranteed loans, the lender certifies that the lender is unwilling to provide credit to the applicant at the same rate of interest in the absence of the guarantee authorized by this title.".

—(7) Page 8, line 17, insert "(a)" after "SEC. 4.".

Page 9, after line 3, insert the following new subsection:

(b) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended by adding at the end thereof the following new paragraph:

"(7) No loan may be made or guaranteed under this section, section 304, or section 312 for a business or industrial enterprise located in a rural area having a population in excess of 25,000. The Secretary shall give priority under such sections to applications submitted with respect to loans for business and industrial enterprises located in rural areas having a population not in excess of 10,000.".

—(8) Page 8, line 17, insert "(a)" after "SEC. 4.".

page 9, after line 3, insert the following new subsection:

(b) Section 310B(d)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)(5)) is amended by inserting "not to exceed 20 per centum. The Secretary shall permit an applicant to make the required equity investment in the form of cash, tangible earning assets at book value, appraisal surplus, or any combination of such forms" before the period at the end thereof.

—(9) Page 9, line 7, strike out "$100,000" and insert in lieu thereof "$150,000".

Page 9, line 10, strike out "$400,000" and insert in lieu thereof "$350,000".

—(10) Page 9, strike out line 15 and all that follows through line 2 on page 10, and insert in lieu thereof the following new paragraph:

(1) by amending the fifth sentence of subsection (b) to read as follows: "The interest rate on such consolidated or rescheduled loans, other than guaranteed loans, shall be the lower of (1) the rate charged under the prior loans so consolidated or rescheduled, or (2) the rate being charged for loans made under this subtitle at the time of the consolidation or rescheduling."; and

—(11) Page 9, strike out line 15 and all that follows through line 2 on page 10, and insert in lieu thereof the following new paragraph:

(1) in the second sentence of subsection (b) by striking out "seven years" and inserting in lieu thereof "fifteen years"; and

—(12) Page 10, line 5, strike out "shall" and insert in lieu thereof "may".

—(13) Page 10, strike out lines 12 through 20 (and redesignate succeeding sections and references accordingly).

—(14) Page 10, strike out line 21 and all that follows through line 20 on page 11 (and redesignate succeeding sections and references accordingly).

—(15) Page 13, line 17, strike out "shall" and insert in lieu thereof "may".

Page 14, line 2, strike out "shall" and insert in lieu thereof "may".

Page 14, line 17, strike out "shall" and insert in lieu thereof "may".

Page 14, line 22, strike out "shall" and insert in lieu thereof "may".

Page 15, line 6, strike out "shall" and insert in lieu thereof "may".

Page 15, line 13, strike out "shall" and insert in lieu thereof "may".

—(16) Page 15, strike out lines 1 through 3.

—(17) Page 16, line 12, insert close quotation marks and a period at the end thereof.

Page 16, strike out lines 13 through 15.

—(18) Page 14, line 24, strike out "subparagraph" and insert in lieu thereof "paragraph".

Page 14, line 24, insert the following at the end thereof: "During the period of deferral under this paragraph, the borrower shall meet monthly with the county committee, or at such other time as may be requested by any party to the loan agreement involved, for the purpose of reviewing the financial condition of the borrower. If the county committee determines that the borrower has become able to resume making the loan payments, the period of deferral shall then be terminated by the Secretary.".

—(19) Page 14, after line 16, insert the following: "and if the borrower agrees to carry out a sound management plan applicable to the operations of the borrower, to maintain any property securing the loan, and to cooperate with the Secretary in the administration of the loan, then".

—(20) Page 16, after line 22, insert the following new subsection:

(d) It is the sense of the Congress that the Secretary of Agriculture, in administering laws carried out through the Farmers Home Administration, continue to set high priority on counseling, on a case-by-case basis, borrowers who are unable to make payments due to circumstances beyond the borrowers' control and consider the full range of his authority (including authority to consolidate, reschedule, an defer loan payments) to assist such borrowers and to avoid termination of any loan account when avoiding such action will enable the borrower involved to remain in business and ultimately to repay such loan. The Secretary of Agriculture is encouraged to consider, on a case-by-case basis, the implementation of section 331A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981a).

—(21) Page 16, line 24, insert "(a)" after "SEC. 11.".

Page 21, after line 2, insert the following new subsection:

(b) Section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982) is amended by adding at the end thereof the following new subsection:

"(d) On the request of a borrower with respect to whom the committee has made a certification under section 333(b) of this title, the committee may meet with the borrower—

"(1) to discuss any matter relating to the farming operation of the borrower, or

"(2) to advise the borrower regarding farm management decisions the borrower should make.".

—(22) Page 16, line 24, insert "(a)" after "SEC. 11.".

Page 21, after line 2, insert the following new subsection:

(b) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report assessing the effectiveness of county committees in carrying out their duties under section 332 of the Consolidated Farm and Rural Development Act as amended by subsection (a).

—(23) Page 17, line 12, strike out "three" and insert in lieu thereof "Two".

Page 17, beginning on line 22, strike out ", one member shall be elected for a term of two years,".

Page 18, line 3, strike out "Two" and insert in lieu thereof "Three".

Page 18, line 6, strike out "and" and insert in lieu thereof a comma.

Page 18, line 7, insert ", and one member shall be appointed for a term of three years" before the period.

Page 18 line 9, strike out "One" and insert in lieu thereof "Two".

—(24) Page 19, line 3, strike out "two" and insert in lieu thereof "One".

Page 19, beginning on line 11, strike out "one member shall be elected for a term of one year and one" and insert in lieu thereof "such".

Page 19, line 14, strike out "elected members" and insert in lieu thereof "the elected member".

Page 19, line 16, strike out "One" and insert in lieu thereof "Two".

Page 19, line 18, strike out "Such member" and insert in lieu thereof "One of such members shall be selected from among individuals who are familiar with both agricultural and financial conditions in the country or area and one of such members".

—(25) Page 20, beginning on line 19, strike out "which fairly represents" and all that follows through "members" on line 21, and insert in lieu thereof "not less than the level of the rate of compensation paid to members of local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (61 U.S.C. 590h(b))".

—(26) Page 21, strike out line 3 and all that follows through line 3 on page 22 (and redesignate succeeding sections and references accordingly).

—(27) Page 22, line 9, strike out "shall" and insert in lieu thereof "may".

—(28) Page 22, line 16, strike out "shall" and insert in lieu thereof "may".

—(29) Page 23, line 7, strike out "shall" and insert in lieu thereof "may".

Page 23, line 19, strike out "shall" and insert in lieu thereof "may".

—(30) Page 24, beginning on line 1, strike out ", but" and all that follows through the period on line 3.

—(31) Page 23, line 6, strike out "two years" and insert in lieu thereof "one year".

Page 23, line 18, strike out "three years" and insert in lieu thereof "18 months".

—(32) Page 24, strike out line 9, and insert in lieu thereof the following: inserting ", and in any other State designated by the Secretary," after "State of Hawaii".

—(33) Page 25, strike out line 23, and insert in lieu the following:

"(A) real estate loans, $680,000,000 including $650,000,000 for farm ownership loans of which $600,000,000 may be for insured loans and $50,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories, and $26,000,000 for water development, use, and conservation loans of which $20,000,000 may be for insured loans and $6,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories;".

—(34) Page 25, strike out line 24, and insert in lieu the following:

"(B) operating loans, $1,860,000,000 of which $1,810,000,000 may be for insured loans and $50,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; and".

—(35) Page 26, strike out lines 1 and 2, and insert in lieu the following:

"(C) emergency loans, $1,540,000,000."

—(36) Page 26, strike out lines 15 through 24, and insert in lieu thereof the following:

"(2) To the extent and in such amounts as are approved, in advance, in appropriation Acts, loans for each of the fiscal years 1984, 1985, and 1986 authorized to be insured, or made to be sold and insured, under the Rural Development Insurance Fund as follows:

"(A) water and waste disposal loans, $250,000,000; and

"(B) community facility loans, $100,000,000.".

—(37) Page 25, line 2, strike out "20 per centum" and insert in lieu thereof "10 per centum".

Page 25, line 4, strike out "20 per centum" and insert in lieu thereof "10 per centum".

—(38) Page 25, line 1, strike out "(f)(1)" and insert in lieu thereof "(f)".

Page 25, strike out lines 9 through 16.

—(39) Page 27, line 7, strike out "sixty days" and insert in lieu thereof "30 days".

—(40) Page 28, line 6, strike out "each Unit has" and insert in lieu thereof "Units have".

Page 28, line 7, strike out "its" and insert in lieu thereof "their".

Page 28, beginning on line 10, strike out "each Unit has funds adequate to meet the demands in the area for which it is" and insert in lieu thereof "Units have funds adequate to meet the demands in the areas for which they are".

Page 25, line 14, strike out "the Unit informs" and insert in lieu thereof "Units inform".

Page 25, line 15, strike out "it is" and insert in lieu thereof "they are".

Page 25, line 16, strike out "they" and insert in lieu thereof "such loan guarantees".

—(41) Page 29, after line 2, insert the following new subsection:

(d) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report assessing the effectiveness of Units established under section 349(a) of the Consolidated Farm and Rural Development Act in carrying out their duties.

—(42) Page 29, strike out lines 7 through 9 (and redesignate succeeding paragraphs and references accordingly).

—(46) Page 29, line 4, insert "(a)" after "SEC. 18.".

Page 29, after line 23, insert the following new subsection:

(b)(1) Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by striking out "$600,000,000" and inserting in lieu thereof "$300,000,000".

(2) The amendment made by paragraph (1) shall not apply with respect to contracts made before the date of the enactment of this Act.

—(47) Page 29, line 4, insert "(a)" after "SEC. 18.".

Page 29, after line 23, insert the following new subsection:

(b) Section 202(2)(C) of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by inserting "(as evidenced by not fewer than 2 written denials by lenders, of applications for credit of the type and amount requested under this title by the applicant)" after "credit elsewhere".

—(48) Page 29, line 4, insert "(a)" after "SEC. 18.".

Page 29, after line 23, insert the following new subsection:

(b)(1) Section 207(b) of the Emergency Agricultural Credit Adjustment Act of 1978 is amended by striking out "$400,000" and inserting in lieu thereof "$300,000".

(2) The amendment made by paragraph (1) shall not be construed to require the termination of any loan made before the date of the enactment of this Act.

—(43) Page 29, line 9, insert "and" at the end thereof.

Page 29, strike out lines 10 through 12 (and redesignate succeeding paragraphs and references accordingly).

—(44) Page 29, line 15, strike out "1984" and insert in lieu thereof "1986".

—(45) Page 29, strike out lines 13 through 23, and insert in lieu thereof the following new paragraph:

(3) In Section 211, striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

—(49) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

COMPREHENSIVE REPORT DESCRIBING OPERATION OF LOAN PROGRAM

SEC. 19. The Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following new section:

"SEC. 350. (a) Not later than 30 days after the end of each calendar quarter beginning with the first quarter ending after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the information specified below with respect to loans made, insured, or guaranteed for farm ownership purposes under subtitle A, farm operating purposes under subtitle B, disaster emergency purposes under subtitle C, and economic emergency purposes under the Emergency Agricultural Credit Adjustment Act of 1978:

"(1) the estimated number and dollar value of loans designated delinquent;

"(2) the estimated number and dollar value of loans voluntarily liquidated;

"(3) the estimated number and dollar value of loans accelerated;

"(4) the estimated number and dollar value of loans in the process of foreclosure;

"(5) the estimated number and dollar value of loans foreclosed; and

"(6) the estimated number and dollar value of loans on which any other adverse action was taken.

"(b) Each report submitted under this section—

"(1) shall provide the required information on a State-by-State basis;

"(2) shall list such information separately for each type of loan specified in subsection (a);

"(3) within each such type, shall list such information separately for loans made by the Secretary, for loans made by the Secretary and insured, and for loans guaranteed by the Secretary;

"(4) shall list such information separately for regular loans and for loans made to low-income, limited resource borrowers.

"(c) In preparing the format of the report to be submitted under this section, the Secretary shall closely consult on a continuing basis with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, to ensure a mutual understanding of the requirements specified in this section.".

—(1a) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

REPORT ON ADMINISTRATIVE OPERATIONS OF FARMERS HOME ADMINISTRATION

SEC. 19. Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall—

(1) on a State-by-State basis, identify any unusual agricultural credit conditions in each State and conduct an evaluation of the effectiveness of the Farmers Home Administration in carrying out its duties under all laws administered by the Farmers Home Administration, including the effectiveness of the Farmers Home Administration in addressing such conditions, and

(2) submit to the Congress a report describing the information and evaluation produced under paragraph (1).

—(2a) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

PERIODIC REPORT RELATING TO CHANGES IN BORROWERS' STATUS

SEC. 19. Not later than June 30 and December 31 of each year, the Secretary of Agriculture shall submit to the Congress a report, for the respective 6-month period ending on each such date, specifying on a State-by-State basis the number of borrowers who have succeeded in obtaining credit from conventional sources, thereby allowing the termination of outstanding loans made to such borrowers by the Farmers Home Administration.

—(3a) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

INTERNAL REVIEW STAFF

SEC. 19. The Secretary of Agriculture shall designate, from among the employees of the Department of Agriculture, an adequate number of employees who shall have responsibility, on a full-time basis, to evaluate to bring about the correction of problems revealed in the periodic reviews and audits of the Farmers Home Administration, prepared by the Inspector General of the Department of Agriculture and by the Comptroller General of the United States.

—(5a) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

REPORT REGARDING LIMITED-RESOURCE BORROWERS

SEC. 19. Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall submit a report to the Congress—

(1) describing, on a State-by-State basis, the effectiveness of the Farmers Home Administration in carrying out those provisions of the laws administered by the Farmers Home Administration that relate to loans authorized to be made to low-income, limited-resource applicants, and

(2) specifying, on a State-by-State basis, the number of low-income, limited-resource borrowers who have succeeded in obtaining regular loans from the Farmers Home Administration or credit from conventional sources, thereby allowing the termination of outstanding limited-resource loans made to such borrowers by the Farmers Home Administration.

—(7a) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

RULES REGARDING CONFLICTS OF INTEREST

SEC. 19. The Secretary of Agriculture shall promptly issue and enforce rules—

(1) prohibiting employees of the Farmers Home Administration to engage in any activity which involves a conflict of interest, or the appearance of a conflict of interest and identifying the types of activities which are prohibited by such rules, and

(2) requiring that whenever a close relative, as defined by the Secretary, of an employee of the Farmers Home Administration is known to have submitted a pending application for financial assistance under any of the laws administered by the Farmers Home Administration, such employee shall be notified promptly of the pendency of such application.

—(50) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

REPORT REGARDING REORGANIZATION

SEC. 19. Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report evaluating the feasibility and desirability of transferring to other Federal departments and agencies all authority vested in the Secretary and the Farmers Home Administration with respect to matters relating to rural development.

—(51) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

TERMINATION OF AUTHORITY RELATING TO LOANS TO FARMERS FOR RECREATIONAL USES

SEC. 19. (a) Section 303(a) of the Consolidated Farm and Rural Development Act is amended by striking out "(2) recreational uses and facilities," and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(b) Section 304(a) of the Consolidated Farm and Rural Development Act is amended by striking out", and without regard to the requirements of section 302 (2) and (3), to farm owners or tenants to finance outdoor recreational enterprises or to convert to recreational uses their farming or ranching operations, including those heretofore financed under this title".

(c) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act is amended by striking out clause (ii) and redesignating clauses (iii) through (vii) as clauses (ii) through (vi), respectively.

(d) Section 312(a) of the Consolidated Farm and Rural Development Act is amended by striking out paragraph (5) and redesignating paragraphs (6) through (11) as paragraphs (5) through (10), respectively.

(e) Section 313 of the Consolidated Farm and Rural Development Act is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)", and

(2) by inserting "; or (3) for recreational enterprises or uses" before the period at the end thereof.

(f) Section 316(a) of the Consolidated Farm and Rural Development Act is amended by striking out paragraph (3).

—(52) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

TERMINATION OF AUTHORITY RELATING TO CERTAIN SMALL BUSINESS ENTERPRISES

SEC. 19. (a) Section 312 of the Consolidated Farm and Rural Development Act is amended by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Section 317 of the Consolidated Farm and Rural Development Act is amended by striking out "(except section 312(b))".

(c) Section 309A(a) of the Consolidated Farm and Rural Development Act is amended by striking out "310B, and 312(b)" and inserting in lieu thereof "and 310B".

(d) Paragraphs (2) and (3) of section 310B(d) of the Consolidated Farm and Rural Development Act are amended by striking our "310B, and 312(b)" and inserting in lieu thereof "and 310B".

(e) Section 344 of the Consolidated Farm and Rural Development Act is amended by striking out "312(b), or 312(c)" and inserting in lieu thereof "or 312(b)".

—(53) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

LIMITATION ON EMERGENCY CROP LOANS

SEC. 19. Section 329 of the Consolidated Farm and Rural Development Act is amended—

(1) by inserting "(a)" after "SEC. 329.", and

(2) by adding at the end thereof the following new subsections:

"(b) No applicant under subsection (a) shall be eligible for a production loss loan with respect to a crop under this subtitle if crop insurance was available to the applicant under the Federal Crop Insurance Act with respect to the crop damaged by the disaster.

"(c) Notwithstanding the provisions of subsection (b), the Secretary may make production loss loans to applicants under subsection (a) whenever the Secretary determines that—

"(1) as a result of the disaster, such applicants have suffered substantial production losses and such losses have created an economic emergency for such applicant;

"(2) Federal crop insurance indemnity payments and other forms of Federal assistance for such losses are insufficient to alleviate such economic emergency; and

"(3) additional assistance must be made available to such applicants to alleviate the economic emergency.".

(2) The provisions of this section apply to loans made in connection with disasters which occur 180 days after enactment.

—(54) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

DURATION OF CERTIFICATION

SEC. 19. Section 333(b) of the Consolidated Farm and Rural Development Act is amended by inserting after the proviso the following: "(i) for operating type loans such certification or recommendation shall be effective for all loans made during the same crop year, and (ii)".

—(55) Page 29, after line 23, insert the following new section (and redesignate succeeding sections accordingly):

DEFINITION OF FAMILY FARM

SEC. 19. Section 343 of the Consolidated Farm and Rural Development Act is amended—

(1) by striking out "and" before "(6)", and

(2) by inserting before the period the following: ", and (7) the term 'family farm', as may be defined by the Secretary, may include farms which are principally engaged in agricultural production and where the family provides the principal part of management of and principal part of labor on the farm".

—(56) Page 29, after line 23, insert the following new section (and redesignate succeeding sections and references accordingly):

ADMINISTRATIVE AUTHORITY OF SECRETARY

SEC. 19. The Consolidated Farm and Rural Development Act, as amended by section 17 of this Act, is amended by adding at the end thereof the following new section:

"SEC. 350. The Secretary, in relation to guaranteed loans under this Act or any other Act administered by the Secretary, may authorize a private financial agency or other approved lender to take actions on behalf of the Secretary.".

—(9a) Page 2, after line 4, insert the following new section (and redesignate succeeding sections accordingly):

TERMINATION OF AUTHORITY RELATING TO PRIVATE DOMESTIC CORPORATIONS

SEC. 2. Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended—

(1) by striking out "private domestic corporations and", and

(2) by striking out ", corporations," each place it appears.

—(11a) Page 8, after line 14, insert the following new section (and redesignate succeeding sections accordingly):

FIREFIGHTING EQUIPMENT

SEC. 4. Section 306(a)(14)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(14)(B) is amended by inserting the following before the period at the end thereof: ", which has a median income level below 85 per centum of the statewide nonmetropolitan median family income, and which is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing rates and terms in or near the geographical area served by the applicant for loans for similar purposes and periods of time".

—(12a) Page 8, after line 14, insert the following new section (and redesignate succeeding sections accordingly):

MAXIMUM TERM OF REAL ESTATE LOANS

SEC. 4. (a) Section 307(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(1)) is amended by striking out "forty years" and inserting in lieu thereof "25 years".

(b) The amendment made by subsection (a) shall not be construed to permit or to require the termination or modification of any loan made before the date of the enactment of this Act.

—(13a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

SOLAR ENERGY

SEC. 5. Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended—

(1) by striking out "control, (2)" and by inserting in lieu thereof "control and (2)", and

(2) by striking out paragraph (3).

—(14a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF AUTHORITY REGARDING POLLUTION ABATEMENT PROJECTS

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking out subsection (b).

—(15a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF AUTHORITY RELATING TO WATER SUPPLY AND WASTE DISPOSAL SYSTEMS

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking out subsection (c).

—(16a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF AUTHORITY REGARDING RELATING TO PRIVATE BUSINESS ENTERPRISES

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking out subsection (d).

—(17a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF AUTHORITY REGARDING RELATING TO SUBTERMINAL FACILITIES

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking out subsection (e).

—(18a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF SUPPLEMENTAL LOAN AUTHORITY

SEC. 5. Section 310D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934) is amended—

(1) by striking out ", (5)" and inserting in lieu thereof ", and (5)", and

(2) by striking out paragraph (6).

—(19a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

ELIGIBILITY FOR OPERATING LOANS

SEC. 5. Section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended—

(1) by striking out "and private domestic corporations and partnerships", and

(2) by striking out "corporation, and partnerships," each place it appears.

—(20a) Page 9, after line 3, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF CERTAIN NONAGRICULTURAL LOAN AUTHORITY

SEC. 5. Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended—

(1) in subsection (a) by striking out "(a)", and

(2) by striking out subsections (b), (c), and (d).

—(21a) Page 9, after line 10, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF AUTHORITY RELATING TO SOIL CONSERVATION DISTRICTS

SEC. 6. The Consolidated Farm and Rural Development Act is amended by striking out section 314.

—(22a) Page 9, after line 10, insert the following new section (and redesignate succeeding sections and references accordingly):

MAXIMUM PARTICIPATION BY SECRETARY IN THIRD-PARTY LOANS

SEC. 6. Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is amended by striking out "80 per centum" and inserting in lieu thereof "70 per centum".

—(23a) Page 10, after line 11, insert the following new section (and redesignate succeeding sections and references accordingly):

MAXIMUM INTEREST RATE

SEC. 7. Section 316(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(1)) is amended by striking out ", but not in excess of a rate as may be determined by the Secretary".

—(24a) Page 10, after line 11, insert the following new section (and redesignate succeeding sections and references accordingly):

UNIFORM INTEREST RATES

SEC. 7. Section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) is amended by striking out "reduced by 3 per centum per annum".

—(26a) Page 10, after line 11, insert the following new section (and redesignate succeeding sections and references accordingly):

MAXIMUM TERM OF OPERATING LOANS

SEC. 7. Section 316(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(b)) is amended by striking out "seven years" and inserting in lieu thereof "10 years".

—(27a) Page 10, after line 11, insert the following new section (and redesignate succeeding sections and references accordingly):

TERMINATION OF CERTAIN WAIVER AUTHORITY

SEC. 7. Section 322(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1973(b)) is amended by striking out the last proviso.

SENATE—*Monday, April 18, 1983*

The Senate met at 12 noon 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.

Let us spend a moment in silence remembering those who died in the bombing of the Embassy in Lebanon with all of their loved ones and all of the implications of that situation.

(Moment of silence.)

Lord, thou hast been our dwelling place in all generations. Before the mountains were brought forth, or ever thou hadst formed the earth and the world, from everlasting to everlasting thou art God.—Psalm 90:1, 2, RSV.

We need Thee, Lord. We were made for Thee. Nothing is ever completely right without Thee. We pile up acquisitions until possessions become a burden—yet we never have enough. We move faster and faster—yet we never have enough time. We exhaust ourselves with pleasure—yet we are never really happy. We are satiated—yet never satisfied.

Help us, Patient God, to see that our problem is that no matter what we have, it never is enough—if we do not have Thee. We were made to love Thee and to be loved by Thee. We were made to belong to Thee—to serve Thee—to glorify Thee—to enjoy Thee. "Thou hast made us for Thyself, O Lord, and restless are our hearts until they repose in Thee" (St. Augustine). Gracious God, give us grace to acknowledge our need of Thee—to turn to Thee in humility and receive Thee as our all-sufficiency. In His name who gave Himself totally and sacrificially for us. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

BOMBING OF AMERICAN EMBASSY IN BEIRUT

Mr. BAKER. Mr. President, shortly before the Senate convened, the distinguished minority leader and I were briefed by Under Secretary of State Kenneth Dam, on the bombing of the American Embassy in Lebanon.

Mr. President, the bombing in Beirut this morning is an outrage against the United States for indeed the American Embassy there is a part of the sovereign territory of this country. It appears that there were American casualties. Until all of the people have been rescued from the rubble of that building and properly identified, and perhaps until after the notification of next of kin, it will be impossible to tell how many casualties. In any event, it is clear that there were many injuries and deaths.

Mr. President, matters of this sort are always sad events, but for it to occur on Israeli Independence Day is particularly sad. In this troubled part of the world, the conflict between Israel and her neighbors is well known. But that conflict is no excuse for rank terrorism of this sort.

Mr. President, I condemn those who participated in this sad assault. I hope they will be identified and brought to trial, and I am confident that the outrage of the American people will support that imperative.

I am happy to report that our Ambassador, Ambassador Dillon, succeeded in burrowing his way out of the rubble of his office after the bombing. To give you some idea of how extensive the damage to that building was, the Ambassador's office is on the top floor of that building.

Fortunately, Ambassadors Habib and Draper were not in the building at the time, but in another part of Beirut. Both are safe. I hope later today to have a further report to give the Senate about this tragic event.

POLO GROUNDS

Mr. BAKER. Mr. President, this week's poem celebrates the dawn of yet another baseball season, and I ask unanimous consent that "Polo Grounds," a poem by Rolfe Humphries be printed in the RECORD. Mr. Humphries was awarded the 1956 Fellowship of the Academy of American Poets, largest award of its kind, for outstanding achievement.

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

POLO GROUNDS

(By Rolfe Humphries)

Time is of the essence. This is a highly skilled
And beautiful mystery. Three or four seconds only
From the time that Riggs connects till he reaches first,
And in those seconds Jurges goes to his right,
Comes up with the ball, tosses to Witek at second
For the force on Reese, Witek to Mize at first,
In time for the out—a double play.
(Red Barber crescendo. Crowd noises, obbligato;
Scattered staccatos from the peanut boys,
Loud in the lull, as the teams are changing sides . . .)
Hubbel takes the sign, nods, pumps, delivers—
A foul into the stands. Dunn takes a new ball out,
Hands it to Danning, who throws it down to Werber;
Werber takes off his glove, rubs the ball briefly,
Tosses it over to Hub, who goes to the rosin bag,
Takes the sign from Danning, pumps, delivers—
Low, outside, ball three. Danning goes to the mound,
Says something to Hub, Dunn brushes off the plate,
Adams starts throwing in the Giant bull pen,
Hub takes the sign from Danning, pumps, delivers,
Camilli get ahold of it, a *long* fly to the outfield,
Ott goes back, back, back, against the wall, gets under it,
Pounds his glove, and takes it for the out.
That's all for the Dodgers. . . .
Time is of the essence. The rhythms break,
More varied and subtle than any kind of dance;
Movement speeds up or lags. The ball goes out
In sharp and angular drives, or long, slow arcs,
Comes in again controlled and under aim;
The players wheel or spurt, race, stoop, slide, halt,
Shift imperceptibly to new positions,
Watching the signs, according to the batter,
The score, the inning. Time is of the essence.
Time is of the essence. Remember Terry?
Remember Stonewall Jackson, Lindstrom, Frisch,
When they were good? Remember Long George Kelly?
Remember John McGraw and Benny Kauff?
Remember Bridwell, Tenney, Merkle, Youngs,
Chief Meyers, Big Jeff Tesreau, Shufflin' Phil?
Remember Mathewson, and Ames, and Donlin,
Buck Ewing, Rusie, Smiling Mickey Welch?
Remember a left-handed catcher named Jack Humphries,
Who sometimes played the outfield, in '83?
Time is of the essence. The shadow moves
From the plate to the box, from the box to second base,
From second to the outfield, to the bleachers.
Time is of the essence. The crowd and players
Are the same age always, but the man in the crowd
Is older every season. Come on, play ball!

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the Senate is now in session pursuant to

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

the adjournment of the Senate on Friday. According to the order previously entered, the reading of the Journal has been dispensed with, no resolution would come over under the rule, the call of the calendar has been dispensed with, and the morning hour is deemed to have expired. After the expiration of the time allocated to the two leaders, Mr. President, under the order previously entered, there will be a period for the transaction of routine morning business of not more than 30 minutes in length in which Senators may speak for not more than 5 minutes each. At the expiration of that time, the Senate will resume consideration of S. 144, at which time the Kasten amendment, No. 522, will be the pending question.

A cloture vote will occur tomorrow, pursuant to the petition filed under the provisions of rule XXII. I will explore with the minority leader the possibility of arranging a convenient time for that vote.

I will not be here tomorrow. I must report that my uncle, my father's eldest brother, the last of three surviving brothers, died and his funeral will be tomorrow.

Mr. President, I ask unanimous consent that I may be excused from attendance in the Senate on Tuesday, tomorrow.

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

ORDER OF PROCEDURE

Mr. BAKER. Now, Mr. President, I see the distinguished Senator from Arizona, the chairman of the Intelligence Committee, is here. I have been trying to ascertain whether there will be a call under the rules for a closed session of the Senate. The information I have, I may say to the minority leader, is apparently there will be no request today. Is that correct?

Mr. BYRD. That is my understanding. It is also my understanding that the Senator who planned to make the motion is not here.

Mr. BAKER. Mr. President, I would respectfully request the minority leader to provide us, that is, to provide me and most especially the chairman of the Intelligence Committee and the Vice President, who is a former Director of Central Intelligence, as much forewarning as possible if such a motion is to be made.

Mr. BYRD. I will endeavor to get in touch with the party today and will advise the majority leader.

Mr. GOLDWATER. Will the majority yield?

Mr. BAKER. Yes.

BRING OUR MARINES BACK

Mr. GOLDWATER. First, Mr. President, speaking to the opening remarks, I think it is high time we bring our Marines back. I think we are heading for trouble. I think the day one Marine is killed we have to answer that serious question of what do we do.

That is not what I asked the majority leader to yield for.

THE PROPOSED CLOSED SESSION

Mr. GOLDWATER. Mr. President, I have been on rather important duty in Colorado in connection with the Air Force Academy. I was called Saturday and requested to be here Monday to participate in a closed session. I flew all night to get here. Now I find that one of the participants is not in town.

I have to inform the majority leader that we Westerners, who have a hard time getting home, are getting a little bit tired of these people in the East who can conduct their business out of a taxi, going home and not showing up until Tuesday. If the Senator I am referring to wants to be in town tomorrow and asks for a closed session, fine and dandy. But I am here and ready to go and he is not. I have to report that I think I represent all Senators who come from west of the Mississippi that we are getting a little bit tired of this place being run for the benefit of those people who do not live so far away. I am not speaking of the two Senators I am looking at now. I am speaking of the constant offenders. We are ready to go if they want to go. That is all I have to say. I may have a little more to say on this because I am a little upset.

Mr. BAKER. Mr. President, I believe the Senator is. I understand. I have never been prouder of the fact that I am from the South than I am at this moment. Since the Senator mentioned only the West and the East, I feel absolutely safe and secure under these circumstances.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. BYRD. I can understand the inconvenience that is wrought upon Senators from the West and I am sorry that the distinguished Senator from Arizona has been put to any inconvenience in this matter. I do not know why the Member who is going to make the motion is not here today. It may be that he has very pressing senatorial business back at home, but I think that is something that none of us can control.

I personally hope that the distinguished Senator from Arizona will not be too upset about the matter. I think being upset is something that happens to all of us in this Chamber and often for what appears to be no clear reason. But, as the Senator knows, Senators do sometimes stay in their home States on Mondays, or at least the larger portion of Mondays. In this instance, as I say, I do not have any reason that I can state for the cause of the absence, but we are all absent from time to time, some of us for great lengths of time.

Again, I am sorry that the Senator has been inconvenienced. He is a gentleman, and I know that he will mellow, as he always does. I respect his forthrightness and plain spokenness. I have known BARRY GOLDWATER for a long period of years, and I find that he sort of mellows after he gets things off his chest and begins to smile and everything works out all right.

May I say, too, Mr. President, if the majority leader will allow me, that I am glad I am from a State that had split loyalties during the Civil War. Part of it is above the Mason-Dixon line, part of it is south of the Mason-Dixon line. I guess I might qualify in any category.

Our State is the most eastern of the western, the most western of the eastern; the most northern of the southern, and the most southern of the northern. It is where the East says "good morning" to the West and where Yankee Doodle and Dixie kiss each other goodnight. So you can put me in either category or leave me out.

Mr. BAKER. Mr. President, I have always known I was confused by West Virginia, but I have never known why until now.

Mr. GOLDWATER. Mr. President, I can understand the Senator and I have to say, as a native of the territory of Arizona, we still maintain great pride in the fact that we were the first territory of the Confederacy. Many people still think we made a mistake. I have not reached that point yet, but I am rather close to it. We have had three little battles in our territory between the North and the South. One took place in the saloon my grandfather ran. Another was when the California Column attacked the Pima Indians and got the daylights beaten out of them. The other was when the California Column chased the Confederates out of our territory. Many people still weep on that day. It was a sad day.

Mr. BAKER. Mr. President, I sense a great danger overtaking the Senate. If we do not end this conversation before very long, the very fabric of the Republic may be rent asunder.

Mr. President, I have no further need for my time, if any time remains under the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. ABDNOR). The minority leader is recognized.

Mr. BYRD. I yield my time to the majority leader or the distinguished

Senator from Arizona or any other Senator—the Senator from Kansas, if he wishes.

I yield back my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

A DEFENSE OF STRATEGIC SUPERIORITY

Mr. DENTON. Mr. President, we have all been participants in, and objects of, the broad national debate about the strategic posture of our country and what we can and must do to insure our security and our survival. Much of the debate has been sterile and repetitive, but occasionally one finds an article or a speech that cuts through rhetoric to essential substance.

One such article, by Robert Jastrow, appeared in the March 1983 issue of Commentary magazine. Dr. Jastrow is a man of considerable experience in American nuclear weapons programs and in a broad range of activities affecting our national defense and technological advancement. In his article, "Why Strategic Superiority Matters," Dr. Jastrow makes a reasoned and compelling case for keeping America's strategic defenses strong and for resisting the siren's song of "nuclear freeze" or any other ephemeral "quick fix" for our security problems.

I commend Dr. Jastrow's article to my colleagues.

Mr. President, I ask that the text of Dr. Jastrow's article be printed in the RECORD.

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

[From Commentary, March 1983]

WHY STRATEGIC SUPERIORITY MATTERS

(By Robert Jastrow)

When I was a young physicist I spent a year working on nuclear-physics problems with Robert Oppenheimer at Princeton. I then went out to the Lawrence Radiation Laboratory in Berkeley, where I shared an apartment for a time with Harold Brown, who later became Secretary of Defense in the Carter administration. My friendship with Dr. Brown brought me into contact with Herbert York and the weapons physicists in Berkeley, and that led to a job on the Greenhouse project.

The Greenhouse experiment, which took place in 1951 on Eniwetok atoll in the Pacific, was supposed to create the first man-made thermonuclear reaction, using the energy of a 500-kiloton atomic bomb to ignite a fraction of an ounce of deuterium and tritium placed in a small adjoining chamber. The project was more of a public-relations stunt than a genuine experiment, because everyone knew beforehand that it was pretty certain to work; using a huge atomic bomb to ignite the little vial of deuterium and tritium was like using a blast furnace to light a match. According to my understanding at the time, Edward Teller was trying to get support for the H-bomb project, and since he could not figure out how to build an H-bomb, he thought up the Greenhouse project instead, as a demonstration piece for the people back in Washington.

In any case, my job on Greenhouse was to calculate the temperature of the reacting mixture of deuterium and tritium. As I recall, it was supposed to hit a million degrees or so, which is beyond the range of an ordinary thermometer. As the house theorist, I applied the methods of the branch of physics known as radiative transfer theory to compute the temperature inside the vessel of deuterium and tritium, using measurements on the amount of radiation coming from the outside. It was the kind of calculation astronomers do routinely for the hot gases in stars, and later on I was to do it quite often in NASA, as a part of my work in astrophysics and planetary science.

The Greenhouse assignment led to a trip to the Pacific and a close look at a 500-kiloton atomic explosion. I also had a chance to work with some very bright people, such as Drs. Teller, York, and Brown, and later on, at Los Alamos, with Stanley Ulam, George Gamow, and others. And, of course, there was a great deal of government and Atomic Energy Commission politics swirling around the figures of Oppenheimer, Teller, and Lawrence, of which I had an initimate and revealing worm's-eye view. But that is another story.

I left nuclear research in 1958 when I joined NASA. I did not think much about it, or about nuclear bombs, for the next twenty years until, three years ago, I happened to come across a New Yorker article on nuclear weapons and SALT by Daniel Patrick Moynihan (November 19, 1979). In reading Senator Moynihan's article, I became aware for the first time that the policies of the United States for protecting its citizens from destruction are based on a flawed premise.

The premise is that the Soviet Union will be deterred from a surprise nuclear attack on the United States by the knowledge that such an attack would trigger a devastating American counterattack. And, of course, we are deterred from an attack on the USSR by the knowledge that the Soviets maintain a similar arsenal. The result is a nuclear standoff, and world peace.

In other words, each side holds the other side's civilian population as hostages. Holding hostages, and threatening their massacre, are time-honored methods of achieving one's objectives in war, but they have never been suggested before as a means of keeping the peace. The proposal for mass exchange of hostages is a simple but brilliant strategy conceived by American intellectuals who were trying to figure out a solution to a terrible problem: how does the U.S. protect itself from nuclear destruction in an age in which missiles vault the oceans and the concept of Fortress America no longer has meaning?

The academicians who thought up this idea called it Mutual Assured Destruction, or sometimes simply MAD. It makes very good sense, as you would expect, since the policy was formulated by some of the most brilliant scientists and academicians who have ever served in an advisory capacity to our government. The trouble is that MAD is a theory, and like all theories, it depends on an assumption. This assumption has turned out to be false.

The assumption behind the theory of Mutual Assured Destruction is that both the United States and the USSR will freely offer up their populations for massacre. But this requires that each country give up all attempts to defend its own people. In other words, the two countries must agree that neither will have a civil-defense program, and neither side will try to shoot down the other side's missiles.

On the face of it, this proposal sounds peculiar. What does it mean, as Senator Moynihan wrote, to say "we must not defend ourselves because if we do the enemy will attack"? As a physicist once remarked of Einstein's theory of relativity, when you first hear this line of reasoning you think you must have misunderstood it, and when you understand it you think you must have misheard it.

Actually, MAD is a logical response to the problem of nuclear war, and it could have worked if the Russians had been reasonable and seen matters our way—if they had been willing to offer up their people as hostages, just as we have done. But the Soviet Union saw things differently.

It is now clear—in fact it has been clear for a decade—that while for many years the American government adopted the strategy of Mutual Assured Destruction proposed by our scientists and academicians, the Soviet government rejected it. The USSR undertook to do exactly what our strategists say it is supposed not to do: it implemented large programs for defending its citizens from nuclear attack, for shooting down American missiles, and for fighting and winning a nuclear war. The result, as Senator Moynihan has said, is "a policy in ruins," and the greatest peril our nation has faced in its 200-year history.

Why did the Russians reject the American plan for avoiding nuclear war? Perhaps the reason is that the strategy of Mutual Assured Destruction is very logical, and therefore appealing to a scientist; it is what a physicist might call a "sweet" solution to a difficult problem. Now scientists have an important voice in formulating American defense policy; after all, a physicist became Secretary of Defense in the Carter administration. But in the Soviet Union scientists carry little or no weight in defense matters. Adrei Sakharov—the great colossus of Soviet atomic weaponry, with the stature of Oppenheimer and Teller rolled up in one—tells the story of a banquet attended by Soviet generals and scientists following the first test of a Russian H-bomb in 1955. Sakharov, who had designed the bomb and was responsible for its success, toasted the achievement with a wish that the Russian bomb would never be exploded over cities. The general in charge of the tests replied to the effect that the job of a scientist was to make the bombs, and how they were used was none of his business.

In any case, the Russians have made it clear that they think the theories of the American scientist-advisers are crazy, and they want no part of them. Their rejection goes beyond the concept of Mutual Assured Destruction itself; they reject the view, so widely held in America, that the mass detonation of nuclear weapons would mean the end of civilization, and, therefore, that these weapons are not useful tools of military policy.

At one time, Soviet thinking on nuclear war did echo American ideas on the impossibility of a nuclear victory. That was in the 1950's, soon after Stalin's death, when Malenkov, who was then the Soviet premier,

announced that nuclear war could lead to the "destruction of world civilization." But Malenkov was severely criticized by Khrushchev, who said he had it wrong; only capitalism would perish in a nuclear war. By the mid-1960's the debate was over, and the elements of Soviet nuclear policy were set in concrete. In 1979, Secretary of Defense Brown confirmed that since 1963, "The Soviets have had a policy of building forces for a preemptive attack on United States ICBM's."

And in fact Soviet military writings make it plain that the entire war-fighting posture of the Soviet General Staff rests on the mass use of nuclear missiles:

The most important task of the General Staff in preparing for a modern war is the detailed planning of employment of nuclear weapons by all services of the armed forces.

The armed forces of the Soviet Union . . . must be prepared above all to wage war under conditions of the mass use of nuclear weapons.†

The basic method of waging war will be massed nuclear rocket attack. . . .

Nuclear missile strikes . . . and the ability to use them before the opponent does, are the key to victory.

It is recommended that the nuclear strike be launched . . . unexpectedly for the enemy. Preemption in launching a nuclear strike is expected to be the decisive condition for the attainment of superiority.

Some American scientists and arms-control experts find it hard to believe that the Russians can actually hold these views on the massive use of nuclear weapons. They feel that if the Russian generals think they can fight and win a nuclear war, the reason must be that the generals have not thought the question through carefully. "I don't think we should substitute their judgment for our common sense," said Paul Warnke about the matter. Warnke, who was President Carter's chief arms-control negotiator, thought Russian thinking about emerging victorious from a nuclear war was "primitive," and the United States "ought to educate them into the real world of strategic nuclear weapons."

But the Russians have refused to be educated. Around 1963, in pursuit of their objective of winning a nuclear war if it should break out, they began a massive program for building nuclear bombs, missiles, and submarines. In the next few years, American satellites photographed new missile silos sprouting all over the Soviet Union. In 1967, the Russians built 160 new silos; in 1968, they added 340 more; in 1969, they drew abreast of the United States. By then each side had about 1,000 silos and a like number of missiles.

None of this bothered American strategists because their policy of Mutual Assured Destruction required that each country must have enough nuclear destructive power to kill a lot of the other fellows. Secretary of Defense Robert McNamara had figured out that we had enough bombs to kill at least 50 million Russians directly in a mass nuclear attack, in addition to millions who would die later from radiation poisoning. He stated that he thought this was sufficient to deter the Russians from starting anything. Therefore, in 1967, he froze the United States force of ICBM's at 1,000 Minutemen plus 54 of the older Titans. He also froze the number of missiles carried by our nuclear submarines at 656. Secretary McNamara had said a few years earlier: "There is no indication that the Soviets are seeking to develop a strategic nuclear force as large as our own." The Secretary was relaxed about the Soviet build-up; his feeling was that if the Soviets improved their capabilities for blowing us up, they could be more equal partners in the strategy of Mutual Assured Destruction, and the peace of the world would be more secure.

So, while the Russians were working away at increasing the size of their nuclear arsenal, the United States made no attempt to stay ahead of them, and the number of American missiles and nuclear submarines remained fixed at their 1967 levels. Meanwhile the Soviet military budget continued to climb. It went up steadily, 4 percent a year, year after year. At the same time, the American defense budget, exclusive of Vietnam, began to decline. In 1970, the two budgets crossed—one going up, and the other going down. Still the Soviet budget continued to increase, especially in the area of strategic forces—nuclear bombs, missiles, and submarines—where the Soviets spent about $40 billion a year, while American expenditures in this critical area of defense averaged about $12 billion a year.

By 1969 or 1970, the effects of the massive Soviet build-up were becoming apparent. In round numbers, the Soviet Union now had 1,400 ICBM's plus another 300 nuclear missiles in submarines. Meanwhile, the U.S. strategic forces remained frozen at their 1967 levels of 1,054 ICBM's and 656 nuclear-submarine missiles. Soviet superiority in ICBM's was roughly balanced by our edge in submarine-launched missiles. (We still had a fleet of aging B-52 bombers, but their usefulness against the massive Soviet air defenses was open to question.) Overall the Russians were about equal to us in nuclear destructive power.

Now both sides met the requirements for Mutual Assured Destruction. Each possessed enough weapons to inflict serious damage on the other fellow, and to American strategists, any further build-up by either nation would have been pointless. All that remained was to sit down with the Russians and formalize the arrangement with an arms-control treaty. SALT—the Strategic Arms Limitation Talks—was the result.

Salt, ratified in 1972, did not actually limit the number of nuclear bombs in the American and Russian arsenals. What it limited was objects that carry bombs, such as missile silos and nuclear submarines. A missile silo, as Senator Moynihan has pointed out, is a hole in the ground and it can hurt you if you fall into it, but otherwise it is harmless. A true arms-control treaty should have limited the number and size of the nuclear weapons in the arsenals of the two countries. But the United States was never able to get the Soviet Union to agree to anything like that; the Russians would only accept a limit on items such as the number of holes in the ground.

Even so, the Russians found it difficult to live by the terms of the treaty after they signed it. Some years ago, for example, our satellites caught them in the act of digging 150 extra missile silos that were not permitted by the SALT treaty. When the United States brought this matter to the attention of the Russians, they explained that the new holes were launch-control silos, intended to house the crews and equipment which launched the missiles. But the extra silos had special doors of the kind that pop open to permit a missile's quick escape. A silo with a pop-up door is essential for launching missiles, but highly undesirable for housing the launch-control crew, which usually is housed in an underground bunker to protect it from radiation and other effects of nuclear attack. Whatever use the additional silos might be put to initially, it was obvious that they were meant to be convertible to missile silos at a moment's notice.

Specialists monitoring Soviet compliance with the SALT treaty have reported many other violations. Some are ominous because they indicate a serious intent to deceive the United States. For example, former Secretary of Defense Melvin Laird reported in 1977 that the Soviets had gone to great lengths to conceal from our satellite cameras their operations with the SS-16, a new Soviet ICBM.

Unlike our strategic missiles, the SS-16 is mobile. American satellites discovered signs that SS-16's were being moved about under cover of darkness, concealed in wooded areas, and tested on ranges partly covered with camouflage netting. As a result, Secretary Laird said, we could not be sure whether the Russians were producing SS-16's merely in numbers sufficient to replace older missiles, as the 1972 SALT treaty allows, or enlarging their missile force illicitly beyond the number permitted by SALT. All we knew was that by "elaborate concealment" the Soviet Union had deliberately interfered with the means of verifying compliance with the SALT treaty, which was itself a flagrant violation of the treaty.

Secretary Laird also reported that when the Soviets were testing their SS-20 missile—the medium-range missile that has been deployed in large numbers in Russia and aimed against targets in Western Europe—they scrambled or coded the radio signals which are normally transmitted from the missile to the ground during a test flight so that missile experts can monitor the missile's performance. Because the signals were coded, United States experts could not decipher them to determine the characteristics of the SS-20's.

When the experts finally were able to break the code, they concluded that the SS-20 missiles had been tested with a ton of ballast aboard. This ballast, replaced by fuel, would increase the range of the SS-20 and enable it to attack targets in the United States. In effect the Soviet Union has constructed a dual-use missile that can be aimed either at Western Europe or the U.S., yet its numbers are not counted in the limit on Soviet ICBM's set by the SALT treaty.

The scrambling of the SS-20 radio signals was a particularly cynical violation of SALT on the part of the Soviet Union, because it struck at the very heart of the treaty—the promise by each side that it would not interfere with the other side's "national means of verification."

How did our government handle Soviet violations of the SALT treaty? Senator Edward Zorinsky brought that point up during Senate hearings on SALT II in 1979 when he asked Paul Nitze: "Do you know of any SALT violations that were not resolved . . .?" Nitze replied: "No; but how were they resolved? They were resolved by [our side's] accepting what had been done in violation."

SALT treaty or no, the Soviet Union continued to outspend the United States by a wide margin on bombs and missiles throughout the 1970's. The United States budget for strategic forces—bombs, missiles, bombers, and submarines—went down under the Nixon, Ford, and Carter administrations, and reached a low point of about $9 billion in 1979, at which time is was three-tenths of 1 percent of our Gross National Product. Meanwhile, Russian spending on missiles and bombs continued at a level of about $40

billion a year. By that time, the Soviet Union had spent about $1 trillion on nuclear weapons.

These numbers belie the "action-reaction" theory of the arms race, which holds that the Soviet military build-up is always a response to increases in American defense spending. As Defense Secretary Brown said: "As our defense budgets have risen, the Soviets' have risen. As our defense budgets have gone down, the Soviets' have risen."

Now the time is 1983. The Russians have been outspending us on nuclear weapons since the 1960's. In President Reagan's administration the budget for strategic forces has risen, but not enough to make up for two decades of massive Soviet weapons construction. The Soviet Union is building 150 to 200 ICBM's a year, and we are building none. They are constructing several nuclear-missile submarines a year, and we have retired old submarines faster than we have added new ones, so that the number of submarine-launched missiles in the U.S. arsenal has actually declined.

The result is that the destructive power of the Soviet nuclear arsenal is now more than twice as great as that of the United States. The missile forces of the Soviet Union also have a combination of accuracy, destructive power, and numbers that will enable them to destroy most of our Minuteman missiles in their silos in a preemptive first strike. We lack any such capability. In other words, the Soviet Union has strategic superiority.

But does it matter? As Secretary of State Henry Kissinger once asked: "What in the name of God is strategic superiority? . . . What do you do with it?" The American strategic-nuclear arsenal, divided into the population of the world, is equivalent to a half ton of TNT per person. The Soviet strategic-nuclear arsenal is equivalent to two tons of TNT per person. Nothing seems to demonstrate the folly of building additional bombs and missiles more clearly than these numbers. By any reasonable criterion, both the United States and the Soviet Union have acquired "overkill."

But the reasoning that leads to the idea of overkill, like the reasoning that leads to Mutual Assured Destruction, is based on an assumption. This assumption, again, has turned out to be false. The assumption is that the bombs of the Russians and of the Americans will be exploded over cities. This is what is meant by holding the civilian population hostage. The Russians, however, have made it plain that they find no merit in this idea. In their planning, the top-priority targets are not our cities but our missile silos, bombers, and submarines—and the communication links which would carry the orders for attack to their commanders. In other words, the Soviets aim to prevent us—in the event war should break out—from inflicting damage on their country.

How would the Soviet Union accomplish that objective? Civilian defense, air defense, and missile defense are part of the answer, and the Soviets have large programs in each of those areas. Civil defense is a fifth arm of the Soviet military, with status equal to that of the Soviet Strategic Rocket Forces, Air Force, Army, and Navy.

Another part of the answer is the 5,000 warheads on Soviet ICBM's. It is true that a small fraction of that huge arsenal could destroy every major city in the United States, but the warheads are not intended for that purpose; they are targeted against our 1,054 missile silos, probably two to a silo. This redundancy will insure nearly complete destruction of the American missile force, even when allowance is made for the fact that some Soviet missiles will not get off the ground, others will wander off course, and some will fail to explode.

Thus, the targeted American missile force accounts for approximately 2,000 of the 5,000 Soviet ICBM warheads. Another 500 warheads could be targeted on military airfields and whatever nuclear-missile submarines are in port or can be located. An additional 500 warheads could be allotted to the destruction of our military command-and-control centers and our military-communication links, with the aim of compromising the system by which instructions flow from the President and senior officials to military commanders in the field for the launch of a retaliatory strike on the Soviet Union.

This would leave a force of 2,000 ICBM warheads still available to the Soviet Union for use in deterring the United States from launching a retaliatory second strike with the ICBM's, bombers, or submarine missiles that had survived the first strike. If our government failed to see the wisdom of submission at this stage, and launched a retaliatory strike against Soviet cities, Russian reprisal would be swift and devastating, and the life of our nation would be ended.

What about our nuclear submarines? A great many Americans feel that submarines will be the ultimate deterrent to Soviet attack, regardless of the number of ICBM's in the Soviet arsenal. American Trident submarines are nearly invulnerable to detection when at sea, and, as President Carter once pointed out, the nuclear warheads carried on a single one of these would be sufficent to destroy all the largest cities in the Soviet Union.

The difficulty with this line of thinking is that missiles launched from submarines can only be used to attack cities and similar "soft" targets. The reason is that a submarine never knows precisely where it is in the ocean. Although the path of the submarine-launched missile may be very accurately guided during its flight, if the starting point of the missile's trajectory is uncertain, the place where it lands must be equally uncertain. As a consequence, the accuracy of submarine-launched missiles is relatively poor.

American submarines and their missiles therefore cannot be used to eliminate the missile force of the Soviet Union, or its command-and-control centers, because those targets, hardened with reinforced concrete and underground construction, can be destroyed only by the pinpoint accuracy of a direct hit. (An attack on cities does not require great accuracy, since the power of the nuclear weapon will destroy a city if the bomb explodes anywhere.)

These considerations indicate why American submarines cannot substitute for our force of Minutemen, as a deterrent to Soviet attack. From the limited accuracy of submarine-launched missiles it follows that these missiles can only be used against cities. Therefore they cannot be used at all, because our government will know that if used in this way, they will trigger a punishing Soviet counterattack on our own cities. What President would decide to launch our submarine missiles in an attack on Leningrad and Moscow, knowing that New York and Washington would be destroyed in return? Faced with this option, any government would prefer to live and fight another day.

In the course of time, technology will improve the accuracy of our submarine-launched nuclear missiles to the point where they will have a hard-target "kill" capability, and the American deterrent will be restored. According to present estimates, that should happen by the end of the 1980's. The intervening four to five years will be, as Dr. Kissinger has said, "a period of vulnerability such as we have not experienced since the early days of the Republic."

If the nuclear-freeze movement is successful, the period of vulnerability will be extended into the 1990's. Assuming that does not happen, how will the Russians make use of the four to five years of nuclear superiority they will still enjoy?

The Persian Gulf is the most likely target of a Soviet move. Imagine a Soviet-instigated outbreak of violence in Saudi Arabia, with American businessmen taken hostage, and a pro-Soviet regime installed, backed by Russian guns and Cuban mercenaries. With a substantial part of the oil flow to Western Europe under Soviet control, and the Middle East in upheaval, the United States will be tempted to intervene with conventional forces. If the Soviets respond by sending in their own troops, and conventional war breaks out, we cannot prevail. The USSR has constructed five airfields in southern Afghanistan, bringing the Persian Gulf within range of its fighter aircraft. The Soviet navy heavily outnumbers the American navy in surface ships and attack submarines. As a consequence, we will probably not be able to maintain our supply lines to the Gulf and the Mediterranean and simultaneously protect our sea lanes in Atlantic and Asian waters. Defeat will be almost certain.

Could we threaten to escalate to the nuclear level? Only this threat could hope to save us from defeat in the Persian Gulf. But now the Soviet superiority in nuclear weapons becomes the decisive factor. The United States has gone on a *nuclear alert three times* in the past—in 1948 in the Berlin crisis, in 1962 in the Cuban missile crisis, and in 1973 when the Russians threatened to intervene in the war between Egypt and Israel. We prevailed in each confrontation. In the first two cases we had strategic superiority, and in the third a rough parity. Today, this is no longer true. We would not dare to threaten the use of our nuclear weapons, because of the circumstances I have described.

What about a Soviet move into Western Europe? In Europe, the superiority of conventional Soviet forces would be overwhelming: approximately 45,000 tanks on the Soviet side against 17,000 in NATO; a Soviet superiority of 2 to 1 in aircraft, 2 to 1 in artillery, and 3 to 1 in missile launchers. NATO forces would not be able to withstand a massive Soviet thrust into Western Europe.

But a direct attack would not be necessary. Threats, accompanied by a general escalation of tension, would probably suffice to bring all of Western Europe under Soviet hegemony. Aleksandr Solzhenitsyn has described how it would happen:

"At one time there was no comparison between the strength of the USSR and yours. Then it became equal. . . . Perhaps today it is just greater than balance, but soon it will be two to one. Then three to one. Finally, it will be five to one. . . . With such a nuclear superiority it will be possible to block the use of your weapons, and on some unlucky morning they will declare: 'Attention. We're marching our troops to Europe, and if you make a move, we will annihilate you.' And this ratio of three to one, of five to one, will have its effect: you will not make a move."

Twenty years ago, or even ten years ago, the American nuclear arsenal would have been sufficient to deter a Soviet attack on Western Europe, but that is no longer the case.

When will the Russians make their move? Leonid Brezhnev supplied the timetable a few years ago, in a speech to Communist leaders in Prague:

"We are achieving with détente what our predecessors have been unable to achieve using the fist. . . . By 1985, . . . we will have achieved most of our objectives in Western Europe. . . . Come 1985, we will be able to extend our will wherever we need to. . . ."

And so we finally see why strategic superiority matters. We see how it is that, as Senator Moynihan has said, he who can blow the world up three times has more power than he who can blow it up only twice.

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

The PRESIDING OFFICER. The clerk will call the roll

The acting 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.

RECESS UNTIL 1 P.M.

Mr. BAKER. Mr. President, there is no Senator now seeking recognition. Rather than engage in an idle quorum call, I ask unanimous consent that the Senate now stand in recess until the hour of 1 p.m. today.

There being no objection, the Senate, at 12:16 p.m., recessed until 1 p.m.; whereupon, it reassembled when called to order by the Presiding Officer (Mrs. KASSEBAUM).

The PRESIDING OFFICER. Is there any further morning business?

Mr. BAKER. Madam President, I understand that at least one Senator is on his way to the floor who has a need for time for the transaction of routine morning business. While we await his arrival, 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. PROXMIRE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. PROXMIRE. Madam President, it is my understanding we are in morning business; is that right?

The PRESIDING OFFICER. That is correct.

WHAT IS RIGHT, BUT ESPECIALLY WHAT IS WRONG WITH SCOWCROFT MX RECOMMENDATION

Mr. PROXMIRE. Madam President, yesterday the New York Times carried the most interesting analysis I have seen of the Scowcroft Commission's MX study. McGeorge Bundy offered his opinion. It was a stunner. Bundy is specially qualified to speak on the MX. He served as Special Assistant for National Security Affairs for both Presidents Kennedy and Johnson. He was Chairman of the General Advisory Committee of the Arms Control and Disarmament Agency from 1979 to 1981.

Bundy begins his analysis by calling the Scowcroft report both the best and worst state paper of the nuclear age. And Bundy is right.

The Scowcroft Commission is right in these respects:

First, it slams shut the so-called window of vulnerability—the threat that a Soviet first strike would destroy our deterrent. It does not claim that our Minuteman silos are themselves invulnerable, or that even our Triad will forever be invulnerable, but it concedes that there is now no window of vulnerability.

Second, the Scowcroft Commission report suggests that in the longer run we can buy long-term ICBM survivability with a smaller single warhead missile.

Third, the report recommends that we should seek to shift arms control from the missile counting basis to the warhead basis. This would sharply reduce the advantage of heavily MIRV'd missiles that are highly vulnerable but devastating first-strike weapons. Both sides have emphasized intense MIRV'ing—especially the U.S.S.R.—and in the process the nuclear arsenals have become far more hair-trigger, first-strike oriented. Single missiles would go the other way. They would make the missile system less vulnerable and less threatening at the same time.

Bundy calls these three Scowcroft recommendations what makes the Commission's paper the best state paper of the nuclear age. What makes it the worst?

With that great start, one would expect the Scowcroft people to recommend that we deploy our missiles to make them as invulnerable as possible and negotiate to make the missiles on both sides as unthreatening as possible. But does it? No. It does in precisely the opposite direction. It recommends that we put the hard target multiple warhead MX in Minuteman silos. Since they are highly vulnerable and very likely to be knocked out in a first strike by the U.S.S.R., they pose little or no survivable deterrent. What is worse, because they are useful for a first strike, they persuade the Russians that we are building them because we want that first strike as a very real option.

Placing the MX in vulnerable silos also raises the problem of launch on warning—putting a hair trigger on the arms race.

As Bundy says: "If ever there was a 'use it or lose it' system, ill designed for stability in crisis, it is this one." This recommendation is designed to kill arms control not to encourage it.

Madam President, the Scowcroft recommendations could move this Government away from the survivable deterrent system that this country has relied on throughout most of the nuclear age, since it became clear that the Soviet Union had developed their own nuclear capability. This Commission would move us into a nonsurvivable first-strike posture. We should reject this recommendation.

Madam President, I ask unanimous consent that the article by McGeorge Bundy from yesterday's New York Times be printed at this point in the RECORD.

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

[From the New York Times, Apr. 17, 1983]

MX PAPER: APPEALING, BUT MOSTLY APPALLING

(By McGeorge Bundy)

Last week the Scowcroft commission published what is at once one of the best and worst state papers of the nuclear age. Unfortunately, it seems possible that the best parts will be less appealing to President Reagan than the worst. It is obvious from the elaborate White House orchestration that the report has been constructed with built-in Presidential approval and that at its core it is a selling job for the wrong missiles in the wrong place—100 MX missiles in Minuteman silos. This solution has been repeatedly reviewed and rejected both by Congress and by the executive branch over the last 10 years.

But let us begin with the good parts. First, the report deliberately and correctly destroys one of the principal myths on which Mr. Reagan campaigned in 1980—the myth of the "window of vulnerability," or the threat of a Soviet first strike on Minuteman silos. Growing Soviet missile forces with growing accuracy, it was said, would allow the Russians to knock out nearly all those silos early in the 1980's and the President would not dare respond because our cities would still be hostage. It was an unreal but chilling scenario, and until last week no one around Mr. Reagan had ever questioned it in public. Now the commission has given it a fitting burial. The commission observes that a "massive surprise attack" on our 1,000 Minuteman silos would be a very special case and concludes: "To deter such surprise attacks we can reasonably rely both on our other strategic forces and on the range of operational uncertainties that the Soviets would have to consider in planning such aggression." Thus, the window of vulnerability is slammed shut on the fearful fingers of the Committee on the Present Danger.

The commission puts one condition on this conclusion, and again it is a good one. The vulnerability of the Minuteman, consid-

ered alone, is real if uncertain, and it does raise a serious long-range question, because our bombers and submarines may not always be as survivable as they are now. If we can buy "long-term ICBM survivability" for a sensible price, we should indeed have it, and the most promising possibility is a smaller single-warhead missile, as thoughtful students have been saying for quite a while. The recommendation for careful research and development on such a new missile deserves full support.

A third good basic recommendation is allied to the first two: It is that we should seek to shift the counting rules of strategic-arms control from launchers toward warheads. This good idea is a belated but entirely sensible effort to deal with the destabilizing effect of MIRV's (multiple independently targetable re-entry vehicles)—that is, many warheads on one missile. MIRV's are the United States' worst single contribution to the nuclear arms race. What they did, as many warned at the time, was to give the attack an advantage over the defense, because a multiple-warhead missile can "kill" several opposing missiles in one shot, while it takes at least two single-warhead missiles to "kill" even one similar weapon with assurance.

SALT, for reasons of verification and habit, counted mostly launchers, not warheads. This way of counting strengthened attachment to MIRV's on both sides, because if you can have only so many missiles under an agreement, why not pack them with as many warheads as you can? We were firstest with MIRV's but the Russians have been mostest, and the commission is right: It is time to go to work to change the counting rules. The commission is also right when it notes that some of Mr. Reagan's proposals in the strategic arms talks in Geneva move in the wrong direction on this score.

So far so good. What is wrong? Only the centerpiece of the report. It goes in exactly the opposite direction by placing the first-strike multiple-warhead MX in Minuteman silos, right where Soviet MIRV's could knock it out if ever the Kremlin thought we were about to use it. Because the MX has 10 warheads, not the two that is the average in the Minuteman force, it will be five times as vulnerable, warhead for warhead, as Minuteman itself. It violates the fundamental rule first laid down in the Eisenhower Administration: The object of any new strategic system is to deter, and to deter safely it must be able to survive.

If there was ever a "use it or lose it" system, ill-designed for stability in crisis, it is this one. Yet it comes to us from a commission that elsewhere tells us that "stability should be the primary objective." A system of this kind is open to only one protective device, a capacity for launch-on-warning—for rapid firing on possibly fallible electronic notice of an incoming attack. But on this critical point, the commission is alarmingly silent. It would have done better to recognize more candidly its deliberate abandonment of our most important single standard for strategic force planning.

The arguments offered directly for this strange choice are thin. We need it to induce Soviet acceptance of new arms control limits, says the commission. But as the commissioners recognize, the Russians are already testing their own MX and their own single-warhead missile. The Soviet answer to new programs will be new programs, not new concessions. If the commission wants a no-new-MIRV agreement, which would make good sense, it should propose just that. It should not pretend that the MX in Minuteman silos is arms control in disguise. Nor should it compare this problem with that of the antiballistic missile defense treaty. The Russians joined us in curbing ABM systems precisely to insure the deterrent effectiveness of their land-based missiles. They are not going to be driven to sea by MX. The whale will not convert the elephant by imitation.

Most of the commission's other direct arguments are thinner still. If we do not deploy MX, it says, the Russians will doubt our "national will and cohesion." Is honest disagreement on hard choices a sign of weakness? A commission of Americans should know better. But our existing land-based intercontinental missile force is aging, says the commission. So it is, but as the commissioners recognize in the very next sentence, the necessary programs for keeping this force effective are already in train. But, they argue, we need a hedge against possible Soviet antiballistic missiles. Is the commission suggesting that our existing 10,000 warheads could not be programmed for this task? But, it says, we need a new booster as a backup for the space shuttles. Well, if we do, we do. But is this a serious argument for 1,000 new first-strike thermonuclear warheads?

The real purpose is different, but the commision wraps it in jargon. The main reason for this recommendation is that a commanding majority of its authors want these first-strike weapons because the Soviet Union has them. Never mind their contribution to instability in crisis; never mind what the Russians will build in reply; never mind what else you could do with $15 billion; never mind the fact that the Russians do not have a true first-strike capability because the window of vulnerability was never open; never mind that Soviet advantages on land are fully matched by our superiority in the air and under water. Because the Russians do have weapons that can strike first at hard targets, the commission concludes that we must have them, too. When you disentangle all the report's complex language, that is all there is, and the commissioners neglect to tell us that we have plenty of weapons already that can strike hard targets second—our bomber force may be the best system in the world for this legitimate purpose.

For almost 30 years, we have made survivable second-strike strength our central strategic standard. Are we now to move, in a cloud of consensus prose and good intentions, to a nonsurvivable first-strike system?

At the very least Congress should dig deeper than the commission or its sponsor. It might begin by seeking counsel from all quarters—there are many outstanding students in its own ranks. It should not rely on a report written by a panel carefully selected to include only tested friends of MX. It might well find that the Scowcroft commission has almost everything right except the recommendation that was preplanned by the White House. In spite of the commission's unexplained insistence that all its ideas make a single package, Congress has every right and duty to take only what it finds truly needed.

THE HOLOCAUST MUSEUM: APPROPRIATE FIRST STEP TOWARD PREVENTION OF FUTURE GENOCIDAL ACTS

Mr. PROXMIRE. Madam President, the U.S. Government recently donated two vacant buildings adjacent to the National Mall for use by the U.S. Holocaust Memorial Council. The buildings will house an extraordinary museum—one dedicated to the memory of those who perished in the Holocaust.

Through a combination of private funding and Government support, the Holocaust Museum will preserve the memory of the dreadful annihilation of European Jews by Hitler's Nazi regime.

Although it seems preservation of this memory through the Holocaust Museum is an act no one would question, many people have raised doubts about the approriateness of the U.S. Government donating buildings and funds for this purpose. Their basic question is, "What did the Holocaust have to do with the United States? Isn't it just a thing between the Jews and the Germans?"

Columnist Richard Cohen addressed this question in a recent Washington Post article. "Of course," he said, "the Holocaust is about Jews and it is about Germans, too." But, he continued, "by extension and a kinship in horror, it is also about the slaughter of the Armenians by the Turks and the slaughter of the Cambodians by the Cambodians."

The Holocaust, concluded Cohen, is a haunting illustration of what man has, does, and can do to his fellow man. It is not an exception to history, but rather part of a continuum. It is what he calls the "ultimate" example of mindless horror—ultimate not because it will be the last such horror, but ultimate because of its scale. It is, because of its magnitude, the most blatant example of irrational horror perpetrated by man, and that is why it should never be forgotten.

Of course, the United States had no real role in the Holocaust. But, as Cohen explained:

> We are people and those who died in the Holocaust were people and so it is neither wrong nor weird that we should memorialize them on the Mall and build a monument in both stone and programs to their memory.
>
> Not because America had any role in the Holocaust.
>
> Not even so it never can.
>
> Not because it is the least we can do.
>
> But because it is all we can do.

Cohen's column shows that genocide, such as the Holocaust, is not a thing of the past. It is part of history, and can always occur. For that reason, we must do all that we can to guard against it ever happening again. One measure we can take to do so is, as Cohen says, to preserve for all future generations the memory of the Holocaust. However, contrary to what Cohen says, that is not all we can do. Another major step we can take toward preventing genocide is ratification of the Genocide Convention. This

treaty was born out of the same horror at the Holocaust which prompted the Holocaust Museum. It was a measure passed by the United Nations to accomplish the same purpose as the Holocaust Museum—to neither let us forget nor allow to occur again any form of genocide. In the same spirit in which we allocated two buildings for the Holocaust Museum, let us ratify this essential treaty. To fail to do so would be hypocritical. To do so would be both timely and appropriate. I urge my colleagues to join me in seeking ratification of this vital treaty.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

INTERNATIONAL TRADE AND INVESTMENT ACT

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 144) to ensure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 522

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I ask for the yeas and nays on the Kasten amendment.

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

The yeas and nays were ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

CLOTURE MOTION

Mr. KASTEN. Madam President, I send a cloture motion to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the Kasten amendment No. 522 to S. 144.

Bob Kasten, William Proxmire, Paula Hawkins, David L. Boren, John P. East, Jesse Helms, Wendell Ford, Walter D. Huddleston, Steve Symms, J. Bennett Johnston, Ernest F. Hollings, John Melcher, Nancy Landon Kassebaum, David Pryor, Orrin G. Hatch, Don Nickles, J. James Exon, Jeremiah Denton, Jennings Randolph, and Thad Cochran.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. Madam President, today we begin discussing the merits of withholding income taxes due on interest and dividend income. We have had a lot of discussion on this floor about this issue, but it has been confused, in the view of this Senator, with the primary issue then on the floor—first of all, the jobs bill, then social security. Now, in order to consider this matter more or less on its merits, we may be borrowing trouble by bringing up an S numbered revenue bill to send to the House of Representatives.

The Senator from Kansas is certainly mindful of the emotions that this issue and the possibility of extended debate have generated already. The Senator from Kansas is not certain what will happen on the cloture vote tomorrow or on following days, but this is an important issue. We have over 500 amendments to dispose of in the event cloture should be invoked. This Senator is certain there will be time to allow all of his colleagues one opportunity to examine the merits of this issue.

The President, on Saturday, issued a strong statement in support of withholding, indicating his continued commitment to tax reform and tax compliance, not new taxes, not repealing indexing, not repealing the third year of the tax cut, not repealing other tax reductions we have enacted in the past couple of years in this Congress. But the Senator from Kansas is aware, and I am certain others are aware, that in the 1983 budget the President of the United States suggested we take a look at withholding of taxes on interest and dividend income. I am pleased that, in the President's radio message last Saturday, he indicated he has not yielded from that position.

The President indicated in no uncertain terms that he had his pen behind his ear; he was prepared to veto any repeal of the legislation passed last year that would require withholding of tax due on interest and dividend income.

Notwithstanding that, we have had a lot of discussion. We have been deluged with mail. We have had a very well-financed lobbying campaign carried on by financial institutions in this country. Much of the information sent to us has been inaccurate. We constantly have seen advocates of repeal refer to this as a withholding tax instead of tax withholding. In fact, I suggest that the President made that mistake in the first sentence of his radio address on Saturday. But notwithstanding that, it was a good address and it indicated very clearly the President's position on this issue.

Madam President, this Senator did not come to the decision to support interest and dividend withholding easily. The Dole-Grassley compliance bill introduced a little over a year ago contained most of the compliance provisions which were incorporated in the Tax Equity and Fiscal Responsibility Act. It did not, however, include withholding on interest and dividends. The Senator from Iowa and I opted to rely primarily on increased reporting requirements and more stringent penalties to improve tax compliance. The only withholding provision in the bill as originally introduced was pension withholding. However, when the Finance Committee received a budget target of $98.3 billion in increased revenues over 3 years, we were faced with the decision on how best to raise those taxes. We decided it was far more appropriate to do our best to collect taxes that are owed under present law and are not being paid than to impose new taxes on the people now paying their taxes. As a result, we took another hard look at how we could strengthen the compliance package without imposing unacceptable levels of interference with the lives of American citizens. We found that the percentage of the compliance on interest and dividends was unacceptably low, especially in comparison with wages, which is about 99 percent. Compliance on interest and dividend payment of taxes was around 85 percent.

It seemed to a majority of us on the Senate Finance Committee that withholding on interest and dividends was a compliance measure that was both effective and fair. We have had withholding on wages for 40 years and I would guess the working people in this country could make the same argument the American Bankers Association makes now, that is, "If you did not take the taxes out of my check every 2 weeks or every month, I could put that money in the bank and make interest and then pay my taxes at the end of the year."

We have a 99-percent compliance rate with the people in this country who work for a living and receive wages and salaries. We have an 89-percent compliance rate with those who receive interest income. The dividend compliance rate is a little less than the interest compliance rate, about 85 percent.

It has been suggested by some that all we have to do is audit more returns, hire more IRS agents. We are informed by the Internal Revenue Service that less than 2 percent of the

returns in this country are audited. But if we lose on this issue, and expect to collect the same percentage of taxes due on dividends and interest we are going to have to hire 30,000 to 40,000 new employees. That is what will be necessary to make a reporting system as effective as interest and dividend withholding.

Now, if you want a real tax revolt, let us hire 30,000 or 40,000 more IRS agents and spread them across the country and let them audit about one in every five returns. Then we will have, I think, a real tax revolt on our hands, and it will be a people's revolt.

Some have argued that withholding punishes a majority of honest Americans in order to enforce compliance from the dishonest or negligent ones. This argument rests on the loss of compounding if taxes were withheld throughout the year. This Senator has already discussed the minimal nature of this possibility—less than 5 cents per $100 of savings.

However, when the issue was last discussed on the Senate floor, this Senator explained that the banks had the option of end-of-the-year withholding on passbook accounts and that Treasury by regulation had recently extended end-of-the-year withholding to money market accounts.

The final regulations extended this option to money market funds also. We have accordingly received revised revenue estimates that confirm that the availability of end-of-the year withholding has made the loss of compounding a nonissue.

The most recent estimates show that, on an ongoing basis almost all—over 98 percent—of the gain from withholding is improved compliance.

We want people who owe taxes to pay their taxes, so that we are not required to raise other taxes or take away certain tax benefits, justifiable benefits, that some people have today.

Thus, this Senator believes that the argument that withholding is an unjustified intrusion on honest Americans, if it ever had any validity, no longer can be argued by anyone who has the facts.

COST TO THE BANKS

The other principal argument advanced by those who would repeal withholding is that withholding would be costly to implement.

This Senator has often stated publicly and privately that, if the financial institutions establish that the so-called "float" included in the withholding rules does not adequately compensate them for the costs of implementation, he would be willing to discuss further modifications to the float provisions.

However, the American Bankers Association admittedly has not analyzed the costs of implementation, evidently preferring to devote resources to repeal of the provision rather than to establish if it in fact gives them any substantial problems. They have "guessed" that the costs would be in the several billion dollar range, but they have prepared no empirical study to support this number.

On the other hand, the Treasury Department has attempted to develop a preliminary estimate as to the costs of implementation. They estimate that the costs would aggregate $600 to $700 million which would be compensated for both by the float and by a business deduction from income for Federal income tax purposes. To put this cost in a different perspective, it comes to about $2 per account before float and before tax deductions.

Mr. KASTEN. Madam President, will the Senator yield on that point?

Mr. DOLE. I yield.

Mr. KASTEN. Does that $600 million or $700 million include the cost to the Treasury, or is that the cost the Treasury estimates the banks will have?

Mr. DOLE. I will touch on that in a second.

Mr. KASTEN. We have had a hard time getting the Treasury to tell us how much it will cost the IRS to implement this new withholding regulation, particularly the exemptions. Does that number include that?

Mr. DOLE. I will touch on it in a few minutes. If not, we will come back and discuss it further.

I might also point out that computer software companies are taking up the challenge to provide mechanisms for the financial institutions to implement withholding and the cost of these programs appear to be relatively modest, indeed.

In fact, there is a firm in Baltimore, Md., which indicates that they can provide the necessary software for almost any financial institution for around $30,000.

I will go into this issue in more detail later, but I want to emphasize that, to the extent costs to the institutions are a real problem, neither this Senator nor the administration has indicated anything other than sincere willingness to discuss and resolve it.

A PEOPLE'S ISSUE

Madam President, this issue is a people's issue. How the Senate votes will let the people know whether we are serious about compliance with the tax laws or whether the income tax should be, in part, voluntary. It will also inevitably let the people know whether we believe that all individuals should pay the taxes they owe before we raise taxes on honest individuals, cut spending programs or increase the Federal deficit. How the Senate votes on this issue will be a measure of how responsible we are about the economy, our society, and the fairness of our laws.

Madam President, let me say, as an aside, that I note that the Senate Budget Committee is deadlocked over the issue of taxes. That is rather interesting. Some members of the Budget Committee say we should raise taxes so many billions of dollars and are, at the same time, saying we should not collect taxes that are due. I find that to be a rather amusing argument—that we do not want to collect taxes, but we will solve the Federal budget problem by imposing more taxes.

As chairman of the Finance Committee, it seems to me that we have an obligation to say to the American people, "OK, if there are $87 billion or $100 billion in taxes," as reported in U.S. News & World Report about 2 weeks ago, "that are not being collected, then we should collect those taxes before we take away any part of the third year of the tax cut or start tampering with indexing or make any other changes that were made in the tax laws in 1981."

So as I watch the Budget Committee discuss what they believe the revenue and spending mix should be, maybe we cannot reduce spending enough. Maybe there will have to be some give on the revenue side. The Senator from Kansas would be willing to undertake whatever target the Budget Committee suggests, if we were certain we could have tax compliance before we had tax increases.

Madam President, as this debate develops and as we focus on the issues, the Senator from Kansas will make one or two other points, and then I will be glad to yield to others who wish to speak.

This is a very sensitive issue. I think every Senator, every Member of Congress, and everybody else who has been involved will agree that there never has been an issue that has generated so much mail and that has caused so much concern, not only among the financial institutions, but also among those of us who enact the laws and try to provide consistency and fairness in what we do.

The Senator from Kansas has been unduly blessed. As chairman of the Finance Committee, I get more mail on this issue than most other Senators. We now have more than 600,000 pieces of mail from credit unions, which call this a withholding tax. Credit unions are tax exempt, and some have nearly a billion dollars in assets. They pay no taxes at all. So they have a lot of money to send out all the propaganda they have sent to Members of Congress. I think that by their lobbying statement, although it is hard to tell what they have spent, they have spent a considerable amount of money.

The American Bankers Association admits to spending only about $300,000, but that does not account for all the money spent in each State by many banks in running ads. Most of the cards that come to our office have been stamped by a bank. It is not a

grassroots campaign. It is not a campaign in which the people are so irate that they are going to put a stamp on a postcard.

Mr. KENNEDY. Madam President, will the Senator yield?

Mr. DOLE. I yield.

Mr. KENNEDY. I intend to talk on the issue, but inasmuch as the Senator is talking about the mail, I wonder whether his experience is similar to mine. It seems that from some of the smallest banks, you usually get a small letter, which is paid for by the banks. From the medium-sized banks, you get a larger envelope paid for by the banks. From the even larger banks, you get even a bigger envelope paid for by the banks. Then, from some of the biggest banks, you get a whole box paid for by the banks.

Mr. DOLE. Yes; I have noticed that odd progression.

Mr. KENNEDY. I wonder whether it is also the Senator's experience that on some mail it just says "To Senator," but it does not even have the Senator's name. Is that similar to the experience the Senator from Kansas has had?

Mr. DOLE. That certainly tracks this Senator's experience.

Mr. KENNEDY. Is it the experience of the Senator from Kansas that the bank itself would be paying for this mailing?

Here is an envelope on which the postage was $3.49, from the Mutual Bank, Franklin Street, Boston.

So the banks themselves, I find, are actually sending this.

Mr. DOLE. That is the experience we have had. We know that in some cases people have sent them in on their own. The great majority have come in large boxes or bundles, and the smaller banks have a simple form letter they use. You go in and make your deposit and sign one of the cards.

The Senator from Kansas has had a lot of mail from people who had never written to him. They were glad to get my response, but they had not sent me a postcard.

So it indicates that someone in some bank has just gone down the list of depositors, filled in enough coupons, mailed them in to Senator BOB DOLE in this case, and I am certain the Senator from Massachusetts has been blessed with a lot of this kind of mail also.

Mr. KENNEDY. I thank the Senator.

Mr. KASTEN. Madam President, will the Senator yield on that point?

Mr. DOLE. I yield on that point.

Mr. KASTEN. I only wish to ask the Senator from Massachusetts if any of those cards or letters are coming from the big banks. He said the big banks are sending in cartons. I wish the Senator to know that the big banks, the very biggest banks in the country, are in favor of this law. They are in favor of this new regulation because it is going to give them a greater competitive advantage. They already have the computer hardware and the computer software.

I cannot remember—the Senator from Massachusetts might know—whether First Boston is now supporting the appeal as is the Chase Manhattan Bank, the Mellon Bank in Philadelphia, the Bank of America, and others. The Hanover Trust and several other big banks are now on the other side. I do not know if the First Boston is one of those. He did not read off First Boston. He had a different bank there.

I wish the Senator to know that the banks are not opposed to this regulation because they can digest it. It is the medium-size and small banks and savers who are having the trouble.

Mr. KENNEDY. I would respond that these come from all of the banks but perhaps not from the biggest banks. I will be glad to make that clarification. I think the Senator from Kansas has already addressed the issue in terms of the cost factors. But the biggest banks—the Senator is quite correct—are not supporting the Kasten amendment.

Mr. DOLE. There may be some of the bigger banks—I am not certain—but I do not know of any bank that has been out lobbying against the Kasten amendment. A few of the biggest banks may quietly say that they do not really have any trouble with this but they do not say it very loudly. They do not want anyone to hear them say it, but we are happy to have their help.

But we have other great organizations such as the chamber of commerce, of course, that are opposed to anything. They are out here trying to get this repealed and they have really been helpful to the President in the last 2 years. We must accept their position for what it is.

But the point the Senator from Kansas wants to make is that there is a lot of money being spent on this campaign that does not show up on any official statement.

The Senator from Massachusetts pointed out the postage is paid by the bank. I do not suggest that a lot of people are not upset about this issue. A lot of people in my State are upset about it, primarily because they never heard the other side and do not know all the facts.

This Senator went to his State during the recess, made about 16 appearances, and was asked about withholding at every stop.

I found that once the people understood the issue and we did not have all this misunderstanding, they said "Well, it is probably all right." Once they were told we were not going to take 10 percent of their savings or their savings were not going to disappear and all the other misinformation that has been spread about withholding, then I think most people were not opposed. If they are working for a living, withholding on their salaries or wages is imposed and, it is pretty hard to say you should do that but you should not withhold taxes due on interest and dividend income.

As I will discuss later this week or next week, whenever we get around to it, we have had withholding before on interest and dividend income. I was reminded by Mortimer Kaplan, who was the Commissioner of the Internal Revenue Service under President Kennedy, that in the Civil War, in 1862 and thereafter, we had withholding on interest and dividend income. We did not have withholding on wages, with the exception of the Federal employees.

So this is not something new that just sort of sprung up overnight. We have had it in the past, and I hope we are going to have it take effect July 1.

But the point is that this has been a very, very emotional issue, and the Senator from Kansas understands that fact probably as well as any Senator, being chairman of the Finance Committee and having made rather strong statements in support of withholding.

We are now told by Treasury, based on the latest changes they have made, we are talking about losing in revenue about $18 billion over the next 5 years. If we are not going to collect $18 billion in taxes that are due, then where are we going to find the $18 billion? Are we going to take it from other taxpayers? Are we going to take it from working men and women? I would hope not.

It just seems to me that once people understand this is tax compliance and once they understand this is part of the President's and Congress effort to make certain we have compliance, then I believe we can stave off this massive effort to repeal a law that we have not had a chance to determine whether it will work or not. Had it been in place for 1 or 2 years and had we discovered there were so many exemptions, so many problems that could not be administered, then I would think the repeal argument might have some merit.

But I think to say we have to repeal it before it ever starts is an indication of what I thought was the case: That it is probably going to work and many people who have been told how bad it was are going to determine very quickly that it is not a bad law.

It only requires us to pay taxes we owe in the first place. It is not going to take away any of our savings. It is not going to do a lot of other things.

Mr. HEFLIN. Madam President, I rise to speak in support of the amendment offered by my good friend from Wisconsin, Senator KASTEN, to repeal

the savings and dividend withholding provisions approved by Congress last year.

This is a people's issue, not a bankers' issue. It is an economic recovery issue, for increased savings are essential for the Nation's turnaround.

The people of my home State of Alabama are justifiably outraged, as are all Americans, at this new law which will require financial institutions to deduct 10 percent of their customers' savings and dividend income and deposit them with the Internal Revenue Service. Under this new law, the Internal Revenue Service will be receiving funds that before would have been in citizens' accounts drawing interest. It removes funds from accounts that would otherwise be available for compounding or reinvestment. This withholding law is, in effect, forcing the citizens of this country to make interest-free loans to the U.S. Government.

My opposition to this ill-conceived law is well known to the Members of this body. I opposed and voted against the withholding measure when it was offered as a provision in the Tax Equity and Fiscal Responsibility Act of 1982. I offered an amendment, at that time, which would have deleted this provision from that bill. During the lame duck session in December, I offered an amendment to delay the implementation of this procedure. A modification of my amendment was passed by the Senate, but was not agreed to by the House conferees. Since that time, my opposition to the withholding law has grown even stronger as I have traveled through my home State and listened to the concerns of thousands of Alabamians regarding this law.

The vast majority of our taxpaying citizens are honest people. The Secretary of the Treasury, Donald Regan, has acknowledged that there is 97 percent compliance in the interest and dividends area when three conditions are met: First, the individual files a tax return; second, the payor files a 1099 information return; and third, the information return has a correct taxpayer identification number and is readable. Currently, there is only a 3- to 4-percent loss in tax collections in this type of income. This is a very good record when one considers the complicated tax laws under which we now operate.

If allowed to become operational, the withholding procedures will create yet another bureaucratic burden on wage earners, savers, investors, and perhaps most importantly, the elderly. In order to be exempt from withholding, elderly and low-income individuals will be required to file exemption certificates with each institution from which they receive payment of interest and dividends. They will also be required to file a different exemption certificate for each account relationship, and a new exemption certificate each time they cash in an interest coupon, savings bond, certificate of deposit, or similar obligation. The impact of the withholding law on elderly taxpayers who are not exempt from its requirements will be particularly damaging. For example a widow under the age of 65, with no dependents, whose investment of life insurance proceeds and savings earn her $7,000 per year in interest and dividends would be subject to withholding of as much as $58.33 per month. This taxpayer's Federal income tax liability for 1984 would only be $157, but as much as $700 would have been withheld.

If the withholding provisions go into effect, the initial setup cost to financial institutions could be as high as $3 billion. Instead of imposing these increased costs upon the financial institutions of our country, we should strive to improve compliance in this area with the information we already have. Present law already requires financial institutions to report this income to the IRS. As the Secretary notes, there have been problems with incorrect or missing taxpayer identification numbers. The Tax Equity and Fiscal Responsibility Act increases the penalties on banks for failure to report a correct number to the Internal Revenue Service and this should go a long way toward correcting any problems in this area.

I urge my colleagues to support Senator KASTEN's amendment and correct this grave error in our tax law before the headaches and burden of withholding really begin.

Thank you, Madam President.

UP AMENDMENT NO. 141

(Subsequently numbered Amendment No. 1068.)

(Purpose: To finance a program of health benefits for the unemployed from additional amounts collected by withholding of tax on interest and dividends)

Mr. DOLE. Madam President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 141.

Strike out all after "Viz:" and insert in lieu thereof the following:

At the end of the bill, insert the following new title:

TITLE II—TRUST FUND FOR HEALTH BENEFITS FOR UNEMPLOYED WORKERS

SEC. 201. ESTABLISHMENT OF TRUST FUND TO FINANCE A PROGRAM OF HEALTH BENEFITS FOR UNEMPLOYED WORKERS.

(a) IN GENERAL.—Subchapter A of Chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Unemployed Workers' Health Benefits Trust Fund', consisting of such amounts as may be appropriated or credited to the Unemployed Workers' Health Benefits Trust Fund.

"(b) TRANSFER OF CERTAIN TAXES.—

"(1) IN GENERAL.—There are hereby appropriated to the Unemployed Workers' Health Benefits Trust Fund for each fiscal year an amount equal to the lesser of—

"(A) the applicable amount, or

"(B) the increase in Federal revenues for such fiscal year allocable to the provisions of subchapter B of chapter 24.

"(2) APPLICABLE AMOUNT DEFINED.—For purposes of this subsection, the applicable amount shall be determined in accordance with the following table:

"For fiscal year:	The applicable amount is:
1984	$500,000,000
1985	600,000,000
1986	700,000,000

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, for making expenditures to meet obligations of the United States which are incurred under a Federal program providing health benefits to the unemployed.".

(b) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"Sec. 9504. Unemployed Workers' Health Benefits Trust Fund.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), amounts may be transferred to or from the Unemployed Workers' Health Benefits Trust Fund established by the amendments made by subsection (a) for fiscal years beginning after September 30, 1983 and before October 1, 1986.

(2) PAYMENTS MAY BE RETROACTIVE.—If a Federal program providing health benefits for the unemployed takes effect before October 1, 1983, amounts may be borrowed to carry out such program and funds in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, to repay any amount so borrowed, provided, however, that any amount so borrowed shall be added to the applicable amount described in subsection (a) for fiscal year 1984.

Mr. DOLE. Madam President, just let me indicate that this will permit us to focus on a problem of real concern as opposed to repeal of withholding.

We have hundreds of thousands of families in this country of ours where one or two people in the household, generally both, are out of work—they have no health care coverage, their health care benefits have expired, they have children.

One way they can qualify is to dispose of enough assets to qualify for medicaid, to get on their knees and qualify for medicaid.

It seems to me rather than talking about repeal of withholding we should

talk about a problem we have. Withholding is not a problem.

Health care coverage for the unemployed is a problem on which we are having hearings in the Finance Committee on Thursday of this week. How do we address the concerns of probably hundreds of thousands of workers who have been out of work for 6 months, 8 months, or a year and have lost their health care coverage?

So I am proposing this amendment, which is offered as substitute for the Kasten amendment, rather than repeal withholding that we set aside and dedicate some of the withholding money that will be collected from taxes due, not new taxes but taxes due, for a program to provide such coverage. The amounts set aside for fiscal years 1984, 1985, and 1986 in a trust fund will total about $1.8 billion over a 3-year period.

To this Senator this amendment, I think, has some merit. We can adopt it by not invoking cloture tomorrow voting on the amendment or we can vote on the amendment today. It seems to me we have an issue here before us now that we ought to discuss. We can discuss repeal of withholding and we can discuss the concerns of the powerful groups in this country. But we ought to discuss the concerns of the less powerful groups, the vulnerable groups, those who are out of work and those who are without health care. It is my hope we might shift the debate and talk about a real problem and set up a trust fund. The appropriate committees would also have time to authorize legislation. The amendment would provide that, if we pass the legislation before October 1, we can borrow on the trust fund and that will not be counted against any future year.

The Senator from Kansas will debate further. I know other Senators want to be heard on the repeal. I would like to mention just one other thing and then I will be happy to yield the floor, and that is on the so-called withholding costs, and this appeared in the Dallas Times Herald, Dallas, Tex., April 5.

This is a story about how much it is going to cost for banks to gear up and do withholding. I will just read portions of it:

The law that will force banks to begin withholding taxes on their customers' savings accounts has produced a storm on Capitol Hill.

They go on and talk about some of the software people and what it costs generally for a bank to implement withholding. The American Bankers Association spokesman, Mr. Hastings, has been saying that it is going to cost him millions of dollars to implement withholding in his bank in Richmond, Va. I am quoting now:

Other bankers dispute him.

Mack Miner, marketing director at InterFirst Bank Dallas, said officials there were startled to discover that the costs of adjusting to withholding have been "minuscule." InterFirst, with $21 billion in assets—

That is a fair sized little country bank, $21 billion in assets. The cost is to be about 30 cents an account. I estimated $2. This is about one-seventh, 30 cents an account. That is a one-time cost. I would just suggest, Mr. President, that if cost is a real concern for a lot of small and middle-sized bankers, I would hope that we can address some of those concerns. One concern already addressed was the adverse impact of quarterly withholding. Now, we have yearend withholding and now we know the cost is going to be much less than the banks estimate. That does not mean the banks or S&L's or credit unions want to withhold. I am not certain how many employers have been wanting to withhold taxes from wages and salaries in the past 40 years but they have done it and the compliance rate, as I have indicated before, is about 99 percent when you withhold from wages and it is going to approach that level when we have withholding on dividends and interest income.

Madam President, I know other Senators would like to speak to the Kasten amendment and I am prepared to yield to those Senators at this time.

I ask unanimous consent that the article from the Dallas Times Herald be printed in the RECORD.

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

[From the Dallas (Tex.) Times Herald, Apr. 5, 1983]

SOFTWARE FIRMS SAY BANKS EXAGGERATE WITHHOLDING COST

(By Bill Keller)

WASHINGTON.—The law that will force banks to begin withholding taxes on their customers' savings account has produced a storm on Capitol Hill, but it is raining dollars on at least two computer software firms.

Pacesetter Systems Inc. of Dallas and DISC Inc. of Baltimore are peddling computer programs they say will turn the complex task of withholding taxes on interest and dividends into a fairly simple push-button operation for most bankers.

Besides making cash for their inventors, the software programs may make hash of one of the banker's main arguments for repealing the new law: The claim that withholding will mean billions of dollars in costs and mountains of red tape.

The predicted high cost of collecting taxes has been a rallying cry for banks and savings and loan associations in one of the most highpitched lobbying campaigns ever to hit Congress. A majority of congressmen have co-sponsored bills to repeal the withholding law, but President Reagan has vowed to veto it. It is uncertain if Congress would override it.

The American Bankers Association, leader of the lobbying drive to repeal the law, contends it will cost financial institutions $3 billion just to make the adjustment and "untold" billions in operating costs.

Though the law allows banks to use the withheld money for 30 days before passing it on, the ADA says the earnings from the money during this "float" period will not cover the actual costs of adjusting.

Provoked by bank statement-stuffers and advertisements, depositors have deluged Congress with millions of letters, postcards and Mailgrams urging repeal of the law before it takes effect in July.

But according to officials of the two software companies, the banks are crying wolf.

"I really can't afford to kick them in the teeth," said Jim Atchley, executive vice president of Pacesetter, "but I frankly don't understand the hue and cry they've put up."

"I think the numbers the banks are quoting are outrageous," said Albert Harris, president of DISC.

Both companies sell a software package for under $40,000 that they say will handle the biggest adjustment required under the new law, computing the withholding on retail deposits.

The companies, both established bank software dealers, said they are doing a booming business in the new programs. Atchley said Pacesetter has 24 banks signed up, including many large ones. Harris would only say that DISC has sold "a lot" of its packages.

A third entry in the field, Cutler-Williams Inc. of Dallas, in March began offering a less elaborate, $20,000 package. Cutler-Williams is primarily a computer services company but has recently branched into software.

Once the programs are hooked up to the bank's existing computers—an exercise that costs about as much as the program itself—the programs track all transactions, determine whether the depositor is exempt from the withholding law, and compute the tax bill.

The programs also can provide for annual withholding, which is permitted by the law, so that depositors do not lose compounding of their interest.

While bankers unanimously agree that withholding is inconvenient for their customers, they are divided on how heavy a burden it will be for financial institutions.

David Hastings, chairman of ABA's task force on withholding, said software is only part of the expense.

Hastings is senior vice president and tax director of First Merchants Bank in Richmond, Va., which has $3 billion in assets. It has bought the Pacesetter system to handle withholding for its depositors.

"What Pacesetter is doing is certainly extremely helpful," he said. But he predicted that the additional expense of withholding on trust accounts and commercial paper, of operating the new system, and of dealing with customers will push start-up costs to $1 million, plus another $1 million annually to operate it.

Hastings estimated his bank will recover only $180,000 through the float.

Tom Vicknair, assistant group manager for data services at Texas Commerce Bank in Houston, with $18 billion in assets, said even with the DISC system his bank sought to withhold taxes from savings and NOW accounts, the adjustment "is still very costly."

Vicknair estimated Texas Commerce would pay more than $250,000 for initial data processing costs, plus manpower and customer relations costs that "I don't think we'll ever be able to measure."

Other bankers dispute him.

Mack Miner, marketing director at InterFirstBank Dallas, said officials there were startled to discover that the costs of adjusting to withholding have been miniscule."

InterFirst, with $21 billion in assets, is the lead bank for the state's largest bank holding company. It devised its own data processing program to withhold taxes—at a cost of $187,000.

Even adding the cost of a seminar to train 50 member banks in the new law, and the price of a statement-stuffer to tell customers about the new law, the total cost was under $200,000.

"I'd like to tell the ABA I spent $3 million doing this, but it's not true," Miner said. "I spent less than 30 cents an account, and that's a one-time cost."

According to software dealer Harris and Atchley, one side effect of the lobbying campaign against withholding is that a lot of banks have sat back praying for repeal, rather than preparing themselves.

Not surprisingly, the software companies are rooting against repeal.

"We're banking that it's not going to happen." Harris said.

Just in case, Atchley said Pacesetter will allow its bank customers to apply part of the cost of the withholding program to another Pacesetter product. But he said the company will not make refunds.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Wisconsin.

Mr. KASTEN. I share the concerns of the Senator from Kansas on the question of health benefits for unemployed workers. As you may know, we discussed this at length in the Budget Committee. The Senator from Michigan (Mr. RIEGLE) and the Senator from New Mexico (Senator DOMENICI), among others, share the concerns of the Senator from Kansas. We are trying to figure out what kind of a mark we ought to consider in the Budget Committee in order to deal with this particular problem. A key problem is that we are unsure of the exact dollar amount needed to pay for this new benefit program.

This amendment, however, is not germane to my amendment to repeal withholding on interest and dividends. I do not believe that it makes sense to link these two questions. Rather than debate the amendment or ask for a ruling of germaneness at this point, I would like to go back to the basic issue.

First of all, is this a campaign of the thrift institutions and the bank? It is not. The big banks, as the Senator from Massachusetts and the Senator from Kansas have suggested, in fact support this whole idea because it gives them a competitive advantage. They already have the computers, the programers, and the software. In effect, withholding just gives the big banks one more advantage in terms of competition with the small banks and medium-sized banks. In fact, the Chase Manhattan Bank, Morgan Guaranty, the Mellon Bank, and the Bank of America, to name a few, are now working to oppose this amendment.

The Senator from Kansas has commented on the bank's campaign, to repeal withholding. But, what about the campaign the IRS and the Treasury are presently conducting? What Treasury mailings include their little pro-withholding propaganda cards? I know for a fact that the IRS is including them in all refunds. This means that 75 percent of all American taxpayers who are getting refunds, are also getting the IRS's propaganda. The IRS and the Treasury are also sending out cards about dividend and interest withholding in social security checks. One person, who recently began a small business here in Washington, D.C., asked the IRS for some tax information, and received not only the information, but also a propaganda sheet on interest and dividends withholding.

I do not know how many of these forms have been printed. I do not know how many they are stuffing in their mailings. I do not know how much taxpayer money is being spent on them. Somebody at the IRS ought to know, but no one is willing to tell me.

So here we have taxpayer dollars being used by the IRS and Treasury in order to combat whatever efforts the people across this country are making to repeal withholding.

It is also impossible to find out how much it will cost the IRS and the Treasury to enforce this new regulation. The closest estimate comes from a discussion Senator STROM THURMOND had with the Secretary of Treasury and a couple of his representatives down at the White House a week or two ago. In that meeting it was said that they might have to hire 2,000 more Internal Revenue agents to make this sytem work. I am not sure if they are going to or not. The Senator from Kansas suggested that in order to get the kind of compliance we could get with withholding, we would need to hire 50,000 to 60,000 people.

Mr. DOLE. 30,000 to 40,000.

Mr. KASTEN. 30,000 to 40,000 people. The question addressed to the Secretary of Treasury, though, was how much would it cost to make withholding work?

And the second question that was addressed to the Secretary of the Treasury was: "If we knock out withholding and match up the 1099 forms, how many people would that take?" The response was that he said 2,000 people.

Senator THURMOND is reported to have said to go ahead and hire them.

But I still have not been told—and maybe the Senator from Kansas can help me—how much it is going to cost the IRS to put in the 10-percent withholding system. The IRS will need to monitor the roughly 200 million exemption forms, which are going to be filed with every savings institution in the country. How much is it going to cost the IRS to deal with those 200 million exemptions?

Mr. DOLE. Will the Senator yield at that point?

Mr. KASTEN. I am pleased to yield. I hope the Senator can help me.

Mr. DOLE. Mr. President, I understand the matching is going to take 30,000 or 40,000 new IRS employees. I was present at the meeting where Senator THURMOND made the comment: "Well, if it takes 2,000 to do it, that is better than losing the election," or something like that. But I must say that was not a meeting with the Secretary of the Treasury. It was a meeting with all the Republican leadership and there must have been 25 or 30 people around the table, plus another group around the table in the background, and it really was not a very sophisticated discussion of the issue. I think at that point it reached a political discussion of the issue.

But I will address the questions raised by the Senator from Wisconsin later this afternoon.

Mr. KASTEN. Will the Senator also try to help me get an accurate estimate of how many cards and information folders the IRS is sending out? Somebody at the IRS should be able to give me some kind of an idea about how much it costs to print these new cards, to distribute them, and mail them out.

Mr. DOLE. Mr. President, let me say that we required that in the act we passed in 1982 in the conference report. I quote from the conference report:

> The conferees realize that, although many elderly and low-income persons will qualify for exemption, they will need to file exemption certificates to enjoy the benefit of their exemptions. In addition, the withholding rules will affect the financial planning of many nonexempt individuals. Therefore, the Conferees anticipates that the Secretary will endeavor to inform the public about the operation of the withholding rules and the requirement that exempt individuals file exemption certificates. In this regard, the Internal Revenue Service should notify and counsel affected individuals through new or existing taxpayer-assistance mechanisms and should create forms that are as simple to understand as possible.

Mr. KASTEN. Mr. President, I am not saying that they are in any way violating the law, although this particular set of folders at this particular moment is extraordinary at best.

Why is it, for example, that someone who is starting a new business, a new travel agency in Washington, D.C., gets information on interest and dividend withholding? It looks as if they are mailing to everyone they can in order to sell this program to America.

Mr. DOLE. Mr. President, if the Senator will yield, I do not think the Treasury has done nearly the job the

bankers have. We have urged the Treasury to see what the bankers have done and try to duplicate that amount of effort but with all the facts, even though it would be a little late. In fact, they have been encouraged by this Senator, and I think by others who believe we ought to keep withholding, to do more. I think, had Treasury started to act on this problem in January instead of March or April, we would not be debating it today. But the bureaucracy, believe me, is hard to move. Now they are responding with cards in social security checks and also tax refunds.

I will try to find the exact number. One thing they do not do, though, is ask those people to send a card into their Senator or Member of Congress, thank goodness.

Mr. KASTEN. I agree with the Senator on his point about the bureaucracy. As you know, the first day you were eligible to send in your withholding exemption form was February 1. But it was not until roughly 2 weeks after February 1, I believe it was February 18, that the Treasury finally published the exemption forms. The Government has been lax on this.

The Senator was correct when he pointed out that for 40 years we have been withholding on wages. But the fact is that that very same year, 1942, they tried to get withholding on interest and dividend income. They tried that for the very first time in the Roosevelt administration. It was rejected because it would not work and it was not right. For 40 years since that time, the IRS has been trying to get withholding on interest and dividends under Republican Presidents and Democratic Presidents, under Republican Senates and Democratic Senates, under Republican Congresses and Democratic Congresses. The idea has always been rejected. It has been rejected for 40 years by President after President, by Senate after Senate, by Congress after Congress.

It is unbelievable that with this President, with the dedication we have for restoring the reward for savings and investment, we end up attaching this new regulation which is a disincentive to savings. It is contrary to the goals we share in this Congress.

The Senator pointed out that we have problems with revenue. The first problem we have is in estimating the amount of revenue to be raised by withholding. The Treasury first said it would raise $26 billion. They then went to $18 billion. Then, last week, OMB reestimated and it was revised to $13 billion. Now the Senator says it is back up to $18 billion.

Maybe it is and maybe it is not. Much of that revenue estimate comes from the float. The idea that Uncle Sam gets to use your money rather than you. In other words, they are taking 10 percent out of your account, sending it to Uncle Sam and letting the Government use it.

Already 75 percent of the American people are having more money withheld than they ought to because they do not understand the complexities of taking additional exemptions. We are already overwithholding on 75 percent of American taxpayers, and we are about to overwithhold on even more if this law is not repealed.

It is no surprise that this withholding scheme has been rejected over the last 40 years. It has been rejected because interest and dividend income is much different than wage income. Most people have one job; maybe two. Everyone is subject to it, whether you are old or young or rich or poor, so that there is no exemption problem on the wages.

In the case of interest and dividend withholding, most people have more than one account. As a matter of fact, they have an average of 5 each. They might have a credit union account, an account in a savings and loan, an account at a bank, and an education account for one of their children. In fact, they might have started four or five different savings accounts for four or five of their children to save money for their education.

Now if one of those accounts is earning less than $150 in interest per year, it would be exempt. If one of them earns more than $150 per year, it would not be exempt.

So, if somebody is going to be smart, he should not let his children's account get to the point where it is earning more than $150, and start another one when it does. They will probably find a way to track those down, but meanwhile we are going to have more and more accounts in more and more institutions.

That is why it has been rejected under Republicans and Democrats alike. That is why it has been rejected for over 40 years, despite the fact that there is some little gremlin over at the IRS who bubbles up this idea because it looks as if it might be a convenient way of raising tax revenues. We call it compliance. That little gremlin bubbles with Mr. Simmon and Mr. Blumenthal, with the Ford Presidency and the Carter Presidency. Unfortunately, it bubbled up this time and made it all the way through the system in a package where we could not get a vote at all in the House of Representatives. And where, on a vote of 48 to 49, it passed in the U.S. Senate.

You can argue, as the Senator from Louisiana (Mr. LONG) has argued, that this provision never had a majority of support in the Senate or in the House of Representatives.

We want to improve compliance and we must have improved compliance. People who are proponents of the Kasten amendment are in favor of section No. 1, which repeals the provision for interest and dividend withholding, as well as section No. 2, which mandates that the 1099 forms be matched up. Section No. 2 is just as important as section No. 1.

The Treasury Department itself said they could get 97.3 percent compliance by simply matching up the information they already have. We are not sure how many Treasury people that will take, but they will not tell us how many people it will take to do 10-percent withholding.

We can get compliance by matching up 1099 forms. I am not sure we can get the compliance they are talking about by withholding. Existing overwithholding on wages and salaries causes 75 percent of all taxpayers now to receive refunds from the Treasury.

The IRS will continue to have problems they cannot solve; such as unclaimed refunds and the filing of false exemption certificates to avoid withholding. The law requires that the exemption be filed with the savings institutions. There is no requirement that the IRS verify the exemption status.

Another problem is that the new law only withholds 10 percent of the interest and dividends. The IRS must collect the rest, most of which comes from those owing 20 to 40 percent more in taxes.

They might get the first 10 percent but what will they do to get the rest of the interest and dividend income that is still due? The withholding provision will not help solve that problem.

For the year 1981, the IRS found 9.7 million discrepancies in taxpayer information reporting through its matching program. Only 4 million of those cases were screened. Only 2 million notices were mailed. Over 710,000 were ultimately followed up on. They already are having problems following up on the information they have. They found 9.7 million discrepancies in taxpayer information reporting and only 710,000 were ultimately followed up.

If we put in this system, there will be at least 200 million exemption forms, and that will give them more problems to not follow up.

The Senator was correct that right this minute we face an impasse in the Budget Committee over the question of revenues. I am a member of the Budget Committee. I want to say to the Senator from Kansas that I join him in support of the third year of the tax cut. We are working to do that in the Budget Committee.

I want to say to the Senator from Kansas that we want to keep indexing. We are trying to be sure that the revenue marks, particularly in 1985, 1986, and 1987, would create the need for us to lose the third year and indexing. We want to preserve indexing and the third year of the tax cut, because they

are essential to restore incentives for work and investments that will bring about the economic recovery.

But this 10-percent withholding requirement goes against that whole idea. We ought to knock out this new regulation on savings, knock out this 10-percent withholding on interest and dividends, in order to be consistent with the position we are taking on the third year of the tax cut and indexing.

Once people understand that issue in Wisconsin, they become more and more concerned about it. Once people see what is going on here, and that the problem of noncompliance can be solved through matching up the 1099 forms, people become more and more concerned about it, not less and less. The reason that we see a greater interest now, and more cosponsors of my amendment and the repeal legislation, is that we are seeing the issue grow. Savings are sacred to the people in this country. They recognize that we need incentives in the system for people to save, and that we can identify and find the cheaters without this cumbersome, costly, new regulation.

There are a number of other questions that the IRS cannot answer. I think we might as well put them all in right here and see if they can answer some questions for the Senate.

The first question is: What happens to someone who just lost their job?

The exemption based on income is based on last year's taxable income. Last year you were a worker at American Motors in Kenosha, Wis., and had an income of $25,000 and a month or two ago you were laid off. They sent the Eagle car, which they were manufacturing in Wisconsin last year, to a Canadian plant and we lost several thousand jobs in Racine and Kenosha. Last year you had an income of $25,000 and right now, today, in April 1983, you have an income that is based on unemployment compensation and the little that you can get from your savings. But there will be 10-percent withheld each month from your credit union account, from your savings and loan account, and from your bank account, if you have one. Legally the Federal Government will take 10 percent of that interest or dividend income, send it to Washington, keep it in Washington and earn interest on it in Washington, and only at the end of this year, a year from right now, when you file your tax form, will you be eligible to recoup some of that money. So at the very time you need it the most, when you are unemployed and your income depends upon your savings, the little bit you have been able to put aside, is sent to Uncle Sam. That is the way the law is supposed to work.

What about the senior citizen who misses filing for an exemption because he did not know he had to file for an exemption, was physically unable to do so, or did not understand these forms? What about that individual?

He or she discovers in July, August, or September that they should have filed an exemption for each of their different accounts. Maybe they just filed it for one. What can that person do?

Absolutely nothing. That income will be withheld. The 10 percent will be taken out of the account they forgot to file on, for August, September, October, November, December. Only next year, a year from now, when that person files a tax return will he be able to get his money back. But it is likely that the elderly are not filing tax forms at all because the only income that they have is from social security plus the small amount they have in one or two of savings accounts. So for the first time in several years they are back in the business of trying to deal with the IRS, filing a form, and getting a refund back.

Is this likely to happen? There are 200 million accounts that are eligible for exemptions; 200 million forms are going to be filed and processed between now and July 1 when this takes effect. This is a hot political issue right now because people are worried about what might be happening to them when this goes into effect. Look what is going to happen when people are, in fact, withheld on. What is that letter from that unemployed worker in Kenosha, Wis., going to say to his Senator or Congressman? What about that senior citizen who did not understand the law and got mixed up? What will that letter from him do in terms of moving the U.S. House of Representatives and the Senate. I maintain we should repeal that law—repeal it now before we get those people writing to us this fall because their problem is going to be very, very real and not just imagined.

Question No. 3 of what the IRS cannot answer: What about the competitive disadvantage created when one bank, savings and loan, or thrift institution in a small town starts withholding money from people's accounts but the other bank, thrift institution, or savings and loan in that same community does not withhold 10 percent from their accounts?

This is possible, because by law, a small institution that can demonstrate it is not able to comply may file for a hardship exemption. The question the Treasury cannot answer is, What are you going to do in that community, when you have one thrift institution that is withholding and another that is not? What are you going to do about the competitive disadvantage?

I suggested at one meeting I had with the representatives of the IRS and Treasury that this was a major problem, a competitive disadvantage problem. One of them said to me, "You are right; we have not quite been able to figure that one out. But I tell you one thing we know we are going to do. We are going to prevent that one institution which is not withholding the 10 percent from advertising the fact that it is not withholding the 10 percent."

That is going to be great, Mr. President. That is going to solve all the problems.

The IRS's own credit union is not computerized. How will withholding affect it? The IRS's own credit union. What is it going to invest in new computers? What is it going to do with the new requirement?

Mr. President, there has been talk that the form is very simple. I ask unanimous consent that at this point in the RECORD, we print the form, as well as the instructions for forms W-6 and W-7.

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

[Forms not reproducible in the RECORD.]

INSTRUCTIONS FOR FORM W-6

INDIVIDUAL CERTIFICATE OF EXEMPTION

General.—The law requires that, beginning July 1, 1983 payers of interests, dividends, or patronage dividends must withhold 10% of each payment as Federal income tax withheld. (Patronage dividends are those paid by a cooperative.)

Payees Other Than Individuals (including nominees and custodians).—See instructions for Form W-7, Certificate of Exemption—Other Than Individuals.

Individuals.—You may claim exemption from the withholding requirement if you meet any of these tests for last year (1982 if filing form in 1983):

Your tax liability for last year was $600 or less; or

You are 65 or older, and your tax liability for last year was $1,500 or less; or

You and your spouse filed a joint income tax return last year, and your tax liability was $1,000 or less; or

You or your spouse or both of you are 65 or older, you filed a joint income tax return last year, and your tax liability was $2,500 or less; or

You were not required to file on income tax return last year.

Your "tax liability for last year" is the income tax shown on your return minus any credits you were entitled to claim (other than the credit for withholding on wages, pensions, interest and dividends, etc.; the earned income credit; and the credit for Federal tax on special fuels and oils).

You must file a certificate in order to claim exemption from withholding. If your payer provides a certificate, please use it. Otherwise, use the one IRS provides.

When to Claim Exemption.—File this certificate when you determine you are able to claim exemption. This will generally be when you file a tax return (Form 1040, 1040A, or 1040EZ) that meets one of the tests above, or when you determine that you are not required to file a return. Even if you are exempt from withholding, the interest and dividends are still taxable income, and are reported to the IRS by the payer.

More Than One Payer.—If you receive interest or dividends from more than one payer, file a certificate with each payer.

More Than One Account With the Same Payer.—You must file a certificate for each account.

You Only Have to File Once.—This certificate remains in effect until revoked.

To Revoke on Exemption.—You may revoke your exemption at any time. You must revoke all your exemption certificates no later than 10 days after the due date (without extension) of a tax return that shows a tax liability that does not meet any of the tests for exemption. To revoke your exemption, check the revocation box, or use the method prescribed by the payer. Withholding will then begin on the account listed.

You do not have to file a revocation with a payer if you are no longer receiving interest or dividends from that account.

If you file a false certificate when you are not entitled to the exemption from withholding, or if you fraudulently fail to revoke an exemption when you know you are no longer entitled to exemption, you may be subject to penalties of up to $500 or one year imprisonment or both.

Signature.—On joint accounts, only one of the persons to whom the interest or dividend statement is issued needs to sign Form W-6.

INSTRUCTIONS FOR FORM W-7

CERTIFICATE OF EXEMPTION—OTHER THAN INDIVIDUALS

(References are to the Internal Revenue Code.)

General.—The law requires that, beginning July 1, 1983, payers of interest, dividends, or patronage dividends must withhold 10% of each payment as Federal income tax withheld. (Patronage dividends are those paid by a cooperative.)

Individuals.—See instructions for Form W-6, Individual Certificate of Exemption.

Other than Individuals.—You may claim exemption from the withholding requirement if you are an "exempt recipient" as defined in section 3452. This includes:

A simple trust where all beneficiaries are either exempt individuals, sec. 501(a) exempt organizations, or individual retirement plans;

A corporation;

A sec. 501(a) tax-exempt organization;

An individual retirement plan, as defined in sec. 7701(a)(37);

The U.S. Government, or a U.S. agency;

A state, the District of Columbia, or a U.S. possession (including political subdivisions of these);

A foreign Government (including its political subdivisions, wholly owned agencies, and instrumentalities);

An international organization, as defined in sec. 7701(a)(18) (including its wholly owned agencies and instrumentalities);

A foreign central bank of issue;

A securities or commodities dealer;

A real estate investment trust, as defined in sec. 856;

An entity registered under the Investment Company Act of 1940;

A common trust fund, as defined in sec. 584(a);

A middleman (including a nominee or custodian) between the payer and payee (you are then considered to be the payer, and must withhold on payments to the payee);

A financial institution; or

A trust exempt from tax under sec. 664(c), or described in sec. 4947(a)(1).

See the regulations under sec. 3452 for more details on these definitions.

Filing.—You may have to file a certificate in order to claim exemption from withholding. If your payer provides a certificate, please use it. Otherwise, use the one IRS provides.

More Than One Payer.—If you receive interest or dividends from more than one payer, file a certificate with each payer.

More Than One Account With the Same Payer.—You must file a certificate for each account.

You Only Have to File Once.—This certificate remains in effect until revoked.

To Revoke an Exemption.—If you cease to qualify for exemption, you must, within 10 days, revoke all exemption certificates previously filed. (You do not have to file a revocation with a payer if you are no longer receiving interest or dividends from that account.) To revoke an exemption, check the revocation box, or use the method prescribed by the payer. Withholding will then begin on the account listed.

If you file a false certificate when you are not entitled to the exemption from withholding, or if you fraudulently fail to revoke an exemption when you know you are no longer entitled to exemption, you may be subject to penalties of up to $500 or one year imprisonment or both.

Signature.—Any person who is authorized to sign for the organization may sign the Form W-7.

Mr. KASTEN. Mr. President, without having an opportunity for people to look at and read this form, one would think it is relatively simply or relatively easy. It is not.

One further question that the IRS or the Treasury Department cannot answer is, if withholding is such an easy way to solve the noncompliance problem, why did they exempt themselves on Treasury bills? Why did they exempt themselves from withholding on interest and dividends on Treasury bills? They ask everybody to do it and the IRS itself exempts its own Treasury bills. This is madness. If it is a simple, easy process, at least the Federal Government ought to do it for its own Treasury bills.

Mr. President, this debate is going to go on for a while. I want to say to the Senate that I hope the issue can be resolved. At least we can decide to go forward and vote on the issue tomorrow by voting for cloture on the Kasten amendment. We need 60 votes and it looks as if we might have them. On passage, there is no question that the majority of the Senate, maybe even two-thirds of the Senate, right now wants to repeal this 10-percent withholding before it takes effect so we can avoid the unnecessary expenditures that are going on right now in the private sector. It is important to point out that what we are doing here, effectively, is seeing the Federal Government—the IRS, the Department of the Treasury—say:

We do not want to spend more money on computer hardware, on computer software, on new programers, on a new bureaucracy here in order to enforce dividend and interest compliance. Instead, what we are going to do is force the thrift institutions to make those expenditures, have them buy the computers, have them hire the programers, have then become the IRS enforcement agents, set up a system to have then do it rather than have the IRS and Treasury do right here.

It seems to me that that is contrary to the basic nature of our country. We have a lot of trouble already. The last thing we want to see are new regulations, which would add disincentives to the system with the result that people will not save. We do not want disincentives. Already, the United States of America has one of the lowest rates of savings of any country in the industrialized world. This new regulation will make that rate of savings even lower. At a time when we are trying to put America back to work we need dollars in savings accounts, which then will go into investments, which then will provide jobs.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I stand with President Reagan and Senator DOLE on the issue of withholding—not just because I agree with their position on the merits, but because I am deeply concerned about this attempt of the banking industry to buy the Congress.

Last Friday was the day on which millions of honest Americans paid their income taxes to the Federal Government. But for some citizens, it was an opportunity to evade the law by failing to declare the income they receive from interest and dividends.

Our current tax laws encourage this evasion by granting, in effect a $2 to $3 billion tax subsidy every year to those who neglect or cheat on this aspect of their taxes. In 1982, upon the recommendation of President Reagan, and in culmination of a far-reaching bipartisan tax reform effort over the past two decades, Congress voted to close this loophole by enacting legislation requiring withholding of taxes on both interest and dividends.

Now, however, a misguided campaign is underway by the American banking industry to repeal this measure through the deliberate and deceitful manipulation of public opinion. Organized by a small group of bankers and their Washington agents, the cynical lobbying offensive is being waged against Congress with outright falsehood, and with fear mongering on a massive scale. If the "truth in lending" applied to these activities, the bankers would be in violation of the law.

In reality the repeal amendment ought to be called the Tax Cheaters Protection Act of 1983. The only beneficiaries of repeal will be the small minority of citizens who fail to pay their fair share of taxes every year. The losers will be in the tens of millions of

law-abiding Americans who obey the law and pay their way in taxes, and who will have to make up the difference in higher taxes if withholding is repealed.

The merits of this issue are even more lopsided in favor of withholding than the lopsided mail against it. We all know that the Senate and the House of Representatives are awash in the largest, most misleading, and most distorted campaign of lobbying misinformation that I have ever witnessed in my two decades in the Senate. To borrow a phrase from President Reagan, Congress is up to its keister in mail against withholding.

In my office, for example, I have received over 70,000 identical post cards on this issue since the beginning of the year. Piled on top of one another, these post cards would make a stack 27 feet high. Stretched end to end, they would reach for 7 miles. The message they contain reads as follows:

> I urge you to work toward, and vote for, repeal of the 10 percent withholding tax on savings interest, before the law takes effect on July 1, 1983. This law is unncessary because I already pay taxes on my earned interest when I file my Federal income tax return. Further, the law is unfair and penalizes savers like myself because it will reduce the interest I earn on my savings.

All of those post cards advocate the repeal of withholding—and all of them reveal on their face three critical distortions that are the fatal flaws of this artificially stimulated mail:

First, they describe the law as a "10-percent withholding tax on savings interest." It is no such thing. It is not a 10-percent tax on savings, and it is not a withholding tax. Instead, it is "tax withholding," and the devious inversion of those two words by the bankers' lobby makes the difference between night and day—between a new tax that savers would have legitimate reason to oppose, and the withholding of taxes already due that imposes no new burden on any saver.

Second, the post cards claim that the law is "unnecessary," because these law-abiding savers already pay their taxes. But that argument misses the point—withholding is necessary to insure compliance by those who do not now voluntarily comply. Law-abiding automobile owners might as well try to argue that the Highway Patrol is unnecessary, because they never drive over 55 miles an hour.

Third, the post cards claim that the law is unfair because it penalizes savers by reducing the interest they earn on their savings. That simply is not so. Under the provisions of the withholding law, the vast majority of savers will suffer no penalty at all. And for all the rest, the amounts involved are so small as to be virtually nonexistent—on the order of 50 cents a year on savings of $1,000.

The Senate has a responsibility not just to weigh the mail, but to weigh the merits. The most distressing aspect of this distressing situation is that so many honest American taxpayers have been misled by their banks into signing these post cards in the mistaken belief that withholding is a new tax on their savings. The avalanche of mail we have received is nothing more than a crude example of the use of the "Big Lie" technique to inflame the public for the benefit of a well-heeled special interest group. If we permit such propaganda to prevail, then the Senate is failing in its fundamental responsibility to serve the public interest, not the private interest of a powerful lobby.

In fact, the present circumstance is precisely the situation for which the Senate was created in the Constitution. According to a well-known tradition, Thomas Jefferson once asked George Washington why the Senate was needed at all as a separate Chamber in the Congress. Their discussion took place over coffee after breakfast, and Washington said to Jefferson, "Why did you pour that coffee into the saucer?" "To cool it," Jefferson replied. "And that," said Washington, "is why we pour legislation into the Senatorial saucer—to cool it."

That is why we need time in this debate, to air all aspects of withholdings, to debate the issue calmly, and to cool the public passions inflamed so irresponsibly by the banking lobby.

Take the untruths that are being spread, and analyze them one by one.

It is not true that withholding is a new tax. This is the blatant distortion that launched the false and misleading lobbying campaign, and that has fueled it from the start. Withholding means only that taxes fairly owed will be honestly collected. In just one sense is withholding a new tax for any group—and that group consists entirely of those who cheat on their taxes, and who at last will finally have to pay their share if withholding is the law.

It is not true that withholding penalizes honest savers in order to catch the ones who cheat. The fact is that compliance with the income tax laws is 98 percent on wages, where withholding has been the unchallenged rule for 40 years—but it is only 87 percent on interest and dividends, where withholding does not apply. Withholding imposes no significant burden at all on honest workers, and it will impose no such burden on honest savers. It is fair, it is simple, and it is effective. All that Congress did last year was to take the withholding provisions that already apply to the 90 percent of income earned in wages, and apply them to the 10 percent of income earned through interest and dividends.

It is not true that withholding penalizes small savers, the elderly, and the poor. Each of these groups is protected by generous exemptions specifically written into the law to insure that no unfair burden is imposed. Any taxpayers who wish to do so are permitted to adjust the withholding on their wages in order to eliminate inappropriate withholding on their interest and dividends.

As a result of these protections, two-thirds of all households in the country are totally exempt from withholding.

A small saver provision exempts any account earning interest of $150 or less a year.

Only 10 percent of all senior citizens are covered; only 2.7 million out of 26 million elderly taxpayers will be subject to withholding—and the average balance in their savings accounts is over $200,000.

Under measures such as these, it is clear that every reasonable effort has been made to accommodate every reasonable interest of taxpayers affected by this law.

Similar accommodations have been made for banks. It is not true that withholding imposes any significant burden on the banks. Under the float provisions, the vast majority of banks will be permitted to take the funds withheld and keep them long enough to recover their enforcement costs before transmitting the funds to the Government. Under this provision, for example, small banks will have up to a year's use of the funds to avoid any hardship in implementing withholding. In any event, this burden issue is vastly overstated. For 40 years, businesses of all sizes have carried out withholding on wages and salaries with a maximum of efficiency and a minimum of financial or bureaucratic burden. It is difficult to believe that, in this brave new world of technological revolution that is transforming all facets of their industry, the banks will suddenly become all thumbs when they try to implement withholding.

It is not true that savers will lose the benefit of compound interest or interest on their interest. To avoid this, banks are given the option to defer withholding until the end of the tax year. And even if periodic deductions for withholding were to be made during the year, the cost of withholding would amount to the grand total of only 50 cents for every $1,000 on deposit. Yet the banks have spent millions of dollars to organize and carry out their deceptive lobbying campaign. If those same banks had put as much time and effort into bringing down interest rates, the Nation would be well on its way to real economic recovery.

It is not true that repeal of withholding is a people's issue. The banks have made the preposterous claim that they are speaking for consumers and average citizens. But this is not an issue of representative government at all—it is an issue of misrepresentative government. What the banks actually

have in mind is not the interest of the people, but the interest they can charge the people. If bankers truly cared about consumers, they would lower the rate of interest on a mortgage to buy a home. They would reduce the minimum level of deposits required for savers to obtain the benefits of money market interest rates at 9 or 10 percent, instead of passbook rates at 5 percent. In fact, the groups who do speak for average citizens in this country have already been speaking out on this issue—and they are speaking with one voice, if only Congress would listen. The broad range of public interest groups who have faithfully represented the elderly, workers, women, minorities, and consumers in all the great battles of recent years are standing firmly with us today. They are unanimous in their support for withholding and in their opposition to the bankers' efforts on repeal.

Mr. President, I ask unanimous consent to include as part of my presentation the list of the various organizations who support our position.

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

AFL-CIO and at least 14 of its principal international unions.
American Association of University Women.
American School Food Service Association.
Americans for Democratic Action.
Center on Budget and Policy Priorities.
Center for Community Change.
Children's Defense Fund.
Citizens for Tax Justice.
Common Cause.
Community Nutrition Institute.
Congress Watch.
Consumer Federation of America.
Consumer Union.
Food Research and Action Center.
Mexican American Legal Defense and Education Fund.
NAACP.
National Consumer League.
National Council of Senior Citizens.
National Low Income Housing Coalition.
National Organization for Women.
National Retail Merchants Association.
National Urban Coalition.
National Urban League.
National Women's Political Caucus.
Public Voice for Food and Health Policy.
Teamsters Union.

Mr. KENNEDY. The answer to the question—who speaks for consumers?—is obvious. For the Congress on this issue, the first law of consumer protection is—"Beware of bankers bearing post cards."

Finally, it is not true that alternative methods of enforcement are available to catch the tax evaders. Witholding is the most cost effective and least intrusive way for Congress to insure compliance with the tax laws. The alternatives suggested by the banks would fail to do the job, while costing billions of dollars more. In effect, the use of these alternatives would turn the Internal Revenue Service into a branch of the Pentagon, with an army of IRS agents processing information forms and harassing millions of honest taxpayers in the effort to weed out those who cheat.

After two decades of effort to achieve this worthwhile tax reform, it is no secret that Congress finally mustered a majority of votes last year to pass withholding because of the enormous pressure of the Federal budget. Instead of raising taxes across-the-board, Congress rightly chose to enact a broad range of loophole-closing and compliance measures. Withholding is the centerpiece of that effort, worth $13 billion in revenues over the next 5 years.

Think what $2 to $3 billion a year means in the present budget crisis. That amount would cover over half the annual budget of the National Institutes of Health. It would pay for almost all of the student loan program, or the title I program of education for the disadvantaged, or the job training program. It could support three full Head Start programs, or 10 community health center programs.

The staggering budget deficits we face in the coming years must be reduced somehow. Deeper spending cuts are unlikely, because of the broad bipartisan consensus in the Congress that spending in areas such as jobs and education and health has already been cut too deeply. If withholding is repealed, additional sources of Federal revenue will have to be found somewhere. That will mean new and higher taxes for honest taxpayers.

But most of all, withholding on interest and dividends is needed in the Nation's tax laws to deal with the growing crisis over noncompliance and the underground economy. The greatest strength of our income tax system is its extraordinary tradition of voluntary compliance—the willingness of tens of millions of taxpayers to bear the onerous burden of taxation because they believe that other taxpayers are also paying their share. If we permit this historic tradition of voluntary compliance to deteriorate, if we reject reasonable measures such as withholding that enhance the tradition, then we undermine the entire structure of the income tax system.

Withholding is a better and fairer way to raise essential revenues than imposing higher taxes on honest savers and average citizens. We must stop giving tax cheaters a free ride, and start making them pay their way. Withholding has worked well with respect to wages, and we can no longer afford the luxury of denying its use with respect to interest and dividends.

I urge the Senate to resist the "Big Lie" propaganda campaign of fear and deception by the banking industry. By rejecting their attempt to repeal withholding, we shall achieve not just a legislative victory, but a victory for the fairness of the tax laws and for the integrity of the Senate as a cornerstone of our Democracy.

If I could have the attention of the chairman of the Finance Committee for just a few questions. Will the Senator from Kansas agree with me that we could reduce the costs of all of the IRS if we basically abolished the tax system? I hear a good bit of talk about what this is going to cost the IRS. If you carry that to its logical conclusion, we could probably save tens of millions of dollars by just abolishing IRS.

I understand that the Senator will put in the RECORD the specific figures, but I understand that the publication that was put out with regard to withholding by the Treasury was a result of a requirement in the law that said we were going to notify the savers that there was going to be this change in the law.

Does the Senator agree with me that it is important that at this point we not confuse what is being done by the IRS to try to inform taxpayers what the law is, with the lobbying effort that has been made by the banking industry? Does the Senator agree with that distinction? Because I think it is important that we put this thing in some perspective.

Mr. DOLE. The Senator from Kansas does agree with that distinction.

First, I commend the distinguished Senator from Massachusetts for his consistent support of this proposal.

What we have on the one hand is the Treasury Department responding to the conference report, suggesting that everybody be notified about the new law and the exemptions and everything else. On the other hand, we have this massive multimillion dollar campaign of misinformation carried on by people who do not like withholding.

I do not quarrel with those who say, "I don't like it," but I do quarrel with those who misrepresent the facts.

There is a very clear distinction between these two mailings as indicated by the Senator.

Mr. KENNEDY. Will the Senator also agree with me with respect to the point that has been made during the debate that while we have not had interest withholding, that wage withholding was instituted in 1942, and actually it became effective in 1943? It is my understanding that at that time, income from interest and dividends was only about 2 percent. Now it is close to 10 percent, and we have seen a

rather dramatic change in the sources of total income.

Therefore, the reason for withholding, say, 40 years ago was a completely different rationale from the determination by the Senate and by the Finance Committee when they put this into effect a year ago, in an attempt to try to meet some of the Federal deficits. Does that conform with what the Senator from Kansas understands about the change in the types of income citizens receive.

Mr. DOLE. That is the understanding of the Senator from Kansas. I might add that in the budget for 1983, the President suggested several areas we should look to for tax compliance or tax reform, in an effort to make the system fair. Everybody wants to make the system fair. One of the items suggested by the President was withholding on dividend and interest income. He stated at that time that this was part of his overall policy—not just reducing taxes and reducing spending but also increasing compliance for those who were not paying taxes that were due.

I saw that as a balanced program. It is not something that the President thought of all by himself. It was part of an overall program by the President of the United States, and I think it deserves support.

Mr. KENNEDY. There was some mention here about the fact that it would almost appear that this concept of withholding has just sprung out of the Finance Committee a year or two ago, and some statements have been made that other Presidents have not been interested in or committed to withholding. It is my understanding that President Kennedy supported withholding, President Johnson supported withholding, as did President Carter and President Reagan. So, looking at the past 20 years, we have had bipartisan support from the Presidents of the United States in this particular area.

As a member of the Finance Committee, I am wondering whether it is the understanding of the chairman of the Finance Committee that this concept has been supported by Presidents in the past as a measure of collection.

Mr. DOLE. The Senator is correct. I understand that the late President Franklin Roosevelt, supported withholding taxes on dividends, not interest income. President Truman also supported interest.

For those who may be under any illusion, I repeat that this was a part of President Reagan's fiscal 1983 budget. It is not something that was dredged up in the Senate Finance Committee at the last hour. It was part of the President's budget, and it now is law, and it is my hope that it will remain.

Mr. KENNEDY. I should also like to review for the RECORD one additional point. The point has been made, but I think it is worth underlining: Whether the intrusiveness of the Federal Government will be greater by a series of agents of the IRS going out and monitoring and auditing various tax forms, through cumbersome enforcement procedures, or whether the simple process of withholding would mean less interference in terms of the individual taxpayer.

I know that this argument has been made by those who oppose the position of the Senator from Kansas, about the long arm of the Federal Government reaching into the mom and pop banks in the small communities of this country and that this is an additional Federal intrusion into the lives of the citizens and the small banks.

I am wondering which process the Senator from Kansas feels would be more intrusive into the lives of the American people—whether it is the simple, efficient process and procedure which is now in the law, which will provide for withholding, or whether it is the idea of IRS agents monitoring and auditing the forms of individual taxpayers. As chairman of the Finance Committee and one who has given a great deal of thought to taxation, I am interested in his view.

Mr. DOLE. I might call the attention of the Senator from Massachusetts and other Senators to the chart at the rear of the Chamber, which indicates that about 94 million individual returns are filed.

At the present time, current audits of all individual tax issues are about 15 percent. If we do as some suggest and start taking people where there is a mismatch involving interest or dividends, that means we will have to contact about 20 million taxpayers. If we add to that the illegal and the nonfilers, it will be about 25 million followup contacts, which means that out of the 94 million, we would have to have an army, we are told, of 30,000 to 40,000 additional IRS employees.

As the Senator from Kansas tried to make the point earlier, if we are talking about a tax revolt, all we need to do is turn loose about 30,000 or 40,000 more tax agents in order to pick up what we may lose if withholding is repealed.

So the Senator is absolutely correct. I think we should be auditing more than 2 percent of the returns, but that is the present level. If we carry it to the extreme suggested by some, we would have a jobs bill, all right—a jobs bill for IRS employees to harass the American taxpayer. In my view, that is not what this Senator or the Senator from Massachusetts or any other Senator wants—to hire 30,000 or 40,000 more IRS agents.

Mr. KENNEDY. Mr. President, I have here a blown-up replica of the kinds of cards I am sure the Senator from Kansas is receiving, as well as other Senators. Perhaps the Senator from Kansas knows by heart the various words included on this form.

Does the Senator from Kansas share my view that with the words "I urge you to work toward and vote for repeal of the 10-percent withholding tax on savings and interest, before the law takes effect on July 1," it is not only implicit but also is fairly explicit that this is a new tax. Would it be reasonable for the Senator to believe that this is some form of new tax; that these words, "repeal of the 10-percent withholding tax on savings interest before the law takes effect," suggests that this is somehow a new tax on savings and interest; and that, therefore, it really distorts, in an important and significant way, the factual situation? Does the Senator agree?

As part of this dialog and debate which is beginning today on this issue, what is at stake is billions and billions of dollars to the Treasury. It has been said that repeal is going to be $15 billion or $18 billion or $13 billion. I think it is absolutely evident that it is going to means billions and billions of dollars to the Treasury, and that is obviously of importance.

Does the Senator agree with me that that is a misrepresentation and a distortion as to what is really the situation?

(Mr. HECHT assumed the chair.)

Mr. DOLE. It is a misrepresentation in the first sentence itself when it says withholding tax as though we had organized or passed some new law that imposed a new tax. That postcard is either from the credit unions or the banks. They both pretty much use the withholding tax, but even the distinguished Senator from Wisconsin, Senator KASTEN, put out a newsletter "How to stop the new tax on your savings."

If someone is told that there is going to be a new tax, they should be upset. Withholding is not a new tax. They were supposed to have been paying taxes on interest and dividend income for a long time. So it is misleading, and that is what makes the argument so difficult at this point.

Mr. KASTEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. If we could finish off with the chart here, then I will be glad to yield.

It goes along, "This law is unnecessary because I already pay taxes on my earned interest when I filed my Federal income tax return."

If the person is paying his taxes, this is not going to in any way really affect his position, Senator, is that correct?

Mr. DOLE. That is correct.

Mr. KENNEDY. It continues: "Further the law is unfair and penalizes savers like myself because it will reduce the interest I earn on my savings."

That is again a basic and fundamental misstatement of what the law actually is. Am I correct on that?

Mr. DOLE. The Senator is correct, because in response to a lot of complaints and just concerns by banks, S&Ls, and others the Treasury made some changes to its regulations. One of those changes was year-end withholding which addresses the very question raised on that post card.

Mr. KENNEDY. I thank the chairman of the committee.

I think, as mentioned earlier, the only ones who really should have any fear of this particular provision are those who are not paying their taxes at the present time, and I think the Senator from Kansas has stated very clearly something that the American taxpayers should understand, and while I am not sure that they do yet, I think they will. If these tax cheaters and evaders are successful, someone else is going to have to make up the difference; and the people who will have to make up the difference are the average working men and women, middle-income families. The ones who are paying their taxes at the present time. They will have to make up the amounts that are lost.

Is that the Senator's understanding as well? So we penalize them in an important way if this law is changed.

Mr. KASTEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. Could I just hear from the Senator from Kansas? I wish to enter into a dialog with him. Then I will be glad to yield. I wish to hear from the chairman.

Mr. DOLE. The Senator from Kansas understands that there are probably two or three things we can do. We can charge it up to the deficits and say, "We will add $13 or $15 billion to the deficit over the next few years;" or we can go in and reduce some of the programs to which the Senator from Massachusetts referred, which I would not want to do; or we can find someone else to pick up the tab; or we can take away part of the tax cut or indexing.

None of these are acceptable to this Senator. Whatever we do in the tax area or the spending area, improved tax compliance is good tax policy. There is no reason that we should ask the American people to stand up and pay more taxes or do anything else if we do not have the best tax compliance we can have. In this instance we do not have it, and that is all we are seeking.

Mr. KENNEDY. I thank the Senator from Kansas because I do think that this has been an enormously useful exchange this afternoon. This chart over here shows the facts on withhholding, and tries to detail exactly what the situation is. We have heard a great deal. We have all heard a good deal of information that has distorted and misrepresented the issue. But as I have heard the Senator from Kansas explain the exemptions for the elderly and for the poor are provided for such that actually an elderly household would need to have to have savings above $200,000 before they will be affected; so for the most part the elderly are going to be excluded.

We have heard the testimony of the Council on Aging, those who speak for the elderly, and they support the position that has been taken by the Senator from Kansas and the President that really the only ones who really have to fear are the evaders, the tax cheaters. The Finance Committee has dealt with the issue of lost interest with its timing provisions. The Senator from Kansas has responded to the issue of whether this is a new tax or not a new tax, and I think his explanation and response to the form that has been put out now has been enormously valuable. The Senator from Kansas and I have reviewed what the alternatives are and what would be really more intrusive and we have agreed that the greatest intrusion into the lives of Americans would be IRS agents coming around, monitoring, and auditing volumes of tax forms. This concept is an old one, it has been accepted by working men and women. Wages have been covered since 1943.

I thank the Senator from Kansas for his responses and hopefully we have been able, in this brief exchange, to clear up some of the distortions and misrepresentations.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. DOLE. Let me say to the Senator from Massachusetts before he yields the floor that I again thank the distinguished Senator from Massachusetts. I know that we are on the unpopular side of an issue. Obviously the easiest thing to do is say, "Well, I have all this mail and I have to write back, and it is a lot easier if I write back and say, 'I am with you on this issue'."

But withholding is good tax policy. No one quarrels with the policy. It is a matter of politics. Some say "I just cannot take the heat. I have so much mail. I have all these people at home. They do not like it and some are my friends, and I just do not have time to explain it." The Senator from Kansas understands that.

I thank the distinguished Senator from Massachusetts for his willingness to be on this side of the issue. In my view, if we can sustain this law, a lot of this propaganda is going to go by the wayside because the American people are going to find out. In fact, I can say to the Senator from Massachusetts that many of my bankers in my State, bankers that I know to be good solid people, are now saying "Well, maybe we overdid it, maybe we went too far, and we will make it work if the President wants it. We will make it work."

Well, the President does want it. He said so as recently as Saturday.

I thank the Senator from Massachusetts for his steadfast support, knowing this is a very difficult issue, knowing there is a lot of politics. It is not a people issue now. It is a political issue, and that makes it sometimes difficult to deal with, but I appreciate the Senator's support.

Mr. KENNEDY. I thank the Senator from Kansas again for his leadership and for addressing this in the bill that we passed last year. I then welcomed the chance to join with the Senator in support of that program. I think this is a completely responsible position.

Mr. KASTEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I am glad to yield.

Mr. KASTEN. I know there has been a lot of discussion as to the use of the revenue gained from withholding. Is the Senator aware of the fact that in his address this last Saturday the President, and I am reading from the President's radio address of April 16, said he is concerned about misrepresentations surrounding the withholding tax on interest and dividends. He used the word tax, and he and the Senator from Kansas are supporting this idea. It is difficult to express this idea. Technically he is wrong and technically a number of other representations of it are wrong, but he is talking about a withholding tax on interest and dividends.

The question here is, How does the Senator define the vehicle by which we are raising this additional revenue? Much of the revenue comes from tax compliance. Some comes from float—the idea that the Government is going to get to use your money for the year rather than you.

How does the Senator define that float?

One could argue and stretch the point that is a kind of a tax. I do not believe it is, but I just wish to suggest that the President as late as last Saturday said "withholding tax on interest and dividends."

I just remind the Senator. He might be familiar with it. Is he familiar with the letter we received from former Senator Sam Ervin? In his letter he said, and I shall read just part of it:

> I hope (that our old friend Senator Dole and others) they will read the item and after doing so will spend a few seconds reading the First Amendment. If they will read the First Amendment, they will discover that it gives the banks, financial institutions, and the millions of law-abiding taxpayers a constitutional right to petition the Government for a redress of the grievance which this law generates. Maybe they will then quit making threats against banks and financial institutions as well as law-abiding taxpayers for petitioning Government for a repeal of this law.

I ask unanimous consent that the entire letter be printed and appear at this point in the RECORD.

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

SAM J. ERVIN, Jr,
Morganton, N.C., March 14, 1983.

Hon. ROBERT KASTEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KASTEN. On Sunday, March 13, the Charlotte, N. C. Observer printed an item entitled "Tax Law Feud Splits Republican and Republican, GOP and Banks." This item which is enclosed and the television interview of you and my old friend, Bob Dole, on the McNeil Lehrer program prompts me to write you this letter.

It is rank tyranny for the federal government to punish the innocent for the sins of the guilty. This is exactly what the law which provides that on and after July 1, 1983 banks and other financial institutions must withhold 10% of all dividends and interest due American taxpayers.

This law is totally unnecessary and manifests reluctance of some IRS officials to perform their plain duty. Law-abiding taxpayers pay 25% of the taxes due on dividends and interest they receive to the government every three months. It is totally unnecessary to change this law and to have banks and financial institutions withhold 10% of these dividends and interests as they accrue.

By reason of reports which banks and financial institutions make to the IRS, the IRS knows the name and address of every person who attempts to cheat the government by failing to pay to it the tax imposed upon dividends and interest. The IRS can collect every penny of this money by two simple processes. In the first place, it can collect most of it by a simple frank letter demanding that the cheater forward to the IRS the tax due it, and in the second place, it can prosecute in the courts every cheating taxpayer who does not comply with such letter.

I am taking the liberty of sending a copy of this letter and a copy of the newspaper item to President Reagan, Secretary of the Treasury Regan, and my old friend, Senator Bob Dole. I hope they will read the item and after doing so will spend a few seconds reading the First Amendment. If they will read the First Amendment they will discover that it gives the banks, financial institutions, and the millions of law-abiding taxpayers a constitutional right to petition the government for a redress of the grievance which this law generates. Maybe they will then quit making threats against banks and financial institutions as well as law-abiding taxpayers for petitioning government for a repeal of this law.

I urge you to stick by your guns and insist on the passage of your amendment to repeal this tyrannous law.

I also take the liberty of sending copies of this letter to Senate Majority Leader Howard Baker, Senate Minority Leader Robert Byrd, and Senator Russell Long.

Sincerely yours,

SAM J. ERVIN, Jr.,
Former U.S. Senator.

Mr. KASTEN. But I think it is important to recognize that an expert such as former Senator Sam Ervin believes that it is a constitutional right of people across this country to communicate with their Congress.

Mr. KENNEDY. Mr. President, just to respond, I do not think anyone denies the right of petition. I think the Senator from Kansas has probably said it the best. He said the banks have the right to petition Congress, but not to bury it. I think that is really what we have seen over this period of time.

No one questions, obviously, the right to petition, but I will also say to the Senator from Wisconsin that never before in my 20 years in the Senate have I seen such a campaign by a group that has so distorted and misrepresented the truth. I do think it is legitimate and fair to point out to the Senate that when these cards come in they come in various types of big envelopes. Unfortunately I cannot include them in the RECORD, but the fact is they come packed in big bundles such as this, and they come in envelopes paid for by the banks.

This is a good deal different from what I think most of us consider petitioning the Government, which is when the letters are sent by individual citizens who are sufficiently concerned about the issue that they take the time to write it themselves, and to put a stamp on it. I think it is important that we characterize the nature of this appeal to the Congress for what it is. The Senator from Kansas and I have tried to point out that the claims being made are a distortion and a misrepresentation.

Second we have pointed out the nature and quality of the petitions, that we have received.

Mr. DOLE. Mr. President, I will just take a minute. I wanted to comment on the statement. As I mentioned earlier on, the Senator from Kansas pointed out that even the President is capable of getting confused on this. In fact I learned about this 6 minutes before he was to go on radio on Saturday and tried to get word to the President of the United States that it is not a withholding tax, it is tax withholding. But it is hard to reach the President in 6 minutes, at least hard for this Senator to reach the President in 6 minutes. But beyond that, the statement was extremely good. He indicated, I think rather firmly, that he feels strongly about this tax compliance measure.

I want to just insert in the RECORD—I regret somebody—whoever wrote that for the President—either was imprecise or does not know the difference. The President does know the difference and he indicated that clearly on the radio program. But I did want to put in the RECORD a letter to my distinguished colleague from Wisconsin, Senator KASTEN, from John E. Chapoton, Assistant Secretary from Tax Policy, which indicates the Senator from Wisconsin's effort to sort of fill up the void here by attaching 1099's is not going to obtain additional tax compliance at all.

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

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR BOB: This is in reply to your request for estimates of additional revenues that could be raised through various compliance measures, including the reporting provision contained in S. 222.

Requiring taxpayers to submit copies of forms 1099 provided to them by payors of interest and dividends is estimated to have a negligible revenue effect since the perceived risk of noncompliance will not be appreciably greater than under current law.

Increased use of magnetic computer tapes by payors in reporting payments made to the IRS and increased cross-checking of forms 1099 against taxpayer claims of dividends and interest received would, in principal, give rise to higher levels of compliance. Under the Tax Equity and Fiscal Responsibility Act of 1982, however, the Secretary has already been directed to prescribe regulations to assure optimal use of magnetic tape reporting. Thus, increased use of magnetic tapes, together with the increased IRS cross-checking that such use will facilitate, has already been assumed in estimates of current law tax revenues.

The IRS currently has the authority to request additional funds for stepped-up audit and debt collection programs. Undoubtedly some additional tax revenues could be raised through such efforts. However, it would be a serious mistake to attempt to attain desired compliance levels by substituting a vast audit program for withholding on interest and dividends. An audit program of the magnitude necessary would be viewed as taxpayer harassment because millions of new taxpayer contacts, audits, and legal proceedings would be initiated. Such contacts, audits, and legal proceedings would be required in cases where the apparent underpayment of tax is very small. This process would seriously undermine tax administration efforts to insure honest taxpayers that our tax system based on voluntary compliance is both workable and fair. Thus, withholding is by far the most effective means of combating the noncompliance problem in the area of interest and dividends.

Sincerely,

JOHN E. CHAPOTON,
Assistant Secretary for Tax Policy.

Mr. DOLE. We are going to lose all the revenue we would get on withholding if we repeal withholding and adopt the provision in the Kasten amendment which simply requires attachment of a 1099 form, unless we are willing to spend a billion dollars a year to hire 30,000 to 40,000 more IRS agents. That would make it a jobs bill, we could call it jobs bill No. 2 since we have already passed one jobs bill. But in this Senator's view it is not the kind of a jobs bill that I want any part of. I do not want 30,000 or 40,000 IRS agents scattered around the country, 30,000 or 40,000 more, bothering taxpayers to collect taxes on small

amounts of interest and dividend income.

I think we ought to understand this because many in this body may believe that with the Kasten substitute we can pick up all that money just by attaching the information reports to tax forms.

Again, I would say that the President of the United States, who has not debated this issue every day on the floor, may have inaccurately referred to a withholding tax, but he made his position very clear. However, the distinguished Senator from Wisconsin, who claims to be the leader of this effort, has referred to "stopping the new tax on your savings." It is not a new tax unless you have not paid anything on your savings interest, and then it is a new tax, and I have had some very hot letters from people saying, "It is unconstitutional to make me pay taxes on my interest." It is not unconstitutional but if they have not paid any taxes on their interest over the years, they have had a pretty good thing going, and I sort of figured out the nastiest letters I have are probably from those who have failed to report for some reason their interest and dividend income.

Again I would say because we are about to hear from two distinguished colleagues, one in favor of repeal and one supporting withholding, and I have highest regard for each, that the Senator from Kansas understands that this is not a popular piece of legislation. That does not mean it is not good legislation. It was not evaluated until 1982 because it was not popular, and the Senator from Kansas and the Treasury and the President of the United States and others have tried to address some of the real concerns that the financial institutions have. We are continuing to do that. We have made it clear that, if there is some problem with the float and you do not get your expenses covered, we will address the float issue again.

This Senator believes that most of the steam has gone out of this issue. It does not mean the people who have to institute it like it, any more than the people who had to institute withholding on wages and salaries 40 years ago liked that.

It was best brought home to this Senator by a grocer in my hometown of Russell, Kans., who got up after I had had some discussion and somebody was quarreling about withholding and he said, I think to paraphrase, that he was tired of everybody shedding crocodile tears for the bankers, that he had been collecting sales taxes on groceries for 30 years to send to the State and nobody gave him any float and he wondered why that was necessary if in fact withholding is public policy.

Well, it is necessary, in my view. It is going to cost some money, and we are trying to indemnify where we can the banks and other institutions that have to put up that money.

Mr. President, we also have all kinds of forms that you fill out now if you buy an IRA or money market fund. I know the Senator from Wisconsin in holding up that "complicated" W-6 form, is implying that an average person could not figure it out. But all you have to fill in is your name and most people know their name, you have to know your address and I will bet 99 percent could give you their address, and you have got to know what State you are from. Then you have to put one check in a box.

You do not have to identify any particular ground for exemption but if you fall in any of five categories, you just mark a check. Then the hardest part is you have to sign your name. I find most people are able to do that. You do not have to do it but once. It is a permanent exemption once you do that.

When I compare the amount of information you need to provide to get a VISA card with the information required on a W-6, the W-6 requirements really are not that onerous at all.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, this Senator from Alaska believes Congress made a mistake when it passed withholding on interest and dividends last August. Withholding is a bad law. It creates more Government regulation, it has led the citizens of this country to become disenchanted with their Government, it will be costly to consumers, and it could result in less saving. I will address each of these points in detail.

This administration, and many of the Members of this body, were elected on a platform of reducing Government regulation. By passing withholding, we have done just the opposite. We have unnecessarily involved the Government in the personal relationship between customers and their banks, credit unions and their members, and corporations and their stockholders. The question they ask is what can they expect next from Government. We have made these institutions into tax collectors. It is the responsibility of the Government, not businesses, to collect taxes from individuals in this country. By the use of the exemption certificates, banks will be able to tell who their low-income customers are. I submit that it is an unprecedented invasion of the privacy of the citizens of this country for banks to have this information. I am appalled that this legislation was ever proposed to Congress. What other intrusions into the lives of our citizens can we expect next?

My constituents and the citizens of this country are outraged by this legislation. The letters I have received are not the result of any bankers' campaign, but rather are the result of widespread concern with and opposition to withholding from the little people of this Nation, America's small savers who are objecting to Government intervention on withholding from that which had always been sacred—the individual savings account. Such unpopular legislation as this can only lead to widespread discontent with the Government.

I am particularly concerned about the effect that this discontent will have on voluntarily tax compliance, the foundation of our tax system. Although Americans do not particularly like to pay taxes, they will pay taxes without protest when those taxes are fair, and are collected in a fair manner. Withholding on interest and dividends is not perceived as being fair. People cannot understand why there should be withholding. They know the IRS gets information from the banks and the corporations on who has been paid interest and dividends. Most people pay taxes on their interest and dividends. People wonder why the IRS does not go after tax cheaters instead of honest taxpayers. Voluntary tax compliance has been declining. I submit that the imposition of a method of tax collection that is perceived as being unfair and unnecessary will only lead to further declines in tax compliance.

Withholding will be costly to the consumers of this country. There are widespread disparities between the estimates of the costs of withholding made by the financial trade associations and the Treasury Department. I submit, however, businesses have a better idea of what it will cost them to undertake a particular operation than does the Government. Make no mistake about it, these increased costs of doing business will be passed on to the consumer. I have not found anyone in the financial industry who thinks the 30-day float allowed by law will even come close to paying for the costs of withholding. And I wish to ask, Mr. President, who basically pays for the float? Obviously, it is the consumer because the Government provides that float with his money.

Withholding could also result in less saving. As the letters I receive from my constituents illustrate, there is widespread fear that the withholding will reduce the benefits of compounding. In reality most financial institutions will probably choose to withhold annually instead of quarterly, and where there is quarterly withholding, the decrease in return will be relatively small. I am concerned, however, with the perceptions of small, unsophisticated savers. If they believe that

they will receive a lower rate of return, and choose to save less or not at all, I think such a response to withholding will create innumerable problems for this country.

The level of personal savings is already too low to meet the capital needs of businesses and the credit needs of consumers and the Government—and that is a Government which is forced to borrow over 50 percent of the funds available in the credit pool of this Nation. In 1980, household savings in the United States represented 3.3 percent of our gross national product. This compares to 7.4 percent in France, 8.5 percent in Germany, 8.3 percent in England, and 13.9 percent in Japan. The low rate of saving and investment in the United States led us to pass the Economic Recovery Tax Act in 1982. I believe that withholding is counterproductive to those efforts. The anger generated by withholding, and the perception that there will be substantial losses in returns as a result of withholding, will only exacerbate the savings problem in this country. Some of my constituents have threatened to empty their savings accounts rather than be subject to new Government intrusions in their lives. I do not know if these threats would actually be carried out. I do know that we cannot afford to have a lower rate of saving than we currently have in this country. We take this risk by implementing withholding.

Throughout the withholding controversy, I have noticed an interesting phenomenon: Financial institutions have been active in opposition to withholding, but corporations, who will also have to administer withholding, have been uncharacteristically silent. Could it be that they hope to see a reduction in the period for long-term capital gains treatment, or could it be that they are afraid of something, such as a surcharge on the corporate income tax? I expect that this question will remain unanswered at this time.

Mr. President, the debate on withholding raises two fundamental questions: who should collect the taxes in this country, and who should bear the cost of collecting those taxes? For me, the answer is clear—it is the Government. The taxpayers of this country should not suffer because the Internal Revenue Service cannot do its job correctly. Congress has never stinted the Internal Revenue Service in terms of either funds or authority to carry out its operations. Yet it still cannot effectively carry out the tax laws of this country. This is, indeed, a sad state of affairs.

I think the Senator from Kansas is correct when he says that there is a substantial tax compliance problem with interest and dividend payments. The Senator from Kansas suggests that 11 percent of the 1099 forms cannot be matched with individual tax returns because of missing taxpayer identification numbers and other problems with the 1099's. The Senator has also stated that 20 million taxpayers file returns that understate dividend and interest income, and another 5 to 6 million people do not file returns at all. It is obvious that there is a substantial problem in this area. I disagree, however, that withholding is the proper methods to solve it.

Mr. President, I cannot believe that the IRS does not have the authority and the ability to work with the banks and corporations to insure that the 1099's that come to it contain accurate information and are in a useful form. In the past the IRS has been critized for not effectively using the informational returns available to it. An October 20, 1980, General Accounting Office report stated:

> While still making considerable progress toward the goal of a full document matching program, IRS has fallen somewhat short of that goal.

The report went on to state that the IRS was using 79 percent of the returns filed in 1978 in the information returns program, compared to only 54 percent in 1977. The point to be made here is that although the IRS has steadily been improving its use of its informational reporting and matching system, it can take further steps to improve its performance.

In the Tax Equity and Fiscal Responsibility Act of 1982, Congress gave the IRS the tools necessary to insure an effective 1099 and 1040 matching program.

First, it extended information reporting to include U.S. Treasury bills and savings bonds, coupons on other bonds, and jumbo certificates of deposits. Second, it increased from $5 to $50 the penalties for an individual's failure to provide a taxpayer identification number to a financial institution or corporation filing a 1099, and for a financial institution or corporation's failure without reasonable cause to include a taxpayer identification number in the 1099. Finally, it requires financial institutions and corporations to withhold 15 percent from interest and dividend payments when an individual fails to supply a taxpayer identification number, or when the Service advises that the number supplied is inaccurate. Aggressive enforcement of these provisions will greatly improve the accuracy of the 1099's supplied to the IRS for their matching program.

It has been alleged that even if the informational reporting system and matching program were greatly improved, it would still cost hundreds of millions of dollars and require an additional 20 million audits a year to achieve the same results as withholding. Mr. President, I do not believe these allegations. Commissioner Egger of the Internal Revenue Service has stated that interest and dividend payments are widely dispersed to a large number of people. He has also stated that most of those who underreport that income do so out of carelessness and inadvertance. The amendment of the Senator from Wisconsin specifically addresses this problem. His amendment will require taxpayers to include copies of the 1099 form that they receive from their financial institutions and corporations with their income returns. This requirement will encourage taxpayers to keep copies of the 1099's and will remind them as to what their interest and dividend income actually is.

Mr. President, let us give this a chance and see how it works.

Even if this additional 1099 form filing requirement does not completely solve the problem of taxpayers underreporting their interest and dividend income, I fail to see why an additional 20 million audits, as alleged, would be required. Once the 1099's are matched with the income tax returns, a computer list of names of those who underreport is generated. That list is used in turn to generate dunning letters to those who have underpaid their taxes. According to Commissioner Egger, this is a fairly inexpensive process which usually results in the taxpayer paying what he owes. It is in only a relatively small number of cases that expensive, full-fledged audits and collection procedures would be required. I also fail to see how the process described above will generate more antagonism to the tax system than we are seeing generated by withholding.

For those who fail to file tax returns in the first place, I would suggest that the IRS spend the $85 per person that the Senator from Montana has indicated it costs to find those people. This is one area where the IRS should be making greater efforts than it is now. The example of people who do not file tax returns, who do not pay their taxes, and who get away with it, can only encourage increased noncompliance with the tax system.

Mr. President, withholding is an onerous burden on the taxpayers and consumers of this country. Before we implement withholding we should at least try out the new filing provision of the amendment offered by the Senator from Wisconsin, and the other changes made in TEFRA that I have just discussed. I suspect that we will find that we really do not need withholding after all.

I think that it is time that the U.S. Senate and the IRS demonstrated a little confidence in American taxpayers by taking the path of least intrusion into the private financial matters of all citizens.

There must be a balance between tax collection efforts and the need to respect the privacy and sensibilities of the taxpayers of this country, whom, after all, we represent. Too little tax collection effort results in all of us paying more taxes to make up for those who do not pay what they owe. Too much tax collection effort results in taxpayer resistance and contempt for the Government. Mr. President, judging from the reaction that we are getting from our constituents, the balance has tipped too far toward tax collection. It is time to remedy our ill-advised enactment of withholding. I urge my colleagues to adopt the amendment of the Senator from Wisconsin.

Mr. KASTEN. Will the Senator yield?

Mr. MURKOWSKI. I yield to the Senator from Wisconsin.

Mr. KASTEN. I thank the Senator and congratulate him on his strong statement in favor of the repeal of the 10-percent withholding on interest and dividends.

UP AMENDMENT NO. 142

(Subsequently numbered amendment No. 1069.)

(Purpose: To change the effective date on which withholding of tax from interest and dividends will be repealed)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. KASTEN) proposes unprinted amendment No. 142 to amendment No. 522.

Mr. KASTEN. 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 1, line 6, strike all after "is hereby repealed" and insert in lieu thereof: "is repealed effective May 1, 1983."

(2) The Internal Revenue Code of 1954 shall be applied as if such subtitle A (and the amendments made by such subtitle) had not been enacted.

(b) Section 6049 of the Internal Revenue Code of 1954 (relating to returns regarding payments of interest) is amended—

(1) in subsection (a)—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out "or" at the end of paragraph (2),

(C) by striking out paragraph (3), and

(D) by striking out "tax deducted and withheld,",

(2) in subsection (b)(2)—

(A) by striking out subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (C), and striking out "not described in subparagraph (C) of this paragraph", and

(C) by redesignating subparagraph (E) as subparagraph (D),

(3) in subsection (b)(3) by striking out "paragraph 2(D)" each place it appears and inserting in lieu thereof "paragraph 2(C)",

(4) in subsection (c)(1)—

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out ", and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C), and

(5) in subsection (c) by adding at the end thereof the following new paragraph:

"(4) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under paragraph (1) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(c) Section 6042 of such Code (relating to returns regarding payments of dividends) is amended by adding at the end thereof the following new subsection:

"(e) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (c) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(d) Section 6044 of such Code (relating to returns regarding payment of patronage dividends) is amended by adding at the end thereof the following new subsection:

"(f) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (e) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

Mr. KASTEN. Mr. President, I would like to inform the Senate that the substance of this amendment is similar to the substance of the original Kasten amendment.

I have a parliamentary inquiry, Mr. President. It is my understanding that no vote can occur on the Dole substitute until the amendment which I have just offered is disposed of. Is my understanding correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KASTEN. I thank the President and I thank the Senator from Alaska for yielding.

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

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, is it also correct that a motion to lay on the table the Kasten amendment would be in order at any time before the cloture motion is voted upon?

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. Mr. President, I wanted to advise my friend from Wisconsin that I may very well make such a motion yet this afternoon and, as the Senator knows, it is not debatable but immediately comes up for a vote.

Mr. President, I think it is important that we discuss this issue in its appropriate context.

I have not been around the Halls of the Senate as long as a lot of other people, but if there is one thing that I have learned in the years that I have been here, it is that everybody is for resolving certain problems provided they did not affect them and somebody else's ox is gored.

I do not think there is any group in the country that has cried out longer and louder for a balanced budget than have the bankers of this Nation. They told us that if we could balance the budget, all the problems of the economy would be resolved.

The issue of withholding on interest and dividends will not result in balancing the budget, but I have learned in my years on the Budget Committee that no one single issue ever does result in balancing the budget. You balance the budget by a lot of different actions.

You do it in small pieces and large pieces. You do it with respect to cutting back on defense spending, cutting back on domestic spending, bringing more revenue in. In other words, to bring more revenue in, you have to close tax loopholes and you have to see to it that everybody who owes taxes pays their taxes.

Of all the issues in which I think the American people have been confused, I do not think there is any one single issue where the American people have subsidized a greater lobbying effort than has been done in this instance. The banks have used their own personnel to provide all the work effort, to do the work product, to see to it that their customers were misled. They have included their statements in their other mailings to their customers; they have had signs up in their banks; they have provided the use of the taxpayer's dollars to absorb their expenses in a massive lobbying effort.

For what purpose? Because the banks say:

Well, sure, balance the budget, but do not do anything that might disturb our equanimity. Do not do anything that might interfere with our normal banking operation. Do not make us push another button on the computer to send out some slip to tell people how much their withholding was or is.

What a massive effort to confuse the American people has been undertaken by the American banking industry, that great industry that prides itself on its integrity and its credibility and "You can trust your bank." Build a bigger edifice so you will know the bank is solid and stable. But you can lie to your customers about withholding.

What an absurd situation we find ourselves in: The Members of Congress being importuned with boxes

and barrels and crates of mail. What an incredible fact of life, that all of it is the same, repetitions.

I do not understand them. They are the ones who sit in their offices and are able to enjoy one of the biggest tax loopholes of all, the fact that they have an artificial figure hung up in the air for their bad debt reserve that no other business in America enjoys. Do not touch that; oh, no; the integrity of the banking structure might be affected.

Do not touch us about anything like causing us to give out another piece of paper. That would disturb us. You cannot afford to disturb us.

What a sad commentary it is that they have pounded and pounded away at Members of Congress on this issue. What a travesty. What a shameful waste of their time.

Some people say that this is an issue that has the people of their States all worked up. I tried it in a few public speeches. I tried it to unemployed workers; I tried it to employed workers. I tried it to union meetings. I said to them, "Why is it right for taxes to be withheld on workers' wages but no withholding with respect to dividends and interest? What makes working people eligible to have their taxes withheld and makes it inappropriate for those who have their money in the bank or who receive dividends to have a portion of their taxes withheld?"

It cannot be emphasized enough: This is not a new tax. This is the same old tax. It is simply a better method of collecting the taxes that are already due and being paid by most law-abiding Americans. Fully 13 percent of the interest and dividend income is not reported on individual tax returns. I sit in that Budget Committee with my good friend from Wisconsin and we shave a little bit of money here from some needy program, and we work to find a little bit of money on the revenue side, and we worry about whether it is double-digit in 1984, whether it is single-digit as far as the revenue is concerned.

We are talking about a major part of that in this whole issue having to do with withholding. Thirteen percent of the interest and dividend income is not reported on individual tax returns. I heard the discussion before, how much this will bring in. I do not know how much it will bring in. I do not know whether the figure of $18 billion over the next 5 years is right or wrong. But I do not think there is any argument that it will bring in a number of billions of dollars.

What is so terribly wrong with people who owe taxes paying their taxes? It is a fact that some people are getting by now without bearing their fair share of the tax burden. The banking community is simply not telling the truth to its depositors and is conducting an unconscionable campaign of fear and distortion.

My campaign committee got one of these notices the other day. I read it. It is worse than the Republican propaganda they put out when I was a candidate. They just lie about the facts. Republicans at least just distorted the facts.

The fact is that the banks are not telling the truth. They have frightened people into thinking that they are going to lose vast sums of money due to the loss of compound interest on the money that is withheld. The fact is that if the banks withheld the taxes on a monthly basis, the loss per $1,000 of principal would be less than 50 cents a year—an absolutely insignificant amount.

This is not even accurate, since the bill allows the banks to deduct from accounts on a once-a-year basis on December 31. The maximum interest loss would be for the period from January 1 to the April 15 deadline. If a taxpayer files earlier, the loss is even less.

Probably there is no more frightened group of people in this country than our senior citizens. Our senior citizens have been frightened into believing that 10 cents out of every one of their dollars will now be sent to the Government, according to the bankers' epistles that have been sent out to their customers.

They go on to say that the only way to avoid it is to fill out the form that shows you are on a poverty level and that is an invasion of your privacy. What kind of an invasion of privacy? First, nobody talks about being at a poverty level. They talk about dollar limits, dollar ranges, which is what income tax returns are all about.

The fact is that the exemptions for senior citizens are extremely liberal; in fact, probably 90 percent of the senior citizens of this country will qualify for the exemptions. A single person over 65 is exempt from withholding if his or her tax liability for the previous year was under $1,500. For a married couple filing a joint return, the tax liability is $2,500.

Now, let us look at what this really means. If a person is living on social security and has income from investments and savings, it would mean that he or she would have to have interest income of more than $13,300 a year before the withholding tax would kick in. At a 9-percent interest rate, this means that he or she would have nearly $148,000 in the bank in order to fall under the withholding rules.

For a married couple, it would require an interest income of $22,200 per year, equal to a principal balance of approximately $247,000.

As far as the exemption forms are concerned, they are certainly not a statement of poverty. They simply require the taxpayer to state that the previous year's tax liability was under the ceiling. The banks have failed to tell the senior citizens they only have to fill out the form once, not each year.

Banks maintain there will be tremendous costs involved in setting up the system, that it will cost far more to the banks than the Government will take in. It is hard to believe that a simple moving of a decimal point on a once-a-year basis and then remitting those funds to the IRS is beyond the capabilities or the capacity of every bank computer in this country.

We read every day of the great world of banking, where supermarkets are tying into bank computers for instant withdrawals from checking accounts, where 24-hour automatic tellers are sprouting up in drugstores, department stores, and gas stations, and yet the banks are resisting with all their political might and all of their economic strength a relatively simple transaction such as withholding.

Banks fail to mention float rules that the Treasury Department has come up with to help the banks pay some of these costs. These float rules allow the banks to hold the withheld funds for 30 days, invest the funds and use the return to defray the costs.

Now, let us see what this means. A medium-sized bank or savings and loan that pays its customers $75 million in interest per year would deduct $7.5 million it invested in Treasury notes for 30 days at a return of 8.5 percent. The bank would realize a return of more than $53,000.

The bottom line of that is that, First, this is not a new tax; second, it only affects those who have not been paying their taxes on interest and dividends; and third, it is exactly the same principle that has been in effect for millions of Americans for more than 40 years, withholding of taxes from their paychecks.

This whole issue really resolves itself down to an issue of equity and fairness. If it is right to have withholding for working people, then it is equally right for those who are not exempt under the rules to have withholding for dividends and interest.

I do not understand why all the hullabaloo. I do not understand why the tremendous emphasis on trying to keep this matter from coming into effect. If we truly want to do something about balancing the budget, then we have to resolve the issue in a number of different ways. This is not going to resolve it on its own, of course, but it would help. It would be a step in the right direction. It would make us put our actions where our mouths are, and that so often is not the case in the U.S. Congress.

We make the magnificent speeches, we make the campaign pledges, we make the campaign promises, we indicate that we want to balance the

budget, but when all is said and done and it comes time to bite the bullet and doing something about it, how shameful it is that the banks of this Nation are the leaders in this effort to keep the IRS from getting that which is due it.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Ohio for his support today and in the past, not only on this issue but other issues in the tax area.

As the Senator pointed out in his opening remarks, it is always easy to advocate tax reform and spending reform as long as it does not touch anyone we know, and as long as no one complains. That does not happen too often around here. If it is painless, then we are for it. It seems to me, knowing the few valid arguments, and just concerns raised by the financial institutions since the law was enacted, that in nearly every case we have been able to address those concerns, but we are still faced with their opposition and the resulting question, How do we collect this $13 billion? We have taken out all of the "speedup" now with year-end withholding so we do not face that argument, though that change has reduced our revenue estimates. How can we find the money that the Kasten amendment would give away? I must say, as we are looking at the $269 billion in tax expenditures, maybe there is some other way. Maybe there is $10, $15, $20 billion, or more on the tax expenditure side. But we were advised, as recently as 2 weeks ago by the Internal Revenue Service, and by Roscoe Egger, the IRS Commissioner, that there is still somewhere in the neighborhood of $87 to $100 billion a year in taxes that are due but not paid.

Now, this Senator finds it difficult to stand up before any audience in my State or any other and say, "Well, we cannot pursue this anymore because there is just so much political heat generated that it would be the end of our political career if we do not repeal withholding."

Now, that may not be the motive in every case, but having been in politics for some time, I can recognize a political issue. This is not a people's issue, it is a political issue. It has been made a political issue. That was the intent of the ABA and the others when they started the multimillion dollar campaign against this amendment.

It is to stir up enough people, whether the mail comes in boxes or bundles or individual post cards, to have the impact they want on the U.S. Congress. But there are still some Members, and this Senator is hopeful there will be more who will determine it is good tax policy. I believe as we debate this issue, Members will more fully understand it and will support withholding. I commend the distinguished Senator from Ohio for his continuing interest in closing up some of these loopholes.

The Senator from Ohio called to my attention this morning an editorial that appeared in the Washington Post Saturday called "Leasing Mania," how that has gotten out of hand after we thought we tightened it up in the 1982 Tax Reform Act. And so we are now in the process of addressing that concern raised by the distinguished Senator from Ohio. This is just one of the many areas that he has called to our attention.

It is not easy. I am certain the President of the United States would rather be doing something, today other than making phone calls opposing cloture on withholding. But I understand he feels so strongly about keeping withholding that he is in the process of doing just that.

I thank my colleagues from Ohio, and I would say to my friends on the other side of this issue that it is not easy being on the Finance Committee, nor is it easy being on the Budget Committee or any committee in the Congress, when we have to make tough decisions. I would guess if we want to stop tax reform dead in its tracks, as I said the other day, this is one good way to do it. I do not think the Finance Committee is going to be volunteering to make any hard decisions, because all we have to do is find some other powerful group that can spend a few million dollars to flood us with mail and then I am afraid the result would be the same.

Again, we have looked at all kinds of alternatives. I do not know how many alternatives we have had called to our attention. The one from the Senator from Wisconsin is a great alternative except it does not raise any revenue. You get a zero. Now, others have been submitted to by Senators from Alaska (Mr. STEVENS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Maine (Mr. COHEN). The Senator from Kansas, I might say, has been evaluating alternatives of his own in an effort to address some of the real concerns—and there are real concerns expressed to some—in an effort to make this work. But notwithstanding that, we still have not found an area that we can find agreement on, and the President of the United States feels very strongly there should not be a compromise on this issue. At least that is his feeling at this moment.

The Senator from Kansas is going to do the best he can to support the President's position, because in my view the President is correct.

Again I say that this is not something that just came up overnight. Mortimer Caplin, who was the IRS Commissioner for President Kennedy, in talking about withholding as the backbone of our self-assessment system, pointed out that in 1862 we had withholding on dividends and interest, and it was authorized by the Revenue Act of July 1, 1962.

It applied at an initial 3-percent rate to interest and dividends paid by all railroads, banks, trust companies, fire, marine, life, inland, stock and mutual companies. In 1864, the withholding rate was increased from 3 percent to 5 percent and was extended to include interest and dividends of canal, turnpike and canal navigation companies. Only the salaries of Government employees were also subject to withholding during the period, as it evidently was regarded as too difficult to extend withholding to the salaries of outside employees.

Here we are in 1983 saying, "Well, it's OK to have withholding on wages and salaries the past 40 years. We just cannot have withholding on interest and dividends."

So I submit that withholding was effective over 120 years ago, and it is not something that has just sprung up overnight.

It seems to me that if the banks back in 1862 could figure out this complicated procedure, and the percentage was 5 percent then—withholding 10 percent today ought to be easy. The percentage, I suppose, does not make any difference, with all the technology we have now. We will be going into that later, but banks should have the technology and know-how to compute 10 percent of interest and dividend payments.

I suggest that it was not very complicated when we first had withholding. All you had to do was fill out a little form. That 1865. It says, "The account of interest paid on bonds," and it was filled out by the bank and was about as complicated as the W-6 form today. That return was filed, and then a receipt was issued by the Internal Revenue Service for the amount that was paid, and that was the end of it.

I know that may be inconvenient, but it is not complicated. You could multiply that hundreds of thousands of times, and it creates some paperwork. But when we talk about Government intrusion, I would much prefer withholding at the source than turning loose another 35,000 or 40,000 IRS agents to audit or otherwise contact the American taxpayer, or those who fail to pay their taxes.

It is suggested that it is $85 which the Treasury Department ought to spend in each case. I am not certain what that would add up to, but it would be a substantial amount of money.

I am not suggesting that the IRS is perfect. There is no doubt in my mind that the IRS could be a little more aggressive; but if they become a little more aggressive, then they begin hear-

ing from Members of Congress, because we begin hearing from taxpayers that they are being harassed by the IRS. Maybe they have been negligent. Maybe they would rather not perform these procedures. Maybe the net return, based upon the total budget and total manpower, would be much less than what is spent and would not be effective. But it seems to me that the issue is rather clear.

Mr. President, I am advised that the Senator from Minnesota (Mr. DURENBERGER) wishes to speak on this issue, so unless someone else wishes to speak at this time, I yield the floor.

Mr. MURKOWSKI. Mr. President, I should like to ask the Senator from Kansas a question with regard to the numerous inconsistencies he has outlined in the processing of the 1099 form.

Why can we not make the assumption that there will be a substantial improvement in reporting under Senator KASTEN's amendment with regard to the mandatory filing of the 1099 form.

Both of us are aware that experts can give different answers, depending on their particular expertise, and stance on the issue, but I fail to understand—and perhaps the Senator from Kansas can answer in some detail—why we would not see a very substantial improvement in the collection of these outstanding funds. The implementation of the process really has been with us, but we have lacked the continuity of matching up with the 1099 form, inasmuch as IRS really has not followed up in any procedural process, yet it is an automatic data processing procedure that is involved in matching these up. I have had letters from IRS, on an outstanding collection of $12 or $13, that probably cost the Government $25 to process.

With respect to the suggestion that IRS can not be bothered with this, it seems to me that using the data processing system that the IRS already has in conjunction with the requirements of the Kasten amendment, is an area they have been overlooking and which would lead to tremendous voluntary compliance, because now you have a check and balance. You have to provide that 1099 with your tax return.

I have not heard much of an explanation directed to just how effective that particular program would be. I would appreciate any comment the Senator from Kansas would care to make.

Mr. DOLE. If the Senator will yield, I intended to do that in a separate statement. I will take a few minutes.

Let me suggest to the Senator from Alaska the same question I have asked. The bankers in my State are good people. The S&L's in my State are good people. The credit unions are good people. As I have indicated, I had about 16 meetings in my State, and I believe that question was asked more than any other question.

As the Senator from Kansas understands it, and as the Treasury and IRS understand it, when you have about 19 million returns where you do not have the accurate information and another 5 million to 6 million nonfilers, then you have a problem, even though you might be able to match information to some degree. I should like to spell it out as it had been explained to me.

Many of the advocates of repealing interest and dividend withholding indicate that they have a good-faith concern about tax compliance problems in regard to interest and dividends.

I think everyone does, and I wish we could find a better way without withholding but with almost the same compliance rate. I am convinced that if we had that, we could pass it in Congress by a vote of 2 or 3 to 1.

They say that beefing up the existing system of information reporting ought to be adequate to cope with noncompliance on interest and dividend income. I believe that many of those who make this argument are sincere: The problems is that the facts, if carefully examined, demonstrate that information reporting can never be as efficient, as effective, or as fair as withholding in raising compliance levels in this area.

To understand the drawbacks with information reporting, you have to have an idea of how the system works now. Payors of interest and dividends are indeed required to file with the IRS a form 1099 with respect to each taxpayer to whom it makes payments of interest or dividends. In theory these documents could form the basis for matching against income tax returns filed for the purpose of tracking down discrepancies and enforcing the law. But that is only the beginning of the story.

For information reporting to be effective in improving compliance, the first thing you need to be sure of is that the information is highly accurate, and that it is comprehensive. On both these grounds information submitted on interest and dividend payments leaves a lot to be desired. First of all, of the documents actually received by the IRS—and we should not forget that there are some 660 million of those documents, according to IRS Commissioner Roscoe Egger—about 11 percent are essentially unusable. That is because the taxpayer identification number on the document is wrong, or because the number is omitted, or because of some other inaccuracy or omission. So the first fly in the ointment so far as information reporting is concerned is the fact that only about 89 percent of the documents that could be used for matching are any good to the Service.

The second problem is that not all payors of interest and dividends comply with the information reporting requirement. There are many, many cases where the proper reports are never sent to the IRS in the first place. While there are no firm numbers on how widespread this problem is—it is hard to count what you do not have—the experience of the IRS in audits indicates that payor noncompliance is substantial. So there is another big information gap that prevents accurate matching of reports of interest and dividend income paid against individual taxpayers' returns. And on the other side of the equation there are an estimated 5 to 6 million taxpayers each year who simply do not file a return. If there is no tax return to match with, there is little good that any kind of information reporting will do.

Mr. President, these are not the only technical drawbacks to information reporting as a solution to the interest and dividend income compliance gap. Illegible or damaged documents can throw the system off. Inadvertent double-reporting by some payors—filing information reports once on magnetic tape, once on paper—can result in an incorrect match. Some taxpayers confuse interest with dividends on their return and report interest in the dividends line on their return, and vice versa. On top of all this, due to resource restrictions the IRS can only process about 20 percent of the paper documents it receives.

So they get 650 million documents. That is more postcards than I have received from all the banks, credit unions, and others, multiplied 600 and some times.

And on top of all this, since they can only process about 20 percent of paper it receives, it is true that we provided some new tools in what we call the TEFRA last year. We expect that will be of some assistance, but it seems to me that we are not going to be able to really bring in that much additional revenue without a lot more IRS agents.

BURDEN ON THE TAXPAYER

So there are lots of problems with information reporting that make it a less-than-satisfactory answer to the interest and dividend problem. But let us assume for the sake of argument that these problems could be solved—that Congress was willing to give the IRS the resources to institute and enforce the best possible information reporting scheme, and that the Service felt that this was an efficient way to utilize those resources—rather than increasing overall audits, for example. Would information reporting then be a sensible, cost-effective, and fair way to improve compliance in this area? Unfortunately, this Senator is advised that the answer is still no.

Consider what would have to happen if we had perfect information reporting on interest and dividend income, and a comprehensive match against individual returns. Based on taxpayer identification numbers, the individual return would be matched against the aggregate amount of interest and dividend income paid. To the extent there was any discrepancy between the interest and dividend income reported by the taxpayer and the aggregate amount reported by payors, the IRS would have a potential case of noncompliance to pursue.

Keep in mind that the Service estimates there are 18 to 20 million taxpayers each year who have discrepancies in the reporting of interest and dividend income. In addition, a large number of these discrepancies are in amounts less than $100. That means we are talking about a very large number of potential cases, but relatively few instances where there would be a significant payoff for the Government.

If a discrepancy in reporting interest and dividend income does appear, the first thing the IRS would be obliged to do is scan the documents for a possible explanation of the discrepancy. After all, no one wants the Service to pursue a case where it can readily be determined that the taxpayer made an honest mistake: Our goal is to collect the maximum revenue with the minimum intrusion on the taxpayer's affairs.

Assuming there is no obvious explanation for the discrepancy, the next step for the IRS is to send out an initial taxpayer letter. In many cases this initial letter will not yet evoke a response from the taxpayer. In addition, in many cases it is not an effective device because the taxpayer's address has changed or because no address was given. Sending out and following up on these letters requires substantial personnel. An unresponsive taxpayer may require between two and four notices. And at this stage of the process no assessment of tax can yet be made. If there is still no response from the taxpayer, a visit or phone call from an IRS agent is required. Again, additional personnel would be required to locate receivables and collect tax. Whatever one's view of withholding as a device to increase compliance, no one can dispute that repeated letters, phone calls, visits, and collection efforts by IRS personnel involve much more of a burden on the taxpayer and an intrusion into his or her affairs than withholding ever would. For those who really care about Government interference in the lives of our citizens, this ought to be a compelling reason to prefer withholding as a fair solution to a real problem.

But even apart from that consideration, the practical reality is that the multitude of steps required to make any information matching scheme work mean that it is just not a cost-effective way to proceed. The Internal Revenue Service advises us that to follow through on 100 percent of the discrepancy cases in the interest and dividend area, it would need some 30,000 to 40,000 additional personnel. The cost of this effort would be in the neighborhood of $1 billion per year on a continuing basis, year after year. In addition, the timelag is making collections of tax due would be 24 to 36 months. The fact is that if Congress in its wisdom provided the IRS with these additional personnel, and I am not certain that would be an act of wisdom, the Service would not devote them to following up on information discrepancies in interest and dividend income. It simply would not be efficient or sensible, because those resources could be assigned to increasing audit coverage or other general compliance problems with a much higher return to the Government for each additional dollar spent.

So I would say in a long answer to a good question by the Senator from Alaska, it seems to me anyway you look at it, withholding is the least onerous, least intrusive, and I think the best and most effective way to collect the tax.

Mr. MURKOWSKI. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. I yield.

Mr. MURKOWSKI. I am looking for a rather short answer. It would seem to me that the procedure involved in the enactment of withholding it ultimately going to require the financial institutions and the credit unions to not only deduct an amount from an individual savings account, dividend and interest information but also to report on a 1099 form to the Federal Government and to the individual holder of the account. This IRS will still have to determine the accuracy of this reported information. We are talking about a tax identification number, or a social security number in the case of most people who have an individual account of some kind.

It would appear to me that the question of accuracy of proper identification numbers becomes moot at that point because if the bank is going to do it under withholding, you can also make the same assumption that the banks could do it now. This is the answer to the charge that the banks have not been responsive in providing IRS with accurate information. It seems to the Senator from Alaska that the point that the Senator from Kansas made initially becomes moot because in order for the withholding to work, the whole information cycle is going to have to be corrected anyway.

I am suggesting that we have everything established initially. We just do not have it fine tuned. Let us fine tune it and get on with it.

Mr. DOLE. As I understand, and I will be glad to expand on it at a later time, I do not think the Kasten amendment adds anything significant to present law.

It does not do anything.

Mr. MURKOWSKI. It does require the individual, as I understand it, to have to put a copy of the 1099 in with his income tax return when he files it.

Mr. KASTEN. The Senator is correct. That is the second section or our bill, which is to match up the 1099 forms to get compliance.

Mr. MURKOWSKI. And that is the most important change because it provides the IRS with an automatic check and balance, and that is my major reason for supporting it.

I feel it does provide what is now, if you will, a missing link in the check and balance.

Mr. DOLE. My understanding is the IRS would not pay any attention to it. They do not have the manpower to process it.

Mr. MURKOWSKI. With all due respect, much of it would be processed by computers, as we now process our income tax returns. They are processed by computer and a certain amount are kicked out. But what you are doing here is you have a data processing system which is totally capable of matching this information. The volume does not really affect the efficiency of the process.

If the process is set up, it will match up the information. People will also know what their tax liability is and they will pay it up front. That is why I ask why it is not reasonable to look at the Kasten amendment as raising substantial revenues because it does make a significant difference when that 1099 is submitted. I think it is fair to suggest that there will be many people who will pay their taxes, be it due to corporate dividend or interest income as long as they have to attach the 1099 form to their tax return.

Mr. DOLE. Well, the Senator from Kansas tried to explain that rather lengthy answer. Even if we had perfect matching and numbers, you are still going to have problems in about between 19 and 20 million cases and therein lies the problem. I do not think we are going to resolve it with information reporting, I do not care how accurate it may be; we are still not going to be able to follow up mismatches unless we hire this army of people up here, first sending letters, then making phone calls, then following up with house calls.

Mr. MURKOWSKI. If the Senator will yield for an observation, you are talking about 20 million based on the way the system is set up now and I concede that possibility. I do not think you are giving a fair evaluation of

what the effect is likely to be on the system, when you attach the 1099 and submit it before we initiate another program on the American people in a very sacred area, and that is the sacredness of an individual savings account, I think we at least owe it to ourselves to examine to see if the system we have is adequate and whether we have just not given it a check and balance by requiring the 1099 to be attached to the return. I suggest to the Senator from Kansas that this is extremely significant, and that he is totally underestimating just how effective the amendment offered by the Senator from Wisconsin would be. I would invite the Senator from Wisconsin at the appropriate time to address that specific issue because I know he has done a great deal of research on it. I do not think you can just say 20,000——

Mr. DOLE. 20 million. You know you are required to report you interest income now. I do not know what the magic is by putting your 1099 on the return.

Again I am not part of the Internal Revenue Service but they tell me the amendment is worthless. It does not do anything—the Joint Committee on Taxation says it does not raise any money at all. We can all talk here in great platitudes about just putting your 1099's on there, and you just ship it in and the problem is over. But as I understand the experts, and the Senator from Kansas does not claim to be an expert, the experts tell us it does not have any impact at all.

We have been negotiating, I might say, or discussing with some bankers in my own State some meaningful things that would have an impact and would increase the compliance and would provide some penalties for misinformation on 1099's. Therein lies the problem. But just saying you are going to attach it, and then thinking that suddenly there will be this magic and everybody will comply and everybody will give accurate information, and everybody will report, in my view, to think that way is living in a dream world. I am advised by our joint committee staff, a nonpartisan, bipartisan staff composed of experts and Internal Revenue Service, that the Kasten amendment loses all the revenue we will pick up from withholding and I do not think the Senator from Wisconsin can make a case to the contrary.

Mr. KASTEN. Will the Senator yield?

Mr. DOLE. I yield for an explanation.

Mr. KASTEN. I would just like to point out to the Senator that the present system requires that we attach our W-2 forms to our tax returns. This seems to work just fine. People report their income and we know how much has been earned. All we are saying is attach the 1099's and we believe, and I think——

Mr. DOLE. There is a rather large difference. You have already withheld the wages and you attach the W-2 to qualify for a refund or a credit against taxes due.

Mr. KASTEN. Attaching that form has made a difference in terms of proper reporting for wages. Attaching the 1099's will make the same difference. At least give it a chance.

Mr. DOLE. If you want to pattern after the system used for wages, let them withhold dividends and interest income and then attach the 1099. You want to have it both ways.

Mr. KASTEN. I do not want it both ways, I just want to have the form, no withholding.

Will the Senator yield for some additional cosponsors? I would like to add as cosponsors to the Kasten amendment No. 522 Senator BIDEN, Senator DIXON, Senator LONG, and Senator PELL.

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

Mr. KASTEN. I thank the Senator for yielding.

Mr. DOLE. As I indicated in my first statement when the Senator from Alaska was not on the floor, and I know he wants compliance and I appreciate that, the Senator from Iowa, Senator GRASSLEY and myself early in 1981 asked the IRS to take a long look at all the areas. In fact very early in 1981, I think in late 1980, we came up with a lot of the same information that we thought more information reporting was the answer. In fact we put it in our legislation. We did not put in withholding on interest and dividends because we knew we were going to create a firestorm. Maybe that was cowardice but that is what we did not do. But we were advised at that time, that mere improvements in information reporting would have only a small impact on compliance.

Mr. DURENBERGER. Will the Senator from Kansas yield?

Mr. DOLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I thank the Senator from Kansas.

Let me start my comments on perhaps a political note. So many things we do around this place are presumed to be political in nature, and this one, this whole issue we are currently involved in, sort of does away with the notion there is a Republican version of doing tax reform or spending because I see four Republican Senators on the floor right now, two on either side of this issue, and in a sense that is a comfortable feeling to know.

Mr. KASTEN. You are about to lose one.

Mr. DURENBERGER. We will make it two to one and it will not change the equation one way or the other. [Laughter.] It is nice that an issue might be discussed on its merits rather than on its partisan political consequences. The Senator from Wisconsin was on the floor last year making many of the same arguments he has been making here in 1983, and he made those right through to the final vote on the tax bill, as I recall, early one morning. That obviously is something that he and at least some of the cosponsors of his legislation feel is an important matter of tax policy and an important matter of principle.

Let me say, whether it is as a Republican or as a person who came to political life in midlife, so to speak, that I do not really like the notion that the Government takes my money away from me before I have had a chance to decide what they are going to spend it on.

I really would like the notion that income taxes get paid the way property taxes do, once a year, twice a year, depending upon the way in which a particular State might set up their taxes.

But, in part, the issue of withholding got decided for us as a society quite some time ago, probably the first time, as the chairman of the Finance Committee has indicated, back in Abraham Lincoln's day and then it got repeated at various times during the course of the history of this country.

The last time, and probably the major effort, was during the Second World War when withholding was adopted as a principle of appropriate revenue raising with regard to wages. At that time, and again at this particular point in time, it is not being used because it is necessarily something that everybody in the country believes in, but it is a matter of fairness and equity in raising taxes in a society. You try to spread the burden of raising revenues to match the governmental response to the needs of the people of this country across as broad a range of people as you possibly can. That probably was the primary argument that you could make for withholding, and that is that it is the one way to come close to getting 100 percent of the people who have income of certain kinds to pay the appropriate rate of taxation on that income.

(Mr. ANDREWS assumed the chair.)

Mr. DURENBERGER. I will acknowledge that between 1943 and the early 1980's a lot of changes have taken place in our tax system in this country in the way that we attempt to evenhandedly raise needed tax revenues at the local level, at the State government level, and at the Federal level to respond to the needs of people in this country.

In this country, we made a decision somewhere in that last 40 years that the way to set up our tax system was

to tax the rich, to use the tax system to spread the earnings and savings of people across the various income categories. And so we decided that the best way to do that was to provide incentives for consumption and penalties for savings, because the savings were something that supposedly the rich did to excess and the poor people only did it as a little nest egg, and the best way to get money out of the so-called upper classes was to hit hard on savings and investments of one kind or another, the progressive rate structure in the income tax was to sort of even out, and as some people say, redistribute the wealth in this country. We adopted at some point in time a top rate I think of like 93 percent on individual income tax in this country. And with a 93-percent rate we discovered, to our regret too late, that people were not bothering to save and they were not bothering to invest and they were coming down here to the Congress demanding a variety of investment incentives in order to protect themselves form the 93-percent rate.

During the 1960's, to the credit of the other party, which had been responsible for creating an awful lot of these loopholes in the tax system for the people in the 93-percent bracket, a Democratic administration recommended that we drop that top rate to 70 percent. That helped a little bit, but all it probably did was change the nature of some of those loopholes that got created for incentives. It really did not do anything to encourage the broad spectrum of the American public to put aside a little money out of every paycheck and to treasure the income from those investments or those savings for their particular rainy day. We still hit hard at that so-called unearned income.

At the same time, we had an income tax system in which, if you got the economy to grow through inflation rather than through real growth, we discovered a very interesting phenomenon. A little bit of inflation would raise taxes about 1½ times as fast as you could here on the floor of the U.S. Senate by changing the tax rates. So over the period of time, this combination of putting all the rewards in the tax system on consumption, all the penalties on savings, and all of the incentives on inflation, we found the best way to raise money in this country was to raise the rate of inflation. We found then, of course, that nobody even had the money to save if they wanted to save and take the tax penalties for savings, because as fast as they brought in the increased earnings every week or every month or every year, the Government was taking it out 1½ times as fast as it came in.

So I came into the U.S. Senate at the end of a period of time in which the whole country came to a couple of conclusions. First, the taxes that they were paying were not producing as much as the dollar value of the taxes that were going into the system, and, second, that there was not any way anybody was going to get any social security protection, any unemployment protection, any retirement protection, or any other kind of protection out of a system that had no incentives for them to save. So they started putting some demands on this system to make it good to save and invest again. And that is the point at which I entered this process of trying to help make some of these decisions.

One of my first opportunities to face up to the issue of withholding, of course, was the same opportunity the chairman of the Finance Committee had back in 1979 or 1980 when the, then Democratic, President of the United States proposed that we have withholding on interest and dividend income. And like the chairman of the Finance Committee and like a whole lot of my colleagues, I drafted a nice CMS response to all my constituents which said that with inflation as high as it is, with Government spending out of control with Government tax policy out of control, and with no incentives in the system for saving or investment, all of this kind of thing I have just described in my opening remarks, why in the world should we have withholding on interest and dividends just to reward a bunch of politicians who did not know how to curb their appetite for spending. The impact that has on honest people's earning was only going to make the situation worse.

So I had one of those letters out, I say to the Senator from Wisconsin and anyone else, that is probably very similar to the letters that BOB DOLE has seen appear all over this country about how awful withholding is.

But those letters were written in my second year in the U.S. Senate and the action that we are dealing with now comes about because of a decision that I took along with others in this body in my fourth year. And it will probably be surprising to a lot of people who 20 years from now will go back and look at the record of what we are doing here today that in a relatively brief 2-year period of time the American people could have had that kind of impact on both taxing and spending policy in this country that they have had.

That period of time brought the Senator from Wisconsin back to Washington, D.C., not in the House where he would be just one voice out of 435 but to the U.S. Senate where his voice can be heard all over the country and all over the world on behalf of the people of this country. And the year in which he came with 15 other new Republican colleagues also brought us a 70-year-old movie actor to be President of the United States who was supposed to be too conservative to get elected.

In effect, it brought us a revolution in the way Government makes the spending and taxing decisions. And while a lot of us are going to disagree on the merits of that revolution, I am just here to say I do not think we yet know what sort of proof is going to be borne by that revolution.

I would like to share in the little bit of time I will take this afternoon in what I think those fruits are and what I think those fruits can be.

I think I was elected not just to cut spending and taxes, but I was elected to change the role that Government plays in the lives of people in this country. Not to eliminate Government, not to get rid of the Federal Government and turn everything back to State and local governments, not to turn everything over to the junior league or the chamber of commerce or something like that, but just to make sense out of the role that we all want Government to play in our lives. And, to varying degrees, we have started that process on the spending side. We did it to a fare-thee-well in the first year of the term of the Senator from Wisconsin. We did amazing things with spending.

I recall that we balanced the Federal budget. No one really knows that, but we balanced the Federal budget, effectively for fiscal 1983 and 1984, at least, back around the middle of July of 1981. We cut $40-plus billion out of the growth in Federal spending. If we had just kept on that line for another year and if there had been appropriate responses from the economy and from the people of this country, I would venture to say that we would have balanced the Federal budget in fiscal 1983 or maybe fiscal 1984 at the latest.

But that did not happen. What actually happened is that first, the Finance Committee, and then the rest of the Members of the Congress stayed around a couple of extra weeks here in Washington and did the other thing that we heard people say we were supposed to do, we cut taxes. We also did that to a fare-thee-well. We cut the individual tax rate in this country by 25 percent over 3 years and did a variety of other things. We adopted a reform that I hope will go down in the history of this country, as it has in several other countries, as a major reform in congressional responsibility. We adopted the notion of indexing the tax brackets to inflation.

Hopefully we have gone a long way in that regard in taking all of the incentives out of the political system for raising inflation as a way to raise taxes.

But we left ourselves with two things: We left ourselves with a doubting public and a doubting economy,

and we left ourselves with a huge gap between spending and revenue.

We did a couple of other things that year. We started sending some signals to the American people that we were going to abandon a policy that says all of the incentives are with consumption and none of the incentives in our tax policy are with savings and investment. We did not do that in all of the ways we could have. We did not equate earned and unearned income in terms of the way we tax them. We could have eliminated the word unearned from our tax vocabulary and treated all income the same for tax purposes.

But we did not do that. Our President wanted to cut rates. We lost a lot of money in rate cutting and did not have enough left over for these other things we wanted to do on savings and investment.

We did some things that people of this country really wanted like the bass and walleyes in my State and in Wisconsin go for a bass grub in the spring. One was all-savers. The people went for all-savers. We did something called expanded investment retirement accounts. All the people went for the savings incentives there. What we found out through the process was that the people of this country wanted to provide for their own rainy days, for their own investment opportunities. We had forgotten that for some period of time over the last 30 or 40 years but we rediscovered it very quickly.

Not everything we did was perfect. Everything we did probably needs to be expanded on. But we did provide the start of a major change in reforming the tax system in this country to make it at least neutral on the issue of consumption versus savings and investment.

We did some things in the course of that whole process. We started the process of deregulating the financial service industry. We did that despite the squeaks and the screams and the hollers from some of the institutional providers of financing in this country. As everyone around here knows, it is pretty hard to do something that might help the banks because the S&L's will scream at you, and if you try to do something for the S&L's the banks will scream at you. Somehow in spite of that negative pressure we at least started the process of making it a consumers' market rather than a bankers' market in the field of savings, investment, and lending.

The net result of all of that is that, despite the fact that some of those institutions still are able to run ads claiming that they can only pay 5½ percent interest because politicians will not let them pay more, a lot of people have a lot of opportunities to earn interest on invested money at rates that are substantially higher than they were 2 years ago.

It is almost a consumers' market out there today. The chairman may joke a little bit about how his banker came to pick up his dishes and silverware, whatever it is, but the fact of the matter is, though, that we are not necessarily attracting people with giveaways of dishes, pots and pans, Tupperware, and all that sort of thing today. We are attracting people to these marketplaces with more attractive interest rates. There are just a lot more opportunites today for the American public to do smart things with their investments and to be rewarded for it.

We did something else that I think all of us are proud of, and certainly those of us who get back home and want to brag about it have to keep bragging about it, and that is we brought inflation down. As I reread my 1979-80 CMS on the Jimmy Carter withholding, one of the things I dwelt longest on was the whole issue of inflation and how you could not trust a government that lived off of inflation with withheld income on interest and dividends. So we attacked that problem.

We attacked the problem of inflation. I believe we did it by basic sound spending and taxing policies rather than just through a recession, although I would probably be the first to admit that the recession had a little something to do with the current rate.

The fact of the matter is that it cost you less than 4 percent per year in the inflation cost of living in this country today which is a far cry from the 14.6 percent that it cost in 1979 which meant we had to give a COLA adjustment in social security, and it went to 11.6 the following year. I will not use the real numbers the President uses, which are 20 and 25 percent rates of inflation.

We have done a lot of things that I think all of us can be proud of if we go to the American people and say that this system is changing, that the KASTENS, the DURENBERGERS, and the DOLES of this world, with their varying degree of experience in this body, have somehow been endowed with a sense that they can be trusted to turn this Government around, to do something sensible in the area of spending, to do something sensible in the area of tax policy.

That brings me to the summer of 1982, the time in which the public debate was over whether or not Reaganomics was a failure and whether or not those of us who were up for reelection in 1982 had to go down the tube along with Reaganomics.

Obviously, for those who have not really explored the issue of what is really behind the changes that have taken place in the last 2 years, the debate on Reaganomics is whether or not supply-side economics works or does not work, and supply-side economics are always equated with the tax rate reduction.

The debate, as I recall it, in the late winter, spring, and early summer of 1982 was whether or not the President was going to abandon, in the light of recession and in the light of our deficits, his commitment to tax rate reductions.

The President responded to that by saying:

> I will not abandon the first year of the tax cut. I will not abandon the second year of the tax cut or the third year of the tax cut. I will not abandon indexing. Taxes are already too high. People are being taxed at the State and local levels. There are tax increases in the rates of social security. At least we owe them that rate reduction.

At the same time, he said to the chairman of the Finance Committee, to both Republicans and Democrats, "Go raise me $99 billion in revenues over the next 3 years."

We took on that challenge, and I suppose some perceived it as a challenge of preserving the second and third year of the tax cut, others saw it as preserving supply side economics, and others saw it as preserving Reaganomics.

And still others—myself included, I suppose—saw it as self-preservation. We did not want to go to the elections with high inflation, high unemployment, recession, and a variety of other things.

Something happened in the course of the debate in the Committee on Finance that I think, in the long run, has gotten lost on the American public. That is, we took a notion that the chairman and the Senator from Iowa just referred to (Mr. GRASSLEY) put forward first as tax compliance. We combined that with another notion that first appeared, I guess, at least in our current political history, in a little write-in editorial in Newsweek magazine in the fall of 1981, when somebody whose name I should remember—we all should remember—advocated a flat rate tax.

I am sure the Senator from Wisconsin and others will remember that shortly after that appeared in November 1981, every time we went home, somebody had one of those things to show us: "Flat rate tax; isn't that a great deal? What do you think of that, Senator?"

They started showing up in the mail and all over the place. But abroad in the land, for some good reason or other, was the notion that somehow or other, what we ought to do with this tax system is make sure that everybody pays a relatively similar amount of tax on a relatively similar amount of income. The notion seemed to be abroad in the land that folks, when they sit down to do their taxes every year, keep thinking about the guy next door who brags about his shelters, his loopholes, his deductions, and

his credits. Or you read Sylvia Porter and she tells you how to get your shelters, your loopholes, your deductions, and your credits. Or you read the business section of the paper and you find all those loopholes, find all those rip-offs; you read about companies that do not pay any taxes although they make all those profits. You become convinced that, somehow or other, nobody is paying into this system except you because everybody has found a way to weasel out of it.

I happen to think that that, Mr. President, is what caught the fancy of the American public. The name "flat rate tax" seemed to reflect for a lot of people fairness, equity; I will pay my taxes if the guy next door pays his taxes.

I notice when I go back home—whenever I go back home—and talk about this issue, I am always asked about flat rate taxes. I say, "What you mean is, No. 1, you would be more than willing to pay your taxes if you knew you were getting something for it in terms of public services and, No. 2, if you thought the guy next door was paying his taxes." I can see everybody's head start going up and down. Yes, that is why everybody likes the flat rate tax: Everybody pays the same percentage on income.

Mr. President, those two notions got combined in the Finance Committee discussion into something that developed as the Tax Equity and Financial Responsibility Act. It included an effort on the part of the administration, on the part of the members of the Finance Committee, and eventually on the part of the Members of the Senate to bring fairness and equity through a tax policy change and through compliance to the tax system in this country. Included in that effort was something that we are debating today, which is the withholding of tax from interest and dividends—not that it was a notion whose time had come, but because it represented to the American public the notion that if I pay my taxes, I expect the guy next door to pay his taxes as well.

I am not an expert on how well this system works and whether if you use this kind of type or that kind of form or whatever, it is going to work, But I have learned from the experience of the last 6 months that when it is explained to a lot of people out there what withholding is all about and you get beyond how much it is going to cost your banker to do it and you get beyond the notion of what information you are going to use and whether you have to apply in triplicate and whether or not you are going to have to pay a fee or get a new tax or something like that. The notion that everybody ought to pay an equivalent amount of tax on an equivalent amount of income is something that everybody in this country is able to understand. The bill as passed was a noble effort on the part of the members of this committee to design it in a way that would be as fair and as equitable to everyone involved as possible. The provision for annual withholding as opposed to quarterly was in there to be fair to the banks. The proposed exemptions, which obviously have complicated this whole system, were in there to be fair to investors, particularly those who are elderly or those who were in income brackets where just the cost of compliance as perceived by them might discourage their savings and their investment. That was the bill that we had a hard time moving out of committee and that is the bill that we had a hard time approving on the floor of the Senate. It is a bill that has proved to be of substantial difficulty for a lot of people here to date.

Mr. President, I want to make one other observation in terms of something that I have learned over the last 8 months. That is that the bankers did not create the problem that we are all facing; BOB KASTEN did not create the problem that we are facing. They anticipated the problem and, in one way or another, have taken advantage of it. I am not here today to excoriate either of my colleagues or the financial institutions in this country in that regard. It is just fair to say that, within a few days of going home after passing this bill with withholding in it, a number of my consituents asked me whether I had lost my marbles and was I not a Republican who is supposed to be for less taxing, less spending, and all that sort of thing. So the questions were there before they were raised in this multimedia advertising campaign. I have tried over a period of that time to address those questions in a wide variety of ways.

One of those ways is a rather elaborate letter that I have been sending out to my constituents when, like all of you, I can find the time, space, and manpower in my mailroom to do that. I debated a long time after the first campaign hit earlier this year and my mailroom got close to 100,000 letters. I had to make a decision whether or not I was going to fire a couple of LA's and hire a dozen mailroom folks or approach it in some other fashion.

I thought the fair thing to do was to put down something called "The Facts on Interest and Dividend Withholding," which I proceeded to do. I did a rather long piece, which is a problem right off the bat, because it is hard to assume that people are going to take the time to read what was about 3½ pages of explanation. But I set about doing it and set about responding to what became eventually somewhere between 150,000 and 200,000 brand-new correspondents to my office. I entitled it "The Facts on Interest and Dividend Withholding," and addressed a variety of subjects such as what is this tax and went on to explain that it is not a new tax. I guess everyone, despite the material they are putting out, acknowledges that it is not a new tax, but just a fair way to collect taxes. I have talked about some of that.

Then I went on to talk about why is this law necessary? I have explained in that regard that the only justification in the law can be fairness. There is no reason why some people pay taxes on their income while others in the same circumstances with the same income pay no taxes.

I go on to explain that this is especially important in these days in light of the huge budget deficits facing the Federal Government, deficits in the range of $200 billion a year for the next several years.

I am convinced, I said in my letter, that Congress will act responsibly to bring down these deficits. In particular, defense spending will take its fair share of budget cuts. However, I said, Congress must also look at the tax system with an eye to making it fairer and more efficient. We need to broaden the base of taxpayers by closing loopholes and making sure everyone pays his or her share. The interest and dividend withholding will raise an additional $11 billion over the next 3 years, a lot of it coming from people who in the past have not been paying this tax.

And I go on to raise the question to the reader: Will I be affected by the law?

I go on to explain, if you are a senior citizen, how will you be affected; if you are a low-income person, how will you be affected; if you are a small saver, how will you be affected.

I have noticed, by the way, that IRS has done a beautiful job in explaining that. I received a letter from my bank. My banker is one of those small banks that apparently has not got involved in passing out coupons, and so forth. He wrote a nice letter of explanation to all of his customers, but then he included this new IRS explanation form which just complicated the whole thing. I read through it and had to ask myself the question: Whose side is the IRS on?

In about 4 inches here in my CMS, I think I did a better job than the IRS has done in explaining to seniors, low income, small savers, and wage earners how they will be affected by this law.

Mr. President, I then want to explain to my constituents what the law is not. For example, is the Government confiscating part of my savings? And, of course, you know how I answered that.

What if the Government withholds too much? Another one is: My 12-year-old daughter saves some of the money she makes from her paper route. Will

she have to file a tax return because of this withholding?

Another is: What about the compounding effect? Will I not lose some of my income because the part that is withheld will not earn compounded interest?

Another is: Banks and other institutions already report my interest and dividend income to the Government. Is not this new law just a lot of extra paperwork?

Another is: Will it not cost my bank a lot of money to set up this system—costs that will be passed on to me?

I go on to explain a variety of those things.

The next item that I covered in the CMS was under the heading "If It's That Simple, Why Was Congress So Sneaky About the Law?"

At the time a lot of people said we were very sneaky about it, and I have already tried to indicate that I did not think we were very sneaky because folks caught me fairly quickly after we passed the bill.

I go on to explain that I am a member of the Finance Committee and how we went all about it.

Then the next one is, "All This Makes Sense, But I Thought Congress Was Supposed To Encourage Savings."

I think I have already here today tried to indicate some of the things that I feel strongly about in terms of the savings.

Now, Mr. President, what is the response to that? Some people have done similar things and then sent out little cards saying, "If you still do not believe me, check off the box and I will vote for repeal." I then decided that the majority who checked off the box after those neat explanations are going to vote for repeal. I decided I was not going to provide one of those boxes because I have to stay here doing tax policy year after year after year. And I guess while I am sensitive to everyone's reaction when given the facts, so to speak, I am also sensitive to the fact that at some point in time people in this body have a responsibility to the republican form of government in this country, to be responsive to the needs of all the people of this country, not just those who have filled out the coupons and have read the materials we sent.

But an interesting thing has occurred. I will just give you a couple of examples for the RECORD, Mr. President, of the kinds of responses that are now coming back.

I had to evaluate, when I sent this out and asked for a response, who is likely to respond. My theory, of course, from only being in the Senate for 4 years, was that folks, if they agree with you, they are not going to bother responding. But if they continue to disagree and feel strongly, of course, they are going to write back and say, "Put it in your ear," or whatever the vernacular form of expression people use.

So I was pleased without soliciting a response that a fairly substantial number of people took the time to sit down and write letters like this one which I will read part of from Thief River Falls, Minn., one of those small towns with a couple small banks:

Dear Senator DURENBERGER: I am withdrawing my plea for cancellation of the interest withholding bill that I had previously written about. The original request was sent in at the request of my banking institution. I did not know at that time that there were provisions to exempt any interest we might earn from that withholding until I received a form letter from my tax preparer, IRS Form W-6.

Apparently this guy did not even read my elaborate explanation:

My wife and I have since filled out that form and so our problem is being taken care of in the normal fashion. This provision is also available to any others who fall into a tax bracket that does not require withholding. Thank you for your time and effort on this matter in my behalf.

That is a real clutcher. Most of us do not get letters quite like that, but that is a person who took the time to write.

There is another one here obviously written by hand:

Dear Senator: Thank you for your facts on interest and dividend withholding.

He did read it, I guess:

I am sorry that I ever wrote to you about this withholding matter. It was hasty of me. I was led to do so from urgings from our savings and loan association. I see now that this withholding law is good and necessary and in our own personal case won't affect us at all. Even if it did, it would still be OK.

Last week, Mr. President, a friend of mine in Bemidji, which is another relatively small town up in very economically depressed northwestern Minnesota, came by. He was coming from one end of the hall in the Russell Building as I was coming from the other. I kept looking for some place to hide, but the only place to hide was marked "Women," and so I had to keep walking down the hall and I ran into him. He had sort of a smile on his face as he gave me the usual line about what we were doing on withholding. But then he said:

You know, to be honest with you, Dave, I have got to tell you about this fellow who came into the bank last week.

And he described the fellow as being a retired person who had a $10,000 CD and some other things. He heard about the exemptions, and so forth, and he wanted to know about the exemptions that we had provided in the law. So he explained how he could go about his exemptions. He looked at the paperwork, and he looked at what it would cost him and all this sort of thing and finally he said, "You know, Bob, why don't I just skip all this exemption stuff." He said, "I think the Government probably needs that more than I do."

But, Mr. President, the theory that I am following here, I suppose, is that while we all claim that bankers are misleading people, that may not necessarily be something you can apply to every banker.

However, the fact is that a lot of people in this country have been misled about the implications of withholding on interest and dividends.

I should like at this point to make part of the RECORD a letter from the Minnesota Department of Revenue. It reads as follows:

DEAR SENATOR DURENBERGER: This pertains to your letter dated February 4, 1983, regarding the recently enacted TEFRA legislation as it relates to the provisions on the withholding of tax at the source on interest and dividend payments. I have had the opportunity to review your Fact Sheet regarding the background and need for this legislation. We support this legislation and concur with your comments in your Fact Sheet.

It goes on at greater length, and I ask unanimous consent that the letter be printed in the RECORD.

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

STATE OF MINNESOTA,
DEPARTMENT OF REVENUE,
St. Paul, Minn., February 28, 1983.

Hon. DAVE DURENBERGER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DURENBERGER: This pertains to your letter dated February 4, 1983, regarding the recently enacted TEFRA legislation as it relates to the provisions on the withholding of tax at the source on interest and dividend payments. I have had the opportunity to review your Fact Sheet regarding the background and need for this legislation. We support this legislation and concur with your comments in your Fact Sheet.

As you know, the Commissioner of Internal Revenue Service, Roscoe Egger, Jr., in testifying before the House Ways and Means Committee during September, 1982, estimated that there is nearly a 100 billion dollar tax gap in lost taxes due to taxpayer noncompliance. In addition, he also testified that approximately 70 per cent of this noncompliance gap is attributable to underreporting of legal income by taxpayers who are not reporting all of their income even though they filed returns. We believe that this impact on nonreporting is also a significant noncompliance problem in the State of Minnesota. It has been our experience that, if a taxpayer does not report income for Federal tax purposes, he certainly is not reporting this same income on his State income tax return. In fact, through just informational reporting of interest and dividend income, we have detected, through IRS referrals, many wealthy individuals who have not even been filing tax returns. With the new law, the Internal Revenue Service now will not only identify these people but will have money in the bank, as with regular withholding on the salaries. The State Legislature should consider a similar law to help with its budget problems.

Estimates of the State's tax gap from nonfilers and underreporters range from $300-

$700 million per year. Because of this, the increasing tax burden shifts further to the middle class who are already paying more than their fair share.

We congratulate your efforts and those of your staff to fairly present the provisions of TEFRA to indicate that this is not a new tax but a fairer way to collect existing taxes that are not being reported or paid.

Sincerely,

GREGG C. MILLER,
Assistant Commissioner.

Mr. DURENBERGER. Mr. President, I am going to conclude my remarks. I have other things I should like to say on this subject. In the hope that I will have more opportunities during the course of this week and this debate to do so, rather than take another hour or two of the time of this body or of the principals on each side, I will just express my appreciation to the chairman of the Finance Committee for the effort he has put forth in behalf of an issue that is hard to understand and very difficult to make any substantial political gain out of.

I will conclude with my observations about tax equity and fairness. Also, I suppose it relates to the concerns we all have about the representative system of government.

As I watch my colleagues get ready for the 1984 campaign and reflect on the way in which I got ready for the 1982 campaign, I notice that the old labels of liberal and conservative are kind of out the window; and the new label, the one that seems to be working best for lots of folks on both sides of the aisle is called populist-conservatism. I would not label it a fad; it is probably a very good thing at this point in the history of this country. But it says in effect that the folks are always right, and you ought to be on the side of the folks.

It overlooks one little fact, and that is that the folks usually are right. I guess there is no question about that. But the folks also do not have to come down here and make those 200, 300, 400, 500, or 600 decisions about which they are right and balance them when they conflict as they often do. They are relatively selective today about the decisions they would like us to make and the way in which they would like us to make them.

This is not directed at the Senator from Wisconsin, for the reasons I stated earlier, but with the luxury that some have of deciding that a popular issue today may not be popular tomorrow so we had better be with it today, probably is not going to do a great deal to restore the confidence of the people of this country in the system of representative government. That confidence is clearly and totally at a low ebb, or this would not be a populist-conservative issue. This would not be the kind of thing to really turn on the people of this country.

We started last year on a very important course in tax policy in this country. Instead of raising the rates on the taxpayers of this country, we started on the course of broadening the base under the tax system.

As the chairman of the Finance Committee knows, we are approaching the point at which more money goes out through tax loopholes created by our predecessor than goes into the Treasury, and that is true for about only 15 or 25 percent of the people of this country. It is not true with the other 75 to 80 percent of the people of this country.

The process of tax equity and fairness has just barely gotten off the ground. A lot of things remain to be done. They do not all fall in the area of tax compliance. Many fall in the area of changes in the deductions and credits and so forth. That is a subject which, with the indulgence of the chairman of the Finance Committee—if this is the appropriate issue on which to do that—I should like to come back to the floor to discuss at greater length, because probably it is the most important issue facing the people of this country who want to be wage earners, who want to be interest income earners, who want to be dividend earners.

I thank the chairman of the Finance Committee for yielding to me for this opportunity.

Mr. DOLE. I thank the distinguished Senator from Minnesota for his steadfast support.

I must say that when this package was put together last year in the Senate Finance Committee, 6 of the 11 Republicans were running for reelection, including the distinguished Senator from Minnesota who has just spoken.

So it was not an easy thing to do to put together a package that would bring in $100 billion in revenue. It is not easy in any event. But in this particular case, we did a series of things which we thought brought about tax fairness. Many people who had very generous provisions in the Tax Code now have a little less generous provisions, and others who had not paid much tax at all are getting the same privilege that other Americans enjoy.

Then we did some things on the compliance side, not just withholding on dividend and interest income but some other areas, and they are all controversial. Nobody should be under any illusion. When you start making changes, when you change the status quo, it becomes very controversial. That is particularly true where you have well-organized and well-financed interest groups.

Some of our testimony indicates that many people do not file returns because they do not believe the system is fair. They believe the system benefits only upper-income Americans who can shelter their income, and the wage earners just keep paying and paying, and they do pay most of the taxes. Middle-income taxpayers bear the largest share of the tax burden. Many in the higher incomes can shelter those incomes and end up with a lower share of taxation.

There is a feeling out there that somehow the system is not fair. That leads to a lot of discussion about flat rate taxes and other ways to make the system fair—elimination of certain deductions and limited exemptions.

I must say that if there is this much difficulty in trying to get tax compliance, taxes collected that are already due, I think that about all anybody can do on the flat rate tax is to make speeches, because it is not going to happen.

We are not going to stand up here and suggest, at least this Senator is not, that we take away the mortgage interest deduction or the medical deduction or the charitable deduction or other deductions now authorized if we first cannot make certain that the taxes that are due are indeed paid.

Again, I fail to understand, from the standpoint of tax policy how there can be any doubt that the right course is the one that we pursued, the one the President supports.

Again I indicate that the President in his radio message on Saturday made a clear and convincing case and indicated also that he will veto any effort to repeal this measure. That in itself I think is encouraging. As a Republican I believe many people felt that the President would not take on the bankers or S&L executives or credit union executives because they were people who are sometimes known as rich or powerful. Some may say that this administration caters to that group—it is not an accurate perception—but it is stated from time. So they may have thought the President would back off from any confrontation with these groups.

I would say, to the President's credit, he met with three groups last week. He met with bankers and others who oppose this repeal, some who support the repeal, and some in the business community who feel it is good tax policy and we should pursue it.

If we want to start unraveling what I consider to be tax reform, tax fairness, tax equity, tax compliance, tax collection, we can make that judgment starting tomorrow. I must say however, that will not be the end of the debate, notwithstanding what happens tomorrow.

I still believe that once this matter is fully explained opinions change. I traveled in my State, attended numerous meetings where bankers and others were present. I was asked the question about matching up the returns and all these other questions

that I think deserve to be answered. But I would state for the record that in my view once the issue is understood, as it will be understood, then I foresee most of the opposition fading away.

But I believe everyone would agree that if you give people enough misinformation and only one side of the issue then ask them to make a judgment it is obvious the judgment will be in accordance with the misinformation they have been given and the one side of the issue that they have been told about.

And this Senator is experiencing a change in the mail coming to my office from people who have studied the issue. It is my hope that before we conclude, before we finally dispose of this matter, whether it is this week, next week, or a month from now, in the House of Representatives or in the Senate, whether it goes through the veto route or whatever, we will have a better understanding.

This Senator knows, and I have indicated before, the great pressures being brought to bear on all Members and I know that if we had a secret vote in this Chamber it would be one where you would have one result; whereas, obviously in a public vote it could be a different result.

But I would just quote from one letter from someone in Topeka, Kans.

I received your letter in regard to withholding on interest and dividends. Since I wrote you a form letter I have read more information on the subject and I have changed my mind. I am now in support of this legislation. I have never failed to report my interest and dividends but I feel some do. I am on a fixed income but I feel this will make everyone pay their fair share.

Thank you for the letter and the information.

I might just say that we have received dozens and dozens of letters of the same kind and we have a lot of other information we are making available for the record, but I wish to take a look at some of the forms. We are told the bankers are going to be overburdened with filling out these complicated W-6 forms and I wish to make a part of the record a number of other forms that bankers fill out on a daily basis, and I think that are much more complicated frankly than anything else.

I mentioned earlier today the so-called Visa application. Now remember on the W-6 form you only need to fill in your name, address, the State you are from, your account number, check a box and sign your name and that exemption is permanent unless it is revoked. So that is not a very complicated matter. It might take 30 seconds to fill that form out if you read it carefully.

Mr. President, I ask unanimous consent to have printed in the RECORD the W-6 form.

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

[Form not reproducible in RECORD.]

Mr. DOLE. Mr. President, on the Visa application—and I do not quarrel with the banks for the questions they ask, but I think we should be certain since they talk about all the redtape, that we should understand that they have many other forms that are much more complicated and probably for good reason. First I will start with the Visa application. The name, address, telephone number, present address, if you lived their less than 2 years give former address, present employment, business address, previously employed by, coapplicant's name, coapplicant's address, if there is one, coapplicant's employment; you have to list your income, whether you have a mortgage, what kind of car you have, whether you have a Bank Americard, Master Charge, other number of cards desired, and so on and so on and on it goes.

Mr. President, I ask unanimous consent to have printed in the RECORD this one side of this Visa application.

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

[Form not reproducible in RECORD.]

Mr. DOLE. Mr. President, then the credit unions have been great about sending in a lot of mail. Of course, they are tax exempt. They can afford to do those things. We have probably gotten as much mail from the credit unions or at least that source than any other group.

But if you are a U.S. Senate employee and you want to borrow a little money from the credit union it is a 2-page very complicated form. Now all you have to do again on withholding to be exempt is to fill out as I have indicated this very complicated W-6 form which says name, address, city and State, account number. You make one check. You sign your name and fill in the date. That is the complicated exemption form.

But on the U.S. Senate Employees Federal Credit Union loan application you are asked a number of questions and again I do not quarrel with the reason for asking all these questions but when I keep reading about all this complicated redtape that you would have to comply with to be exempt then I think we have to put it in proper perspective and the proper perspective is that these other forms are much more onerous.

Mr. President, I ask unanimous consent to have printed in the RECORD this loan application form.

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

[Form not reproducible in RECORD.]

Mr. DOLE. Mr. President, I am certain there are not too many present who want to fill one out this evening.

If you just want to set up a new account—this is for the First Virginia Bank—it is rather complicated. You have to have your checking number, your savings number, your name, address, whether it is a joint account, social security number, date of birth, mother's maiden name, employment, position, a lot of references and things of that kind. Then they have different kinds of accounts.

That is why I cannot understand why it is complicated to take on withholding. You would think this was something that was just a big, big change in banking practices.

They have a personal checking account, a personalized checkbook; you check things you like to have, passbook savings, automatic savings, certificates of deposit, travelers check, all the different service they provide, and that is all contained in this application which I think is interesting reading.

Mr. President, I ask unanimous consent to have printed in the RECORD that material.

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

[Form not reproducible in RECORD.]

Mr. DOLE. Mr. President, then you have the so-called American Express Gold Card that you can get from your bank, and again I ask unanimous consent to have printed in the RECORD the application portion of that form.

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

[Form not reproducible in RECORD.]

Mr. DOLE. Mr. President, again the Senator from Kansas is not quarreling with the need for this information but again the RECORD should indicate when we talk about this little simple W-6 form we should not indicate to the American people, as has been done, that this is that complicated redtape Federal intrusion and all those things.

We will also have available tomorrow, unless we have it today, all those who collect taxes now at State, local, and Federal levels. That information will be available.

So it is not that we are asking the bank to do something that others have not done, whether it is excise tax, or user fees, or whether withholding on wages and salaries, the Federal income tax.

So I would not think the banks and S&L's and others should feel somehow there is any hostility between Congress and their particular institutions.

So, I would make those part of the RECORD.

Mr. President, again I would urge my colleagues that when the cloture vote comes tomorrow they ought to

keep in mind the amendment that will be pending, that I hope we might dispose of if cloture is not invoked, and that is the creation of a trust fund to set aside a certain portion of the money we are going to be receiving because of withholding to provide health care for the unemployed.

I want to focus on that for just a second because we tend to skip around here and sort of lose track of the problems of people in this country. The bankers may have a problem because they do not want to do this, but that is not a problem. The S&L's may have a problem because they do not want to do this, but that is not a problem. The credit unions may have a problem because they do not want to do this but that is not a problem, and do not forget that we are going to make certain they are properly paid for it. No one quarrels with their right to not want to do it. But it seems to me when we are talking about the repeal proposal we ought to be talking about how we are going to take care of those who have been out of work, have no health coverage for themselves and their families, and are looking to us for help. We have hearings scheduled for this Thursday in the Senate Finance Committee where we are going to debate whether or not there is a Federal responsibility to provide certain emergency health care coverage for families or children or wage earners, whatever and, if so, the extent of that responsibility and what we should do about it.

What I am proposing we do, on the theory we will probably adopt some legislation this year, is that we create a trust fund and that we set aside in 1984 $500 million in fiscal year 1984 and in 1985 $600 million and in 1986 $700 million to be set aside and dedicated in a trust fund for the purpose of providing benefits for unemployed workers and their families.

They have a real problem and a lot of us had problems last week when we paid our income taxes. A lot of Americans probably had to borrow money to pay their income taxes. Many other Americans maybe had to have an extension. Many others just did not file their income tax returns, in fact we are told about 5 to 6 million failed to do that.

But it would seem to me that notwithstanding all the problems that may have been associated with last Friday, April 15, that we have a problem we should address and we hope to start addressing this week in our committee, and we provide in this amendment, even though the trust fund itself is not created until fiscal year 1984, that payments may be retroactive, and if we should enact some program before October 1 this year, that amounts may be borrowed to carry out such programs and that any amounts so borrowed shall be added to the amount described in subsection (a) for fiscal year 1984.

So let us say we pass some legislation effective June 1. We borrow $100 to $150 million, that would not reduce the $500 million available in fiscal 1984. It would be added to that amount. So it is our hope we could move in that area rather quickly, and it is also my hope we might attract the attention of some of my colleagues who are not on the floor to this particular amendment.

Mr. President, so we may properly focus on this particular amendment, I would now call for the regular order and I would send to the desk——

The PRESIDING OFFICER. The regular order is the first committee amendment.

Mr. DOLE. I ask we report the first committee amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 2, line 1, strike the word "Reciprocal" and insert in lieu thereof "International."

UP AMENDMENT NO. 143

(Subsequently numbered amendment No. 1070.)

(Purpose: To finance a program of health benefits for the unemployed from additional amounts collected by withholding of tax on interest and dividends)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 143:

At the end of the word "Reciprocal", insert the following:

TITLE II—TRUST FUND FOR HEALTH BENEFITS FOR UNEMPLOYED WORKERS

SEC. 201. ESTABLISHMENT OF TRUST FUND TO FINANCE A PROGRAM OF HEALTH BENEFITS FOR UNEMPLOYED WORKERS.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as——

Mr. DOLE. 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:

At the end of the word "Reciprocal", insert the following:

"TITLE II—TRUST FUND FOR HEALTH BENEFITS FOR UNEMPLOYED WORKERS"

SEC. 201. ESTABLISHMENT OF TRUST FUND TO FINANCE A PROGRAM OF HEALTH BENEFITS FOR UNEMPLOYED WORKERS.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Unemployed Workers' Health Benefits Trust Fund', consisting of such amounts as may be appropriated or credited to the Unemployed Workers' Health Benefits Trust Fund.

"(b) TRANSFER OF CERTAIN TAXES.—

"(1) IN GENERAL.—There are hereby appropriated to the Unemployed Workers' Health Benefits Trust Fund for each fiscal year an amount equal to the lesser of—

"(A) the applicable amount, or

"(B) the increase in Federal revenues for such fiscal year allocable to the provisions of subchapter B of chapter 24.

"(2) APPLICABLE AMOUNT DEFINED.—For purposes of this subsection, the applicable amount shall be determined in accordance with the following table:

"For fiscal year:	The applicable amount is:
1984	$500,000,000
1985	600,000,000
1986	700,000,000

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, for making expenditures to meet obligations of the United States which are incurred under a Federal program providing health benefits to the unemployed.".

(b) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), amounts may be transferred to or from the Unemployed Workers' Health Benefits Trust Fund established by the amendments made by subsection (a) for fiscal years beginning after September 30, 1983 and before October 1, 1986.

(2) PAYMENTS MAY BE RETROACTIVE.—If a Federal program providing health benefits for the unemployed takes effect before October 1, 1983, amounts may be borrowed to carry out such program and funds in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, to repay any amount so borrowed, provided, however, that any amount so borrowed shall be added to the applicable amount described in subsection (a) for fiscal year 1984.

Mr. DOLE. Mr. President, I want to get the yeas and nays on this amendment. I had hoped we would have enough Members come to the floor so that we can get the yeas and nays on the amendment.

Let me again state that this does essentially what I have described earlier. It would dedicate certain amounts to a

trust fund for health care for unemployed workers and their families and defendents, an issue that I think deserves consideration.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. DOLE. 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. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I yield to the Senator from Rhode Island.

Mr. METZENBAUM. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Ohio requested the Senate to rescind a quorum call, which was granted.

UP AMENDMENT NO. 144

(Subsequently numbered amendment No. 1071.)

(Purpose: To finance a program of health benefits for the unemployed from additional amounts collected by withholding of tax on interest and dividends)

Mr. CHAFEE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) proposes an unprinted amendment numbered 144 to Mr. DOLE's unprinted amendment numbered 143.

Mr. DOLE. 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 follows:

Strike out all after "Viz:" and insert in lieu thereof the following:

In lieu of the language proposed to be inserted, insert the following:

TITLE II—TRUST FUND FOR HEALTH BENEFITS FOR UNEMPLOYED WORKERS

SEC. 201. ESTABLISHMENT OF TRUST FUND TO FINANCE A PROGRAM OF HEALTH BENEFITS FOR UNEMPLOYED WORKERS.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Unemployed Workers' Health Benefits Trust Fund', consisting of such amounts as may be appropriate or credited to the Unemployed Workers' Health Benefits Trust Fund.

"(b) TRANSFER OF CERTAIN TAXES.—

"(1) IN GENERAL.—There are hereby appropriated to the Unemployed Workers' Health Benefits Trust Fund for each fiscal year an amount equal to the lesser of—

"(A) the applicable amount, or

"(B) the increase in Federal revenues for such fiscal year allocable to the provisions of subchapter B of chapter 24.

"(2) APPLICABLE AMOUNT DEFINED.—For purposes of this subsection, the applicable amount shall be determined in accordance with the following table:

"For fiscal year:	The applicable amount is:
1984	$500,000,000
1985	600,000,000
1986	700,000,000

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, for making expenditures to meet obligations of the United States which are incurred under a Federal program providing health benefits to the unemployed.".

(b) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"SEC. 9504. UNEMPLOYED WORKERS' HEALTH BENEFITS TRUST FUND.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), amounts may be transferred to or from the Unemployed Workers' Health Benefits Trust Fund established by the amendments made by subsection (a) for fiscal years beginning after September 30, 1983 and before October 1, 1986.

(2) PAYMENTS MAY BE RETROACTIVE.—If a Federal program providing health benefits for the unemployed takes effect before October 1, 1983, amounts may be borrowed to carry out such program and funds in the Unemployed Workers' Health Benefits Trust Fund shall be available, as provided by appropriation Acts, to repay any amount so borrowed, provided, however, that any amount so borrowed shall be added to the applicable amount described in subsection (a) for fiscal year 1984.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. CHAFEE. Mr. President, the Senator from Ohio (Mr. METZENBAUM) would like to be added as a cosponsor. I ask unanimous consent that the junior Senator from Ohio be added as a cosponsor of my amendment.

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

Mr. DOLE. Mr. President, let the Senator from Kansas state how I view the amendment and how I view the issue tomorrow when we vote on cloture.

The Senator from Kansas is aware that a number of Senators have amendments they would like to propose and, of course, if cloture is invoked then only germane amendments will be in order and only if they are properly filed and timely filed.

It is the opinion of this Senator that we should address, as I have indicated before, this real problem, and perhaps address some other concerns that I know the Presiding Officer has and other Senators have with reference to withholding generally.

It is the hope of the Senator from Kansas that we will not invoke cloture tomorrow; that we will have an opportunity to debate the pending amendment and other amendments that may be offered. By invoking the regular order, we simply call forth the first committee amendment, and the Senator from Kansas has now amended the first committee amendment. An amendment in the second degree has been offered by the distinguished Senator from Rhode Island (Mr. CHAFEE).

If cloture is invoked, nothing changes. We are just back to the amendment of the Senator from Wisconsin so he has not lost anything in the process.

The Senator from Kansas has only gained what I believe to be an important focus on an important matter.

As I understood the distinguished majority leader before his departure, there was an agreement that tomorrow we should come in at 2 o'clock. Then the hour starts to run, then the quorum call, and probably the vote will come sometime between 3:15 and 3:30.

I know of no other request for speakers on this side. I do not know whether the Senator from Wisconsin has any further requests for speakers.

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. DOLE. 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 following proceedings occurred earlier and are printed at this point by unanimous consent:)

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

Mr. DURENBERGER. I will be glad to yield to the majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that no interrup-

tion appear in the presentation of the Senator.

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

ORDER FOR RECESS UNTIL 2 P.M. TOMORROW

Mr. BAKER. Mr. President, I have talked to the minority leader about this, to the distinguished Senator from Wisconsin, and the Senator from Kansas, and I believe there is general consensus that this is the best arrangement for the schedule of the Senate tomorrow.

Tomorrow is Tuesday and both parties will caucus with their respective Members off the floor. As has become our custom, it is best, I believe, for the Senate to stand in recess from 12 noon until 2 p.m.

In view of that, and since we had earlier expected to convene at 11 a.m., it seems that it might be just as well for the Senate to come in at 2 p.m. Therefore, Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m. tomorrow.

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

Mr. BAKER. I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE 35TH ANNIVERSARY OF ISRAEL'S INDEPENDENCE

Mr. SPECTER. Mr. President, I rise today to offer my heartfelt congratulations to the people of Israel on the 35th anniversary of the end of British colonial rule, and the birth of the newly independent State of Israel. It was 35 years ago today that David Ben-Gurion, surely one of the greatest statesmen of the 20th century, solemnly declared the independence of the world's only Jewish state. Hours after the proclamation, the fledgling State of Israel was under attack from the surrounding Arab nations, who responded to the declaration of independence by launching a full-scale invasion, intent on strangling the state in its infancy. The ensuing war of independence continued for many torturous months, until the weary combatants accepted a cease-fire arranged by the United Nations.

Six wars and 35 years later, Israel is established in the Middle East and the world community, but a true and everlasting peace remains a cherished but elusive goal. Yesterday, Israelis observed remembrance day, in which every fallen soldier and civilian from the past string of conflicts is memorialized in thought and deed. While it is both fitting and proper to celebrate the living and the fruitful in the growing nation of Israel, I feel equally compelled to offer my fervent prayer that no more victims, Israeli, Arab or of any national origin, be added to the long list of the fallen on future remembrance days.

JOINT REFERRAL OF A BILL

Mr. DOLE. Mr. President, I ask unanimous consent that the bill introduced today by Senator HATCH, dealing with railroad retirement and railroad unemployment insurance, be jointly referred to the Committee on Finance and the Committee on Labor and Human Resources.

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

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.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of April 15, 1983, the Secretary of the Senate, on April 15, 1983, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills and joint resolution:

S. 89. An act to amend the Saccharin Study and Labeling Act;

S. 126. An act to remedy alcohol and drug abuse; and

H.J. Res. 80. Joint resolution to authorize and request the President to issue a proclamation designating April 17 through April 24, 1983, as "Jewish Heritage Week."

Under the authority of the order of the Senate of April 15, 1983, the enrolled bills and joint resolution were signed on April 15, 1983, during the adjournment of the Senate by the President pro tempore (Mr. THURMOND).

ENROLLED BILLS PRESENTED

The Secretary reported that on April 15, 1983, he had presented to the President of the United States the following enrolled bills:

S. 89. An act to amend the Saccharin Study and Labelling Act; and

S. 126. An act to remedy alcohol and drug abuse.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Rear Adm. James R. Hogg, U.S. Navy, to be vice admiral, Vice Adm. "M" Staser Holcomb, U.S. Navy, to be reassigned in the grade of vice admiral, Adm. John G. Williams, U.S. Navy (age 58) to be placed on the retired list, Vice Adm. Edward P. Travers U.S. Navy (age 57) to be placed on the retired list, Vice Adm. Kent J. Carroll, U.S. Navy (age 56) to be placed on the retired list, Rear Adm. Neil M. Stevenson, U.S. Navy, to be Chief of Chaplains, U.S. Navy, Gen. Donn A. Starry, U.S. Army (age 57) to be placed on the retired list, Maj. Gen. John D. Bruen, U.S. Army, to be lieutenant general, Vice Adm. J. William Cox, U.S. Navy (age 54) to be placed on the retired list, in the Naval Reserve there are 11 permanent promotions to the grade of commodore (list begins with John J. Sweeney), Lt. Gen. William R. Nelson, U.S. Air Force (age 56) to be placed on the retired list, Maj. Gen. Jack I. Gregory, U.S. Air Force, to be lieutenant general, Lt. Gen. Maxwell R. Thurman, U.S. Army, to be general, Lt. Gen. Jack N. Merritt, U.S. Army, to be reassigned in the grade of lieutenant general, Lt. Gen. Richard G. Trefry, U.S. Army (age 58) to be placed on the retired list, Lt. Gen. Nathaniel R. Thompson, Jr., U.S. Army, to be reassigned in the grade of lieutenant general, Vice Adm. Ronald J. Hays, U.S. Navy, to be Vice Chief of Naval Operations and to be admiral, Rear Adm. Edward H. Martin, U.S. Navy, to be vice admiral, Rear Adm. Bernard M. Kauderer, U.S. Navy, to be vice admiral, Rear Adm. Powell F. Carter, U.S. Navy, to be vice admiral, Rear Adm. James B. Busey IV, U.S. Navy, to be vice admiral, Lt. Gen. Paul F. Gorman, U.S. Army, to be general, Lt. Gen. Wallace H. Nutting, U.S. Army, to be general, Lt. Gen Raphael D. Tice, U.S. Army (age 55) to be placed on the retired list, Lt. Gen. William J. Hilsman, U.S. Army (age 50) to be placed on the retired list, Adm. William J. Crowe, Jr., U.S. Navy, to be reassigned in the grade of admiral, Adm. William N. Small, U.S. Navy, to be reassigned in the grade of admi-

ral and Vice Adm. William H. Rowden, U.S. Navy, to be reassigned in the grade of vice admiral. I ask that these names be placed on the Executive Calendar.

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

Mr. TOWER. Mr. President, in addition, in the Air Force Reserve there are 10 promotions to the grade of lieutenant colonel (list begins with Fred E. Ellis), in the Air Force Reserve there are 30 promotions to the grade of lieutenant colonel (list begins with Lynn R. Anderson), in the Navy there are 349 promotions to the grade of captain (list begins with Donald L. Abbey) and in the Marine Corps there are 109 permanent appointments to the grade of colonel (list begins with William S. Ainsley III). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

(The nominations ordered to lie on the Secretary's desk were printed into the RECORD of March 21 and 22, 1983, at the end of the Senate proceedings.)

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. HELMS (by request):

S. 1070. A bill to amend the act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATTINGLY:

S. 1071. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amount of total budget outlays contained in concurrent resolutions on the budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. PERCY (by request):

S. 1072. A bill to facilitate the adjudication of certain claims of U.S. nationals against Iran, to authorize the recovery of costs incurred by the United States nationals against Iran, and for other purpose; to the Committee on Foreign Relations.

By Mr. CHILES (for himself and Mr. THURMOND):

S. 1073. A bill to amend section 104 of the River and Harbor Act of 1958, Public Law 85-500 as amended, to increase the annual funding authority for the aquatic plant control program; to the Committee on Environment and Public Works.

By Mr. STAFFORD:

S. 1074. A bill to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure sufficient resources to pay current and future benefits under the Railroad Retirement Act of 1974, to make technical changes, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 1075. A bill to authorize the U.S. Army Corps of Engineers to undertake certain modifications at Abiquiu Dam in New Mexico; to the Committee on Environment and Public Works.

By Mr. HATCH:

S. 1076. A bill to amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Internal Revenue Code of 1954 to provide adequate levels of railroad retirement and unemployment insurance benefits on an actuarially sound and fiscally responsible basis, and for other purposes; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. BAUCUS:

S. 1077. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has 30 days of continuous session to report or be discharged.

By Mr. MATHIAS:

S. 1078. A bill to establish conditions for the relocation of professional sports teams, to clarify the application of the antitrust laws, and to require notification to affected communities and employees of relocation of professional sports teams; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1079. A bill to amend the National Labor Relations Act to authorize the Secretary of Labor to prohibit awarding of Federal contracts to persons who have violated certain judicial orders or orders issued by the National Labor Relations Board; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (by request):

S. 1070. A bill to amend the act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions; to the Committee on Agriculture, Nutrition, and Forestry.

QUARANTINES UNDER EXTRAORDINARY EMERGENCY CONDITIONS

● Mr. HELMS. Mr. President, at the request of the Secretary of Agriculture, I introduce a bill that would expand the powers of the Secretary of Agriculture following his declaration of an extraordinary emergency due to the existence of any dangerous, communicable disease of livestock or poultry that would constitute a threat to the livestock or poultry of the United States.

While the Secretary is authorized to declare such an extraordinary emergency and to take specified actions when he finds that a State or other jurisdiction is not taking adequate measures to control any such disease, the Department of Agriculture presently does not have authority to prevent the intrastate movement of animals, animal carcasses, animal products, or articles in such an emergency situation, unless the Secretary finds that the animals are or have been affected with or exposed to such a disease and that the carcasses, products, and articles were so related to such animals as to be likely to be a means of disseminating such disease. In such case, he may seize, quarantine, and dispose of the particular animals, carcasses, products, or articles involved.

The legislation would give the Secretary of Agriculture authority to quarantine specific localities and control the intrastate movement of animals, their carcasses, and related products, and articles which are not necessarily found to be affected with or exposed to any dangerous communicable disease of livestock and poultry. The Secretary believes that such authority would make it possible for the Department of Agriculture to implement effective quarantine controls in preventing inadvertent intrastate spread of such a disease from affected localities.

Mr. President, I ask unanimous consent that the transmittal letter from the Secretary of Agriculture as well as the text of the bill be printed in the RECORD.

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

S. 1070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 2, 1962 (21 U.S.C. 134a(b)), is amended by striking out the colon in the first sentence of section 2(b) and everything thereafter to the end of the subsection and inserting in lieu thereof the following: ", and the Secretary may prohibit or regulate the movement within the State or other jurisdiction involved, of animals, animal carcasses, products and articles as the Secretary deems necessary in order to prevent the dissemination of any such disease or to eradicate any such disease or to otherwise protect the livestock or poultry of the United States: *Provided,* That such action may be taken under this subsection only if the Secretary finds, after review of measures taken by the State or other jurisdiction and after consultation with the Governor, that the measures being taken are inadequate. Before any action is taken in any State or other jurisdiction under this subsection, the Secretary shall notify the Governor of the State or other jurisdiction, shall issue a public announcement and shall file a statement for publication in the Federal Register of the action the Secretary intends to take, together with the findings and reasons therefor: *Provided,* That if it is not possible to make such a filing with the Federal Register prior to taking action, the filing shall be made within a reasonable time not to exceed five business days, after commencement of the action. If the Secretary wishes to change any action previously taken under this subsection, the Secretary shall follow the procedures set forth in the preceding sentence.".

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 7, 1983.

Hon. GEORGE BUSH,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of the Congress is a draft bill "To amend the Act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions."

The Department of Agriculture recommends enactment of the draft legislation.

The bill would expand the powers of the Secretary after he had declared an extraordinary emergency due to the existence of any dangerous, communicable disease of livestock or poultry that constitutes a threat to the livestock or poultry of the United States. Subsection (b) of section 2 of the Act of July 2, 1962 (76 Stat. 129; 21 U.S.C. 134a(b)) authorizes the Secretary to declare such an extraordinary emergency and take specified actions when he finds that a State or other jurisdiction is not taking adequate measures to control any such disease. The Department presently does not have authority to prevent the intrastate movement of animals, animal carcasses, animal products, or articles in such an emergency situation, unless the Secretary finds that the animals are or have been affected with or exposed to such a disease and that the carcasses, products, and articles were so related to such animals as to be likely to be a means of disseminating such disease. Then he may seize, quarantine and dipose of the particular animals, carcasses, products, or articles involved.

Authority is needed to quarantine specific localities and control the intrastate movement of animals, their carcasses, and related products and articles which are not necessarily found to be affected with or exposed to any dangerous communicable disease of livestock and poultry. This authority would make it possible for the Department to implement the most effective quarantine controls to prevent the inadvertent intrastate spread of such a disease from affected localities. Uncontrolled movements of livestock and poultry into affected areas can hamper control and eradication efforts by increasing the population of exposed animals needing treatment. The outbreak of exotic velogenic viscerotropic Newcastle disease (VVND) in Southern California in 1971-73, and the outbreaks as recent as March and April of 1980 in California, Virginia, and Pennsylvania, clearly demonstrated the need for such authority.

The proposed legislation does not significantly affect the quality of the human environment.

An identical letter has been sent to the Speaker of the House.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK,
Secretary.●

By Mr. MATTINGLY:

S. 1071. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amount of total budget outlays contained in concurrent resolutions on the budget; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

LIMITS ON TOTAL BUDGET OUTLAYS

Mr. MATTINGLY. Mr. President, I rise today to introduce two proposals. The first one will amend the 1974 Budget Act to require spending as a percentage of the gross national product be reduced 1 percent per year until outlays are 19 percent of the gross national product.

Second, I am offering an amendment (No. 1067) to Senate Joint Resolution 5, the constitutional amendment to balance the Federal budget, to require a like reduction in spending as a percentage of the gross national product.

Mr. President, Federal spending is out of control. While some boast of the fact that the growth in Federal spending has been slowed, the problem of excessive Federal spending has not been addressed. To demonstrate the severity of the problem one only has to look at the administration's fiscal year 1984 budget request, a so-called budget freeze. The administration's proposal calls for outlays from 1983 to 1988 as follows: $805 billion; $848 billion; $919 billion; $990 billion; $1,058 billion; $1,127 billion. I find it hard to believe that this can be labeled controlling Federal expenditures.

It is for this reason that I have introduced these two measures. Congress does not have the will nor the desire to control its out-of-control spending habits. Therefore, it is imperative that we tie the hands of Congress by mandating that Federal spending be brought under control.

I might point out that the problem of increasing Federal deficits is not the result of a lack of revenues. To the contrary, revenues are projected to increase year after year. Nevertheless, spending is increasing at a greater pace. If we do not address this problem in the near future, runaway Federal spending will create continued intolerable deficits which will eventually choke off the economic recovery which has begun.

Mr. President, I personally am not locked in concrete as to whether Federal spending control should be done by statute or a constitutional amendment. I will leave this decision to the Congress. However, out of control Federal spending must be addressed, and the two proposals I am introducing are intended to do so.

Some will question why I have chosen reducing Federal spending over the long run to 19 percent of gross national product. Historically, economic data indicates that the greatest economic growth since World War II has occurred when spending as a percentage of gross national product was at 19 percent. Moreover, during that period, interest rates and the rate of inflation were at low levels.

These proposals will not require Federal spending to be drastically reduced overnight. As I stated earlier, Federal spending as a percentage of gross national product would be reduced 1 percentage point each year until outlays are at 19 percent of gross national product.

Mr. President, only by controlling Federal spending can we return to a healthy economy composed of reduced Federal deficits, low inflation, and low interest rates. I ask my colleagues to support me in my effort to bring Federal spending under control.

By Mr. PERCY (by request):

S. 1072. A bill to facilitate the adjudication of certain claims of United States nationals against Iran, to authorize the recovery of costs incurred by the United States nationals against Iran, and for other purposes; to the Committee on Foreign Relations.

IRAN CLAIMS ACT

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill concerning certain claims of U.S. nationals against Iran.

This legislation has been requested by the Department of State 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 a section-by-section analysis of the bill and the letter from the Acting Assistant Secretary of State for Congressional Relations to the President of the Senate dated April 1, 1983.

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

S. 1072

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 "Iran Claims Act".

RECEIPT AND DETERMINATION OF CERTAIN CLAIMS

SEC. 2. (a) The Foreign Claims Settlement Commission of the United States is hereby authorized to receive and determine, in accordance with the provisions of title I of the International Claims Settlement Act of 1949, the validity and amounts of claims by nationals of the United States against Iran which are settled en bloc by the United States. In deciding such claims, the Commission shall apply, in the following order, the terms of any settlement agreement, the relevant provisions of the Declarations of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981, giving consideration to interpretations thereof by the Iran-United States Claims Tribunal, and applicable principles of international law, justice and equity.

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(b) The Commission shall certify to the Secretary of the Treasury any awards determined pursuant to subsection (a) of this section in accordance with section 5 of title I of the International Claims Settlement Act of 1949. Such awards shall be paid in accordance with sections 7 and 8 of that title, except that—

(1) the Secretary of the Treasury is authorized to make payments pursuant to section 8(c)(1) in the amount of $10,000 or the principal amount of the award, whichever is less; and

(2) the Secretary of the Treasury is authorized to deduct pursuant to section 7(b) an amount equal to 2 per centum, instead of 5 per centum, of payments made pursuant to section 8(c).

DEDUCTIONS FROM ARBITRAL AWARDS

SEC. 3. (a) Except as provided in section 4, whenever the Federal Reserve Bank of New York shall receive an amount from the Security Account established pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981, in satisfaction of an award rendered by the Iran-United States Claim Tribunal in favor of a United States national, the Federal Reserve Bank of New York shall deduct from the amount so received an amount equal to two per centum thereof as reimbursement to the United States Government for expenses incurred by the Departments of State and the Treasury, the Federal Reserve Bank of New York, and other agencies in connection with the arbitration of claims of United States nationals against Iran before the Iran-United States Claims Tribunal.

(b) Amounts deducted by the Federal Reserve Bank of New York pursuant to subsection (a) shall be deposited in the Treasury to the credit of miscellaneous receipts.

(c) Nothing in this section shall be construed to affect the payment to United States nationals of amounts received by the Federal Reserve Bank of New York in respect of awards by the Iran-United States Claims Tribunal, after deduction of the amounts specified in subsection (a).

(d) This section shall be effective as of June 7, 1982.

EN BLOC SETTLEMENT

SEC. 4. The deduction by the Federal Reserve Bank of New York provided for in section 3(a) of this Act shall not apply in the case of a sum received by the Bank pursuant to an en bloc settlement of any category of claims of United States nationals against Iran when such sum is to be used for payments in satisfaction of awards certified by the Foreign Claims Settlement Commission pursuant to section 2(b) of this Act.

REIMBURSEMENT TO THE FEDERAL RESERVE BANK OF NEW YORK

SEC. 5. The Secretary of the Treasury is hereby authorized to reimburse the Federal Reserve Bank of New York for expenses incurred by the Bank in the performance of fiscal agency agreements relating to the settlement or arbitration of claims pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981.

CONFIDENTIALITY OF RECORDS

SEC. 6. Notwithstanding the provisions of the Freedom of Information Act, section 552 of title 5, United States Code, records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal shall be prohibited from disclosure to the general public except that:

(1) rules, awards, and other decisions of the Tribunal and claims and responsive pleadings filed at the Tribunal by the United States on its own behalf shall be made available to the public unless the Secretary of State or his designee determines that disclosure would be contrary to the national interest; and

(2) The Secretary of State or his designee may determine on a case-by-case basis to make such information available when in his judgment the interests of justice requires.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED IRAN CLAIMS ACT

I. INTRODUCTION

The proposed legislation (hereinafter referred to as "the Bill") contains authority for certain actions by the Foreign Claims Settlement Commission, the Department of the Treasury, the Federal Reserve Bank of New York and the Department of State in implementation of the Algiers Accords of January 19, 1981, which achieved the release of the American hostages from Iran.

Specifically, the Bill authorizes the Foreign Claims Settlement Commission to adjudicate claims by United States nationals against Iran in the event that they are settled by agreement between the United States and Iran. It also authorizes the Secretary of the Treasury to make payments in satisfaction of the Commission's determinations. It provides authority and procedures for reimbursement to the United States Government of expenses incurred by the Departments of State and the Treasury, the Federal Reserve Bank of New York and other agencies for the benefit of U.S. nationals who obtain arbitral awards against Iran from the Iran-United States Claims Tribunal. Finally, the Bill would allow the Secretary of State to maintain the confidentiality of certain records of the Department of State pertaining to the arbitration of claims before the Iran-United States Claims Tribunal.

The Algiers Accords consisted primarily of two "declarations" by the Government of Algeria which were adhered to by the United States and Iran. The first of these (the "General Declaration") provided *inter alia* for the revocation of sanctions, the transfer of certain Iranian financial assets and property, and the nullification of certain claims and attachments through reference to binding arbitration in accordance with the second declaration (the "Claims Settlement Agreement"). The General Declaration also provided for the establishment of a Security Account, funded from transferred Iranian assets at an initial level of $1 billion, to secure the payment of arbitral awards against Iran. Iran is obliged to replenish the Security Account whenever the payment of claims causes it to fall below $500 million. The Claims Settlement Agreement provided for the establishment of an Iran-United States Claims Tribunal at The Hague to decide, *inter alia*, claims by nationals of the United States against Iran arising out of debts, contracts, expropriations or other measures affecting property rights. The expenses of the Tribunal are borne equally by the Governments of Iran and the United States.

In accordance with the Claims Settlement Agreement, claims of U.S. nationals against Iran for less than $250,000 each are to be presented to the Tribunal by the United States Government rather than by the claimants themselves. The Bill would authorize the Foreign Claims Settlement Commission and the Department of the Treasury respectively to adjudicate and pay these "small" claims in the event that Iran and the United States agree to settle them rather than to arbitrate them before the Tribunal.

Under implementing agreements signed on August 17, 1981, by the Federal Reserve Bank of New York as Fiscal Agent of the United States, Bank Markazi Iran, Banque Centrale d'Algerie as escrow agent and the Dutch Central Bank and its subsidiary depositary bank, arbitral awards rendered by the Tribunal against Iran in favor of U.S. nationals will be certified for payment by the Tribunal and paid from the Security Account to the Federal Reserve Bank of New York. The Bill would authorize the reimbursement to the United States Government of expenses incurred in connection with the Tribunal and the Security Account by deducting two per cent from each amount received from the Security Account for payment to a U.S. national in satisfaction of a Tribunal award.

The question of further distribution of the amounts received by the New York Federal Reserve Bank is not addressed in the relevant agreements. Under the proposed legislation, these amounts will be transmitted directly to the U.S. national in whose favor an award has been made immediately and without any additional deduction.

The Department of State is charged with implementing the Claims Settlement Agreement of the Algiers Accords. The Department monitors Tribunal activities, analyzes Iranian factual and legal arguments, and prepares factual and legal materials to support U.S. Government and U.S. claimants' positions. As the legal representative of 2,795 small claimants, the Department collects all the information necessary to prepare and present their claims before the Tribunal. The Department also represents the United States Government at the Tribunal, filing claims on its behalf and responding to claims filed against it by the Government of Iran. Finally, the Department identifies common legal issues and coordinates the presentation by large and small private claimants and by the Government of such issues before the Tribunal. Under the proposed legislation, the Department will be able to protect records which may be used by our adversaries against the Government or against U.S. claimants at the Tribunal. At the same time, the Department will be able to work with claimants and legal scholars in order to achieve a favorable resolution of U.S. claims pending before the Tribunal.

II. PROVISIONS OF THE BILL

Section 1. Short Title

This section states that the Bill may be cited as the "Iran Claims Act".

Section 2. Receipt and Determination

This section authorizes the Foreign Claims Settlement Commission of the United States, a component of the Department of Justice, to adjudicate claims of U.S. nationals against Iran in the event that they are settled as between Iran and the United States.

Under the Claims Settlement Agreement, claims of U.S. nationals which are, in the aggregate, for less than $250,000 each (the "small" claims) are to be presented to the Iran-United States Claims Tribunal by the United States Government rather than the claimants themselves. Prior to the January 19, 1982 deadline, some 2,795 small claims

were filed by the Department of State with the Tribunal. Arbitration of such a large number of small claims would place a severe burden on the Tribunal. The United States has proposed to Iran that such claims be settled on a lump-sum (or *en bloc*) basis. If such a settlement were negotiated, the amount received in discharge of the claims thereby settled would be distributed among individual claimants on the basis of adjudication by the Foreign Claims Settlement Commission.

Subsection (a) makes clear the authority of the Commission to adjudicate the claims on the basis of title I of the International Claims Settlement Act of 1949, as amended, in the event of a settlement. The precise nature of a settlement cannot be predicted. To ensure consistency of result regardless of the form it takes, the Commission is directed to apply the terms of any settlement agreement, relevant provisions of the Algiers Accords, giving consideration to interpretations thereof by the Tribunal, and the applicable principles of international law, justice and equity.

Subsection (b) also directs the Commission to certify its awards under section 5 of the International Claims Settlement Act to the Secretary of the Treasury for payment in accordance with the provisions of sections 7 and 8 of that Act. Section 8(c)(1) currently limits the initial payment which the Secretary of the Treasury may make on account of an award to the amount of $1,000 or the principal amount of the award, whichever is less. Subsection (b)(1) of the Bill authorizes the Secretary of the Treasury to make such payments to successful claimants up to the amount of $10,000 or the principal amount of the award, whichever is less. Payments on the unpaid balance of awards in excess of $10,000 would thereafter be made in accordance with the existing provisions of Section 8(c) of title I of the International Claims Settlement Act, i.e., from time to time on a pro rata basis in the same proportion as the total amount available for distribution bears to the aggregate unpaid balance of principal or interest of all such awards. Section 7(b) of the International Claims Settlement Act currently reimburses the Government in the amount of 5 per centum of payments made under section 8(c)(1). Subsection (b)(2) reduces this recovery to 2 per centum to eliminate the disparity in the amount deducted from awards rendered by the Tribunal and those rendered by the Commission.

Section 3. Deductions from Arbitral Awards

This section, consisting of four subsections, establishes the basic structure for effecting reimbursement of the expenses incurred by the U.S. Government on behalf of U.S. claimants in connection with the Iran-United States Claims Tribunal and the Security Account. Those expenses include both the U.S. contribution to the Tribunal for its capital and operating expenses (which are borne equally by Iran and the United States) and the U.S. share of the management fees associated with the Security Account, as well as the costs incurred by U.S. Government agencies and the Federal Reserve Bank in connection with U.S. participation in the Tribunal.

Subsection (a) generally directs the Federal Reserve Bank of New York to deduct the reimbursement from each payment received from the Security Account in satisfaction of an arbitral award, including any interest thereon, by the Tribunal in favor of a U.S. claimant. Thus, reimbursement is collected only from those claimants who avail themselves of the Tribunal, receive a favorable award and are paid from the Security Account. Those claimants who do not benefit from both the Tribunal and the Security Account would not be required to contribute to the reimbursement of the Government.

This subsection establishes the amount of the deduction at two percent of the amount received by the Federal Reserve Bank. It is expected that the total amount of Tribunal awards in favor of U.S. nationals will exceed $4 billion and that Iran will fulfill its obligation to replenish the Security Account whenever the balance therein falls below $500 million. The deduction would therefore obtain reimbursement for the United States of at least $80 million. That amount is estimated to be sufficient to meet the anticipated costs, both direct and indirect, of U.S. participation in the Tribunal.

Subsection (b) provides that the amounts deducted for reimbursement to the Government of its expenses shall be covered into the miscellaneous receipts of the Treasury. The agencies incurring expenses for the operations of the Tribunal will not be able to use any of these funds. Rather, the agencies will be responsible for justifying to the Congress appropriations in amounts necessary to pay their expenses.

Subsection (c) makes clear that the authority to make the deductions provided by this section does not otherwise affect the distribution of amounts received by the Federal Reserve Bank in satisfaction of awards by the Tribunal. After the two percent deduction is made, the balance of the award will be transmitted in full and at once to the successful claimant.

Subsection (d) establishes June 7, 1982 as the effective date of this section. On that date, the Treasury Department issued a directive license authorizing the Federal Reserve Bank of New York to deduct two percent of each amount received in satisfaction of an award of the Tribunal and to pay the balance immediately thereafter to the awardee without further deduction or alteration. Monies so deducted have been deposited in the general funds miscellaneous receipts. This subsection is intended to ratify the Treasury Department's action in issuing the directive license.

Section 4. En Bloc Settlement

Section 4 provides an exception to the requirement for a two percent deduction in the case of any amount received by the Federal Reserve Bank in satisfaction of a settlement of claims of U.S. nationals which are to be adjudicated by the Foreign Claims Settlement Commission. Section 2(b)(2) of the Bill separately provides for a two percent deduction from each payment by the Department of the Treasury as reimbursement for U.S. Government expenses in the case of claims decided by the Foreign Claims Settlement Commission. In the absence of the exception provided in this section of the Bill, therefore, U.S. nationals with claims against Iran which were adjudicated by the Foreign Claims Settlement Commission rather than the Tribunal could be subjected to duplicative deductions from their awards—first by the Federal Reserve Bank under section 3(a), and second by the Treasury Department under section 2(b)(2) of the Bill.

Section 5. Reimbursement to the Federal Reserve Bank

This section authorizes the Secretary of the Treasury to reimburse the Federal Reserve Bank of New York for its expenses in acting as Fiscal Agent of the United States pursuant to its Fiscal Agency Agreement with the Treasury dated August 14, 1981, in connection with banking arrangements which implement the Algiers Accords. These expenses of the Federal Reserve Bank of New York have been taken into account in the establishment of the level of reimbursement to be deducted from awards under section 3(a) of the Bill. The section is intended to clarify the authority of the Secretary of the Treasury to make such reimbursements in the context of this arbitration, rather than rely on the more general authority of section 1023 of title 31 of the United States Code.

Section 6. Confidentiality of Records

This section would allow the Secretary of State to maintain the confidentiality of Department of State records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal by exempting these records from the Freedom of Information Act. The majority of claims pending before the Tribunal have been brought by United States nationals against the Government of Iran, seeking billions of dollars in compensation for losses suffered as a result of the revolution in Iran. Pursuant to the Tribunal's own rules of Procedure, pleadings and other materials filed by claimants are not publicly available. Most claimants also treat materials concerning their claims as confidential.

The Department of State plays a unique role in the arbitration of claims before the Iran-United States Claims Tribunal. Through the Office of the Legal Adviser and the U.S. Agent at the Tribunal, the Department acts as the legal representative of the United States Government and of the 2,795 United States nationals whose claims are for less than $250,000 each. In order to provide proper representation, the Department monitors Tribunal activities, analyzes Iranian factual and legal arguments, and prepares memorials and other legal submissions in support of U.S. positions. It is thus in a unique position to assist the 600 or so United States nationals with claims of $250,000 or more in presenting their claims directly to the Tribunal by serving as a clearinghouse for information on Tribunal development and by coordinating the presentation of U.S. positions before the Tribunal.

The disclosure provisions of the Freedom of Information Act impair the Department's ability to carry out these vital functions, inhibiting the flow of information to and from the Department. Private claimants cannot be assured that the Department will be able to protect confidential information which they provide either in support of their claim or their legal positions; release of certain information may jeopardize the safety of certain claimants or their relatives or the ability of the claimant to settle his claim; and documents received on a basis of confidentiality fromn the Tribunal, unless classified, may be required to be disclosed to the public. In addition, the Department risks being found to have made a public disclosure of its proposed positions and arguments whenever it seeks to coordinate with a group of claimants.

Paragraph (1) of the Bill requires the Department to make available to the public claims and responsive pleadings filed at the Tribunal on behalf of the U.S. Government as well as awards, rules, and other decisions of the Tribunal. The Department, however, would be able to respect the Tribunal's policy of confidentiality for certain types of

information. For example, under the Tribunal's Rules of Procedure, a claimant may request that an award not be made public or that only portions of the award from which the identity of the parties, other indentifying facts and trade secrets have been deleted be made public. The Secretary of State would be authoized under this paragraph to withhold from publication those portions excised by the Tribunal.

Paragraph (2) of the Bill allows the Secretary of State to make records pertaining to the arbitration of claims at the Iran-United States Claims Tribunal available on a case-by-case basis after he determines that in special circumstances justice requires such disclosure.

Insofar as an individual's files are concerned, the Privacy Act remains applicable.

DEPARTMENT OF STATE,
Washington, D.C., April 1, 1983.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: I transmit herewith a bill to authorize various agencies of the Executive Branch to take certain actions in furtherance of the settlement of claims between United States nationals and the Government of Iran pursuant to the Algiers Accords of January 19, 1981. The proposed legislation would authorize the Foreign Claims Settlement Commission to adjudicate a number of such claims and would permit the Federal Reserve Bank of New York to recover certain costs incurred by the United States Government in connection with the arbitration of other claims before the Iran-United States Claims Tribunal at The Hague. The bill would also authorize the Secretary of the Treasury to reimburse the Federal Reserve Bank of New York for its expenses as fiscal agent of the United States in the implementation of the hostage release agreements. It would also allow the Secretary of State to maintain the confidentiality of Department of State records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal. The steps authorized by the proposed legislation will facilitate the claims settlement process contemplated by those agreements. This bill was introduced by request in the 97th Congress as S. 2967 but no action was taken on it.

Under the Algiers Accords which led to the release of the 52 American hostages in Tehran, the United States and Iran agreed among other things to refer certain claims of U.S. nationals against Iran to binding arbitration before a newly created arbitral body, the Iran-United States Claims Tribunal. Some of those claims had been pending in U.S. courts and had been the subject of judicial injunctions and court-ordered attachments. Pursuant to the Accords, once the hostages had been released, the United States revoked the regulatory authority for those attachments and injunctions, thus rendering them null and void. Following an intensive review of the Accords by the Administration, litigation involving claims which might be presented to the Tribunal was suspended by Executive Order No. 12294, issued on February 24, 1981. That action, and steps taken by the previous Administration in implementation of the hostage release agreements, were upheld by the United States Supreme Court in its decision in *Dames & Moore v. Regan* on July 2, 1981.

Under the Accords, the Iran-United States Claims Tribunal is charged with deciding the claims of U.S. nationals against Iran arising out of debts, contracts, expropriations or other measures affecting property rights. The Tribunal, whose members include three appointed by the United States, three by Iran, and three third-country arbitrators, has been established at The Hague in the Netherlands and is beginning to adjudicate the several thousand claims filed before it by the January 19, 1982 deadline. The Accords provide that the Tribunal shall decide all cases on the basis of respect for law, and that its decisions shall be final and binding. The Accords also provide that the Tribunal's awards shall be enforceable in the courts of any national in accordance with its laws.

To help assure payment of awards of the Tribunal in favor of U.S. nationals, some of whom had been successful in obtaining attachments against Iranian assets and property in the United States, a Security Account was also established at a depositary bank of the Netherlands. The Account was funded at an initial level of $1 billion from certain Iranian assets and properties in the United States. Under the Accords, Iran has an obligation to replenish the Security Account whenever payments to successful U.S. claimants cause it to fall below $500 million.

The Accords provide that the claims of U.S. nationals against Iran for less than $250,000 each (the "small" claims) are to be presented to the Tribunal by the Government of the United States, while U.S. nationals with claims of $250,000 or more represent themselves directly. Following an extensive registration program, the Department of State filed some 2,795 "small" claims with the Tribunal on January 18, 1982. The adjudication of such a large number of "small" claims represents an enormous undertaking for the Tribunal which could delay the disposition of hundreds of "large" claims of U.S. nationals. The United States has proposed to Iran that the small claims be settled through negotiation of an en bloc settlement. If a satisfactory settlement can be negotiated, the "small" claims would then have to be individually adjudicated. The enclosed draft bill would authorize the Foreign Claims Settlement Commission to decide claims thus settled in accordance with the provisions and procedures of the International Claims Settlement Act of 1949, as amended, subject to the provisions of the relevant claims settlement agreements. This explicit authorization is necessary to clarify the Commission's ability to adjudicate the claims under Title I of the International Claims Settlement Act. Payment of the Commission's awards would be made in accordance with the provisions of that Act, except that the Secretary of the Treasury would be authorized to make initial payments in the amount of up to $10,000, as opposed to the lesser amounts currently provided by law and to deduct two percent, rather than the five percent currently provided by law.

Any claims of U.S. nationals, whether "large" or "small", which are not settled will be adjudicated by the Tribunal. Under the Claims Settlement Agreement, the expenses of the Tribunal are borne equally by the Governments of the United States and Iran. To date, the Tribunal has been operating on a relatively modest budget, the majority of expenses having been incurred in connection with organizational matters, the establishment of a Registry, and the hiring of essential staff, including the translators and interpreters necessary to conduct the proceedings in both English and Farsi. As it proceeds to adjudicate claims and render awards, its operating expenditures and therefore the required U.S. contributions will increase. In addition, the Departments of State and Treasury, the Federal Reserve Bank of New York, and other agencies of the United States Government have incurred direct and indirect expenses in connection with the establishment and organization of the Tribunal. These expenses will also increase as the adjudication of claims goes forward.

In addition to United States contributions to the Tribunal, providing a forum for hearing and deciding the claims of United States nationals, the United States Government provides many valuable services to United States claimants, such as the service of documents and the presentation of positions and supporting legal arguments on major issues of common interest. The proposed legislation would require successful claimants to help bear the costs of these Government services to or on behalf of the claimants.

The bill would permit the Government to recover a portion of its expenses by authorizing the Federal Reserve Bank of New York to deduct an amount equal to two percent of any payment from the Security Account in satisfaction of an award of the Tribunal in favor of a U.S. national. The amounts thus deducted will be covered into the miscellaneous receipts of the Treasury as reimbursement to the Government of the expenses it has incurred in connection with the operations of the Tribunal. The agencies incurring those expenses will not directly benefit from the deduction, but will continue to be responsible for justifying to the Congress appropriations necessary to pay their expenses. The reimbursement will be collected only from those U.S. claimants who avail themselves of the Tribunal, receive a favorable award, and are paid from the Security Account. Claimants who do not benefit from both the Tribunal and the Security Account would not be required to contribute to the reimbursement of the Government. The bill also provides that once the deduction has been made, payments to U.S. claimants will be made directly without further delay or any additional deductions. Pursuant to a directive license issued by the Treasury Department on June 7, the Federal Reserve Bank of New York has been making deductions, and depositing the proceeds into miscellaneous receipts, from accounts received to date in satisfaction of awards of the Tribunal. The bill would ratify this action retroactively.

The bill includes two technical sections intended (a) to preclude duplicate deductions from payments to claimants with "small" claims which are adjudicated by the Foreign Claims Settlement Commission and (b) to authorize the Secretary of the Treasury to reimburse the Federal Reserve Bank of New York for expenses it has incurred as fiscal agent of the United States in implementation of the Algiers Accords.

Finally, the bill resolves a dilemma created by the requirements of the Freedom of Information Act. In order to obtain the most favorable resolution of both private and public U.S. claims before the Iran-United States Claims Tribunal, the Department of State needs to be able to collect information from U.S. claimants and share information with them. Such cooperation and coordination is impaired by the absence of specific legislation on public disclosure. The proposed legislation would provide appropriate rules for the records of the Department of State pertaining to arbitration of claims before the Tribunal.

The claims settlement process put in motion by the Algiers Accords represents one of the largest and most significant efforts of its type in recent U.S. or international practice. It includes the claims of thousands of U.S. nationals, involving billions of dollars in debts, contracts, investments, and other commercial relationships interrupted by the Islamic Revolution in Iran. The successful and expeditious resolution of those claims remains an important objective of the Administration's foreign policy. This bill would contribute significantly to these ends and I urge its early passage.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

ALVIN P. DRISCHLER,
Acting Assistant Secretary for Congressional Relations.●

By Mr. CHILES (for himself and Mr. THURMOND):

S. 1073. A bill to amend section 104 of the River and Harbor Act of 1958, Public Law 85-500 as amended, to increase the annual funding authority for the aquatic plant control program; to the Committee on Environment and Public Works.

AQUATIC PLANT CONTROL PROGRAM

● Mr. CHILES. Mr. President, today I am introducing legislation which would increase the limitation on appropriations for the Army Corps of Engineers aquatic plant control program (APCP). Congress established this continuous Federal-State cost-sharing program in 1965—under provisions of the Rivers and Harbors Act, Public Law 89-298—to help States deal with their aquatic weed problems. At the present time 14 States participate in the program and receive Federal research and operational assistance to supplement their efforts in meeting problems caused by aquatic weed infestations. Under this program, the U.S. Army Corps of Engineers provides a reimbursement of approximately 70 percent, the remaining 30 percent provided through either State or local funds.

In 1965 it was estimated that the annual cost of carrying out such a weed control program would not exceed $5 million, and so under the APCP authorization the corps' budget is limited to $5 million a year. In 1965, four States—Florida, Louisiana, Texas, and Alabama—participated in the program, receiving assistance in their fight against the aquatic weed waterhyacinth. Since 1965, however, not only has the cost associated with weed infestations increased, but more States are now experiencing the problems associated with weed infestations as a result of new weed species being introduced and the rapid spread of aquatic weed problems.

The $5 million funding ceiling set by Public Law 89-298 was set when waterhyacinth was the only aquatic plant under the aquatic plant control program and the problem was limited to the Southeastern United States. The introduction of other exotic weeds into the program has changed this situation. Hydrilla and Erasian watermilfoil have both been added to the program in Florida and appear to be expanding into other States. Unlike waterhyacinth, these plants are able to survive northern winters which has increased their rate of spread to other parts of the country. The following table shows States affected by aquatic plants, the plants and the program development stage:

State and plants	*Stage* [1]
Florida:	
Waterhyacinth	O
Hydrilla	O
Water lettuce	O
Eurasian watermilfoil	O
Limnophila	O
Cabomba	O
Louisiana:	
Waterhyacinth	O
Hydrilla	O
Water lettuce	O
Texas:	
Waterhyacinth	O
Hydrilla	I
Alabama:	
Waterhyacinths	O
Hydrilla	O
Eurasian watermilfoil	O
Giant cutgrass	O
Georgia:	
Waterhyacinth	P
Egeria	P
Lyngbya (algae)	P
Mississippi:	
Hyrilla	O
Eurasian watermilfoil	O
Puerto Rico: Waterhyacinth	O
Oklahoma: Eurasian watermilfoil	I
California:	
Waterhyacinths	P
Hydrilla	I
Eurasian watermilfoil	I
Oregon: Eurasian watermilfoil	P
North Carolina: Hydrilla	I
South Carolina: Hydrilla, egeria	P
Delaware:	
Hydrilla	I
Lyngbya (algae)	I
Maryland: Hydrilla	I
Minnesota: Eurasian watermilfoil	P
Arizona: Eurasian watermilfoil	I
New York: Water chestnut	O
Washington: Eurasian watermilfoil	O
Vermont: Eurasian watermilfoil	P
New Jersey: Eurasian watermilfoil	I
Michigan: Eurasian watermilfoil	I

[1] Stage: I—Plants have been introduced, but no planning effort initiated with corps or plants not yet in waters eligible under APCP; P—Planning underway for an operational program; and O—Operational program underway.

Source: U.S. Army Corps of Engineers, March 1983.

Mr. CHILES. Mr President, in the past incidences of aquatic week infestations have been considered State, or at best, regional programs, but there are weeds in our country now that have the potential of becoming serious problems nationwide. Each year more lakes, rivers, and streams become clogged with weed pests which seriously affect water sports, recreation, industry, and irrigation in light of the scope and size of the national weed infestation problem, it is necessary to review the statutory limit on appropriations for the corps' aquatic weed program.

The bill I am introducing today increases the limit on appropriations from $5 million to $10 million. I hope the Senate will adopt this increase in an effort to assist States in meeting the problem posed by aquatic weed infestations.●

Mr. THURMOND. Mr. President, I rise today to join my colleague, Senator CHILES, in introducing a bill to amend section 104(b) of the River and Harbor Act of 1958. That section presently authorizes annual appropriations of $5 million to the Corps of Engineers for control of aquatic weeds. The bill which we are introducing today would double that figure, so that $10 million could be made available to the corps for this purpose.

Growth of aquatic weeds is fast becoming a major problem and a serious obstacle to the use and enjoyment of many of our valuable water resources. In my home State of South Carolina, a noxious plant called hydrilla adversely affects the use of surface waters by interfering with navigation, clogging municipal and industrial water intakes, impeding water flow, contributing to flooding, and affecting water quality. This aquatic plant, with its rapid growth, also threatens the environmental balance of the lakes through which it is spreading.

Almost all of the current $5 million authorization is spent on weed control programs in the three States which have, in the past, had the most serious aquatic weed problems. It is important that we take steps now to control these aquatic weeds wherever they are growing, and prevent them from spreading further. That will necessarily require an increase in funding and is the reason why we are sponsoring this legislation today.

One of the strongest, and most ardent supporters in my State of an expanded program of aquatic weed control has been the distinguished Speaker of our State House of Representatives, Ramon Schwartz, Jr. Through several discussions, including a trip to Washington, Speaker Schwartz has been instrumental in apprising me of the scope of our aquatic weed problem and has been most dedicated to protecting our lakes against the spread of hydrilla and other aquatic weeds. I commend Speaker Schwartz for his efforts toward this goal.

Mr. President, I strongly urge my colleagues to join in support of this measure, which is vitally important to all whose waters may be impacted by aquatic weed problems.

By Mr. STAFFORD:

S. 1074. A bill to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure sufficient resources to pay current and future benefits under the Railroad Retirement Act of 1974, to make technical changes, and for other purposes; to the Committee on Environment and Public Works.

RAILROAD RETIREMENT LEGISLATION

● Mr. STAFFORD. Mr. President, the Railroad Retirement System of this Nation is in serious jeopardy.

Between July 1981 and January 1983, employment in the railroad industry plummeted from 514,000 to 388,000—a 25-percent reduction. That drop in employment has, in effect, wiped out the benefits realized by the changes in the retirement system enacted in 1981.

One of the 1981 amendments requires the Railroad Retirement Board to cut benefits to retirees when the Board projects that its income will not meet its expenses. As a result of this mandate, the Board has notified the Congress and the President of the United States, that as of October 1983, benefits will be cut to retirees by 40 percent. By October 1984, benefits will be cut by 80 percent, unless Congress acts.

At the beginning of this year, the leadership of both Houses requested representatives of management and labor in the railroad industry to see if they could develop a plan to save the system. After intensive and difficult negotiations, they presented a plan embodied in a bill introduced in the House as H.R. 1646, and which I introduce here today with the purpose of beginning our search for a solution. According to the technical experts at the Railroad Retirement Board and at the Congressional Budget Office, the provisions of this bill should see the system through the next decade and beyond even if railroad employment drops as low as 340,000 employees.

The provisions of this bill make changes in four major categories.

First, it adjusts certain benefits to produce the greatest savings to the system while having the least effect upon retirees and other beneficiaries to the fund.

Second, it increases taxes upon both the employees and the carriers.

Third, it appropriates to the trust fund sufficient funds to finance the dual benefit provisions Congress enacted and unemployment insurance payments borrowed from the fund.

Fourth, it permits the trust fund to obtain moneys owed it by social security on a current basis.

According to the Congressional Budget Office, if the cuts proposed by the Railroad Retirement Board pursuant to the requirements of section 22 of the Railroad Retirement Act take place, railroad retirees will lose some $5.14 billion in benefits over the next 5 years.

If section 22 were repealed as proposed by the bill, that amount would, of course, show up as a deficit figure in the unified budget. The benefit adjustment and tax provisions of the bill would have a cumulative effect on the unified budget of only $334 million.

Even this amount will not be a cash drain on the U.S. Treasury since it will be paid through the financial interchange arrangement now in effect by law between the railroad retirement trust fund and social security.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 1074

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 "Railroad Retirement Solvency Act of 1983".

TITLE I—BENEFIT ADJUSTMENTS

SEC. 101. (a) Section 3(a) of the Railroad Retirement Act of 1974 is amended—

(1) by amending subdivision (2) to read as follows:

"(2) For purposes of this subsection, individuals entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act shall be deemed to be entitled to a disability insurance benefit under section 223 of the Social Security Act."; and

(2) by adding at the end thereof the following new subdivision:

"(3) In lieu of an annuity amount provided under subdivision (1), the annuity of an individual entitled to an annuity under paragraph (ii) of section 2(a)(1) of this Act which begins to accrue before the individual attains age 62 shall be in an amount equal to—

"(i) for each month prior to the first month throughout which the individual is age 62, a monthly rate of $550 in the case of an individual whose annuity begins to accrue before January 1, 1984, or, in the case of an individual whose annuity begins to accrue on or after January 1, 1985, the monthly rate applicable in the calendar year before the calendar year in which the individual's annuity begins to accrue multiplied by the ratio of (A) the average of the total wages (as defined in regulations of the Secretary of the Treasury and computed without regard to the limitations specified in section 209(a) of the Social Security Act or section 3(j) of this Act) reported to the Secretary of the Treasury or such Secretary's delegate for the calendar year two years before the calendar year in which the individual's annuity begins to accrue to (B) the average of the total wages (as so defined and computed) reported to the Secretary of the Treasury or such Secretary's delegate for the calendar year three years before the calendar year in which the individual's annuity begins to accrue, with such product, if not a multiple of $1, being reduced to the next lower multiple of $1; and

"(ii) for months beginning with the first month throughout which the individual is age 62, the amount (after any reduction on account of age but before any deductions on account of work) of the old-age insurance benefit or disability insurance benefit to which such individual would have been entitled under the Social Security Act if all of such individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act.".

(b) Section 4(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "spouses" in subdivision (2) and inserting in lieu thereof "if an individual is entitled to an annuity under paragraph (ii) of section 2(a)(1) of this Act which did not begin to accrue before such individual attained age 62, the spouse of such individual"; and

(2) by adding at the end thereof the following new subdivisions:

"(3) In the case of an individual entitled to an annuity under section 2(a)(1)(ii) of this Act which began to accrue before such individual attained age 62, the annuity of the spouse of such individual under section 2(c) of this Act shall, in lieu of an annuity amount provided under subdivision (1), be in an amount equal to—

"(i) for each month prior to the first month throughout which both the individual and the spouse are age 62, 50 per centum of that portion of the individual's annuity as is, or was prior to such individual's attaining age 62, computed under section 3(a)(3)(i) of this Act; and

"(ii) for months beginning with the first month throughout which both the individual and the spouse are age 62, the amount (after any reduction on account of age based on the spouse's age at the time the amount under this paragraph first becomes payable but before any deductions on account of work) of the wife's insurance benefit or the husband's insurance benefit to which such spouse would have been entitled under the Social Security Act if the individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act.

"(4) In the case of an individual entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act, the annuity of the spouse of such individual entitled to an annuity under section 2(c)(1)(ii)(B) of this Act shall, in lieu of an annuity amount provided under subdivision (1), be in an amount equal to the amount (after any reduction on account of age but before any deductions on account of work) of the wife's insurance benefit or the husband's insurance benefit to which such spouse would have been entitled under the Social Security Act if the individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act. For purposes of this subdivision, spouses who have not attained age 62 shall be deemed to have attained age 62.".

(c) The amendments made by this section shall become effective on July 1, 1983, and shall apply only with respect to awards in cases where the individual's application was filed on or after that date or where the individual's annuity under section 2(a)(1) of the Railroad Retirement Act of 1974 began to accrue on or after that date.

SEC. 102. (a) Section 3(g) of the Railroad Retirement Act of 1974 is amended to read as follows:

"(g)(1) Effective with the date of any increase after calendar year 1982 in monthly insurance benefits under the Social Security Act which occurs, or which would have occurred had there not been a general benefit increase under that Act, pursuant to the automatic cost-of-living provisions of section

215(i) of that Act, that portion of the annuity of an individual which is computed under subsection (b) of this section shall, if such individual's annuity under section 2(a)(1) of this Act began to accrue on or before the effective date of a particular increase under this subdivision, be increased by 32.5 per centum of the percentage increase in the unadjusted Consumer Price Index which is used, or which would have been used had there not been a general benefit increase under the Social Security Act, in increasing benefits under the Social Security Act pursuant to the automatic cost-of-living provisions of section 215(i) of that Act.

"(2) The first and, if necessary, the second time after January 1, 1983, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of an individual which is computed under subsection (b) of this section as increased under subdivision (1) of this subsection shall, if such individual's annuity under section 2(a)(1) of this Act began to accrue in or before the year in which such first increase under the Social Security Act became effective, be reduced by the dollar amount by which that portion of the annuity provided such individual under subsection (a) of this section was increased, after any reduction under subsection (m) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such individual under subsection (a), as reduced under subsection (m), prior to such first increase.".

(b) Section 4(d) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end thereof the following new subdivisions:

"(2) That portion of the annuity of the spouse of an individual as is determined under subsection (b) of this section prior to any determination under subsection (c) of this subsection shall, if the annuity of such spouse is not subject to reduction under subdivision (3) of this subsection, be reduced by an amount equal to 45 per centum of the dollar amount by which the annuity of the individual was reduced under section 3(g)(2) of this Act.

"(3) The first and, if necessary, the second time after January 1, 1983, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of the spouse of an individual as is determined under subsections (b), (c), and (d)(1) of this section shall, if such spouse's annuity under section 2(c) of this Act began to accrue in or before the year in which such first increase under the Social Security Act became effective, be reduced by the dollar amount by which that portion of the annuity provided such spouse under subsection (a) of this section was increased, after any reduction under subsection (i) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such spouse under subsection (a), as reduced under subsection (i), prior to such first increase.".

(c) Section 4(g) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new subdivisions:

"(7) The first and, if necessary, the second time after January 1, 1983, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of a survivor of a deceased individual as is determined under subdivisions (1) and (2) of this subsection, or under section 4(g) of this Act as in effect before amendment by section 1118(g) of Public Law 97-35, shall, if such survivor's annuity under section 2(d) of this Act began to accrue before the effective date of such first increase under the Social Security Act, be reduced by the dollar amount by which that portion of the annuity provided such survivor under subsection (f) of this section was increased, after any reduction under subsection (i) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such survivor under subsection (f), as reduced under subsection (i), prior to such first increase.

"(8) That portion of the annuity of a survivor of a deceased individual as is determined under section 4(g) of this Act as in effect before amendment by section 1118(g) of Public Law 97-35 shall, if the annuity of such survivor is not subject to reduction under subdivision (7) of this subsection, be reduced by an amount equal to 50 per centum of the dollar amount by which the annuity of the deceased individual was reduced under section 3(g)(2) of this Act.".

(d) The amendments made by this section shall be effective on the date of the enactment of this Act. For purposes of the amendments made by subsection (a) of this section, annuity portions computed under subsections (b) and (d) of section 3 of the Railroad Retirement Act of 1974 as in effect before October 1, 1981, shall be treated as having been computed under subsection (b) of such section as in effect after that date.

SEC. 103. (a) Section 5(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "An annuity" at the beginning and inserting in lieu thereof "Subject to the limitations set forth below, an annuity";

(2) by amending paragraphs (ii) and (iii) to read as follows:

"(ii) in the case of an applicant otherwise entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) or under section 2(d)(1)(i) on the basis of disability, not earlier than the later of (A) the first day of the sixth month following the onset date of the disability for which such annuity is awarded or (B) the first day of the twelfth month before the month in which the application therefor was filed;

"(iii) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1), 2(c), or 2(d) where paragraph (ii) does not apply, not earlier than the latest of (A) the first day of the sixth month before the month in which the application therefor was filed, (B) the first day of the month in which the application therefor was filed if the effect of beginning such annuity in an earlier month would result in a greater age reduction in the annuity, unless beginning the annuity in the earlier month would enable an annuity under section 2(c) which is not subject to an age reduction to be payable in such earlier month, (C) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1) or 2(c), the date following the last day of compensated service of the applicant, or (D) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1) or 2(c), the first day of the first month throughout which the applicant meets the age requirement for the annuity applied for;" and

(3) by adding at the end thereof the following new sentence: "For the purpose of determining annuity amounts provided under sections 3(a), 4(a), and 4(f) of this Act, the provisions with respect to the beginning dates of annuities set forth in this subsection shall be deemed to govern the beginning dates of monthly benefits provided under the Social Security Act.".

(b) The amendments made by this section shall become effective on July 1, 1983, and shall apply only with respect to annuities awarded on the basis of applications filed on or after that date.

SEC. 104. (a) Clause (B) of section 2(d)(1)(iii) of the Railroad Retirement Act of 1974 is amended to read as follows: "(B) will be less than nineteen years of age and a full-time elementary or secondary school student,".

(b) Section 2(d)(4) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "full-time student" each place it appears and inserting in lieu thereof "full-time elementary or secondary school student";

(2) by striking out "educational institution" each place it appears and inserting in lieu thereof "elementary or secondary school";

(3) by striking out "twenty-two" in the fourth sentence and inserting in lieu thereof "nineteen"; and

(4) by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in section 202(d)(7)(c)(i) of the Social Security Act)".

(c) Section 5(c)(7) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "full-time student" and inserting in lieu thereof "full-time elementary or secondary school student"; and

(2) by striking out "22" and inserting in lieu thereof "19".

(d) The amendments made by this section shall be effective with respect to annuities accruing for months after the month in which this Act is enacted except in the case of a child who has attained the age of eighteen in or before the month in which this Act is enacted and is entitled to an annuity under section 2(d) of the Railroad Retirement Act of 1974 for the month in which this Act is enacted or, if earlier, for the month of April 1983.

SEC. 105. (a) Section 22 of the Railroad Retirement Act of 1974 is repealed.

(b) The repeal made by this section shall take effect on the date of the enactment of this Act.

TITLE II—REVENUE INCREASES

SEC. 201. EMPLOYEE TAX.

Subsection (a) of section 3201 of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended to read as follows:

"(a) TIER II TAX.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of so much of the compensation paid in any calendar month to such employee for services rendered by him as is not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage'

means the percentage determined in accordance with the following table:

"For the period—		The applicable percentage is—
Beginning on	Ending on	
October 1, 1981	June 30, 1984	2.00
July 1, 1984	June 30, 1985	2.75
July 1, 1985	June 30, 1986	3.50
July 1, 1986		4.25

"(B) APPLICATION TO PERIOD.—For purposes of subparagraph (A), the percentage applicable to any period shall apply to compensation paid for services rendered during such period.

"(C) CROSS REFERENCE.—For potential adjustment to rates after June 30, 1986, see section 3233."

SEC. 202. TAX ON EMPLOYERS.

Subsection (a) of section 3221 of the Internal Revenue Code of 1954 (relating to rate of tax on employers) is amended to read as follows:

"(a) TIER II TAX.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of so much of the compensation paid in any calendar month by such employer for services rendered to him as is, with respect to any employee for any calendar month, not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means the percentage determined in accordance with the following table:

"For the period—		The applicable percentage is—
Beginning on	Ending on	
October 1, 1981	June 30, 1984	11.75
July 1, 1984	June 30, 1985	12.75
July 1, 1985	June 30, 1986	13.75
July 1, 1986		15.25

"(B) APPLICATION TO PERIOD.—For purposes of subparagraph (A), the percentage applicable to any period shall apply to compensation paid for services rendered during such period.

"(C) CROSS REFERENCE.—For potential adjustment to rates after June 30, 1986, see section 3233.

"(3) APPLICATION OF TAX WHERE EMPLOYEE IS PAID BY MORE THAN ONE EMPLOYER.—

"(A) LIMITATION.—If an employee is paid compensation by more than one employer for services rendered during any calendar month, the tax imposed by this section shall apply to not more than an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month of the aggregate compensation paid to such employee by all such employers for services rendered during such month.

"(B) LIABILITY FOR TAX.—Each employer other than a subordinate unit of a national railway-labor-organization employer shall be liable for that proportion of the tax with respect to such compensation paid by all such employers which the compensation paid by him to the employee for services rendered during such month bears to the total compensation paid by all such employers to such employee for services rendered during such month; and in the event that the compensation so paid by such employers to the employee for services rendered during such month is less than an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month each subordinate unit of a national railway-labor-organization employer shall be liable for such proportion of any additional tax as the compensation paid by such employer to such employee for services rendered during such month bears to the total compensation paid by all such employers to such employee for services rendered during such month.

"(C) AGREEMENTS.—Where compensation for services rendered in a month is paid an employee by two or more employers, one of the employers who has knowledge of such joint employment may, by proper notice to the Secretary, and by agreement with such other employer or employers as to settlement of their respective liabilities under this section and section 3202, elect for the tax imposed by section 3201 and this section to apply to all of the compensation paid by such employer for such month as does not exceed the maximum amount of compensation in respect to which taxes are imposed by such section 3201 and this section; and in such case the liability of such other employer or employers under this section and section 3202 shall be limited to the difference, if any, between the compensation paid by the electing employer and the maximum amount of compensation to which section 3201 of this section apply.

"(4) SPECIAL RULE.—In the case of an employer described in the fourth sentence of section 3231(a), paragraph (2)(A) shall be applied by substituting a rate which is 5.25 percentage points less than the otherwise applicable rate."

SEC. 203. TAX ON EMPLOYEE REPRESENTATIVES.

(a) IN GENERAL.—Subsection (a) of section 3211 of the Internal Revenue Code of 1954 (relating to tax on employee representatives) is amended by striking out "11.75 percent" and inserting in lieu thereof "the applicable percentage determined under section 3221(a)(2)".

(b) TECHNICAL AMENDMENT.—The last sentence of section 230(c) of the Social Security Act is amended by striking out "the 11.75 percent rate specified therein" and inserting in lieu thereof "the applicable percentage referred to therein".

SEC. 204. ADJUSTMENTS TO TIER II TAX RATES AFTER JUNE 30, 1986.

(a) IN GENERAL.—Subchapter D of chapter 22 of the Internal Revenue Code of 1954 (relating to general provisions) is amended by redesignating section 3233 as section 3234 and by inserting after section 3232 the following new section:

"SEC. 3233. ADJUSTMENTS TO TIER II TAX RATES AFTER JUNE 30, 1986.

"(a) IN GENERAL.—The 1985 tier II rate shall apply to the 12-month period beginning on July 1 of any calendar year after 1985 if with respect to such calendar year the Secretary of the Treasury determines that—

"(1) there has been no increase in the tier II benefit deficit in accordance with subsection (b), and

"(2) the average Account balance meets the requirements of subsection (c).

"(b) NO INCREASE IN TIER II BENEFIT DEFICIT.—

"(A) IN GENERAL.—The requirements of this paragraph are met with respect to a calendar year only if—

"(i) there is no tier II benefit deficit for the first preceding calendar year, or

"(ii) if there is a tier II benefit deficit for the first preceding calendar year, such deficit is less than the tier II benefit deficit for the second preceding calendar year.

"(B) BENEFIT DEFICIT.—For purposes of subparagraph (A), the term 'tier II benefit deficit' means the excess of tier II benefits paid during the calendar year over the tier II taxes deposited into the Railroad Retirement Account during such year.

"(c) AVERAGE ACCOUNT BALANCE REQUIREMENTS.—The requirements of this paragraph are met with respect to a calendar year only if the average Account balance for the first preceding calendar year exceeds—

"(1) the average Account balance for the second preceding calendar year, and

"(2) an amount equal to 25 percent of the benefits paid from such Account during such first preceding calendar year.

"(d) DEFINITIONS.—For purposes of this section—

"(1) TIER II BENEFIT.—

"(A) IN GENERAL.—The term 'tier II benefit' means any benefit paid from the Railroad Retirement Account other than social security equivalent benefit.

"(B) SOCIAL SECURITY EQUIVALENT BENEFIT.—For purposes of subparagraph (A), the term 'social security equivalent benefit' means any amount paid under section 3(a), 4(a), or 4(f) of the Railroad Retirement Act of 1974 but only to the extent such amount does not exceed the amount which would be paid under the Social Security Act if—

"(i) service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act, and

"(ii) the Railroad Retirement Act of 1974 had not been enacted.

"(2) TIER II TAXES.—The term 'tier II taxes' means the taxes imposed by sections 3201(a), 3221(a), and so much of the tax imposed by sections 3211(a) as is determined by reference to the applicable percentage under section 3221(a).

"(3) AVERAGE ACCOUNT BALANCE.—The term 'average Account balance' means for any calendar year the average of the balances in the Railroad Retirement Account as of the close of each month during such year.

"(4) 1985 TIER II RATES.—The term '1985 tier II rates' means the rates of the tier II taxes applicable to the period beginning on July 1, 1985, and ending on June 30, 1986.

"(5) 1986 TIER II RATES.—The term '1986 tier II rates' means the rates of the tier II taxes applicable (without regard to this section) to the period beginning on July 1, 1986.

"(6) RAILROAD RETIREMENT ACCOUNT.—The term 'Railroad Retirement Account' means the Railroad Retirement Account under section 15 of the Railroad Retirement Act of 1974.

"(e) SPECIAL RULES.—

"(1) CONSULTATION WITH RAILROAD RETIREMENT BOARD, ETC.—The determination under subsection (a) for any calendar year shall be made not later than April 1 of such year and after consultation with the Railroad Retirement Board. Any such determination shall be published in the Federal Register.

"(2) APPLICATION OF RATE TO PERIOD.—For purposes of subsection (a), the rate applicable to any period shall apply to compensation paid for services rendered during such period.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 22 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 3233. Adjustments to tier II tax rates after June 30, 1986.
"Sec. 3234. Short title."

SEC. 205. TAXATION OF RAILROAD RETIREMENT BENEFITS.

(a) ONLY SOCIAL SECURITY EQUIVALENT BENEFITS TAXED LIKE SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, any inclusion in income under chapter 1 of the Internal Revenue Code of 1954 of social security benefits shall apply only to railroad retirement benefits which are social security equivalent benefits.

(2) SOCIAL SECURITY EQUIVALENT BENEFITS.—For purposes of this section, the term "social security equivalent benefits" means any amount paid under—

(A) section 3(a), 3(h), 4(a), 4(e), 4(f), or 4(h) of the Railroad Retirement Act of 1974, or

(B) section 204(a)(3), 204(a)(4), 206(3), or 207(3) of Public Law 93-445.

(b) TIER II BENEFITS TAXED AS BENEFITS RECEIVED UNDER EMPLOYER PLANS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, any benefit paid under the Railroad Retirement Act of 1974 (other than a social security equivalent benefit) shall be treated under the Internal Revenue Code of 1954 as a benefit paid from an employer plan.

(2) SPECIAL RULES.—For purposes of paragraph (1)—

(A) the tax imposed by section 3201(a) of such Code (relating to tax on employees) shall be treated as an employee contribution,

(B) the tax imposed by section 3221(a) of such Code (relating to tax on employers) shall be treated as an employer contribution, and

(C) so much of the tax imposed by section 3211(a) of such Code (relating to tax on employee representatives) as is determined by reference to the applicable percentage under section 3221(a) of such Code shall be treated as an employee contribution.

(c) RAILROAD RETIREMENT BOARD TO INFORM BENEFIT RECIPIENTS, ETC., OF TAX TREATMENT OF BENEFITS.—The Railroad Retirement Board shall (at the times and in the manner prescribed by the Secretary of the Treasury or his delegate)—

(1) file such returns with the Secretary of the Treasury or his delegate, and

(2) furnish such statements to the recipients of benefits paid under the Railroad Retirement Act of 1974,

as may be necessary to carry out the purposes of this section.

(d) REVENUE INCREASES TRANSFERRED TO RAILROAD RETIREMENT ACCOUNT.—

(1) IN GENERAL.—There are hereby appropriated to the Railroad Retirement Account amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1954 which is attributable to the application of subsections (a) and (b).

(2) TRANSFERS.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1). Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) REVENUE INCREASES FROM SUPPLEMENTAL ANNUITIES NOT INCLUDED.—Paragraph (1) shall not apply to tax liabilities attributable to supplemental annuities paid under section 2(b) of the Railroad Retirement Act of 1974.

SEC. 206. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this title shall apply to compensation paid for services rendered after June 30, 1983.

(b) SECTION 204.—The amendments made by section 204 shall take effect on the date of the enactment of this Act.

(c) SECTION 205.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, section 205 shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

(2) TREATMENT OF CERTAIN LUMP-SUM PAYMENTS RECEIVED AFTER DECEMBER 31, 1983.—Section 205(a) shall not apply to any portion of a lump-sum payment received after December 31, 1983, if the generally applicable payment date for such payment was before January 1, 1984.

(3) TRANSITIONAL RULE.—For purposes of applying section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowment and life insurance contracts) to any amount included in income by reason of section 205(b) of this Act—

(A) the annuity starting date shall be not earlier than January 1, 1984, and

(B) no amount paid before such date shall be taken into account.

TITLE III—BORROWING AUTHORITY ADJUSTMENTS

SEC. 301. (a) Section 7(c) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new subdivision:

"(4) After the end of each month beginning with the month of October 1983, the Board shall determine the net amount, if any, which if added to or subtracted from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund would, with respect to such month, place those Trust Funds, taken as a whole, in the same position in which they would have been if (A) service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act, and (B) this Act had not been enacted. If for any month the net amount so determined would be subtracted from those Trust Funds, the Board shall, within ten days after the end of such month, report such amount to the Secretary of the Treasury for transfer from the general fund to the Railroad Retirement Account. Any amount so reported shall further include interest (at an annual rate equal to the rate of interest borne by a special obligation issued to the Railroad Retirement Account in the month in which the transfer is made to the Account) payable from the close of the month for which the transfer is made until the date of transfer. The Secretary of the Treasury is authorized and directed to transfer to the Railroad Retirement Account from the general fund such amounts as, from time to time, may be determined by the Board pursuant to the provisions of this subdivision and reported by the Board for transfer. For such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities issued after the date of the enactment of this Act under section 3102 of title 31 of the United States Code, and the purpose for which securities may be issued under section 3102 of title 31 of the United States Code are extended to include such purpose. Each such transfer shall be made by the Secretary of the Treasury within five days after a report of the amount to be transferred is received. Not later than December 31 following the close of each fiscal year beginning with the fiscal year ending September 30, 1984, the Board shall certify to the Secretary of the Treasury the total of all amounts transferred pursuant to the provisions of this subdivision for months in such fiscal year. Within ten days after a transfer, or transfers, pursuant to subdivision (2) for a particular fiscal year, the Board shall request the Secretary of the Treasury to retransfer from the Railroad Retirement Account to the general fund an amount equal to (A) the total of all amounts, exclusive of interest, transferred to such Account pursuant to the provisions of this subdivision for months in such fiscal year, plus (B) interest (at the rate determined in subdivision (3) for such fiscal year) payable with respect to each amount transferred for a month during such fiscal year from the close of the month for which the transfer of the amount was made until the date of retransfer of such amount. The Secretary of the Treasury is authorized and directed to retransfer from the Railroad Retirement Account to the general fund such amounts as, from time to time, may be determined by the Board pursuant to the provisions of the preceding sentence of this subdivision and reported by the Board for retransfer.".

(b) Subsection (b) of section 15 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(b) In addition to the amount appropriated in subsection (a) of this section, there is hereby authorized to be appropriated to the Railroad Retirement Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, such amount as the Board determines to be necessary to meet (A) the additional costs, resulting from the crediting of military service under this Act, of benefits payable under section 2 of this Act, but only to the extent that such Account is not reimbursed for such costs under section 7(c)(2), (B) the additional administrative expenses resulting from the crediting of military service under this Act, and (C) any loss in interest to such Account resulting from the payment of additional benefits based on military service credited under this Act: *Provided, however,* That, in determining the amount to be appropriated to the Railroad Retirement Account for any fiscal year pursuant to the provisions of this subsection, there shall not be considered any costs resulting from the crediting of military service under this Act for which appropriations to such Account have already been made pursuant to section 4(l) of the Railroad Retirement Act of 1937. Any determination as to loss in interest to the Railroad Retirement Account pursuant to clause (C) of the first sentence of this subsection shall take into account interest from the date each annuity based, in part, on military service began to accrue or was increased to the date or dates on which the amount appropriated is credited to the Account. The

cost resulting from the payment of additional benefits under this Act based on military service determined pursuant to the preceding provisions of this subsection shall be adjusted by applying thereto the ratio of the total net level cost of all benefits under this Act to the portion of such net level cost remaining after the exclusion of administrative expenses and interest charges on the unfunded accrued liability as determined under the last completed actuarial valuation pursuant to the provisions of subsection (g) of this section. At the close of the fiscal year ending June 30, 1975, and each fiscal year thereafter, the Board shall, as promptly as practicable, determine the amount to be appropriated to the Account pursuant to the provisions of this subsection, and shall certify such amount to the Secretary of the Treasury for transfer from the general fund in the Treasury to the Railroad Retirement Account. When authorized by an appropriation Act, the Secretary of the Treasury shall transfer to the Railroad Retirement Account from the general fund in the Treasury such amounts as, from time to time, may be determined by the Board pursuant to the provisions of this subsection and certified by the Board for transfer to such Account. In any determination made pursuant to section 7(c)(2) of this Act, no further charges shall be made against the Trust Funds established by title II of the Social Security Act for military service rendered before January 1, 1957, and with respect to which appropriations authorized by clause (2) of the first sentence of section 4(l) of the Railroad Retirement Act of 1937 shall have been credited to the Railroad Retirement Account, but the additional benefit payments incurred by such Trust Funds by reason of such military service shall be taken in account in making any such determination.".

(c)(1) The amendment made by subsection (a) of this section shall be effective on October 1, 1983.

(2) The amendments made by subsection (b) of this section shall be effective on the date immediately following the day in June 1984 when the total amount of money outstanding to the Railroad Retirement Account under section 15(b)(2) of the Railroad Retirement Act of 1974 is retransferred to the general fund under that section.

SEC. 302. (a) Subsection (d) of section 10 of the railroad Unemployment Insurance Act is amended to read as follows:

"(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall apply for an advance to the account from the Federal unemployment account in the Unemployment Trust Fund in the manner specified in section 1201 of the Social Security Act with respect to the Governor of a State. An advance on the basis of such an application shall be made to the railroad unemployment insurance account from the Federal unemployment account in the same manner, and subject to the same conditions (other than the conditions regarding repayment), as if the application had been made by the Governor of a State under section 1201 of the Social Security Act and the railroad unemployment insurance account were an account of a State within the meaning of such section 1201. In addition, an advance shall be made to the railroad unemployment insurance account from the Federal unemployment account on October 1, 1983, in an amount sufficient to pay the total amount due the Railroad Retirement Account from the railroad unemployment insurance account as computed under this section as in effect prior to its amendment in 1983. Immediately upon the receipt of the amount of such advance in the railroad unemployment insurance account, the Board shall request the Secretary of the Treasury to transfer such amount from the account to the Railroad Retirement Account, and the Secretary shall make such transfer. The purposes for which appropriations to the Federal unemployment account are authorized by section 1203 of the Social Security Act are hereby extended to include the purposes of this section. Advances made to the railroad unemployment insurance account from the Federal unemployment account pursuant to this section shall be repayable (including interest at the rate payable for advances to accounts of States under section 1201 of the Social Security Act) in the manner provided herein. The Board may at any time request the Secretary of the Treasury to transfer from the railroad unemployment insurance account to the Federal unemployment account such sums as are specified in such request in repayment of part or all of the balance of the advances previously made to the railroad unemployment insurance account from the Federal unemployment account under this section, and the Secretary shall promptly transfer the amounts requested in reduction of such balance.".

(b) The amendments made by this section shall become effective on October 1, 1983, except that a request for an advance to the railroad unemployment insurance account from the Federal unemployment account, the transfer of the amount of which would be made, in whole or in part, on or after October 1, 1983, may be made by the Board, and if so made shall be processed, in accordance with section 10(d) of the Railroad Unemployment Insurance Act as amended by this section at any time after the enactment of this Act.

TITLE IV—OTHER AMENDMENTS

SEC. 401. (a) Section 15(d) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "one-twelfth of the amount which the Board has determined will be the amount of the appropriation to be made to the Dual Benefits Payments Account under the applicable Public Law making such appropriation for such fiscal year, and the Secretary shall make such transfer." from the third sentence and inserting in lieu thereof the following: "the amount that the Board estimates will be necessary to pay on the first day of the next succeeding month the annuity amounts under sections 3(h), 4(e) and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445, taking into account any reduction in such annuity amounts as determined under section 7(c)(1) of this Act, and the Secretary of the Treasury shall make such transfer, but at no time shall the total amount of money outstanding to the Dual Benefits Payments Account from the Railroad Retirement Account exceed the amount necessary to pay the annuity amounts under sections 3(h), 4(e) and 4(h) of this Act and sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445 for one month."; and

(3) by adding at the end the following new subdivisions:

"(2) The Secretary of the Treasury—

"(i) shall transfer from the general fund as a loan to the Board on July 1, 1984, one-third of the special amount described in subdivision (3) of this subsection;

"(ii) shall transfer from the general fund as a loan to the Board on July 1, 1985, one-third of the special amount described in subdivision (3) of this subsection, plus an amount equal to the interest that one-third would have earned had it been in the Railroad Retirement Account since July 1, 1984; and

"(iii) shall on July 1 of the first year after 1985 with respect to which a determination is made under section 3233 of the Internal Revenue Code of 1954 transfer from the general fund as a loan the final one-third of the special amount described in subdivision (3) of this subsection, plus an amount equal to the interest that one-third would have earned had it been in the Railroad Retirement Account since July 1, 1984.

"(3) The special amount referred to in subdivision (2) of this subsection is the amount which, as of July 1, 1984, would place the Railroad Retirement Account in the same position it would have been on that date if the appropriations made to such Account for the period beginning January 1, 1975, and ending on September 30, 1980, under the authorization for appropriations in section 15(d) of this Act, as in effect before October 1, 1981, had been equal to the amounts of annuities paid during such period under sections 3(h), 4(e), and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445.

"(4) For the purposes of subdivision (2) of this subsection, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities issued after the date of the enactment of this Act under section 3102 of title 31 of the United States Code and the purposes for which securities may be so issued are extended to include such purposes.

"(5) The amounts transferred as loans under subdivision (2) of this subsection shall be repaid to the general fund to the extent sums are appropriated for that purpose, and there are hereby authorized to be appropriated, in addition to any other sums authorized to be appropriated for the purposes of this Act and from any sums in the Treasury not otherwise appropriated, such sums as may be necessary to make such repayments.".

(b) The amendments made by this section shall be effective upon enactment.

SEC. 402. (a) Section 1(h)(6) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out paragraph (ii); and

(2) by renumbering paragraphs (iii), (iv), (v), (vi), and (vii) thereof as (ii), (iii), (iv), (v), and (vi), respectively.

(b) Section 1(j) of the Railroad Unemployment Insurance Act is amended by striking out "(i)" and all that follows through "(ii)".

(c) The amendments made by this section shall apply to compensation paid for services rendered after June 31, 1983.

SEC. 403. (a) Section 1(h) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new subdivision:

"(7) The term 'compensation' includes any separation allowance or subsistence allowance paid under any benefit schedule provided under section 701 of title VII of the Regional Rail Reorganization Act of 1973 and any termination allowance paid under section 702 of that Act. The total amount of any subsistence allowance paid under a benefit schedule provided pursuant to section 701 of the Regional Rail Reorganization Act

of 1973 shall be considered as having been earned in the month in which the employee first timely filed a claim for such an allowance.".

(b) Section 1(i) of the Railroad Unemployment Insurance Act is amended by inserting after the first sentence thereof the following new sentence: "Solely for the purpose of determining the compensation received by an employee in a base year, the term 'compensation' shall include any separation allowance or subsistence allowance paid under any benefit schedule provided under section 701 of title VII of the Regional Rail Reorganization Act of 1973 and any termination allowance paid under section 702 of that Act. The total amount of any subsistence allowance payable under a benefit schedule provided pursuant to section 701 of the Regional Rail Reorganization Act of 1973 shall be considered as being compensation in the month in which the employee first timely filed a claim for such an allowance.".

(c) The amendments made by this section shall be effective August 13, 1981.

SEC. 404. SECTION 3(F)(1) OF THE RAILROAD RETIREMENT ACT OF 1974 IS AMENDED—

(1) by inserting after "of an individual shall" in the second sentence the following "except as provided in the following sentence"; and

(2) by inserting after the second sentence the following: "If the individual's 'average monthly compensation' is determined under subdivision (2) of subsection (b) of this section, the 'final average monthly compensation' for such individual shall be the average of the compensation for the 24 months in which the compensation determined for the purpose of subdivision (2) of subsection (b) of this section is the highest.".

(c) The amendments made by this section shall be effective October 1, 1983, and shall apply with respect to annuities awarded on or after that date.

SEC. 405. (a) Section 3(f)(3) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "and divorced wife" after "spouse" the first place it appears in the first sentence thereof; and

(2) by striking out "such annuity or annuities" in the first sentence and inserting in lieu thereof "the annuities of the individual and spouse".

(b) The amendments made by this section shall be effective October 1, 1981.

SEC. 406. (a) Section 4(g)(4) of the Railroad Retirement Act of 1974 is amended by striking out "(e)(3)" in the second sentence and inserting in lieu thereof "(e)".

(b) The amendments made by this section shall be effective October 1, 1981.

SEC. 407. (a) Section 4(i) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new subdivision:

"(3) The annuity of any survivor under subsection (f) of this section shall be reduced, but not below zero, by the amount of any insurance benefit (before any deduction on account of work) payable to such survivor under title II of the Social Security Act, unless in computing the amount under subsection (f) a reduction was made for such insurance benefit pursuant to section 202(k) of the Social Security Act.".

(b) The amendment made by this section shall be effective with respect to annuities awarded on and after the date of enactment.

SEC. 408. (a) Section 6(b)(1) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new sentence: "No lump sum shall be payable under this subdivision if the employee died leaving a surviving divorced wife who would on proper application therefore be entitled to receive an annuity under section 2(d) of this Act for the month in which the employee's death occurred.".

(b) The amendment made by this section shall be effective October 1, 1981.

SEC. 409. (a) Section 2(c)(2) of the Railroad Retirement Act of 1974 is amended by striking the period and inserting in lieu thereof the following: ", except that the annuity of a divorced wife who was previously entitled to a spouse annuity which was reduced under this subdivision shall be reduced by the same percentage as was applicable to the spouse annuity.".

(b) The amendment made by this section shall be effective with respect to divorced wife annuities awarded on and after the date of enactment.

SEC. 410. (a) Section 1(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (iv) of subdivision (1);

(2) by striking out the period at the end of paragraph (v) of subdivision (1) and inserting in lieu thereof "; and";

(3) by adding at the end of subdivision (1) the following new paragraph:

"(vi) any commuter authority operating commuter service under title V of the Rail Passenger Service Act, if any portion of such service was transferred on January 1, 1983, to such authority from the Consolidated Rail Corporation."; and

(4) by adding at the end of paragraph (ii) of subdivision (2) the following new sentence: "This paragraph shall not apply to any employer as defined in paragraph (vi) of subdivision (1).".

(b) Section 3231(a) of the Internal Revenue Code of 1954 is amended—

(1) by inserting "is an employer as defined in the fourth sentence of this subsection or" after "unless such railway" in the first sentence; and

(2) by inserting after the third sentence the following new sentence: "The term 'employer' shall also include any commuter authority operating commuter service under title V of the Rail Passenger Service Act, if any portion of such service was transferred on January 1, 1983, to such authority from the Consolidated Rail Corporation.".

(c) Section 1(a) of the Railroad Unemployment Insurance Act is amended—

(1) by inserting "is an employer as defined in the fourth sentence of this subsection or" after "unless such railway" in the first sentence; and

(2) by inserting after the third sentence the following new sentence: "The term 'employer' shall also include any commuter authority operating commuter service under title V of the Rail Passenger Service Act, if any portion of such service was transferred on January 1, 1983, to such authority from the Consolidated Rail Corporation.".

(d) The amendments made by this section shall be effective on the enactment date of this Act.●

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 1075. A bill to authorize the U.S. Army Corps of Engineers to undertake certain modifications at Abiquiu Dam in New Mexico; to the Committee on Environment and Public Works.

MODIFICATIONS AT ABIQUIU DAM, NEW MEXICO

● Mr. DOMENICI. Mr. President, I am pleased to introduce legislation to authorize the U.S. Army Corps of Engineers to make certain modifications at Abiquiu Dam in New Mexico. This legislation will assure that the project will be completed as it was designed originally.

The problem is this: Abiquiu Dam, which stores water for recreation and urban water supply, has a single set of control gates in the two branches of its single outlet pipe. No system of backup control gates exist in the outlet pipe. Because of this fact, no easy way exists to perform routine maintenance on the outlet gates. Thus, to dewater the outlet pipe to undertake any work, it is necessary to place a barge, with divers, on the lake to drop a bulkhead over the outlet pipe's entrance.

My bill simply authorizes the Corps of Engineers to construct backup gates in the outlet pipe. The new gates would be a few feet down the pipe, providing the necessary redundancy protection. Mr. President, in a 1981 evaluation of the need for completing the original design, a Corps of Engineers memorandum stated:

> With the sediment pool in the reservoir, closure of the bulkheads, necessary to permit maintenance or inspection of the service gates is an unusually costly exercise, requiring mobilization of a barge mounted crane. Barge cranes and the skills required for their use are not readily available in the arid southwest which accounts for the high cost ($140,000) and substantial time (10 days), required to make closure under controlled circumstances when the existing gates are operational. The same values, but for the condition that the gates cannot be closed are $240,000 and 20 days.
>
> Since the bulkheads cannot be installed until all flow through the conduit has been stopped, the possibility exists for the reservoir to drain completely uncontrolled should one of the operating gates stick in an open position. This circumstance has the potential of causing downstream flooding and the flushing of thousands of acre-feed of sediment out of the reservoir and its subsequent deposition in the Rio Chama and Rio Grande. The consequence of such an event was demonstrated in a minor way in 1976 when the 4,000 acre-foot sediment trap pool was drained to permit work on the outlet works over a four-day period, even though the water was released slowly, 285 acre-feet of sediment was deposited in the Rio Chama. The sediment plugged the many porous, rock and brush irrigation diversion structures resulting in greater flows passing over the diversions which in some instances caused partial failure of the structures and erosion of the adjacent banks. The resulting claims of damages had an adverse impact on the Corps' image in the Rio Chama Valley which still persists today. Following this incident, the non damaging capacity of the Rio Chama below Abiquiu Dam diminished from 1,850 cfs to between 1,000 and 1,200 cfs. Four years of careful control of outflows and considerable work and expense by local residents have been required to increase the channel capacity to the present 2,000 cfs.

The Abiquiu project was originally designed as a two-gate system. The

second set of gates was eliminated as a cost-cutting measure at the time of construction.

It should be noted that a second set of gates is standard in nearly every corps project. The Abiquiu project needs this margin of safety. This bill provides that margin.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

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

S. 1075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct, at Federal expense, a set of emergency gates in the conduit of the Abiquiu Dam, New Mexico, to increase safety and enhance flood and sediment control, provided that such feature, which was eliminated during original construction due to cost constraints, shall be considered as completing the original design concept for the project.

SEC. 2. For purposes of this Act, the sum of $2,500,000 is authorized to be appropriated to the Secretary.●

By Mr. HATCH:

S. 1076. A bill to amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Internal Revenue Code of 1954 to provide adequate levels of railroad retirement and unemployment insurance benefits on an actuarially sound and fiscally responsible basis, and for other purposes; by unanimous consent, referred jointly to the Committee on Finance and the Committee on Labor and Human Resources.

RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE SOLVENCY ACT OF 1983

Mr. HATCH. Mr. President, I am today introducing legislation to amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Its purpose is twofold—to avert the impending bankruptcy of the railroad retirement system and to bring, hopefully once and for all, financial stability and solvency to both the retirement system and the railroad unemployment insurance system.

I am sponsoring this measure in my capacity as chairman of the Labor and Human Resources Committee, which has jurisdiction over both acts. It is manifest that the Congress must address in the coming weeks the crisis confronting both income replacement systems. The Labor Committee accordingly must begin giving this matter its attention. In fact, a hearing is scheduled for April 19, at which representatives from the rail industry and rail labor as well as OMB Director David Stockman will be giving testimony. The bill thus will serve as a focal point for defining the nature of the problems with both systems and for exploring the competing interests which must be accommodated to resolve these problems. Speaking personally, I intend to study thoroughly the matter before reaching any final conclusions on what measure must ultimately be enacted.

Before discussing how the current problems arose and how the bill addresses them, I think it is important at the outset to describe how this particular bill evolved and how it fits within the unique pattern of railroad retirement legislation. Unlike any other private industry pension, rail pensions are a creature of statute. Congress since the mid-1930's has ultimately determined the types of benefits and set the level of benefits which retirees and beneficiaries are to receive. And it fixed the contribution rates which the rail industry as a whole must make in the form of payroll taxes. However, since the beginning and with each successive amendment, Congress has not written on a clean slate. Rather it has with mixed success attempted to adhere to a cornerstone principle of our Federal labor laws, namely, that management and labor representatives should establish the wages, terms, and conditions of employment through the collective-bargaining process. Thus, while there are exceptions, historically amendments to the Retirement Act have been preceded by negotiations by rail labor and industry over types and levels of benefits and over tax rates.

The current situation is no exception. Once it became apparent several months ago that the retirement system was headed for trouble, rail labor, represented by the Railway Labor Executives' Association, and the rail industry, represented by the National Railway Labor Conference, began negotiations. They culminated in successive agreements, initialed on February 17 and 22, 1983. At this point I ask unanimous consent that a copy of those agreements be inserted in the RECORD.

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

MEMORANDUM OF AGREEMENT—FEBRUARY 17, 1983

The carriers and the railway labor unions will jointly support legislation which will accomplish the following:

I. CHANGES IN BENEFITS—EFFECTIVE JULY 1, 1983

A. 60/30 retirees Tier I component: for employees retiring prior to age 62, flat rate, unindexed (based on Social Security age reduction factor) until attainment of age 62; thereafter such employees will receive a benefit based upon the Social Security reduction factor and indexed the same as Social Security. For employees retiring at age 62 or later there would be no change in current law.

B. Five month waiting period for disability.

C. Conform railroad retirement annuity beginning dates to Social Security.

D. Postpone Tier I and Tier II COLA to 1/1/84 to conform to Social Security (conditioned upon similar change in Social Security and length of deferral to be identical to that of Social Security).

E. Future Tier I COLA adjustment(s) to the extent they equal 5% will be used to offset Tier II benefits.

F. Tax Social Security Equivalent Benefit, including Dual Benefit, under Social Security Rules, with revenue returned to railroad retirement trust fund.

G. Tax Private Pension Equivalent Benefit under normal IRC rules, with revenue returned to railroad retirement trust fund.

H. Other changes needed to conform to Social Security.

II. CHANGES IN TAXES

A. Effective July 1, 1984

1. Employer tax increase of 1%.
2. Employee tax increase of .75%.

B. Effective not earlier than July 1, 1985

1. Employer tax increase of 1.25%, if needed.
2. Employee tax increase of 1.00%, if needed.

Note.—Determination of whether such additional tax increase is necessary shall be made on an annual basis by the Actuarial Advisory Committee of the Railroad Retirement Board after consultation with appropriate Board, railway labor and management representatives. Such determination shall be based on five year analyses of the financial condition of the railroad retirement account. Such determination shall be reviewed on an annual basis through 1992 to determine whether it is necessary to impose the additional tax described above or, if in effect, whether it is necessary to continue such additional tax; if not necessary, such tax shall be rescinded.

C. Effective not earlier than July 1, 1986

1. Employer tax increase of 1.25%, if needed.
2. Employer tax increase of .5%, if needed.

Note.—Determination of whether such additional tax is necessary shall be made in the same manner as described in II.B. However, no such determination shall be made unless: (1) the tax provided under II.B. is in effect and (2) employment levels drop under indicated levels for preceding measurement periods:

Annual review	Employment		Tax increase effective
	Year	Level	
Apr. 1, 1986	1985	348,000	July 1, 1986.
Apr. 1, 1987	1986	340,000	July 1, 1988.
Apr. 1, 1988	1987	335,000	July 1, 1989.
Apr. 1, 1989	1988	330,000	July 1, 1990.
Apr. 1, 1990	1989	325,000	July 1, 1991.
Apr. 1, 1991	1990	325,000	July 1, 1992.

An annual review shall be made through 1991 to determine whether it is necessary to impose this tax or, if in effect, whether it is necessary to continue this additional tax; if not necessary, such tax shall be rescinded.

III. FEDERAL SECTOR OBLIGATION

A. Allow account to borrow against the financial interchange on a fully current basis.

B. Credit Trust Fund, as of 10/1/83, with principal and interest attributable to underfunding of dual benefits between 1974 and 1981.

C. Shift RUIA borrowing to General Treasury and have Treasury assume existing RUIA debt to Railroad Retirement Account.

IV. OTHER PROVISIONS

A. Agreed upon technical amendments.

Initialed this 17th day of February, 1983.

MEMORANDUM OF AGREEMENT—FEBRUARY 22, 1983

The carriers and the railway labor unions will jointly support legislation which will accomplish the following:

I. CHANGES IN BENEFITS—EFFECTIVE JULY 1, 1983

A. 60/30 retirees Tier I component: for employees retiring prior to age 62, flat rate, unindexed (based on Social Security age reduction factor) until attainment of age 62; thereafter such employees will receive a benefit based upon the Social Security reduction factor and indexed the same as Social Security. For employees retiring at age 62 or later there would be no change in current law.

B. Five month waiting period for disability.

C. Conform railroad retirement annuity beginning dates to Social Security.

D. Postpone Tier I and Tier II COLA to 1/1/84 to conform to Social Security (conditioned upon similar change in Social Security and length of deferral to be identical to that of Social Security).

E. Future Tier I COLA adjustment(s) to the extent they equal 5% will be used to offset Tier II benefits.

F. Tax Social Security Equivalent Benefit, including Dual Benefit, under Social Security Rules, with revenue returned to railroad retirement trust fund.

G. Tax Private Pension Equivalent Benefit under normal IRC rules, with revenue returned to railroad retirement trust fund.

H. Other changes needed to conform to Social Security.

II. CHANGES IN TAXES

A. Effective July 1, 1984

1. Employer tax increase of 1%.
2. Employer tax increase of .75%.

B. Effective July 1, 1985

1. Employer tax increase of 1.00%.
2. Employer tax increase of .75%.

C. Effective July 1, 1986, with triggering-out mechanism

1. Employer tax increase of 1.50%.
2. Employer tax increase of .75%.

III. OTHER CASH FLOW PROVISIONS

A. Allow account to borrow against the financial interchange on a fully current basis.

B. Allow Trust Fund to borrow one-third of principal and interest attributable to underfunding of dual benefits between 1974 and 1981 on the following dates: July 1, 1984, July 1, 1985, July 1, 1986—triggered out if July 1, 1986 tax increase is triggered out.

Any amounts borrowed repayable only to extent of appropriations.

C. Shift RUIA borrowing to General Treasury and have Treasury assume existing RUIA debt to Railroad Retirement Account.

IV. OTHER PROVISIONS

A. Agreed upon technical amendment.

Mr. HATCH. Mr. President, the terms of the final agreement, providing for benefit adjustments, tax increases, and the Federal contributions, were incorporated into legislation introduced by Representative FLORIO, who is chairman of the House Subcommittee on Commerce, Transportation, and Tourism. That bill, H.R. 1646, was reported out of the full Committee on Energy and Commerce, following a day of hearings at which labor and management representatives testified in support of the bill. OMB Director David Stockman also appeared at those hearings on behalf of the administration.

Mr. Stockman acknowledged the important and legitimate role which the parties' agreement played in developing the legislation. But he identified what he perceived to be fundamental structural flaws with retirement system and the unemployment insurance system and the manner in which they are interconnected. H.R. 1646 did not properly address these flaws, in his view. He was equally troubled over the enormous extent to which rail management and rail labor wanted to commit the financial resources of the Federal Government to meet the cash-flow needs of both the retirement and the unemployment insurance systems. No doubt Mr. Stockman's concerns were quite valid. Unfortunately, they seemed to fall upon deaf ears, as the Commerce Committee reported H.R. 1646 without incorporating any of his recommendations.

The bill being introduced today directly responds to those concerns. It draws heavily upon the parties' agreement of February 22, 1983. For example, rail labor and rail management themselves agreed to modify the provisions of current law that afford actuarially unreduced benefits for employees who retire in the future at age 60 with 30 years of service. It also follows the parties' recommendation to successive tax increases over the next several years. It endorses relieving the retirement system of the exorbitant drains caused by loans to the unemployment insurance system. But the bill incorporates the administration's recommendation to restructure the unemployment insurance scheme. And it reallocates the relative financial burdens, which H.R. 1646 would impose upon retirees, employees, employers, and the Federal Government.

Two questions might reasonably be asked. First, by what warrant should the Congress heed the recommendations of the administration to alter the parties' agreement? After all, I noted earlier that Congress over the decades has sought to vindicate the principles of collective bargaining in this area. Second, if the administration, together with the Congress, has an appropriate role in shaping railroad retirement legislation, how should S. 1076 be regarded—a final nonnegotiable proposal, or instead, one that offers an appropriate starting point for striking the most equitable balance among competing interests?

To answer the first question we need only look to the history of railroad retirement legislation. We find that Congress has often given only lip service to the sanctity of collective bargaining. Rather than simply ratifying these compromises, without change, into law, the Congress has exercised its own judgment in establishing benefit levels and funding rates. A table from a 1978 published legislative history of the Railroad Retirement Act and the Railroad Unemployment Insurance Act identifies generally the instances where Congress acted either with or without a consensus between the Railroad Labor Executives Association and the American Association of Railroads:

1934 (RRA) Public No. 485, 73d Cong. (1934), 48 Stat. 1283 (RLEA for; AAR against).

1935 (RRA) Public No. 399, 74th Cong. (1935), 49 Stat. 967 (RLEA for; AAR against).

1937 (RRA) Public No. 162, 75th Cong. (1937) (Agreement between RLEA and AAR).

1938 (RUIA) Public No. 722, 75th Cong. (1938) (RLEA for; AAR against).

1946 (RRA) (RUIA) Public Law 572, 79th Cong. (1946), 60 Stat. 722 (RLEA for; AAR against).

1948 (RRA and RUIA) Public Law 744, 80th Cong. (1948), 62 Stat. 576 (RLEA for; AAR against) (Compromise).

1951 (RRA and RUIA) Public Law 234, 82d Cong. (1951), 65 Stat. 683 (RLEA for; AAR against) (Compromise).

1954 (RRA and RUIA) Public Law 746, 83d Cong. (1954), 68 Stat. 1037 (RLEA for; AAR against).

1955 (RRA and RUIA) Public Law 383, 84th Cong. (1955), 69 Stat. 715 (RLEA for; AAR against).

1956 (RRA) Public Law 1013, 84th Cong. (1956), 70 Stat. 1076 (RLEA for; AAR against).

1961 (RRA) Public Law 87-285, 87th Cong. (1961) (Sponsored by RLEA; AAR no objection).

1963 (RRA and RUIA) Public Law 88-133 (1963), 77 Stat. 219 (Jointly sponsored by RLEA and AAR).

1965 (RRA) Public Law 89-212 (1965), 79 Stat. 858 (RLEA for; AAR against).

1966 (RRA and RUIA) Public Law 89-700 (1966) (RLEA for; AAR against).

1966 (RRA) Public Law 89-699 (1966), 80 Stat. 1073 (RLEA for; no opposition to bill).

1968 (RRA and RUIA) Public Law 90-257 (1968), 82 Stat. 16 (Compromise).

1970 (RRA) Public Law 91-215 (1970), 84 Stat. 70 (Compromise).

1970 (RRA) Public Law 91-377 (1970), 84 Stat. 791 (RLEA for; AAR against).

1971 (RRA) Public Law 92-46 (1971), 85 Stat. 101 (RLEA for; AAR against).

1972 (RRA) Public Law 92-460 (1972) (RLEA for; AAR against).

1973 (RRA) Public Law 93-69 (1973) (Agreement between railway labor and management).

1974 (RRA) Public Law 93-445 (1974) (Joint recommendation—railway labor and management).

1975 (RUIA) Public Law 94-92 (1975) (RLEA for; AAR against) (Compromise).

But if the exercise of independent or one-sided judgment has not been troubling, the actual judgments themselves have proved ill considered. Not surprisingly, prudence and proper con-

cern for the future yielded to popular impulses to satisfy the more immediate demands of political constituencies. Principles that assure the realization of pension expectations of employees were often short shrift. Indeed, it was not until 1974 that Congress articulated a comprehensive policy for private industry pensions generally in the Employees Retirement Income Security Act, from which the railroad pension system is exempt. Thus, the history of the railroad retirement system is one of steady, sometimes dramatic, enrichment of benefits without the requisite contributions from employers to pay for them. Although taxes were high, they plainly were insufficient in an industry whose employment levels have steadily declined since World War II.

In 1974, Congress finally had to rectify, at least partially, the mistakes of the past. Based on joint recommendations of rail labor and management, Congress completely restructured the retirement system. All concerned—rail labor, both retirees and employees, the rail industry, and the Congress—shared in relieving the system of some of the crushing financial burdens. Labor surrendered the right to accrue certain benefits in the future. The rail industry substantially increased its funding obligations. It also emphatically pledged to fund fully the future costs of the service pension component. And, Congress reluctantly agreed to have American taxpayers expend $6.25 billion over the next 25 years to pay the costs of so-called dual benefits. In the words of one congressional leader, the 1974 law was to fix the system "once and for all."

But experience soon disappointingly showed that the 1974 Retirement Act perpetuated the congential flaws of what has become a pay-as-you-go pension system. By 1980, it became apparent that the new system again was headed for bankruptcy. The reasons were manifold. Cost-of-living adjustment provisions, fueled by an inflationary economy, skyrocketed benefit costs. An eroding employment base generated lower than expected tax revenues to fund the system. Key actuarial assumptions, used in 1974 to project costs, for example, with respect to mortality and early retirement patterns, proved to be costly errors. And, the true costs of funding the vested dual benefits materialized overwhelmingly beyond prior representations to Congress. In 1979, the General Accounting Office advised Congress that it would have to pay not $6.25 billion, but $9.75 billion, by 2000.

Thus, history seemed to repeat itself as representatives of rail labor and rail management came together to work out adjustments to the system. Ultimately, Congress did enact in 1981 a package of benefit changes and tax increases to restore solvency in the retirement system. These changes, in large measure, reflected the recommendations of the parties. Significantly, these changes were predicated on critical assumptions—found acceptable to the parties—about the future, particularly with respect to levels of railroad employment which at that time were slightly above 500,000 and which were expected to continue at that level. Had those assumptions about the future proved correct, it is fair to say that we would not now be confronted with the crisis of 1983.

Instead, over the last 2 years, employment levels have plummeted 20 percent, to a level of 385,000 today. This has had a double debilitating effect on the retirement system. As payroll taxes were falling dramatically, causing funding shortfalls, the unemployment rolls swelled, driving up unemployment costs. Because the railroad unemployment insurance system has maintained tax levels that did not keep pace with wage increases and its own costs, it had to exercise its borrowing authority to draw huge sums, now in excess of $500 million, out of the retirement system. The upshot is that by next year at this time, the retirement system will be broke.

This then brings us full circle to the bill introduced today and to the second question posed earlier. I think I have shown that the Congress in the past has exercised its prerogative, for better or for worse, in establishing and modifying the railroad pension system. Especially since 1974, when it committed substantial public funds to fulfilling benefit promises of a supposedly private industry pension Congress, as well as the administration, has a responsibility to see that the financial commitment stays within reasonable bounds. Moreover, both branches of government, especially in light of the policies embodied in ERISA, have a responsibility to promote a rail pension system in which there is an appropriate balance between assets and pension obligations and in which employers fulfill their commitment to fund benefit promises. The same holds true for a rail unemployment insurance system. It is clear from the administration's analysis of the agreement negotiated by rail labor and management and embodied in H.R. 1646 that it overly commits the resources of the Federal Treasury, while ignoring root problems in the systems. The administration has suggested alternatives, worthy of consideration by the parties and the Congress.

If history teaches anything, it is that Congress, with the advice of the administration, must set the limit of Federal participation. Within those parameters, Congress should respect what the representatives of rail labor and rail management mutually agree upon as a responsible balance of benefits and funding. Should funding imbalances arise, rail labor and rail management should bear the primary responsibility for making adjustments.

I am hopeful that S. 1076 will afford a meaningful opportunity for further negotiations, wherein the interests of all impacted parties can be weighed and accommodated.

At this point I would like to include a section-by-section analysis of the bill, and I ask unanimous consent that the full text 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. 1076

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 "Railroad Retirement and Unemployment Insurance Solvency Act of 1983".

TITLE I—PROVISIONS FROM RAIL LABOR-MANAGEMENT AGREEMENT

EARLY RETIREMENT BENEFIT ADJUSTMENT

SEC. 101. (a) Section 3(a) of the Railroad Retirement Act of 1974 is amended—

(1) so that subdivision (2) reads as follows:

"(2) For purposes of this subsection, individuals entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act shall be deemed to be entitled to a disability insurance benefit under section 223 of the Social Security Act."; and

(2) by adding at the end thereof the following new subdivision:

"(3) In lieu of an annuity amount provided under subdivision (1), the annuity of an individual entitled to an annuity under paragraph (ii) of section 2(a)(1) of this Act which begins to accrue before the individual attains age 62 shall be in an amount equal to—

"(i) for each month prior to the first month throughout which the individual is age 62, a monthly rate of $550 in the case of an individual whose annuity begins to accrue before January 1, 1984, or, in the case of an individual whose annuity begins to accrue on or after January 1, 1984, the monthly rate applicable in the calendar year before the calendar year in which the individual's annuity begins to accrue multiplied by the ratio of (A) the average of the total wages (as defined in regulations of the Secretary of the Treasury and computed without regard to the limitations specified in section 209(a) of the Social Security Act or section 3(j) of this Act) reported to the Secretary of the Treasury or such Secretary's delegate for the calendar year 2 years before the calendar year in which the individual's annuity begins to accrue to (B) the average of the total wages (as so defined and computed) reported to the Secretary of the Treasury or such Secretary's delegate for the calendar year 3 years before the calendar year in which the individual's annuity begins to accrue, with such product, if not a multiple of $1, being reduced to the next lower multiple of $1; and

"(ii) for months beginning with the first month throughout which the individual is age 62, the amount (after any reduction on account of age but before any deductions on account of work) of the old-age insurance benefit to which such individual would have been entitled under the Social Security Act

if all of such individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act.".

(b) Section 4(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "spouses" in subdivision (2) and inserting in lieu thereof "if an individual is entitled to an annuity under paragraph (ii) of section 2(a)(1) of this Act which did not begin to accrue before such individual attained age 62, the spouse of such individual"; and

(2) by adding at the end thereof the following new subdivisions:

"(3) In the case of an individual entitled to an annuity under section 2(a)(1)(ii) of this Act which began to accrue before such individual attained age 62, the annuity of the spouse of such individual under section 2(c) of this Act shall, in lieu of an annuity amount provided under subdivision (1), be in an amount equal to—

"(i) for each month prior to the first month throughout which both the individual and the spouse are age 62, 50 per centum of that portion of the individual's annuity as is, or was prior to such individual's attaining age 62, computed under section 3(a)(3)(i) of this Act, reduced to the same extent such amount would be reduced under section 202(b)(4) of the Social Security Act (in the case of a wife) or under section 202(c)(2) of the Social Security Act (in the case of a husband) as if such amount were a wife's insurance benefit or a husband's insurance benefit, respectively, under such Act; and

"(ii) for months beginning with the first month throughout which both the individual and the spouse are age 62, the amount (after any reduction on account of age based on the spouse's age at the time the amount under this paragraph first becomes payable but before any deductions on account of work) of the wife's insurance benefit or the husband's insurance benefit to which such spouse would have been entitled under the Social Security Act if the individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act.

"(4) In the case of an individual entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act, the annuity of the spouse of such individual entitled to an annuity under section 2(c)(1)(ii)(B) of this Act shall, in lieu of an annuity amount provided under subdivision (1), be in an amount equal to the amount (after any reduction on account of age but before any deductions on account of work) of the wife's insurance benefit or the husband's insurance benefit to which such spouse would have been entitled under the Social Security Act if the individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act. For purposes of this subdivision, spouses who have not attained age 62 shall be deemed to have attained age 62.".

(c) The amendments made by this section shall take effect on July 1, 1983, and shall apply only with respect to awards in cases where the individual's application was filed on or after that date or where the individual's annuity under section 2(a)(1) of the Railroad Retirement Act of 1974 began to accrue on or after that date.

CONFORMING RAIL INDUSTRY PENSION INCREASES TO A CALENDAR YEAR BASIS; RAIL INDUSTRY PENSION COLA PASSTHROUGH

SEC. 102. (a) Section 3(g) of the Railroad Retirement Act of 1974 is amended to read as follows:

"(g)(1) Effective with the date of any increase after calendar year 1982 in monthly insurance benefits under the Social Security Act which occurs, or which would have occurred had there not been a general benefit increase under that Act, pursuant to the automatic cost-of-living provisions of section 215(i) of that Act, that portion of the annuity of an individual which is computed under subsection (b) of this section shall, if such individual's annuity under section 2(a)(1) of this Act began to accrue on or before such date, be increased by 32.5 per centum of the percentage increase in the index which is used, or which would have been used had there not been a general benefit increase under the Social Security Act, in increasing benefits under the Social Security Act pursuant to the automatic cost-of-living provisions of section 215(i) of that Act.

"(2) The first and, if necessary, the following time or times after calendar year 1982, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of an individual which is computed under subsection (b) of this section as increased under subdivision (1) of this subsection shall, if such individual's annuity under section 2(a)(1) of this Act began to accrue in or before the year in which such first increase under the Social Security Act became effective, be reduced by the dollar amount by which that portion of the annuity provided such individual under subsection (a) of this section was increased, after any reduction under subsection (m) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such individual under subsection (a), as reduced under subsection (m), prior to such first increase.".

(b) Section 4(d) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "3(g)" and inserting "3(g)(1)" in lieu thereof; and

(3) by adding at the end thereof the following new subdivisions:

"(2) The first and, if necessary, the following time or times after calendar year 1982, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of the spouse of an individual as is determined under subsections (b), (c), and (d)(1) of this section shall, if such spouse's annuity under section 2(c) of this Act began to accrue in or before the year in which such first increase under the Social Security Act became effective, be reduced by the dollar amount by which that portion of the annuity provided such spouse under subsection (a) of this section is increased, after any reduction under subsection (i) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such spouse under subsection (a), as reduced under subsection (i), prior to such first increase.

"(3) That portion of the annuity of the spouse of an individual as is determined under subsection (b) of this section prior to any determination under subsection (c) of this section shall, if the annuity of such spouse is not subject to reduction under subdivision (2) of this subsection, be reduced by an amount equal to 50 per centum of the dollar amount by which the annuity of the individual was reduced under section 3(g)(2) of this Act.".

(c) Section 4(g) of the Railroad Retirement Act of 1974 is amended—

(1) in subdivision (1), by inserting "and without regard to any reduction under section 3(g)(2) of this Act" after "before any reduction on account of age";

(2) in subdivision (6), by striking out "3(g)" and inserting "3(g)(1)" in lieu thereof; and

(3) by adding at the end the following new subdivisions:

"(7) The first and, if necessary, the following time or times after calendar year 1982, that monthly insurance benefits under section 202 of the Social Security Act are increased, that portion of the annuity of a survivor of a deceased individual as is determined under subdivisions (1) and (2) of this subsection, or under section 4(g) of this Act as in effect before amendment by section 1119(g) of Public Law 97-35, shall, if such survivor's annuity under section 2(d) of this Act began to accrue before the effective date of such first increase under the Social Security Act, be reduced by the dollar amount by which that portion of the annuity provided such survivor under subsection (f) of this section was increased, after any reduction under subsection (i) of this section, as a result of such increase or increases under the Social Security Act until the total dollar amount of such reduction or reductions equals 5 per centum of the annuity amount provided such survivor under subsection (f), as reduced under subsection (i), prior to such first increase.

"(8) That portion of the annuity of a survivor of a deceased individual as is determined under subdivisions (1) and (2) of this subsection shall, if the annuity of such survivor is not subject to reduction under subdivision (7) of this subsection, be reduced by an amount equal to the dollar amount by which the annuity of the deceased individual was reduced under section 3(g)(2) of this Act or would have been reduced under such section 3(g)(2) if such deceased individual had been living at the time such survivor's annuity under section 2(d) of this Act began to accrue (deeming for this purpose, if such individual died before becoming entitled to an annuity under section 2(a)(1) of this Act, that such individual became entitled to an annuity under paragraph (i) of such section 2(a)(1) in the month in which such individual died). In a case where the survivor of a deceased individual is not entitled to a monthly insurance benefit under the Social Security Act, the reduction provided by the preceding sentence of this subdivision shall be equal to the dollar amount by which the annuity of the deceased individual would have been reduced under section 3(g)(2) of this Act if the annuity of such deceased individual had not been subject to reduction under section 3(m) of this Act.

"(9) That portion of the annuity of a survivor of a deceased individual as is determined under section 4(g) of this Act as in effect before amendment by section 1119(g) of Public Law 97-35 shall, if the annuity of such survivor is not subject to reduction under subdivision (7) of this subsection, be reduced by an amount equal to the dollar amount by which the annuity of the deceased individual was reduced under section

3(g)(2) of this Act or, if such survivor is not entitled to a monthly insurance benefit under the Social Security Act, would have been reduced under such section 3(g)(2) if the annuity of such deceased individual had not been subject to reduction under section 3(m) of this Act.".

(d) The amendments made by this section shall take effect on the date of the enactment of this Act. For purposes of the amendments made by subsection (a) of this section, annuity portions computed under subsections (b) and (d) of section 3 of the Railroad Retirement Act of 1974 as in effect before October 1, 1981, shall be treated as having been computed under subsection (b) of such section as in effect after that date.

CONFORMING ANNUITY STARTING DATES TO SOCIAL SECURITY

SEC. 103. (a) Section 5(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "An annuity" at the beginning and inserting in lieu thereof "Subject to the limitations set forth below, an annuity";

(2) by amending paragraphs (ii) and (iii) to read as follows:

"(ii) in the case of an applicant otherwise entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) or under section 2(d)(1)(i) on the basis of disability, not earlier than the later of (A) the first day of the sixth month following the onset date of the disability for which such annuity is awarded or (B) the first day of the twelfth month before the month in which the application therefor was filed;

"(iii) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1), 2(c), or 2(d) where paragraph (ii) does not apply, not earlier than the latest of (A) the first day of the sixth month before the month in which the application therefor was filed, (B) the first day of the month in which the application therefor was filed if the effect of beginning such annuity in an earlier month would result in a greater age reduction in the annuity, unless beginning the annuity in the earlier month would enable an annuity under section 2(c) which is not subject to an age reduction to be payable in such earlier month, (C) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1) or 2(c), the date following the last day of compensated service of the applicant, or (D) in the case of an applicant otherwise entitled to an annuity under section 2(a)(1) or 2(c), the first day of the first month throughout which the applicant meets the age requirement for the annuity applied for;"; and

(3) by adding at the end thereof the following new sentence:

"For the purpose of determining annuity amounts provided under sections 3(a), 4(a), and 4(f) of this Act, the provisions with respect to the beginning dates of annuities set forth in this subsection shall be deemed to govern the beginning dates of monthly benefits provided under the Social Security Act.".

(b) The amendments made by this section shall take effect on July 1, 1983, and shall apply only with respect to annuities awarded on the basis of applications filed on or after that date.

ELIMINATING RAIL INDUSTRY PENSION POSTSECONDARY STUDENT BENEFITS

SEC. 104. (a) Clause (B) of section 2(d)(1)(iii) of the Railroad Retirement Act of 1974 is amended to read as follows: "(B) will be less than nineteen years of age and a full-time elementary or secondary school student,".

(b) Section 2(d)(4) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "full-time student" each place it appears and inserting in lieu thereof "full-time elementary or secondary school student";

(2) by striking out "educational institution" each place it appears and inserting in lieu thereof "elementary or secondary school";

(3) by striking out "twenty-two" in the fourth sentence and inserting in lieu thereof "nineteen"; and

(4) by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in section 202(d)(7)(c)(i) of the Social Security Act)".

(c) Section 5(c)(7) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "full-time student" and inserting in lieu thereof "full-time elementary or secondary school student"; and

(2) by striking out "22" and inserting in lieu thereof "19".

(d) The amendments made by this section shall apply with respect to annuities accruing for months after the month in which this Act is enacted, except such amendments shall not apply in the case of a child who has attained the age of eighteen in or before the month in which this Act is enacted and is entitled to an annuity under section 2(d) of the Railroad Retirement Act of 1974 for the month in which this Act is enacted or, if earlier, for the month of April 1983.

INCREASES IN EMPLOYER PENSION CONTRIBUTIONS BEGINNING JULY 1, 1984

SEC. 105. IN GENERAL.—Subsection (a) of section 3221 of the Internal Revenue Code of 1954 (relating to rate of tax on employers) is amended to read as follows:

"(a) TIER 2 TAX.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of so much of the compensation paid in any calendar month by such employer for services rendered to him as is, with respect to any employee for any calendar month, not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means the percentage determined in accordance with the following table:

"For the period—		The applicable percentage is—
Beginning on	Ending on	
October 1, 1981	June 30, 1984	11.75
July 1, 1984	June 30, 1985	12.75
July 1, 1985	June 30, 1986	13.75
July 1, 1986		15.25.

"(B) APPLICATION TO PERIOD.—For purposes of subparagraph (A), the percentage applicable to any period shall apply to compensation paid for services rendered during such period.

"(3) APPLICATION OF TAX WHERE EMPLOYEE IS PAID BY MORE THAN ONE EMPLOYER.—

"(A) LIMITATION.—If an employee is paid compensation by more than one employer for services rendered during any calendar month, the tax imposed by this section shall apply to not more than an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month of the aggregate compensation paid to such employee by all such employers for services rendered during such month.

"(B) LIABILITY FOR TAX.—Each employer other than a subordinate unit of a national railway-labor-organization employer shall be liable for that proportion of the tax with respect to such compensation paid by all such employers which the compensation paid by him to the employee for services rendered during such month bears to the total compensation paid by all such employers to such employee for services rendered during such month; and in the event that the compensation so paid by such employers to the employee for services rendered during such month is less than an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month each subordinate unit of a national railway-labor-organization employer shall be liable for such proportion of any additional tax as the compensation paid by such employer to such employee for services rendered during such month bears to the total compensation paid by all such employers to such employee for services rendered during such month.

"(C) AGREEMENTS.—Where compensation for services rendered in a month is paid an employee by two or more employers, one of the employers who has knowledge of such joint employment may, by proper notice to the Secretary, and by agreement with such other employer or employers as to settlement of their respective liabilities under this section and section 3202, elect for the tax imposed by section 3201 and this section to apply to all of the compensation paid by such employer for such month as does not exceed the maximum amount of compensation in respect to which taxes are imposed by such section 3201 and this section; and in such case the liability of such other employer or employers under this section and section 3202 shall be limited to the difference, if any, between the compensation paid by the electing employer and the maximum amount of compensation to which section 3201 and this section apply.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to compensation paid for services rendered after June 30, 1983.

INCREASES IN EMPLOYEE PENSION CONTRIBUTIONS BEGINNING JULY 1, 1984

SEC. 106. (a) IN GENERAL.—Section 3201(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended to read as follows:

"(a) TIER 2 TAX.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of so much of the compensation paid in any calendar month to such employee for services rendered by him as is not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means the percentage determined in accordance with the following table:

"For the period— Beginning on	Ending on	The applicable percentage is—
October 1, 1981	June 30, 1984	2.00
July 1, 1984	June 30, 1985	2.75
July 1, 1985	June 30, 1986	3.50
July 1, 1986		4.25.

"(B) APPLICATION TO PERIOD.— For purposes of subparagraph (A), the percentage applicable to any period shall apply to compensation paid for service rendered during such period.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to compensation paid for services rendered after June 30, 1983.

INCREASES IN EMPLOYEE REPRESENTATIVE PENSION CONTRIBUTIONS BEGINNING JULY 1, 1984

SEC. 107. (a) IN GENERAL.—Subsection (a) of section 3211 of the Internal Revenue Code of 1954 (relating to tax on employee representatives) is amended by striking out "11.75 percent" and inserting in lieu thereof "the applicable percentage determined under section 3221(a)(2)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to compensation paid for services rendered after June 30, 1983.

TAXATION OF RAIL INDUSTRY PENSION BENEFITS

SEC. 108. (a) RAIL INDUSTRY PENSION BENEFITS (OTHER THAN TIER 1 BENEFITS) TAXED AS BENEFITS RECEIVED UNDER EMPLOYER PLANS.—Section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) CERTAIN RAILROAD RETIREMENT BENEFITS TREATED AS RECEIVED UNDER EMPLOYER PLANS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, any benefit paid under the Railroad Retirement Act of 1974 (other than a tier 1 railroad retirement benefit) shall be treated for purposes of this title as a benefit paid under an employer plan.

"(2) PAYMENTS OF TIER 2 TAXES TREATED AS CONTRIBUTIONS.—

"(A) IN GENERAL.—For purposes of paragraph (1)—

"(i) the non-FICA portion of the tax imposed by section 3201 (relating to tax on employees) shall be treated as an employee contribution,

"(ii) the non-FICA portion of the tax imposed by section 3211(a) (relating to tax on employee representatives) shall be treated as an employee contribution, and

"(iii) the non-FICA portion of the tax imposed by section 3221 (relating to tax on employers) shall be treated as an employer contribution.

"(B) NON-FICA PORTION.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The non-FICA portion of any tax is that portion which is determined without regard to the rate of any tax imposed by chapter 21.

"(ii) WHERE TIER 2 TAX NOT SEPARATELY STATED.—In the case of any period for which the tax imposed by section 3201, 3211, or 3221 was not determined in part by reference to the rates of the comparable taxes imposed by chapter 21, the non-FICA portion of such tax shall be the excess (if any) of—

"(I) the tax imposed by such section for such period, over

"(II) the tax which would have been imposed by such section for such period had the rates of the comparable taxes imposed by chapter 21 for such period applied under such section.

"(C) CONTRIBUTIONS NOT ALLOCABLE TO SUPPLEMENTAL ANNUITY OR WINDFALL BENEFITS.— For purposes of paragraph (1), no amount treated as a contribution under this paragraph shall be allocated to—

"(i) any supplemental annuity paid under section 2(b) of the Railroad Retirement Act of 1974, or

"(ii) any benefit paid under section 3(h), 4(e), or 4(h) of such Act.

"(3) TIER 1 RAILROAD RETIREMENT BENEFIT.—For purposes of paragraph (1), the term 'tier 1 railroad retirement benefit' has the meaning given such term by section 86(d)(4).

"(4) CERTAIN WINDFALL BENEFITS TREATED AS PAID UNDER RAILROAD RETIREMENT ACT.— For purposes of this section and section 6050G, amounts paid under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445 shall be treated as benefits paid under those provisions of the Railroad Retirement Act of 1974 to which they relate."

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050G. RETURNS RELATING TO CERTAIN RAILROAD RETIREMENT BENEFITS.

"(a) IN GENERAL.—The Railroad Retirement Board shall make a return, according to the forms and regulations prescribed by the Secretary, setting forth—

"(1) the aggregate amount of benefits paid under the Railroad Retirement Act of 1974 (other than tier 1 railroad retirement benefits, as defined in section 86(d)(4)) with respect to any individual during any calendar year,

"(2) the aggregate contributions (with respect to each type of benefit required to be set forth under paragraph (1)) which the individual is treated as having paid for purposes of section 72(r),

"(3) the name and address of such individual, and

"(4) such other information as the Secretary may by regulations require.

"(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—The Railroad Retirement Board shall furnish to each individual whose name is set forth in the return under subsection (a) a written statement showing—

"(1) the aggregate amount of payments, and of contributions, with respect to such individual as shown on such return, and

"(2) such other information as the Secretary may by regulations require.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was made."

(2) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050G. Returns relating to certain railroad retirement benefits."

(c) REVENUE INCREASES TRANSFERRED TO RAILROAD RETIREMENT ACCOUNT.—

(1) IN GENERAL.—There are hereby appropriated to the Railroad Retirement Account amounts equivalent to the aggregate increase in tax under chapter 1 of the Internal Revenue Code of 1954 which is received in the Treasury and which is attributable to the application of section 72(r) of the Internal Revenue Code of 1954 (as added by this Act) with respect to benefits received before January 1, 1989.

(2) TRANSFERS.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) received in the Treasury during such month. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) REVENUE INCREASES FROM SUPPLEMENTAL ANNUITIES AND WINDFALL BENEFITS NOT INCLUDED.—Paragraph (1) shall not apply to—

(A) tax attributable to supplemental annuities paid under section 2(b) of the Railroad Retirement Act of 1974,

(B) tax attributable to benefits paid under section 3(h), 4(e), or 4(h) of the Railroad Retirement Act of 1974, and

(C) tax attributable to benefits paid under section 204(a)(3), 204(a)(4), 206(3), or 207(3) of Public Law 93-445.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to benefits received after December 31, 1982, in taxable years ending after such date.

(2) TREATMENT OF CERTAIN LUMP-SUM PAYMENTS RECEIVED AFTER DECEMBER 31, 1982.— The amendments made by this section shall not apply to any portion of a lump-sum payment received after December 31, 1982, if the generally applicable payment date for such payment was before January 1, 1983.

TITLE II—ADDITIONAL SOLVENCY ADJUSTMENTS FOR RAILROAD RETIREMENT AND RAILROAD UNEMPLOYMENT

RELATING RAIL INDUSTRY PENSION COLA TO TRUST FUNDS' SOLVENCY

SEC. 201. (a) Section 3 of the Railroad Retirement Act of 1974 is amended by adding at the end the following:

"(n)(1) Notwithstanding any other provision of this Act, an increase in the non-social-security-equivalent portion of an annuity (as defined in subdivision (2) of this subsection) which would otherwise take effect by reason of section 215(i) of the Social Security Act or subsection (g) of this section or subsection (d) or (g)(6) of section 4, shall not take effect if the amount in the Railroad Retirement Account available on the preceding September 30, excluding unrepaid advances or loans from the general fund of the Treasury, to pay such non-social-security-equivalent portion is less than 125 percent of the amount actually expended during the fiscal year ending on such September 30 to pay the non-social-security-equivalent portion of all such annuities.

"(2) As used in this subsection, the term 'non-social-security-equivalent portion', with respect to an annuity, means that portion which is the difference between the annuity received under this Act and the monthly benefit the recipient would have received

under the Social Security Act if all of the service with respect to which the annuity under this Act is granted were employment as defined in the Social Security Act.".

(b) The amendment made by this section shall take effect July 1, 1983.

INCREASES IN RAIL PENSION CONTRIBUTIONS BEGINNING JULY 1, 1983

SEC. 202. (a) RATE OF TAX ON EMPLOYERS, ETC., INCREASED BY 1 PERCENTAGE POINT.—The table contained in subparagraph (A) of section 3221(a)(2) of the Internal Revenue Code of 1954, as amended by section 105, is amended to read as follows:

"For the period—		The applicable percentage is—
Beginning on	Ending on	
October 1, 1981	June 30, 1983	11.75
July 1, 1983	June 30, 1984	12.75
July 1, 1984	June 30, 1985	13.75
July 1, 1985	June 30, 1986	14.75
July 1, 1986		16.25."

(b) RATE OF TAX ON EMPLOYEES INCREASED BY 1 PERCENTAGE POINT.—The table contained in subparagraph (A) of section 3201(a)(2) of such Code, as amended by section 106, is amended to read as follows:

"For the period—		The applicable percentage is—
Beginning on	Ending on	
October 1, 1981	June 30, 1983	2.00
July 1, 1983	June 30, 1984	3.00
July 1, 1984	June 30, 1985	3.75
July 1, 1985	June 30, 1986	4.50
July 1, 1986		5.25."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to compensation paid for services rendered after June 30, 1983.

SOCIAL SECURITY CONTRIBUTION AND BENEFIT BASE APPLIED TO TIER 2 TAXES

SEC. 203. (a) SOCIAL SECURITY CONTRIBUTION AND BENEFIT BASE USED FOR TIER 2 TAXES.—

(1) Section 230(c) of the Social Security Act is amended by striking out the last sentence thereof.

(2) The amendment made by paragraph (1) shall apply to compensation paid with respect to services rendered after June 30, 1983.

(b) CONTRIBUTION AND BENEFIT BASE APPLIED ON ANNUAL BASIS.—

(1) Section 3201 of the Internal Revenue Code of 1954 (relating to rate of tax on employees), as amended by section 106, is amended—

(A) by striking out "calendar month" each place it appears and inserting in lieu thereof "calendar year",

(B) by striking out "one-twelfth of" each place it appears, and

(C) by striking out "any month" each place it appears and inserting in lieu thereof "such calendar year".

(2) Subsection (a) of section 3202 of such Code (relating to deduction of tax from compensation) is amended by striking out the second sentence.

(3) Subsection (a) of section 3211 of such Code (relating to tax on employee representatives) is amended—

(A) by striking out "calendar month" and inserting in lieu thereof "calendar year",

(B) by striking out "one-twelfth of", and

(C) by striking out "any month" and inserting in lieu thereof "such calendar year".

(4) Subsection (a) of section 3221 of such Code (relating to tax on employers), as amended by section 105, is amended—

(A) by striking out so much of paragraph (1) as follows "compensation paid in" and inserting in lieu thereof "any calendar year by such employer for services rendered to him as is not in excess of an amount equal to the current maximum annual taxable 'wages' as defined in section 3121 for such calendar year.", and

(B) by striking out paragraph (3).

(5) The amendments made by this subsection shall apply to compensation paid for services rendered after December 31, 1983.

(c) Section 3(i) of the Railroad Retirement Act of 1974 is amended by adding at the end the following:

"(4) In computing the 'years of service' of an individual for any calendar year after 1983 in which an individual performs service for compensation, there shall be included 3 months for each quarter of coverage (as such term is defined for the purposes of the Social Security Act) such individual would have earned if such service of that individual were 'employment' as defined for the purposes of the Social Security Act.".

(d) Section 3(j) of the Railroad Retirement Act of 1974 is amended by adding after the second sentence the following: "If for any calendar year after 1983 an employee has received compensation of less than one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 of the Internal Revenue Code of 1954 in one or more months of the calendar year, the total compensation paid such employee in the calendar year (without regard to the limitation on the amount of compensation provided in the preceding sentence) shall be deemed to have been paid in equal proportions with respect to each month of each quarter of coverage (as such term is defined for the purposes of the Social Security Act) in the year in which the employee will have been in the service of one or more employers for compensation or will have performed service for compensation as an employee representative except that this sentence shall not operate to increase the employee's compensation for any month above an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 of the Internal Revenue Code of 1954.".

RESTRUCTURING OF RAIL UNEMPLOYMENT INSURANCE

SEC. 204. (a) The Secretary of the Treasury shall not certify a State (as defined in section 3306(j) of the Internal Revenue Code of 1954) under section 3304(c) of such Code if State law does not provide for—

(1) entitlement to payment beginning July 1, 1985 of unemployment compensation based on services included in the definition of employment by reason of the repeal of paragraph (g) of section 3306(c) of the Internal Revenue Code of 1954; and

(2) unemployment contributions beginning January 1, 1984 by employers (as defined in section 3306(a) of the Internal Revenue Code of 1954) of employees who perform services included in the definition of employment by reason of the repeal of paragraph (9) of section 3306(c) of such Code.

(b)(1) Paragraph (9) of section 3306(c) of the Internal Revenue Code of 1954 is repealed.

(2) The amendment made by this subsection shall take effect January 1, 1984.

(c) Section 2(a) of the Railroad Unemployment Insurance Act is amended by adding after the first sentence the following: "No day shall be considered a day of unemployment for purposes of this Act with respect to an employee after such employee becomes covered for entitlement of payment of unemployment compensation under a State law.".

(d) Effective January 1, 1984, subsection (d) of section 10 of the Railroad Unemployment Insurance Act is amended to read as follows:

"(d)(1) If the Board finds that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which the Board estimates are due, or will become due, under this Act, during the period beginning January 1, 1984 and ending June 30, 1985, the Board shall apply before July 1, 1985 for an advance to the account from the Federal unemployment account in the Unemployment Trust Fund in the manner specified in section 1201 of the Social Security Act with respect to the Governor of a State.

"(2)(A) An advance on the basis of such an application shall be made to the railroad unemployment insurance account from the Federal unemployment account in the same manner, and subject to the same conditions (other than the conditions regarding repayment), as if the application had been made by the Governor of a State under section 1201 of the Social Security Act and the railroad unemployment insurance account were an account of a State within the meaning of such section 1201.

"(B) In addition to any advance on the basis of such an application, an advance shall be made to the railroad unemployment insurance account from the Federal unemployment account on January 1, 1984, in an amount sufficient to pay the total amount due the Railroad Retirement Account from the railroad unemployment insurance account as computed under this section as in effect prior to its amendment in 1983.

"(3) Immediately upon the receipt of the amount of such advance in the railroad unemployment insurance account, the Board shall request the Secretary of the Treasury to transfer such amount from the account to the Railroad Retirement Account, and the Secretary shall make such transfer. The purposes for which appropriations to the Federal unemployment account are authorized by section 1203 of the Social Security Act are hereby extended to include the purposes of this section. Advances made to the railroad unemployment insurance account from the Federal unemployment account pursuant to this section shall be repayable (including interest at the rate payable for advances to accounts of States under section 1201 of the Social Security Act) in the manner provided herein.

"(4) The Board may at any time request the Secretary of the Treasury to transfer from the railroad unemployment insurance account to the Federal unemployment account such sums as are specified in such request in repayment of part or all of the balance of the advances previously made to the railroad unemployment insurance account from the Federal unemployment account under this section, and the Secretary shall promptly transfer the amounts requested in reduction of such balance.".

(e) Section 8(a) of the Railroad Unemployment Insurance Act is amended by adding at the end the following new paragraph:

"If, on June 30, 1987, the outstanding balance of the amount borrowed under section 10(d) of this Act is not less than the outstanding balance on June 30, 1985, the con-

tribution required to be paid under this section, expressed as a percentage, shall be increased by four percentage points until the entire remaining outstanding balance has been repaid.".

RESTRUCTURING SOCIAL SECURITY FINANCIAL INTERCHANGE

SEC. 205. (a)(1) Effective June 1, 1983, section 7(c)(2) of the Railroad Retirement Act of 1974 is amended by striking out the second sentence thereof and inserting in lieu thereof the following: "Such determination with respect to each such Trust Fund shall be made no later than May 15 following the fiscal year ending September 30, 1983, no later than April 15 following the fiscal year ending September 30, 1984, no later than March 15 following the close of the fiscal year ending September 30, 1985, no later than February 15 following the close of the fiscal year ending September 30, 1986, no later than January 15 following the close of the fiscal year ending September 30, 1987, no later than December 15 following the close of the fiscal year ending September 30, 1988, no later than November 15 following the close of the fiscal year ending September 30, 1989, and no later than October 15 following the close of the fiscal year ending September 30, 1990.".

(2) Effective October 1, 1990, section 7(c)(2) of the Railroad Retirement Act of 1974 (as amended by paragraph (1) of this subsection) is further amended—

(A) by striking out "At the close" and all that follows through "fiscal year thereafter" and inserting "At the end of each month";

(B) by striking out the second sentence and inserting in lieu thereof "Amounts shall be added and subtracted to and from such Trust Funds pursuant to such determinations in the manner specified in this subdivision."; and

(C) by striking out "close of such fiscal year" and inserting in lieu thereof "close of the month for which such transfer is made".

(3) Effective October 1, 1990, section 7(c)(3) of the Railroad Retirement Act of 1974 is amended—

(A) by inserting "the monthly based transfers required by" after "purposes of";

(B) by striking out "fiscal year" the first place it appears and inserting in lieu thereof "month"; and

(C) by striking out "May 31 preceding the close of such fiscal year" and inserting in lieu thereof "the end of the second calendar month preceding the close of such month".

(4) Effective on the date of the enactment of this Act, section 7(c) of the Railroad Act of 1974 is amended by adding at the end the following new subdivision:

"(4)(A) The Railroad Retirement Board is authorized to borrow on the last day of each month from the general fund of the Treasury any amount—

"(i) required to place the Railroad Retirement Account on a current basis; and

"(ii) required to pay benefits.

Any amount borrowed under this subdivision shall be repaid with interest at the rate described in subdivision (3) of this subsection.

"(B) As used in this subdivision, the term 'current basis' means in the same position the account would have been if the transfer under subdivision (2) of this subsection occurred on a monthly basis rather than an annual one.

"(C) If there is any outstanding balance of loans under this subdivision, any amount that would have been transferred to the Railroad Retirement Account under subdivision (2) of this subsection shall instead be transferred to the general fund to reduce such balance.

"(D) For the purposes of this subdivision, the Secretary is authorized to use as a public debt transaction the proceeds of the sale of any securities issued after the date of the enactment of the Railroad Retirement Amendments Act of 1983 under section 3102 of title 31 of the United States Code, and the purposes for which such securities may be so issued are extended to this purpose.".

(b) Subsection (b) of section 15 of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "(b)" and all that follows through "In addition" the first place it appears and inserting "(b) In addition" in lieu thereof; and

(2) by striking out "(2) In any month" the first place it appears and all that follows through the end of the subsection.

CONVERTING FUTURE WINDFALL BENEFITS TO APPROPRIATED ENTITLEMENTS

SEC. 206. Subsection (d) of section 15 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(d) The United States, acting through the Railroad Retirement Board, shall pay to each person the amount of that person's annuity which is computed under sections 3(h), 4(e), and 4(h) of this Act, and sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445. There are hereby authorized to be appropriated, in addition to any other sums authorized to be appropriated for the purposes of this Act, such sums as may be necessary to make payments required under this subsection.".

RAIL PENSION COLLECTIVE BARGAINING

SEC. 207. The Railroad Retirement Board is authorized to administer any retirement benefits agreed upon by the parties under the Railway Labor Act for which the parties provide the necessary financial resources (including administrative costs).

RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE SOLVENCY AMENDMENTS OF 1983: SECTION-BY-SECTION ANALYSIS

TITLE I: PROVISIONS FROM THE RAIL LABOR/MANAGEMENT AGREEMENT

Faced with a serious underfunding of the rail industry pension system, rail labor and management agreed in February, 1983 to a series of adjustments to their industry pension benefits and payroll contributions. The principles adopted by the parties constitute the core of this bill. The agreed upon benefit adjustments comprise the first half of Title I, and the financing changes constitute the second half. Those elements of the agreement whose effects extend beyond the rail sector are addressed, with appropriate modifications, in Title II of this bill.

A. Rail industry pension benefit adjustments

Section 101: Early Retirement Benefit Adjustment—Under current law, an employee age 60 or older with 30 years of rail service is eligible for full retirement benefits—without any reduction for early retirement. The spouse of such a retiree also is eligible for an unreduced annuity upon attaining age 60. This is in contrast to the treatment of rail employees with less than 30 years of service who become eligible for actuarially reduced pensions at age 62 and for full retirement benefits at age 65.

Career rail employees typically are eligible for three distinct components of benefits: a "tier I", a "tier II", and a "supplemental annuity" (in addition, many rail employees have gained eligibility for "windfall" benefits paid by the General Treasury). Conventionally, the "tier I" component is equivalent to what social security would pay based on the same earnings. "Tier II" is the main "staff" or industry pension component of railroad retirement, while the "supplemental annuity" is a bonus for long-service employees.

Neither tier II nor the supplemental annuity components would be affected by Section 101. In addition, the tier I benefit component of any employee—as well as that of his spouse—with 30 years of rail service who retires after attaining age 62 also would not be affected by Section 101. Section 101 would alter the tier I benefits of those employees (and their spouses) who retire at age 60 or 61.

For those employees retiring after June 30, 1983 who have 30 years of rail service and are 60 or 61, their tier I annuity would be a flat monthly amount, initially $550, for each month before the employee attains 62. The flat monthly amount paid to new early retirees in subsequent years would be indexed for increases in average wages. At age 62, the employee would begin receiving an actuarially reduced tier I benefit equal to what would have been payable by social security.

The spouse of a 60 or 61 year old retiree would receive 50% of the flat rate monthly amount until both the employee and the spouse attained 62, when the spouse would receive a tier I benefit equal to what would have been payable by social security. The 62-64 year old spouse of a disabled annuitant with 30 years of rail service who began receiving benefits before 65 would receive the same spouse's (tier I) benefit that would have been payable under social security; any spouse under age 62 at the time they begin receiving an annuity would be deemed to be age 62.

Section 102: Rail Industry Pension Cost-of-Living Adjustments.

A. Conforming Rail Industry Pension COLA's to a Calendar Year Basis

Under current law, whenever social security benefits receive a cost-of-living adjustment (COLA), social security equivalent (tier I) amount payable under the Railroad Retirement Act also automatically receive a COLA. Under the current railroad retirement statute, if the social security COLA increase were conformed to a calendar year basis, the social security equivalent (tier I) component would automatically be altered to conform with regular social security. But, there would be no automatic conforming of the effective dates of the rail industry pension (tier II) COLA. Section 102 would change current law so that a rail industry pension (tier II) COLA would remain co-ordinated and occur whenever a social security/tier I COLA was paid. As with current law, the tier II COLA would be 32.5% of the tier I COLA; to preserve future co-ordination, the tier II COLA would reference the tier I COLA.

B. Rail Industry Pension COLA Pass-Through

Under current law, both tier I and tier II benefits are annually increased by their respective COLAs. Under Section 102, the dollar amount of the first 5% increase in the social security equivalent (tier I) component due to COLAs would be subtracted from the rail industry pension (tier II) component, after that industry pension component had been adjusted for its tier II COLA. Until the

social security equivalent COLA exceeded 5%, monthly railroad retirement checks would effectively increase by only the dollar amount of the industry pension COLA. Thereafter, both social security equivalent and industry pension components would increase by their respective annual COLAs.

This provision would *not* reduce monthly annuities below their current levels; future retirees would be unaffected.

Section 103: Conforming Annuity Starting Dates to Social Security—Section 103 more closely conforms railroad retirement practices to social security in 4 regards. First, a beneficiary applying for a disability annuity would be subject to the same waiting period as social security (5 months) before becoming eligible for payments, rather than the current railroad retirement practice of no waiting period. Second, retroactivity for all annuities other than disability annuities would be limited to 6 months prior to the month in which an application were filed, rather than the current law 1 year limit on retroactivity. Third, actuarially reduced annuities could not begin prior to the month in which the application were filed if beginning in an earlier month would result in a greater age reduction. Finally, a beneficiary applying for an annuity would have to be eligible from the first day of the month, as is the case with social security.

Section 104: Eliminating Rail Industry Pension Post-Secondary Student Benefits—Section 104 would prospectively eliminate rail industry pensions for post-secondary students. Those currently receiving adult student benefits would not be affected. This conforms the rail industry pension to social security.

B. Rail industry pension income increases

Section 105: Increase in Employer Pension Contributions—As agreed by rail labor and management, employer pension contributions would increase by 1 percentage point on July 1, 1984, a further 1 percentage point on July 1, 1985, and a final 1.5 percentage points on July 1, 1986. All three increases would be definite as scheduled in law.

Section 106: Increase in Employee Pension Contributions—As agreed by rail labor and management, employee pension contributions would increase by 0.75 percentage point on July 1, 1984, a further 0.75 percentage point on July 1, 1985, and a final 0.75 percentage point on July 1, 1986. All three increases would be definite as scheduled in law.

Section 107: Increase in Employee Representatives Pension Contributions—This technical section conforms the pension contributions of rail employee representatives to that of rail employers.

Section 108: Taxation of Rail Industry Pension Benefits—Section 108 provides for the taxation of rail industry pension (tier II) benefits, which would be taxed on the same basis as other private pensions. Rail industry pensions, after recovery of the employee's contributions, would be counted as part of adjusted gross income starting in 1983.

Due to the straited financial condition of the railroad retirement account, the Secretary of the Treasury is authorized to transfer, pursuant to an indefinite appropriation made by this section, amounts equal to the (estimated) industry pension income tax collections to the railroad retirement account through 1988. (The Secretary is also authorized to adjust subsequently the transferred amounts as more refined data becomes available.) After 1988, the income taxes collections associated with rail industry pensions would be treated like income tax collections from all other private pensions.

The tax treatment of windfall or dual benefits would be conformed to the treatment of supplemental annuities (which would remain unchanged from current law.)

TITLE II: ADDED SOLVENCY ADJUSTMENTS FOR RAILROAD RETIREMENT AND UNEMPLOYMENT

While the benefit adjustments and pension contributions agreed to by rail labor and management constitute a constructive point of departure for solving the rail industry pension system's financing crisis, they fall short of a solution even under optimistic assumptions. As the failure of the 1981 railroad retirement amendments (and the 1977 Social Security Amendments) demonstrates, any genuine solution must assure the solvency of the trust fund under intermediate—and hopefully even under pessimistic—assumptions. Using prudent rather than "best case" assumptions allows for a margin of safety appropriate for any insurance-type system. If the assumptions prove overly pessimistic, the trust fund simply develops an acceptable reserve level buffering it from future financial shocks.

Equally important, the parties' agreement ignored the drastic underfunding of the railroad unemployment insurance system, proposing instead to simply allow it unlimited borrowings from the general Treasury. Unfortunately, *debt service*—the interest cost associated with the borrowing—will *exceed* rail UI *income* by 1987 even under the most optimistic assumptions. The only alternative to structural reform is a sixfold increase in the rail UI tax burden.

The four parts of this title provide for (A) temporary cessation of industry pension COLAs until the rail industry pension is restored to solvency, (B) higher pension income from a 1 percent contribution increase and conforming the contribution bases to social security, (C) Federal contributions associated with restructuring rail UI and the social security financial interchange, and (D) converting future windfall subsidies to annually appropriated entitlements and authority for the parties to bargain—and for the Railroad Retirement Board to administer—supplements to current rail industry pension benefits and revenues under the Railway Labor Act.

A. Added rail industry pension benefit adjustment

Section 201: Tie Rail Industry Pension COLA to Trust Fund Solvency—Section 201 would interrupt rail industry pension COLAs whenever the rail industry pension fund's balances fall below 125% of the previous year's industry pension payments. When a prudent trust fund balance is restored, annual industry pension COLAs—which could then be financed—would also be restored. It should be noted that during the temporary cessation of industry pension COLAs, rail pensions would be accorded the same treatment accorded approximately 96% of the multi-employer pension plans in the United States.

Section 201 would *not* alter the social security COLA applicable to social security equivalent benefits. However, those tier I benefits which are neither payable under nor reimbursed through the financial interchange by social security would receive a COLA only when a tier II COLA is payable.

B. Added rail industry pension contributions

Section 202: Added Rail Pension Contribution—Section 202 would increase the pension contributions paid by rail employers by 1 percentage point and by rail employees by 1 percentage point, effective July 1, 1983. The increased payroll contribution from labor and management would take effect when rail retirees would have their current law indusry pension COLA delayed. This provision provides for a more balanced, equitable sharing of the burden by rail labor and management, as well as rail retirees.

Section 203: Conform Contribution Bases to Social Security Wage Base—Section 203 would conform the tier I and tier II wage bases to social security, which is on an annual rather than monthly basis. This would also restore the tier II wage base to the tier I level, as it was prior to 1979. Employees could be credited with higher covered compensation under Section 203, which would cause higher social security equivalent (tier I) and industry pension (tier II) benefits when they retire.

C. Federal contributions to restructure rail UI and the financial interchange

Section 204: Restructuring of Rail Unemployment Insurance—Section 204 removes the current law prohibition on the regular Federal/State UI systems covering rail employment. Starting on January 1, 1984, rail employment should be covered and taxed like all other employment in a State, including the Federal unemployment insurance tax. Starting July 1, 1985, rail workers would be eligible for regular Federal-State unemployment insurance benefits on the same basis as any other employee in the State in which they are covered.

As a transition provision, once rail employment is covered by regular Federal/State unemployment taxes, the rail UI system may borrow from the Federal Treasury on the same terms as a State. This transition provision would include having the Federal Treasury assume any outstanding loans from the Railroad Retirement Account, which would be paid off in full. No additional funds may be borrowed after June 30, 1985, which is when rail unemployment insurance would cease (with the possible exception of a few transitional benefits paid to unemployed rail workers not insured for regular Federal/State UI but with remaining weeks of rail UI eligibility).

Rail sickness insurance would be unchanged by Section 204. The existing rail unemployment insurance flexible contribution schedule would also be unchanged; it would finance rail sickness benefits on an ongoing basis and pay-off the outstanding loan (and associated interest) made by the Treasury, until the obligation were liquidated.

Section 205: Restructuring the Social Security Financial Interchange—Section 205 accelerates the payment of the financial interchange, which is designed to place the social security trust funds in the same financial condition they would have been in had all rail employment after 1936 been covered under social security (and all attendant benefits paid by social security). Currently, the financial interchange payment is transferred by June 15 for the preceding fiscal year. The first part of Section 205 stipulates that the financial interchange be accelerated by one month each year through 1991, on the following schedule, until it is on a current monthly basis:

Current law	Proposed schedule
June 15, 1984	May 15, 1984
June 15, 1985	Apr. 15, 1985
June 15, 1986	Mar. 15, 1986
June 15, 1987	Feb. 15, 1987
June 15, 1988	Jan. 15, 1988

Current law	Proposed schedule
June 15, 1989	Dec. 15, 1988
June 15, 1990	Nov. 15, 1989
June 15, 1991	Oct. 15, 1990
Thereafter	Concurrently, as monthly obligations are incurred

The second part of Section 205 authorizes the Railroad Retirement Board to borrow an amount equal to the estimated amount that would be transferred to the Railroad Retirement Account if the financial interchange were made on a current monthly basis. As under current law, whenever a financial interchange payment is received, the Board must apply the transferred amount first to repaying the Federal Treasury any outstanding advances, including interest.

D. Other modifications to Federal statutes

Section 206: Converting Future Windfall Subsidies to Appropriated Entitlements—Section 206 would make the payment of future windfall benefits an entitlement. The current law language authorizing pro rata windfall reductions to constrain obligations to amounts appropriated would be eliminated. Prospectively, the annual windfall subsidy appropriation would be an entitlement on the same basis as, for example, Supplemental Security Income.

Section 207: Authorize Rail Pension Bargaining under Railway Labor Act—Section 207 would authorize rail labor and management to bargain on future additions to rail industry pension benefits or income under the Railway Labor Act. The National Mediation Board would be authorized to provide assistance in rail pension issues on the same basis as it provides assistance in other bargainable subjects under the Railway Labor Act. The Railroad Retirement Board would be authorized to administer contractual agreements reached by the parties.

By Mr. BAUCUS:

S. 1077. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on Governmental Affairs and the Committee on the Budget.

FISCAL RESPONSIBILITY ACT OF 1983

● Mr. BAUCUS. Mr. President, I am strongly committed to balanced budgets. I am willing to make the tough choices involved in cutting back Federal spending.

Furthermore, I strongly support executive branch and legislative branch reforms that can mean balanced budgets for years into the future.

It is clear that the current system actually encourages increased Government spending and increased taxes. This is the time to eliminate those biases and help Congress keep a lid on spending and taxes.

I rise today, Mr. President, to introduce a bill that will do this. This legislation proposes what I believe is the correct way to impose constructive restraint on the burgeoning Federal budget.

This bill uses two basic procedures to accomplish the objective of imposing constructive restraint on the Federal budget: First, no deficit spending could be enacted unless both Houses of Congress have agreed to it by three-fifths votes. Second, each Member of Congress would be required to vote for or against any tax increase greater than the percentage increase in the gross national product—including the tax increases brought on by inflation.

In essence, the measure will insure that Congress decisively confronts proposed increases in Federal taxation and Federal spending.

My bill would require the submission of an alternate budget if the administration's proposed budget contains a deficit. The submission of an alternate budget is critical, since it would permit Congress quickly and directly to consider and evaluate the option of adopting a balanced budget.

Later, during consideration of any concurrent budget resolution or conference report on such a resolution, a second requirement is applied. If the percentage of proposed Federal revenues compared to the estimated gross national product exceeds the percentage for the previous year, a separate vote must be taken on the question of whether the increase should be accepted.

In this manner, Congress will be forced to address an issue of concern to the taxpayers and the voters of this country—the growth of Federal spending beyond growth in the economy.

Finally, if Congress decides to approve a deficit budget, it can do so under my proposal. But, a three-fifths majority vote of both Houses would be required. I believe this extraordinary majority requirement properly places the presumption in favor of a balanced budget. It would still be possible to use deficit spending if economic exigencies required it. However, the burden of establishing the need for a budget out of balance would be placed on its advocates—not its opponents.

I am under no illusion that this legislation will solve all our economic problems. It will not. But, it represents an important first step.

Congress must address the public's demand for restraint on Government spending and appropriately balanced budgets. The huge deficit projected for the coming fiscal year will keep interest rates high, choking off economic recovery and economic growth. The prospect of continued record-high deficits is a frightening one.

Adoption of this bill and the subsequent reduction of deficits would send a clear signal to business that Congress is serious about regaining control over Federal spending.

Interest rates are the key to whether or not the economy will recover. Balancing the budget will help insure that interest rates stay down.

Last year, for instance, farmers paid $22 billion in interest costs, while earning only $20 billion. There will be no economic recovery until this trend changes. Interest rates have also hurt farm exports, and crippled the housing and timber industries.

The first step toward getting interest rates to a reasonable level is to reduce the Federal deficit. This bill is a good step toward making the long-term reductions that are needed.●

By Mr. MATHIAS:

S. 1078. A bill to establish conditions for the relocation of professional sports teams, to clarify the application of the antitrust laws, and to require notification to affected communities and employees of relocation of professional sports teams; to the Committee on the Judiciary.

MAJOR LEAGUE TEAM FRANCHISE STABILITY ACT OF 1983

● Mr. MATHIAS. Mr. President, today I introduce a bill that would prevent the owner of a major league sports team from moving the team to another city unless one of several conditions is met, such as losing money for 3 consecutive years. This bill would protect not only the citizens of Baltimore from a possible move by the Colts, but all cities with professional sports teams. People who live in these cities have a deep emotional attachment and a bona fide interest in the local teams, and that must be recognized and protected by the law. My bill would cover all major league professional team sports: football, basketball, baseball, hockey and soccer.

For many years, these teams have enjoyed a preferred status under Federal antitrust laws, a status not shared by other American businesses. In return for this special consideration, the owners have generally respected the interests of the local community and their dedicated fans.

Lately, however, this self-restraint has started to weaken. We all saw what happened to Oakland. After years of sellout crowds, and after millions of dollars in municipal investment in stadium complexes and freeways, the owner moved the Raiders to Los Angeles. Even the National Football League could not stop him. No one in Oakland would have been surprised if the owner, on pulling out, had barked the famous words of William Henry Vanderbilt—"The public be damned."

With this bill, I hope we can remind the owners that they owe an obligation to their hometowns that transcends their bottom line. When a team abandons its "home city," serious economic and social dislocation occurs, and we need more effective means to protect the local interest than we now have.

Under my bill, a major league team that has been located in one city for 6 or more years cannot be moved to an-

other city unless one of these conditions is met:

A party other than the professional team breaks the stadium lease agreement;

The stadium or arena is inadequate and the stadium authorities are unwilling to make the needed adjustments;

The team incurs annual net losses for at least 3 years preceding the relocation; or

The local government does not object to the relocation.

The time has come to protect the interests of both the cities and the fans who have stuck with their teams through good times and bad, and I urge my colleagues to support me in this effort. By giving clear ground rules for team relocation, my bill will help us assure team stability. The bill does not affect sports league broadcasting or revenue sharing policies; it does not deal with labor-management issues nor with the various policies and practices of sports league operations; and it does not apply these standards retroactively.

I ask unanimous consent that the text of the bill and the section-by-section analysis appear immediately following my remarks.

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

S. 1078

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 "Major League Team Franchise Stability Act of 1983".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) professional sports teams achieve a strong local identity with the people of the cities and regions in which they are located, providing a source of pride to their supporters;

(2) the public, through a municipal stadium or arena authority (which may be a city or county agency, or a construction corporation), often authorizes capital construction bonds to build a stadium or arena, while the team's lease or use agreement generally sets rent to cover only operating costs of the stadium or arena, without reimbursing the public for construction costs;

(3) the relocation of professional sports teams causes serious social and economic harm to local communities, and should be prevented whenever possible by strengthening local initiative and responsibility; and

(4) professional sports teams wishing to relocate their operations to another area should take into account the social and community needs in which they operate.

(b) The Congress, therefore, finds and declares that professional sports teams are invested with a significant local interest and that it is the national policy to discourage the relocation of professional sports teams receiving local support and to establish objective standards to limit such relocation.

(c) It is the purpose of this Act to provide communities with adequate notice of decisions by professional sports teams to relocate their operations in order to permit individuals and communities affected sufficient time to develop a strategy to counter or to minimize the impact of that decision.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "relocate" means to move the location at which a professional sports team plays its regular season home games from one metropolitan area to another area, and to move such location within a metropolitan area if the team is transferred to a new community or by moving falls under the jurisdiction of a different government authority.

(2) The term "government authority" means any unit of general local government or other government agency or authority that owns or operates or has a financial interest in a stadium or arena used by a professional sports team, or exercises regulatory authority with respect to a professional sports team.

(3) The term "person" means any individual, partnership, corporation, or unincorporated association, trust, or combination or association thereof.

(4) The term "metropolitan area" means a standard metropolitan statistical area.

(5) The term "professional sports team" means a major league team in the organized professional sport of football, baseball, basketball, hockey, or soccer.

LIMITATION ON RELOCATION

SEC. 4. No professional sports team organized to play football, baseball, basketball, hockey, or soccer that has played its regular season home games in a metropolitan area for six continuous years or more shall relocate unless—

(1) one or more of the parties, other than the team, to such team's stadium or arena lease agreement fails to comply with a provision of material significance to the agreement, and such noncompliance cannot be remedied within a reasonable period of time; or

(2) the stadium or arena in which the team seeking relocation now plays is manifestly inadequate for the purposes of properly and competitively operating the team, and the stadium or arena authority demonstrates no intent to remedy such inadequacies within a reasonable period of time; or

(3) the team has incurred an annual net loss for at least three years preceding a proposed relocation or has incurred losses in a shorter period that endanger the continued financial viability of the team, and

(4) within one year following the filing of a notice to relocate under section 5 of this Act, no affected government authority has made a formal objection to such

NOTICE REQUIREMENT

SEC. 5. (a) Whenever a professional sports team intends to relocate its operations it shall, not less than one year prior to the date of such relocation, furnish each affected government authority with a notice of intent to relocate operations.

(b) Notice under this section shall be in writing and shall be posted by certified mail or personally delivered to each affected government authority and shall contain—

(1) a statement of intention to relocate, the new location, and the reasons therefor;

(2) full documentation supporting one or more of the grounds for relocation specified in section 4; and

(3) the date on which the relocation is intended to occur.

(c) A formal objection made by a government authority under section 4(4) shall be in writing and shall be posted by certified mail or personally delivered to the appropriate legal representative of such sports team who is authorized to receive service on behalf of such team. Such writing shall state the objection or objections such government authority has to the relocation which could include the fact that the authority has invested substantial funds for the benefit of the team or that strong ties have developed between the community and such team.

EXEMPTION

SEC. 6. Nothing contained in the antitrust laws as defined in the first section of the Clayton Act, or the Federal Trade Commission Act, shall render unlawful any agreement by or among persons engaging in or conducting an organized professional team sport that restricts the relocation of a professional sports team in accordance with the criteria provided in section 4.

ENFORCEMENT

SEC. 7. Any government authority in a metropolitan area from which a professional sports team relocates may bring a civil action in any United States district court for damages and equitable relief on the grounds that such relocation does not comply with the criteria provided in section 4.

EFFECTIVE DATE

SEC. 8. (a) This Act shall apply to all professional sports team relocations that occur after the date of enactment of this Act.

(b) This Act shall not apply to any actions pending in any Federal or State court prior to the date of enactment of this Act.

SECTION ANALYSIS

Section 1 sets forth the title of the bill as the "Major League Team Franchise Stability Act of 1983".

Section 2 sets forth Congressional findings and purposes.

Section 3 contains definitions of the terms "relocate," "government authority," "person," "metropolitan area," and "professional sports team".

The definition of "relocate" includes movement within, as well as beyond, a metropolitan area. Relocation within such an area is covered by the bill if a team moves the location at which it plays its regular season home games to a new community or falls under the jurisdiction of a different government authority.

The definition of "professional sports team" includes the major league organized team sports of football, baseball, basketball, hockey and soccer.

Section 4 sets forth limitations on the relocation of professional sports teams which have played their home games for six continuous years or more in a metropolitan area. The bill prohibits team relocation unless—

(a) there is a material breach in the stadium or arena lease by a party other than the professional team which cannot be remedied within a reasonable time; or

(b) the stadium or arena is manifestly inadequate for the proper or competitive operation of the team and the stadium or arena authority will not remedy such inadequacy; or

(c) the professional sports team incurs annual net losses for at least three years preceding a proposed relocation or incurs substantial losses in a shorter period which threaten the team's financial viability; and

(d) there is no objection by the affected government authority to the proposed relocation within one year of receipt of notice of the intention to relocate.

Section 5 requires a professional sports team which intends to relocate to furnish notice to each affected government authority not less than one year prior to such relocation. Such notice is to include:

A statement of intent to relocate, the new site and the reasons thereof;

Full documentation supporting the criteria set forth in section 4; and

The date of proposed relocation.

Requires a government authority objecting to the relocation of a sports team to furnish a written notice of the reasons for the objection to the affected sports team.

Section 6 provides an exemption from the antitrust laws for any agreement by or among owners of professional sports teams that restricts the relocation of a professional sports team in accordance with the criteria contained in section 4.

Section 7 authorizes any government authority in a metropolitan area from which a professional sports team relocates to institute a civil action for damages and equitable relief in any U.S. district court on the grounds that such relocation violates the criteria contained in section 4.

Section 8 provides that the Act shall apply to team relocations that occur after the date of enactment. Also provides that the Act does not apply to any actions pending in federal or state court prior to the date of enactment.●

By Mr. KENNEDY:

S. 1079. A bill to amend the National Labor Relations Act to authorize the Secretary of Labor to prohibit the awarding of Federal contracts to persons who have violated certain judicial orders or orders issued by the National Labor Relations Board; to the Committee on Labor and Human Resources.

DEPARTMENT OF LABOR LAW VIOLATORS

● Mr. KENNEDY. Mr. President, I am today introducing legislation designed to discourage violations of the National Labor Relations Act by creating a procedure for preventing willful violators of that act from receiving Federal contracts for a period of 3 years.

For several years it has been clear that the penalties imposed on employers who violate the NLRA are inadequate to deter unlawful conduct. In many instances, the sole penalty imposed on companies guilty of illegally firing, harassing, intimidating, and spying on employees is the posting of a notice promising not to do it again.

As a result, a number of major corporations have adopted a policy of flagrantly ignoring the dictates of National Labor policy as a means of preventing employees from freely exercising their right to form a union.

Congress and the executive departments have repeatedly recognized the desirability of contract debarment in order that the Federal Government not do business with companies that violate our wage and hour laws or laws prohibiting employment discrimination. The theory of these debarment provisions is that an employers' illegal actions provide an unfair advantage over his competitors who obey the law, and that granting Federal contracts to such employers in effect rewards illegal activity.

This legislation provides that whenever the Secretary of Labor finds that any person has engaged in a pattern of willful violations of NLRB orders, he may prohibit that person from receiving any Federal contracts for up to 3 years.

Mr. President, this legislation will provide a powerful incentive to obey the law and will end the current practice of rewarding billions of dollars of Federal contracts to those who have been found guilty of repeatedly violating the rights of American workers.

I ask that the entire text of the bill be printed in the RECORD.

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

S. 1079

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That section 10(c) of the National Labor Relations Act (29 U.S.C. 160(c)) is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2)(A) If, based upon the preponderance of evidence, the Board determines that a person has willfully violated or is willfully violating any final order of the Board, or any final order of any court of the United States issued under subsection (e) or subsection (f), then the Board shall state its findings of fact and shall issue and cause to be served on such person an order certifying the identification of such person to the Secretary of Labor.

"(B) Notwithstanding any other provision of law, the Secretary of Labor shall certify the identification of the person involved to the Comptroller General of the United States if the Secretary determines—

"(i) that such person has engaged in, or is engaging in, a pattern of willful violations of final orders of the Board or of any court of the United States issued under subsection (e) or subsection (f); and

"(ii) there are no unusual circumstances which require that the Secretary, in order to serve the national interest, should not make such certification.

"(C)(i) The Comptroller General of the United States, upon receiving any certification from the Secretary of Labor under subparagraph (B), shall distribute the name of the person involved to each agency and department of the Federal Government. Notwithstanding any other provision of law and subject to the provisions of clause (ii), no agency or department of the Federal Government may award any contract to such person during a period which shall be specified by the Secretary and which may not exceed three years following the date of the certification made by the Secretary under subparagraph (B). The prohibition established in the preceding sentence shall not affect any contract awarded by any such agency or department before such date of certification.

"(ii) An agency or department of the Federal Government may award contracts to such person during the period specified by the Secretary if such agency or department, after notice and opportunity for hearing to all interested parties, certifies to the Secretary that there is no other source for the material or services furnished by such person.

"(D) The Secretary shall have authority to remove the contract restrictions imposed against any person under this paragraph, and the Secretary shall have authority to reduce the period during which such restrictions are in effect against any person.".

SEC. 2. The amendments made by the first section of this Act shall not affect any contract awarded by any agency or department of the Federal Government before the date of the enactment of this Act.●

ADDITIONAL COSPONSORS

S. 19

At the request of Mr. DOLE, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 19, a bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to assure equality of economic opportunities for women and men under retirement plans.

S. 120

At the request of Mr. DOLE, the name of the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 120, a bill to extend for 2 years the allowance of the deduction for eliminating architectural and transportation barriers to the handicapped and elderly.

S. 144

At the request of Mr. DANFORTH, the names of the Senator from Washington (Mr. GORTON), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 144, a bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

S. 212

At the request of Mr. PRESSLER, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 267

At the request of Mr. JOHNSTON, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 267, a bill entitled "The Coal Distribution and Utilization Act of 1983."

S. 305

At the request of Mr. MATHIAS, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 305, a bill to amend the National Housing Act to provide for a mortgage and loan interest reduction program, and for other purposes.

S. 337

At the request of Mr. MOYNIHAN, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Mississippi (Mr. COCHRAN) were

added as cosponsors of S. 337, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 462

At the request of Mr. GRASSLEY, the names of the Senator from Idaho (Mr. MCCLURE), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 462, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 553

At the request of Mr. HART, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 553, a bill to authorize a national program of improving the quality of education.

S. 594

At the request of Mr. DURENBERGER, the name of the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 594, a bill to amend the Internal Revenue Code of 1954 to treat as a reasonable need of a business for purposes of the accumulated earnings tax any accumulation of earnings by such business in anticipation of section 303(a) distributions before the death of a stockholder.

S. 663

At the request of Mr. ARMSTRONG, the name of the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 663, a bill to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly erodible land.

S. 684

At the request of Mr. ABDNOR, the name of the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 684, a bill to authorize an ongoing program of water resources research.

S. 691

At the request of Mr. ARMSTRONG, the names of the Senator from Virginia (Mr. TRIBLE), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 691, a bill to amend title 38, United States Code, to establish a new veterans' educational assistance program and a veterans' supplemental educational assistance program, and for other purposes.

At the request of Mr. ARMSTRONG, the names of the Senator from Indiana (Mr. LUGAR) and the Senator from North Carolina (Mr. HELMS) were withdrawn as cosponsors of S. 691, supra.

S. 742

At the request of Mr. NUNN, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 742, a bill to increase the program level for the Small Business Administration's certified development company program, and for other purposes.

S. 743

At the request of Mr. NUNN, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 743, a bill to amend the Small Business Act to increase the program level for funding small business investment companies, and for other purposes.

S. 744

At the request of Mr. NUNN, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 744, a bill to amend the Small Business Act to increase the program level for funding 301(d) small business investment companies, and for other purposes.

S. 747

At the request of Mr. ARMSTRONG, the names of the Senator from Georgia (Mr. MATTINGLY), the Senator from Indiana (Mr. LUGAR), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 747, a bill to prohibit any person from exporting from the United States any currency directly or indirectly to any person in Vietnam.

S. 752

At the request of Mr. ARMSTRONG, the names of the Senator from Colorado (Mr. HART), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 752, a bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and for other purposes.

S. 786

At the request of Mr. PRESSLER, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 786, a bill to amend title 38, United States Code, to establish a service-connection presumption for certain diseases caused by exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era.

S. 858

At the request of Mr. THURMOND, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 858, a bill to recognize the organization known as the National Association of State Directors of Veterans Affairs, Inc.

S. 870

At the request of Mr. ARMSTRONG, the name of the Senator from Utah (Mr. GARN), was added as a cosponsor of S. 870, a bill entitled "The Federal Contractor Employees Flexible Bill."

S. 880

At the request of Mr. PRESSLER, the name of the Senator from Arizona (Mr. DECONCINI), was added as a cosponsor of S. 880, a bill to amend the Communications Act of 1934 to provide equity to daytime radio broadcasters.

S. 890

At the request of Mr. PRESSLER, the names of the Senator from Maryland (Mr. SARBANES), and the Senator from Maine (Mr. COHEN), were added as a cosponsors of S. 890, a bill to establish objective criteria and procedures for closing and consolidating weather stations.

S. 972

At the request of Mr. MOYNIHAN, the name of the Senator from California (Mr. CRANSTON), was added as a cosponsor of S. 972, a bill to appropriate funds for epidemiological and medical research on acquired immune disorders and related opportunistic infections.

S. 986

At the request of Mr. PRESSLER, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 986, a bill to repeal employer reporting requirements with respect to tips.

SENATE RESOLUTION 95

At the request of Mr. DOLE, the names of the Senator from Michigan (Mr. RIEGLE), the Senator from Oregon (Mr. HATFIELD), the Senator from Mississippi (Mr. STENNIS), the Senator from California (Mr. WILSON), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of Senate Resolution 95, a resolution to express the sense of the Senate that the President should initiate negotiations on a new long-term agreement on agricultural trade with the Soviet Union.

AMENDMENT NO. 522

At the request of Mr. KASTEN, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Illinois (Mr. DIXON), the Senator from Louisiana (Mr. LONG), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of amendment No. 522 proposed to S. 144, a bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

RECIPROCAL TRADE AGREEMENTS

AMENDMENTS NOS. 1061 AND 1062

(Ordered to be printed and to lie on the table.)

Mr. COHEN submitted two amendments intended to be proposed by him to the bill (S. 144) to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

AMENDMENTS NOS. 1063 AND 1064

(Ordered to be printed and to lie on the table.)

Mr. BOSCHWITZ submitted two amendments intended to be proposed by him to the bill S. 144, supra.

AMENDMENTS NOS. 1065 AND 1066

(Ordered to be printed and to lie on the table)

Mr. BOSCHWITZ submitted two amendments intended to be proposed by him to the amendment (No. 522) proposed by Mr. KASTEN to the bill S. 144, supra.

CONSTITUTIONAL AMENDMENT ON FEDERAL BUDGET PROCEDURES

AMENDMENT NO. 1067

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the joint resolution (S.J. Res. 5) proposing an amendment to the Constitution relating to Federal budget procedures.

RECIPROCAL TRADE AGREEMENTS

AMENDMENT NO. 1068

(Ordered to be printed.)

Mr. DOLE proposed an amendment to the amendment (No. 522) proposed by Mr. KASTEN to the bill S. 144, supra.

AMENDMENT NO. 1069

(Ordered to be printed.)

Mr. KASTEN submitted an amendment to the amendment (No. 522) proposed by him to the bill S. 144, supra.

AMENDMENT NO. 1070

(Ordered to be printed.)

Mr. DOLE proposed an amendment to the first reported amendment to the bill S. 144, supra.

AMENDMENT NO. 1071

(Ordered to be printed.)

Mr. CHAFEE (for himself and Mr. METZENBAUM) proposed an amendment to the amendment (No. 1070) proposed by Mr. DOLE to the first reported amendment to the bill S. 144, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

Mr. ABDNOR. Mr. President, the Treasury, Postal Service, and General Government Subcommittee of the Appropriations Committee is most concerned about the possible impact the administration's fiscal year 1984 budget will have on the U.S. Customs Service. On April 8 we heard testimony from the Commissioner of Customs. Because of time limitations we were unable to take the discussion as far as we wanted. Therefore, we have scheduled a hearing for Monday, April 25, at 9:30 a.m. in SD-192 to hear further testimony from Customs as to how their effort will have to be adjusted to accommodate the proposed reduction. Because this situation is far reaching we will also make time available to any Members of the Senate or the other body who wish to submit testimony. That privilege will also be tendered to public witnesses. Any Senators, Members or public witnesses wishing time to testify should contact the subcommittee.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, April 18, at 9:30 a.m., to hold a hearing on the President's Commission's report on the MX missile.

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

ADDITIONAL STATEMENTS

OUTSTANDING PEACE CORPS VOLUNTEERS HONORED

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. CRANSTON. Mr. President, as a strong supporter of the Peace Corps, I am pleased to report that six Peace Corps volunteers were honored today as Outstanding Peace Corps Volunteers of 1983. The 6 volunteers, selected from the over 5,000 Peace Corps volunteers serving in more than 62 host nations around the world, truly represent the spirit which underlies the Peace Corps.

Mr. President, I was particularly delighted that one of the volunteers selected is from California. Californians have always been well represented within the Peace Corps ranks, and over 600 of the current volunteers are from California. James O. Morris, 28, from Carmel, Calif., was chosen for the award for his outstanding service in helping Guatamalan farmers develop fish ponds. A graduate in biochemistry from the University of California, he has been teaching the farmers how to improve family incomes, and to obtain a better source of protein, by raising warm-water fish in newly constructed farm ponds. Part of his work included training the villagers in the remote mountain region he serves to maintain a fisheries station so that they will be able to carry on the work after he completes his Peace Corps service.

Other recipients of the 1983 awards included:

Michael McKenna Bolster, 25, Princeton, N.J. A Tulane University architectural graduate, he helped restore water facilities for remote Yemen villagers after the recent, devastating earthquake in Yemen.

Sister Madeline Chorman, 72, from Stella Niagara near Buffalo, N.Y. She has served Ghanaians in the Peace Corps for more than 10 years. She most recently created a "Food on Wheels" program to care for the thousands of Ghanaians recently evacuated from Nigeria.

Joan Le Clair, 41, of Minneapolis, Minn. A University of Minnesota graduate speech therapist, she has established a program for the entire country of Malaysia for the training of therapists and counselors for children with severe speech disorders caused by cleft palates, brain injuries, and hearing impairments.

Kenneth Robinson, Jr., 29, Tucson, Ariz. On his own initiative, Robinson has developed a parasite education program, invented an inexpensive handpump from local materials, conducted courses on sanitation for 4,000 local villagers, and trained Paraguyans to continue his work once his Peace Corps service concludes.

Monica Wernette, 31, Clay Center, Kans. A communicable disease epidemiologist, she has traveled extensively throughout the remote areas of Zaire to investigate and treat cases of the deadly human monkeypox virus, a mysterious disease related to the more virulent smallpox. Her work has been praised by the World Health Organization.

Mr. President, our Nation should be justly proud of the contributions which these six volunteers and the thousands of other Peace Corps volunteers serving in remote regions of the world have made not just to those people directly touched by the work of a volunteer, but to the cause of international goodwill and mutual understanding. The Peace Corps continues through its unique people-to-people approach to represent the finest qualities of Americans and our country.●

THE LEAKAGE OF WESTERN TECHNOLOGY

● Mr. ARMSTRONG. Mr. President, in speeches a few months apart, Gen. Charles Gabriel, the Chief of Staff of the Air Force, and Adm. James D. Watkins, the Chief of Naval Operations, issued grim warnings about what very well may be the most serious defense problem we face—the hemhorrage of Western technology to the Soviet Union and her satellites. The words of General Gabriel, delivered at the 1982 convention of the Air Force Association, and of Admiral Watkins, delivered at a Navy League luncheon in Pasadena on January 3 of this year, are especially relevant this year, when we will take up renewal of the Export Administration Act. I urge

all of my colleagues to read these messages carefully. I ask that the speeches by General Gabriel and Admiral Watkins be printed at this point in the RECORD.

The speeches follow:

THE LEAKAGE OF WESTERN TECHNOLOGY—WORKING TOGETHER WITH THE OTHER SERVICES

(By Charles A. Gabriel)

Members of the Air Force Association, ladies and gentlemen: In just a few days, we will celebrate an important milestone in the rich history of the Air Force, our thirty-fifth anniversary as a separate service. This year also marks the seventy-fifth anniversary of military aviation. In August of 1907, the Army Signal Corps assigned one officer, two enlisted men, and a civilian clerk to its new aeronautical division. In the summers of 1908 and 1909, the Wright Flyer thrilled thousands of spectators who watched at Ft. Myer as Wilbur and Orville flight-tested improved versions of their 1905 model. It was not until August 1909, that the Army finally accepted "Aeroplane No. 1." Three months later, the nation temporarily lost its total air strength when the plane crashed.

By comparison to the initial four-man air force, today we have over 800,000—about 100,000 officers; some 475,000 enlisted personnel; and about 250,000 civilian employees in the active force. The Air Reserve Forces add more than 240,000 highly capable men and women to the total force, with the Air National Guard topping 100,000 for the first time. The Air Force was born and remains a product of foresight, drive, and technology. In a few amazing decades, we have come from the silk scarf and biplane to operational space flight.

We appreciate the contributions your Association has made in helping the public understand the role and importance of air power. Because of your interest and knowledge, you speak with a strong and informed voice about the important defense issues of our day. You have helped us tremendously in persuading the American people to do what is necessary to keep our nation strong. I thank you and encourage your continuing support in the dangerous and turbulent years ahead.

I do not need to belabor the threat we face. I have spent a lot of time over the past couple of years in Europe wrestling with the numbers the Soviets have lined up against us. We all know the Soviets outspend, outman, and outproduce us. I will not take up your time to recount these statistics. What I will do is tell you what we are doing to counter this threat.

We have come out of the long, dark decade of the 1970s when we, as a nation, failed to maintain our military strength. We are now moving in the right direction to rebuild our war-fighting capability. Our priorities remain—to take care of our people—to modernize our strategic nuclear forces—to increase the readiness and staying power of our general purpose forces—to expand our airlift capability—and to modernize and expand our tactical forces.

We don't expect to match the Soviet Union in numbers, nor do we need to. We depend on the high quality of our people and on superior training, tactics, and technology to give us the critical edge in combat. We will hold onto this edge—just as the early air pioneers did—through the dedication of our people, and through our determination to exploit technological change to its fullest.

The attitude of our people in the field has never been better. Their driving motivation is their dedication to serve in the nation's defense. We can all learn much from the courageous life of the legendary airman. Sir Douglas Bader, who died earlier this month. Although he lost his legs in a flying accident in 1931, he mastered his artificial legs, rejoined the R.A.F. in 1939, and became an ace with 22 "confirmed kills" during the battle in Britain. In August 1941, he was captured after his plane collided with an enemy aircraft; one of his artificial legs was crushed in the crash. The Germans so respected Sir Douglas that they asked the R.A.F. to airdrop a new pair of legs for him—the R.A.F. did so, but mixed in, of course, with a bomb drop. Sir Douglas got his new legs. However, after his fourth escape attempt, the Germans decided to lock up his legs each night.

Our highly-qualified, well-trained and motivated crews, and the people who support them, will be the key to success or failure in combat. The bad situation our people faced in the late 1970s has been turned around to a large extent through improved pay and benefits, better working and living conditions, and a marked increase in public pride in the military. As President Reagan has said, "It is once again an honor to wear the uniform." Our experienced people are staying in, and as a result our combat capability is improving. Retention rates for pilots in the six-to-eleven year group have increased from 26% in 1979 to 66 percent today. And first-term reenlistment rates have increased from 38 percent to 58 percent. When we retain our people, we are keeping trained combat capability. When our experienced people leave, we have to recruit and train all over again. This not only costs more, it continually puts us in a training mode—never quite ready.

The combination of our experienced people staying with us and increased funding for operations and support over the past couple of years has had a good effect on the readiness and morale of our combat forces. In the late 1970s, we didn't have enough money in these accounts. Many of our bases were in a sad state of repair—roofs were leaking, buildings needed painting, runways needed patching, and flying time was not what it should have been. These "nuts and bolts" items had a negative effect on morale and caused us to lose training opportunities. Now our crews are flying more—training more effectively—and our stocks of munitions and spare parts are beginning to fill.

Today, our combat crews are well-supported and ready; they are expertly trained in superior tactics; and they have modern, high-technology equipment. This is a far cry from the days of Lt. Benny Foulois. As the only officer on flying duty in early 1910, he taught himself how to fly in the only plane the Army had. Foulois received instruction from the Wrights by mail, becoming the first correspondence school pilot in history. The Wrights later sent him an instructor to help with the hardest part—landing. Over the next months and years, the young air pioneers trained hard and developed the tactics to turn the airplane into an effective military weapon. They did the best they could with what they had and worked hard to show the Army and Navy how airpower could contribute to joint operations.

To insure our nation has the most effective warfighting forces, we will plan, equip, train, and operate in close harmony with the other services and our allies. It will not be easy for some to shed parochial concerns. But we cannot afford separte approaches that waste scarce resources and do not give us the best warfighting capability.

We are working with the Navy on several initiatives to increase cooperation and training. We and the Navy will be expanding our use of each other's schools, increasing the scope and frequency of joint maritime training and exercises, and developing better ways to fight together. As the Falklands' conflict demonstrates, air power is a critically important part of successful maritime operations. We will be putting more emphasis on collateral roles such as sea-lane protection, aerial minelaying, and ship attack. We can learn from one another what we need to know—both on the offense and the defense.

For training to give us the best results, we have to train the way we would fight—in aggressive, realistic conditions. Programs like Red Flag, Maple Flag, NATO's Tactical Leadership Program, Cope Thunder and Dissimilar Air Combat Training insure that all of our operational crews around the world learn to fly as a unit in conditions like we would expect in combat. Large scale mock combat exercises against threat systems which closely match Soviet equipment have become an integral part of our training in recent years. We will continue them, improve them.

In the past two years, Air Force units took part in 124 joint exercises and we are currently participating in the Reforger 82 exercise in Europe—the largest strategic airlift deployment of troops ever. During the exercise, over 18,000 Army troops and more than 950 tons of cargo will be airlifted from the U.S. to Europe on C-141s and C-5s, augmented by civilian aircraft.

The best-equipped combat forces are of little value if they can't be brought to the battle on time. The C-5B and KC-10 programs, along with the expansion of the Civil Reserve Air Fleet (CRAF), will greatly improve our ability to get troops and supplies to the battle. On Easter Sunday 1949 during the Berlin Airlift, allied planes hauled 13,000 tons of supplies on 1400 flights. Today, the C-5 could carry that many tons in just 117 flights. Despite improvement in our airlift capability, we're still short of what we need. A new aircraft, like the C-17, could add the needed long-range and intra-theater lift.

While we continue to rely heavily on our people, tactics, and training to offset Soviet advantages, I am increasingly concerned about the other driving element—technology. Since the early days of air power, technological advances have been our ace in the hole. We have to stay on the frontiers of technology and protect our advantages in equipment. We can't afford to let our critical technological advantages slip away or be stolen away into the armaments industries of the Soviet Union and its allies. The leakage of Western technology, through legal and illegal means, has helped the Soviets close the gap. For example, our leads in radar and computers have been cut drastically through the transfer of militarily relevant technologies from the West to the East. While some steps have been taken to strengthen national and international controls on such transfers, all of us—including industry—need to do more. We have to do a better job of protecting the technologies and know-how we need to deter Soviet aggression. We cannot allow our combat capability to be threatened by Western technology in Soviet hands.

As demonstrated in Lebanon, the quality of our equipment is excellent. However, our production is not where it should be. We would be foolish to repeat the near catastrophe the nation faced in the late 1930s, with war on the horizon. In September 1939, the Air Corps had only 800 first-line aircraft, while Germany had more than 4,000 aircraft of better quality. The one exception was our B-17, which was better than the German bombers of that time, but we had only 23 on hand. We may never again have the luxury of two years or more to change the equation, as we did then. Fortunately, we have the best tactical fighters in the world today. We are committed to a stable production program for F-15s and F-16s, and through evolutionary improvements we will increase their air-to-surface, night, and in-weather capabilities. For the longer term, we will continue to build toward our goal of 44 tactical fighter wings.

The E-3A (AWACS) is another example of how technology has been applied to extend our combat capability. In times of crisis, we used to say, "Send in the Marines!"—now, AWACS is helping to fill this role. As shown in recent crises in Europe, Korea, and Southwest Asia, the AWACS increased our surveillance and warning, and demonstrated our nation's commitment and resolve. The AWACS get to the scene quickly; it is nonlethal—it shoots electrons and not bullets; and it greatly improves the effectiveness of our fighters in battle.

Our most critical technological challenge is in the rebuilding of our strategic nuclear forces—forces that have kept us from war with the Soviet Union for the past 37 years. The bomber and missile legs of our strategic triad have been sadly neglected. Our youngest B-52 is twenty years old, and our ICBM forces date from the 1960s. In the past decade alone, the Soviets have deployed three new ICBMs with ten improved versions; during the same period, we deployed no new ICBMs and only one Minuteman upgrade.

The B-1B program is going well and enjoys continued Congressional support. The B-1B is not the same as the original B-1 of the 1970's; it is a big jump ahead. Using "stealth" technology, the B-1B will have only 1/100th of the radar cross-section of the B-52, making it tough to detect and track. The B-1B will be able to penetrate the projected Soviet air defense network through the 1990s and will stress Soviet defenses. We need it to attack the imprecisely located and mobile targets that only a manned bomber can hit. As our B-52s become less able to penetrate, and our new B-1Bs come on line, we will be converting most of our B-52s into stand-off cruise missile carriers. The remaining B-52s will be used in force projection, conventional bombing, and maritime roles. We are also moving at the fastest reasonable pace to develop an advanced technology bomber that will insure our ability to penetrate advanced Soviet defenses in the next century.

Technology also holds the key to restoring the credibility of the ICBM leg of the triad. Our ICBM force is in danger. The Soviets have improved the accuracy of their missiles faster than we had expected and these missiles greatly increase the vulnerability of our Minutemen and Titans. In the coming years, the Soviets could destroy about 90% of our ICBMs in a first strike, while using only a relatively small portion of their force. We have worked long and hard on this problem. And, after looking at a number of basing approaches for the M-X, we believe we have found a solution to this destabilizing situation.

We are making our recommendation today to Secretary Weinberger on the best way to base the M-X to ensure the survivability and retaliatory power of our ICBMs for many years to come. It would be inappropriate for me to discuss our recommendation until after the Secretary has had time to review it. As you know, the Administration plans to make its final decision on M-X basing by December.

The brightest scientists and analysts we could find have looked at the basing concept we are recommending and have tried to find reasons why it might not work. None of these experts, not even those skeptical at first, has been able to come up with a showstopper. We believe we have a feasible basing concept that will be effective against current and projected Soviet threats. It takes advantage of America's technological capabilities—it is technology over numbers.

Unlike our current Minuteman force, M-X with survivable basing would not be vulnerable to Soviet numbers. It will turn the tables on the Soviets. They will have to expend scarce resources on protecting their ICBMs rather than expanding them. And they will be forced to look for technological rather than number solutions—our game rather than theirs.

To sum up, carrying out President Reagan's strategic modernization program, including the deployment of M-X, the B-1B, and the Navy's Trident D-5, will close the window of vulnerability. We will restore the strength and credibility of our strategic forces by taking advantage of this country's technological and industrial genius.

Our President has taken a bold step to begin strategic arms reductions talks with the Soviet Union. Arms control is not a substitute for modernization. At the reduced levels proposed in START, modernization of our strategic forces is all the more necessary. With these programs underway, the United States will be able to negotiate at Geneva from a position of strength, making equitable and verifiable reductions in strategic arms possible. The President's commitment to strategic modernization last fall provided the Soviets the incentive to come to the negotiating table.

I am proud of our Air Force today. It's the world's best. With your help, we're going to keep it that way. Our dedicated people and our advantages in tactics, training, and technology will continue to give us the warfighting capability we need. We will be able to deter the Soviets from war as long as they remain convinced that we have the strength and the resolve to use it.

As America has shown so many times in the past, we have the will, the ingenuity, and the resources to do what is necessary to maintain our power and thus preserve the peace. Strength does not invite war, weakness does.

Thank you.

TECHNOLOGY TRANSFER—A COSTLY RACE WITH OURSELVES

(By James D. Watkins)

I had the pleasure of being one of ten thousand plus witnesses for a great Navy event last week, recommissioning for the fourth time of the modernized battleship New Jersey. During President Reagan's remarks, he told an assembled multitude that the New Jersey is a shining example of a navy which has capitalized on "cost effective application of high technology to existing assets" in order to help fill the defense void left in the wake of the tragically confused 70's. Nine 16-inch guns, twelve 5-inch guns, 32 of the newest long-range Tomahawk cruise missiles, 16 of the newest medium range cruise missiles, and an invulnerability to any conventional missile in the world. . . . Not a bad deal at the price of our cheapest low-mix frigate today.

But, the U.S. Navy has consistently been a leader in applying the best of America's modern technology.

Since the Civil War where armored warships—equipped with heavy cannon and propelled by steam—were first combat tested, the Navy has always integrated modern technology into our national force structure. For example, in 1955, with the words "Underway on nuclear power," USS Nautilus proved to a watchful world that we were a leader in nuclear propulsion and could effectively use technology in our modern submarine force, constantly applying new concepts so as to stay qualitatively well ahead of Soviet counterparts.

This recurrent theme continues—Today's Navy is heavily involved in using the lastest American technology across the naval warfighting spectrum.

No sea is a safe harbor or protected lake. A survivable navy in the modern world must possess the latest surveillance techniques, information processing capabilities and platforms that can effectively deliver weapons in the incredible environments realistically projected in this decade.

We are into modern technology in its most practical forms. From micro-minature electronic components to the awesome 90,000 ton nuclear powered Nimitz class carriers and their sophisticated air wings. Tomorrow's navy will continue to strive to be the best possible expression of American technology and its practical utilization. Selected, critical technology is among our few remaining superiors in the existing, fragile military balance. This narrow edge makes up the extremely important difference which separates us from the Soviets . . . a difference we rely upon to attempt to hold a margin of American fighting superiority . . . a difference unfortunately evaporating even while I speak.

Would any sensible nation accede to a policy which would allow the clear technological lead of its military to erode intentionally? Of course not! But unwittingly, accidentally? Possibly. For monetary gain? Unfortunately, yes . . .

America has always prided itself in its ability to research, develop and effectively employ new concepts, being in the forefront of applied scientific advancement. This has been a national strength and has helped maintain us as leader of the western world and defender of freedom. The Soviets are not blind to this. They have seen that much of our strength, militarily and as a nation, lies in our steady flow of technological developments, a stream they have tapped in the past with alarming success.

We are certainly not endangered by the transfer of technological concepts. In fact, free exchange of scientific ideas is also one of our hallmarks of world leadership. Technological concepts can be transferred in the nations best interests, forging new diplomatic ties, helping needy nations and peoples. We would not wish to impede or prohibit the ebb and flow of knowledge. On the other hand, our goal should be to protect those few selected blue chips of U.S. military superiority which remain, what I like to call applied militarily-critical technology. Our concern is that no sooner do we devel-

op, test and field new high technology systems aboard our ships and aircraft, than the Soviets easily and cheaply acquire this applied technology for their own use. In fact, it appears on the scene shortly after initial employment on our fleet . . . demanding we develop, test and field a technological leapfrog once again.

The Soviet Union and its surrogates are embarked upon the most impressive, systematic, calculated effort the world has ever known—using both legal and illegal means—to raid the free world's technological base. This effort has provided them with big dividends, in some critical instances shrinking our once eight-to-ten-year technology lead to a mere two to three years. As a result, I'm talking about the virtual elimination of the "comfort zone" once enjoyed between the time we develop it and they start to use it.

Technology transfer is too often thought of in terms of clandestine sale or transfer of specific goods or equipments, like a computer or a new missile system; or again in terms of stolen secret defense documents like the famous U.S. photo-satellite handbook sold by an American traitor only a few years ago. But no; the large body of transfer is subtle, harder to detect and deter. In fact, technology transfer largely occurs in our open marketing literature pushed by well-meaning breast-beaters of competitive industries who are too quick to publicize their highest technology achievements often derived from nuggets of military critical technology. An unrelenting, well-orchestrated and financed Soviet process is quick to collect scraps of information from these unwitting salesmen until all essential elements of the latest U.S. military capability are in Soviet hands.

How do the Soviets get away with this? Most of their efforts take place right before our very eyes; only a small effort continues to employ more traditional "hand-in-the-safe" techniques. Let us look at a few examples:

Published material. It is amazing what is openly published in magazines, journals and reports in this country. The Soviets are the world's largest producer of scientific and technical abstracts, employing over 100,000 full-time people to translate, review and catalogue information generated from "free societies."

In this country you can easily find full-color photographs with detailed layouts of our weapons, display consoles and interiors of aircraft and ships published in various defense, scientific and company journals. Conversely, you would have to be James Bond to see the inside of an equivalent military system in the Soviet Union.

Student exchanges is another seemingly innocent method of technology transfer.

Unfortunately, this exchange is hardly reciprocal. Where Americans in the Soviet Union typically study subjects such as history of czarist Russia and sociology, Soviets and Eastern bloc scholars in this country usually conduct research in scientific and engineering areas where their nations have critical technology shortfalls.

Scientific exchanges are another area of technology transfer abused by the Soviets. Since 1972 this nation has signed 10 bilateral agreements with the Soviet Union on scientific and technical subjects. At one time there were as many as 250 different ongoing projects in these 10 areas of agreement with over eleven hundred people engaged in this exchange.

One example of unwanted technology transfer is the case of a Hungarian who attended scientific conferences and studied magnetic bubble memory technology in the U.S., which incidentially represents a major leap forward in computer development. Later, in a Hungarian publication, some of his study's military and commercial implications became apparent when the Hungarians proudly claimed that they had provided the Soviets with new magnetic bubble memory capabilities. Fortunately almost all of these bilateral agreements have been terminated by the present administration.

But the most important and self-defeating of all areas of technology transfer is Soviet importation of sophisticated manufacturing technology, unwittingly delivered to them by our nation's finest manufacturers within the military-industrial complex. Much of this has, in the past, been carried out openly and legally in trade agreements between this country, other western nations, and the USSR.

Even in peaceful ventures the Soviets have proved themselves to be untrustworthy trading partners, taking the most innocent technological exchange and turning it into a military advantage. In a country where a toaster is a luxury item because not enough of them are manufactured it should be no surprise that out best technology, when transferred to the Soviets, goes not for improving the lot of the average Muscovite, but directly into a military apparatus which continues to grow at unprecedented rates.

A significant example is the Kama River Truck Factory in the Soviet Union, largest single truck factory in the world, and built exclusively with western technology.

Over 50 U.S. contractors and subcontractors were involved, providing automated foundry equipment, production lines and a computer system to run the entire plant . . . techniques in applied technology quite natural to us, but revolutionary to the Russian process. Now, while these trucks can be found on the streets of Moscow, they are predominantly in military colors in Afghanistan, and, the day before the 1981 communist party congress met in Moscow, the first fully militarized, all-wheel-drive and all-terrain Kama truck rolled off the American-built assembly line. Unfortunately, potential release of classified defense information precludes my exposure here today of facts related to the similar transfer of sophisticated technology far more significant to our nation's defense than trucks. Appropriate administration offices and congressional committees have been made aware of the details of this situation and are equally appalled.

And I have not even mentioned any of the illegal means of technology acquisition engaged in by Soviets and Eastern bloc nations.

Bribery, extortion, blackmail, agents who pose as businessmen and diplomats are all weapons in the Soviet clandestine effort to get our technology for themselves.

It is estimated that 5,000 Soviet and Eastern bloc agents are in this country ferreting out information to feed the sophisticated Soviet data base.

Until recently there was a rapid growth in the number of Soviets permanently stationed in this country as "purchasing agents." The FBI estimated that about 40 percent of these people are full-time members of Soviet intelligence communities. They are infiltrating *your* business, *your* company, *your* defense industry.

Melodramatic? Not in the slightest. The problem is serious and is finally starting to get the attention it deserves in the White House, Congress and national agencies.

But this is not just your Government's problem. It's a problem for all who are concerned for the security of this nation. We must learn to discipline ourselves, to hold high technology cards close to our chest, carefully watching those with whom we deal to determine intentions.

Before this initiative to control transfer of critical technology runs its course, it will entail new legislation and policy direction at the national level. But laws and regulations are inadequate in themselves. What is required is a grass-roots effort with combined support of American industry, academia *and* Government. And while there is no need for national paranoia, a clarion call is urgently needed for our free society to protect what should be, at least for a time, held as *our own*. There must be an educational program within industry itself to understand and accept that a significant problem exists, and then find a solution which is largely theirs to find. Once this is done, then perhaps industry can work successfully with defense and other national agencies toward establishing reasonable and practical guidelines for stemming the flow of selected, militarily-critical technology to the Soviet Union.

What are the benefits to the Soviet Union of this massive technology theft? Acquisition and application of our technology by the Soviet allows them to remain state-of-the-art without expenditure of massive amounts of time and money for research, development and testing. It means that each of their rubles spent on military hardware goes further and is multiplied by dollars we spend on research and development of systems and technologies which they can pick up from us and our allies nearly free of charge. Isn't it ironic that our nation is currently being targeted by Soviet weapons at least partially developed by Americans, partially financed by our tax dollars? We must do whatever is necessary to avoid being drawn into any arms race against ourselves, where we must counter our own advancement because it has been bought, given away or stolen off the shelf, and then integrated into the Soviet military machine.

America is a great nation with a great navy. Let no one question that. If we were not the best the Soviets would not try so hard to get what we already have. Our goal of a 600 ship navy before decade's end, built around 15 carrier battle groups, 4 modernized battleship-centered surface action groups, 100 attack nuclear submarines, increased lift for the marines, and the D5 missile aboard Trident submarines is many steps closer to reality with full funding of two nuclear carriers just authorized by Congress and the modernized New Jersey in commission.

But to reach this mark and keep our deterrent of warfighting capability we must ensure our nation's militarily-critical technology remains our technology. We cannot allow the Soviets to take ours for theirs and at such a bargain basement price. Too often in the past we have casually written off these costly losses as the price of a free and open society. I contend we can have the latter without the burden of the former if we put our minds to it. And if we can do so, we would make as important a contribution to the defense of our country as in effecting any other of our major defense programs. In fact, if we can get our national act together on this issue we would not only enhance our warfighting capabilities vis-a-vis the Soviet forces by limiting technology loss, but do so at reduced defense spending

levels as well. The time is right for all of us, as American partners, to join hands in an effort to keep what remains of our sparse technological leads from slipping further through our collective fingers. I can assure you of the Navy's intense dedication to this end. Only by beginning now can we hope to stem this flow by decade's end. So, let us sound the national call to protect the best of our arms from those who would use them against us.●

THE THIRD WORLD BAILOUT WILL NOT WORK

● Mr. HUMPHREY. Mr. President, in a recent column in the Washington Times, columnist Steven K. Beckner reminds us that the upcoming Williamsburg economic summit will herald another round of traditional and bogus policy recommendations for bringing the Third World back to prosperity. We in Congress have been asked to play our part in this charade by agreeing to hand over another $8.5 billion to the International Monetary Fund, who in turn will use it to reward and encourage frightfully mismanaged economies the Third World over.

As Mr. Beckner notes, our experiences with simply transferring wealth to developing nations have been largely unsuccessful, based on the faulty assumption that it is our responsibility to act as the locomotive of a long train of socialistic and nationalistic economies. In the view of this Senator, the $8.5 billion we have been asked to surrender would be much better spent here at home, where domestic businesses can borrow and invest it in projects to promote economic expansion and increased employment opportunities. As for the Third World debtmongers, their problems will be addressed through face-to-face negotiations with the bankers who got them into trouble in the first place, and through the adoption of rational economic policies designed to expand their real productive capacity.

Mr. President, at a time when our own economy has just begun to emerge from a protracted and painful recession, we can ill afford to spend limited and valuable resources on behalf of an institution and a cause that do not work.

I ask that the Beckner column appear in the RECORD at this point.

The column follows:

[From the Washington Times, Apr. 13, 1983]

HIGH IDEALS, BAD IDEAS BEHIND PRE-SUMMIT HYPE

(By Steven K. Beckner)

The ninth annual "economic summit" is still six weeks off, but for some time now we've been subjected to the hype and international issue-mongering that have become customary whenever these annual dog-and-pony shows come around.

What with the Third World all in a dither of debt and the International Monetary Fund clambering for more money to dole out, we've been inundated with a flood of facile recommendations and moral incantations about what the industrial nations must do to save the world economy.

Political types imbued with sudden geoeconomic wisdom—folks like former West German Chancellor Willy Brandt—have urged upon the "rich" nations the need to:

Relax monetary policy and stimulate worldwide recovery.

Lower real interest rates.

Slash budget deficits.

Increase multilateral aid to the developing (alias the "poor" or "have-not") nations.

Bolster the international financial system (and preserve the solvency of overexposed international banks) by putting up more money for official lending outfits like the IMF, the World Bank and its collection of soft-loan agencies.

Stabilize and rationalize currency values and relationships.

(Most sacred and insincere of all.) Avoid protectionism so that "free trade" is preserved and that all may prosper.

Underlying all these noble but conflicting aspirations are some very questionable assumptions. One is that the United States and the other industrial democracies, but chiefly the United States, have a moral duty to act as a "locomotive" and pull the rest of the world economy out of recession, while providing a neverending flow of wealth to the Third World.

Another assumption is that a gaggle of Western leaders, meeting for a few days down the road from Busch Gardens' "Loch Ness Monster," somehow can manage to coordinate their policies in such a way as to steer the world along a predetermined path.

As for the first assumption, regardless of the morality of the issue, which ethicists may argue to their hearts' content, the evidence is abundant that large-scale transfusions of aid to the developing nations do not work. What did they ever do for India, Pakistan or Bangledesh, beneficiaries of lavish and disproportionate aid over the last two decades? The biggest Third World success stories—Hong Kong, Singapore, Korea, Nationalist China—have received very little aid.

There is little doubt that much of the present load of Third World debt will have to be radically restructured over a longer term at reduced rates. Some of this debt ultimately will have to be written off. While lenders and recipient countries reduce their expectations, some level of lending and aid will need to be sustained. But the trend should be toward a stricter, more business-like approach to international lending—hard and soft, private and official loans. A move toward liberalized lending will solve nothing. We will have learned nothing.

Rather than be guilt-threatened into taking false responsibility for the problems of the Third World, the summiteers would do better to recognize the responsibility of the "poor" countries to solve their own problems. Long before the OPEC "oil shocks" disrupted trade flows and generated large sovereign debts, the countries of Latin America, Africa and parts of Asia were doing everything they could to wreck their economies. Their socialistic, nationalistic policies continue to guarantee inflationary stagnation.

If those countries would actively encourage private investment they would be well on their way to a higher standard of living. Even Peruvian economist Mauricio Herman, a division chief at the Inter-American Development Bank, recognized recently the need for the Third World to decrease its reliance on foreign loans in preference of equity financing.

It is conceivable that the leaders of seven nations can meet and arrive at some mutual understandings and possibly even coordinate their policies somewhat. But it seems doubtful, in the carnival atmosphere in which these summits take place, that any meaningful agreements will be reached. Instead, we will see a lot of posturing, playing to the 6,000 reporters who will be on hand to regurgitate the sanctimonious injunctions of Messrs. Trudeau and Mitterrand and to castigate the Reagan administration's niggardliness.

Given their conflicting trade interests, which have been aggravated by the policies of the respective governments, it is unlikely that the seven will contrive to cure the exchange rate disequilibrium or to cool protectionist passions. They may have better success, alas, in coordinating fiscal and monetary policies designed to promote recovery, but that can only generate the world's next cycle of inflation.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point a notification which has been received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 13, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-28, concerning the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $103 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

[Transmitted No. 83-28]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Japan

(ii) Total Estimated Value:

	Million
Major defense equipment [1]	54
Other	49
Total	103

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A combat suite for a guided missile destroyer consisting of a MK 74 Mod 13 Missile Fire Control System, a MK 13 Mod 4 Guided Missile Launching System, an AN/SPS-52C Air Search Radar System, a Beacon Video Processor, a Combat Direction System, a MK 15 Mod 2 PHALANX Close-In Weapon System, ancillary equipment, spare parts, support, and systems engineering services.

(iv) Military Department: Navy (LIP)

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 13 April 1983.

POLICY JUSTIFICATION

JAPAN—COMBAT SUITE FOR A GUIDED MISSILE DESTROYER

The Government of Japan has requested the purchase of a combat suite for a guided missile destroyer consisting of a MK 74 Mod 13 Missile Fire Control System, a MK 13 Mod 4 Guided Missile Launching System, an AN/SPS-52C Air Search Radar System, a Beacon Video Processor, a Combat Direction System, a MK 15 Mod 2 PHALANX Close-In Weapon System, ancillary equipment, spare parts, support, and systems engineering service at an estimated cost of $103 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interests to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and with the 1960 Treaty of Mutual Cooperation and Security.

These systems are being purchased as defensive weapons to be used on a new construction guided missile destroyer being build in Japan. Acquisition of these weapon systems is crucial to the improvement of the Japanese Maritime Self Defense Force's (JMSDF) tactical capability. JMSDF personnel already employ these or similar systems and will have no difficulty in absorbing these items.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors for the major systems will be Raytheon Company of Wayland, Massachusetts, for the missile fire control system; the FMC of Minneapolis, Minnesota, for the guided missile launching system; and the General Dynamics Corporation of Pomona, California, for the PHALANX system.

Implementation of this sale will require the assignment of seven additional contractor representatives to Japan for up to eight months.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

NUCLEAR FREEZE

● Mr. ARMSTRONG. Mr. President, Prof. Anthony Bouscaren, of Le Moyne College, recently delivered an address in which he summarized, succinctly, what is on the public record concerning the efforts of the KGB to influence the nuclear freeze movement and other peace organizations in the West. I ask that it be printed at this point in the RECORD.

The material follows:

NUCLEAR FREEZE—THE MOSCOW CONNECTION

(By Anthony T. Bouscaren, Professor of Political Science, Le Moyne College)

The current Soviet "peace" organization was established in 1950 and has served as a conduit for Soviet influence in the World Peace Council in Helsinki, a faithful supporter of Soviet positions. With the advent of the Reagan Administration and the determination of the West to catch up to the Soviets in nuclear arms, the Soviet "peace" apparatus has assumed a new importance.

The World Peace Council has chapters in many western countries (including the U.S. Peace Council in New York). Expelled from France for subversion in 1951, the World Peace Council took refuge in Prague until 1954, when it moved to Vienna. The Austrians also evicted the group because of subversive activities in 1957, but the World Peace Council retained a European outpost in Vienna through a branch titled the International Institute for Peace. In 1968 the World Peace Council established headquarters in Helsinki to orchestrate the global propaganda campaign to compel withdrawal of American forces from Vietnam. The president of the council is Indian Communist Romesh Chandra, who long has been a controlled and witting Soviet agent.

In its 32 years of existence, the World Peace Council has not deviated from the Kremlin's line of the moment. It did not raise its voice against Soviet suppression of Polish and East German workers in 1953, Soviet slaughter of Hungarians in 1956, Soviet abrogation of the nuclear-test moratorium in 1961, the clandestine emplacement of nuclear missiles in Cuba in 1962, the invasion of Czechoslovakia in 1968, the projection of Soviet military power in Angola, Ethiopia and Yeman. The World Peace Council has failed to criticize a single Soviet armament program; only those of the West. And it endorsed the Soviet invasion of Afghanistan.

World Peace Council finances further reflect Soviet control. Huge sums are necessary to maintain the offices and staff in Helsinki, Vienna and, since 1977, Geneva; to pay for continual global travel by World Peace Council officials; to publish and distribute around the world monthly periodicals in English, French, German and Spanish; to finance international assemblies for which hundreds of delegates are provided transportation, food and lodging. Yet the World Peace Council has no visible means of support. Virtually all its money comes clandestinely from the Soviet Union. (John Barron, The KGB's Magical War for "Peace", Reader's Digest, October, 1982, pp. 213, 214).

On February 23, 1981, Leonid Brezhnev, addressing the 26th Communist Party Congress, issued an official call for a nuclear freeze—an immediate cessation of development of nay new weapons system.

Such a moratorium would achieve the fundamental Soviet objective of aborting American production and deployment of the enhanced-radiation warhead (re-initiated by Reagan), the mobile MX, Pershing II and cruise missiles, and a new manned bomber, the B-1. It would leave Western Europe vulnerable to the relentlessly expanding communist forces—now including an astonishing 42,500 tanks and 315 deadly SS-20 missiles. It would leave the United States with a fleet of old, obsolete strategic bombers unlikely to penetrate Soviet air defenses and with an aging force of fixed land-based missiles vulnerable to a first strike by gigantic new Soviet missiles.

Instantly the KGB, the International Department and the immense Active Measures apparatus heeded Brezhnev's call. With the World Peace Council, its foreign affiliates and local communist parties again the principal organizers, a new series of mass demonstrations occurred in Europe. An estimated 250,000 people marched in Bonn, protesting against any new missiles or nuclear weapons. Soviet fronts help assemble a throng estimated at 350,000 in Amsterdam, a reported 400,000 in Madrid and 200,000 in Athens.

Soviet involvement in the "peace" movement of Western Europe is well documented (see John F. Burns, "Soviet Peace Charade is Less Than Convincing," New York Times, May 16, 1982; David G. Gress, "Getting the Drift of Europe's 'Peaceism' ", Wall Street Journal, March 22, 1982; Rael Jean Isaac and Erich Isaac, "The Counterfeit Peacemakers," The American Spectator, June, 1982, and Vladimir Burkovsky, "The Peace Movement and the Soviet Union," Commentary, May 1982).

In Britain Monsignor Bruce Kent heads the Campaign for Nuclear Disarmament (CND), which calls for unilateral British disarmament. His staff of 21 includes two leading British Communists (Bukovsky, p. 32). The CND booklet Why We Need Action, Not Words, written by Betty England, defends the Soviet invasion of Afghanistan (Soviet fear of encirclement), and publicly praised CND for not "overreacting" to the events in Poland (B. Kent, letter to the London Times, December 9, 1981). In November, 1981, when President Reagan offered his "zero-option" plan leading to the elimination of medium range nuclear missiles in Europe, CND denounced it as a propaganda ploy, Kent cabled congratulations to the World Peace Council meeting in Sofia in September, 1980; he broadcast an attack on the United States from East Berlin, December 17, 1980, and on May 15, 1981, he declared on BBC that NATO was "preparing for annihilation."

In April, 1982, Kent, Joan Ruddeck, chairperson of CND, and other European "freezers" came to the United States, under the auspices of the American Friends Committee (AFSC) to support the American freeze campaign.

Former CND member John Braine says "The CND is about as independent of the Soviet line as a ventriloquist's dummy. Indeed, it provides a textbook example of the way in which Communists involved in any movement will take it over." Many English churchmen recognize the CND for what it is. Rev. William Inge, former Dean of St. Paul's Cathedral said:

"There is not much use in the sheep passing resolutions in favor of vegetarianism while there are still some wolves who like mutton." Oxford University Chaplain William Oddie noted:

"The easy moral indignation and calls by some church leaders to abandon nuclear

weapons unilaterally are not only dangerously naive but even constitute a form of spiritual escapism. By closing their eyes to the suffering of millions in the Soviet bloc, they demonstrate a lack of contact with reality which will make any Christian contribution toward the practical problem of genuine disarmament impossible."

Shortly after Leonid Brezhnev called for a "freeze" on nuclear weapons production February 13, 1981, the first national strategy conference for an American nuclear freeze campaign convened at Georgetown University.

According to a "peace" movement newspaper, the organizers at Georgetown comprised "between 275 and 300 predominantly white middle-class people from 33 states, Great Britain and the Soviet Union." Records available today identify only two of the invited Soviets guests. One was Oleg Bogdanov, an International Department specialist in Active Measures, who flew in from Moscow. The other was Yuri S. Kapralov, who represents himself as a counselor at the Soviet embassy in Washington. Kapralov was not merely an observer. He mingled with disarmament proponents, urging them on in their efforts to abort new American weapons. He was an official member of the discussion panel, and, as one listener put it, his statements were very impressive."

But Yuri Kapralov did not speak just for himself. Kapralov is a KGB officer who, ever since arriving in the United States in 1978, has dedicated himself to penetrating the peace movement. Thus, little more than two miles from the White House the KGB helped organized and inaugurate the American "nuclear freeze" campaign. While many civic and church groups of unassailable repute were to join in advocating the "freeze," in terms of the strategy and organization of the drive, this little-noted conference at Georgetown was a seminal meeting. (Barron. p. 238).

The American Friends Service Committee and the U.S. Peace Council located in New York, which is an agent of the World Peace Council, helped bring European freezers to the United States last spring. Among those who came (and later demonstrated in New York City) was Romesh Chandra, head of the World Peace Council and member of the Central Committee of the Indian Communist Party, and veteran British Marxist E.P. Thompson, head of European Nuclear Disarmament (END). In April, 1982, eight persons from the U.S. Peace Council went to the U.S.S.R., courtesy of the Soviet Peace Council. Also in April, ten members of the far left Institute on Policy Studies (IPS) based in Washington, D.C. went to Moscow, including Robert Borosage and Marcus Raskin. There they met with Vadim Zagladin, deputy chief of the Communist Party's International Department, and other leading Communists. The International Department, according to a CIA report, "maintains liaison with many foreign organizations which are frequently used to disseminate Soviet propaganda and views on world affairs."

Randall Forsberg, formerly of the Stockholm Peace Research Institute, now operates the Institute for Defense and Disarmament in this country. A leader in the U.S. freeze movement, she spent two weeks in the U.S.S.R. in December, 1981 meeting with experts at "five research institutes."

The architects of the freeze campaign are the American Friends Service Committee, the Fellowship of Reconciliation, and the Women's International League for Peace and Freedom. All are old-line peace organizations that in the past ten years have drifted far from the pacifist idealism of their beginnings. One of the major freeze events was the rally in New York city last June 14th. Sponsors included the War Resister's League, a nominally pacifist group whose chief energies today "are spent advancing the cause of world revolution" (Dorothy Rabinowitz, "The Building Blocks of the Freeze Movement," Wall Street Journal, June 10, 1982). Clergy and Laity Concerned, formed to oppose U.S. defense of South Vietnam and today the "principal leftwing network among U.S. churches"; Mobilization for Survival, an umbrella organization consisting chiefly of "radical activists," Communists and assorted "peace groups" (loc. cit.).

These organizations share a common world outlook, which is that the United States is the main obstacle to world peace. The Women's International League for Peace and Freedom believes that "All life on earth is threatened by U.S. imperialism." The organization is an enthusiastic supporter of the Palestine Liberation Organization. For Clergy and Laity Concerned, the movement to oppose U.S. defense of South Vietnam represented a "struggle against American imperialism and exploitation in just about every corner of the globe." Today the group wants us to join those who "hate the corporate power which the United States presently represents . . ."

The major groups of the nuclear freeze movement also share a common benign view of the Soviet Union and the Communist parties which support Moscow. The same organization newsletters that inveigh endlessly against U.S. imperialism contain no word of condemnation for the invasion of Afghanistan or the repression in Poland. The leader of the Women's International League for Peace and Freedom said that the Soviet invasion of Afghanistan was "understandable." This view was reiterated by a spokesman for Clergy and Laity Concerned, Russell Johnson, of the American Friends Service Committee, writing in a 1982 article in the Fellowship of Reconciliation magazine, declares that "Our nation (the U.S.) today is the very front of violence in many places in the Third World. Among the publications of the Women's International League for Peace and Freedom is "The Myth of the Soviet Threat."

There is scarcely any difference between the foreign policy pronouncements of Michael Meyerson, head of the U.S. Peace Council and member of the Communist Party, U.S.A. that "the main threat to world peace is the U.S. military industrial machine" and that of any number of similar statements by officials of Clergy and Laity Concerned, the American Friends Service Committee, the Fellowship of Reconciliation, Women's International League for Peace and Freedom, the War Resister's League, Mobilization for Survival or the coalition for a New Foreign and Military Policy.

It is bad enough that these organizations have failed to denounce the U.S. Peace Council and its transparent effort to channel the desire for peace to serve Soviet purposes. But even worse than their silence has been that virtually all of them have become involved with the U.S. Peace Council in various ways. Shouting "McCarthyism" at their critics is but a smokescreen to hide their collaboration.

The U.S. Peace Council issued a "Call" at its founding conference which was sponsored by the president of the Women's International League for Peace and Freedom, the executive director of SANE, the disarmament coordinator of the American Friends Service Committee, the director of the Washington office of Women Strike for Peace (who had coordinated a 1975 visit to the U.S. by the World Peace Council), and a leader of Clergy and Laity Concerned.

When the U.S. Peace Council took out a full page ad in the New York Times in June 1979 to attack Joan Baez and others who had criticized the human rights violations in Communist Vietnam (the U.S. Peace Council had countered that "Vietnam now enjoys human rights as it has never before in history"), it was signed not only by assorted Communists and far leftists, but by the president and vice-president of Women's International League for Peace and Freedom and by several leaders of Clergy and Laity Concerned.

The War Resister's League, to its credit, sent an observer to the 1979 U.S. Peace Council conference, who noted that Communist Party literature was "everywhere." But when she tried to present a critical statement, she was told there was "no time."

The Mobilization for Survival (MFS) can serve as a model of how Communist and peace organizations have become intertwined. According to published accounts by MFS leaders, the organization was established in 1977 after Peggy Duff, a British peacenik long active in the World Peace Council, told U.S. "peace" representatives that a special effort was needed to influence the 1978 UN Special Session on Disarmament. Labor organizer Sidney Lens, long active in the Chicago Peace Council, and sociology professor Sidney Peck, identified in a 1970 staff study as a member of the Wisconsin State Committee of the Communist Party, took the initiative in establishing the Mobilization for Survival.

The Fellowship Reconciliation, War Resister's League and other "peace" groups then became part of the MFS. Also joining were SANE, Clergy and Laity Concerned, the U.S. Communist Party with three of its front organizations, and in 1979 the U.S. Peace Council. A 1979 MFS demonstration in Washington, D.C. brought a World Peace Council delegation to address the rally, including Werner Rumpel, head of the East German Peace Council, and Nicholas Schouten, a leader of the Communist Party of the Netherlands.

The head of the MFS Labor Taskforce is Gil Green, a member of the U.S. Communist Party's central committee, and the head of the MFS international Taskforce is Terry Provance, who also heads the AFSC's disarmament Taskforce and was one of the sponsors of the U.S. Peace Council (see Rael Jean Isaac and Erich Isaac analysis in the American Spectator, June, 1981).

The nuclear freeze proposal (in the U.S.) had its origin in a meeting called by the American Friends Service Committee in the summer of 1979. According to Sidney Lens, writing in the April Progressive, the freeze was organized on the initiative of Terry Provance and Randall Forsberg (formerly of the Stockholm Peace Research Institute). Provance, in addition to the credits noted above is one of 40 official U.S. members of the World Peace Council. He was elected to this post at the WPC meeting in Warsaw in 1977. "It is clear," write the Isaacs, "that the Soviets want to see the freeze grow. " In August, 1981, AFSC staged a three day march in New England; the marchers were

addressed by Yuri Kapralov of the Soviet Embassy, and according to John Barron in the October Reader's Digest, a KGB officer.

"We are left, finally," write the Isaacs, "with an approach to peacemaking whose essence is the double standard." The major organizations of the freeze movement played down and even excused the Soviet invasion of Afghanistan and the Soviet repression in Poland, while meantime sharply opposing U.S. countermoves. The "peace" groups are concerned almost wholly with U.S. disarmament. David McReynolds of the War Resister's League says frankly that the only "politically realistic" approach is U.S. unilateral disarmament. The Riverside Church Disarmament Program minimizes the Soviet "threat" which its publications put in quotation marks, and relies heavily on the publications and speakers of the "America the enemy think tank" the Institute of Policy Studies. The Church program is headed by Cora Weiss, daughter of Samuel Rubin, whose foundation, directed by Cora and husband Peter Weiss has long served as the major funder of IPS.

Given the international realities, it is all too obvious where the "peace" movement would lead us. Contentions, the newsletter of the Committee for the Free World, whose executive director is writer Midge Decter, has put it succinctly:

"The people who claim to seek universal disarmament, to the extent that their efforts will succeed, will bring about only the disarmament of the democracies. A world in which the democracies have renounced the means to defend themselves against a mightily armed totalitarianism is a world in which there will be no freedom and no peace."●

THE BANK BAILOUT IS BAD BUSINESS

● Mr. HUMPHREY. Mr. President, last week, the syndicated columnist Warren Brookes editorially posed a blunt and necessary question in connection with the proposed $8.5 billion increase in the U.S. quota to the International Monetary Fund: Why should we bail out the big banks?

The supporters of this misguided policy proposal have their stock answer readily at hand, Mr. President. They claim that an increased IMF subscription will in fact "bail in" the banks, in that the IMF will require the banks to honor their existing commitments and forge ahead with new ones. The issue then becomes one of deciding whether this is an appropriate remedy for bankers who have already loaned well in excess of their total capital to one or a few troubled Third World debtors.

Mr. Brookes' column serves a great purpose in taking a different approach to the bank bailout question. In essence, he raises the sensible argument that first, the banks are not teetering on the brink of disaster as many would have us believe, and second, the reason they are not is that the taxpaying American investor is already bailing them out by paying ever-increasing interest rate spreads. Do we want to add to this back-door bailout a front-door bailout laundered through the IMF?

Political allocation of capital, the line of business in which the IMF engages, corrupts free market mechanisms and squanders valuable lendable resources. Profitable havens for capital are ignored when political criteria eclipse economic ones. The long-term interests of our banks and their depositors will best be served by recognizing the bad loans for what they are, dealing with them accordingly, and moving on to more lucrative opportunities absent IMF political intervention.

I ask that the column appear in the RECORD.

The column follows:

WHY SHOULD WE BAIL OUT THE BIG BANKS?

(By Warren Brookes)

A few years ago this writer enjoyed, via public television, a vicarious private jet romp through the financial capitals of Europe with David Rockefeller and "the men from Chase Manhattan." The money Rockefeller was spreading around to Third-World countries that begged at his Vienna hotel-suite audiences was the same $12-to-32 a barrel I was paying OPEC for the privilege of staying warm, recycled into unredeemable credit to nations whose economic policies would even embarrass Karl Marx.

Now Rockefeller's bank is hat in hand on Capitol Hill looking for tax dollars to help the International Monetary Fund (IMF) deal with that bad debt. (Chase share is 2.2 times its equity.) And, if the big bankers succeed, about two cents of every income tax dollar will go through IMF's money laundry to the likes of Citicorp, Morgan Guaranty and Chase Manhattan. Ironically, this IMF contribution would not be made until the end of this year, when experts like Robert Weintraub, chief economist of the Joint Economic Committee of Congress, argue "the crisis, such as it is, will be on its way out."

"In fact," Weintraub told us, "the problem was never as serious as it was 'sold.' Out of $520 billion in LDC borrowing, U.S. banks hold about $108 billion, and of that only Mexico ($25 billion) and Venezuela ($14 billion) ever presented really serious problems.

"Since Mexico devalued so sharply last summer, many of its trade balance problems are beginning to ease," Weintraub notes. "This means that most of these really scary scenarios of a world-wide banking collapse are just imaginary nonsense. Besides, the IMF has $47 billion in gold, more than it needs to cope."

What worries Weintraub, and should worry the big begging banks, is that the "price of this IMF expansion will be much tougher regulation on the banking industry—and I wouldn't be surprised if a lot of banks are having second thoughts."

Not enough apparently to stop the "fix" that is more or less on in Congress to give the Reagan administration what it is asking for—$8.4 billion in additional U.S. "subscription" capital for the IMF. In turn the IMF will use this money to create "special drawing rights" (SDRs) and "General Agreements To Borrow," (GABs, or is it GRABs?) to keep LDCs from going into default on their nearly $500 billion in loans from the West.

For some banks, the stakes are very large. Citicorp alone has $9.8 billion out to LDCs, $7.6 billion of it to Brazil and Mexico alone. This amounts to 203 percent of its total equity value.

The SEC says the top ten banks are now "exposed" to the tune of nearly $44 billion which is 1.5 times their total net worth. If none of these loans were repaid the top banks would fold.

While there is little likelihood of that happening, its potential looms large and hangs heavy over Washington. Particularly under the barrage of arguments skillfully marshalled by Treasury Secretary Donald Regan on the role of this credit and the IMF in supporting the huge volume of U.S. sales to Third-World countries (30 percent of our exports).

"Four out of every five new jobs in U.S. manufacturing in the 1970s was coming from foreign trade," Regan told Congress in February. "Every $1-billion increase in exports results in 24,000 new jobs." And vice versa.

Regan warned we could see a $25-billion reduction in total exports to the LDC countries, "if banks were to pull out entirely from new (LDC) lending this year." This translates into 600,000 manufacturing jobs—enough to frighten any congressman.

Fortunately, there's at least one on the Hill who is not impressed. Sen. Gordon Humphrey (R.-N.H.) argues sensibly, "If we bail out all these banks and their bad debtors, we're simply resorting to political allocation of credit by IMF. The credit-worthy, both here and abroad, will lose out to credit-unworthy. The market and the economy lose."

Sen. Humphrey argues that subsidies of any kind have a way of being a "zero-sum" game, since they reward more costly behavior. "Why can't we look for market-based solutions, and force both the banks and the nations to come to terms with their own problems, instead of subsidizing their continuance?

"Why, for example, should sound American businesses and consumers have to pay sky-high interest rates, just because a lot of big banks have to compensate for a lot of very bad loans?"

In fact, Weintraub argues that this "bailout" might ensure even higher interest rates, as banks go on loaning to keep their LDC creditors afloat, charging higher rates here to support them.

As the Table shows, since 1981, while the rates banks pay to borrow money (on certificates of deposit) have dropped 6 points, the rates they charge on consumer installment credit and autos have fallen less than 2 points and mortgages less than 3.5. This means the banks, not the consumer market place, have pocketed most of the interest rate drop in the form of a higher "spread" between what banks pay for money, and what they get for it. First National of Boston just reported that their 1982 domestic "spread" more than doubled, even as their overseas "spread" dropped by 15 percent! (They have over $1 billion in LDC loans.)

Congress should pause and find out how much the taxpayers are already paying in good money to subsidize bad banking.

THOSE "STICKY" CONSUMER INTEREST RATES

[Amounts in percent]

	November 1981	March 1983	Change
CPI (year-to-year)	8.9	3.6	−5.3
Prime rate	17.0	10.5	−6.5
Fed funds rate	13.3	8.3	−5.0
CD's	15.0	9.0	−6.0

THOSE "STICKY" CONSUMER INTEREST RATES—Continued

[Amounts in percent]

	November 1981	March 1983	Change
Consumer rates:			
Mortgages	16.4	13.2	−3.2
Autos	17.4	15.5	−1.9
Credit card	18.0	18.0	
Installment	19.3	17.7	−1.6

Source: Federal Reserve Board, Federal Home Loan Bank.●

FORTIETH ANNIVERSARY OF WARSAW GHETTO UPRISING

● Mr. HEINZ. Mr. President, April 19, 1983, will mark the 40th anniversary of the Warsaw Ghetto uprising, an extremely important date that commemorates the extraordinary display of courage and heroism of a small group of Jewish freedom fighters against their Nazi oppressors in 1943.

The story of this great exhibition of human will should be familiar to many here in the Senate, for we have made it an imperative never to forget it. The Warsaw Ghetto symbolized a world turned upside down, a world wrought with legalized terror. Hunger, disease, forced labor, and daily public shootings were a part of life. By the time the Nazis had consolidated the Jews into a small area totaling approximately 1 square mile, the plans for their future had already been drawn up and decided upon. Yet with all of the chaos, with constant fear, anger, and frustration consuming each ghetto inhabitant, the Jews tried to make a life.

By 1942, the Nazis were successfully deporting about 6,000 Jews per day from the walled ghetto. The Jewish resistance began to surface. Thoughts of armed struggle began to take hold within people who never before had a need or interest in fighting.

On the eve of Passover, April 18 and early in the morning on April 19, the Jews of the Warsaw Ghetto began to fight back. With the most meager and primitive of weapons, consisting of molotov cocktails and pistols, untrained, tired and hungry civilians started to resist against a mighty Germany occupation force. Against all odds, against heavy artillery and tanks, this small band of Jewish resistors lashed out against tyranny and slaughter and said no more.

The Nazis had planned to liquidate the ghetto in 3 days but the resistance went on and the battle lasted for 42. The Jews of the Warsaw Ghetto, challenged the overpowering numbers and decided that they would no longer die at their murderer's knees, but would stand and fight, and die if they must in their resistance to tyranny.

It is particularly important that we remember the events of April 19, that we remember the thousands who perished in the name of human dignity and freedom. We must never forget that by war's end, over 90 percent of Poland's Jews had been killed or starved to death by the Nazis.

I believe it is our responsibility to always keep in mind the hatred that man then demonstrated against his fellow man. As the more than 10,000 Holocaust survivors disperse after their historic gathering here in Washington this week, we should recognize, although we may not fully understand, the emotional experiences such a reunion kindles. We should examine their experiences because they represent feelings unlike any we have ever known.

Remembering the Warsaw Ghetto and the Holocaust is a moral responsibility that none of us should ever forget. The message that the survivors wish to pass on to all of us is one that we should not take lightly, one whose purpose is to assure a future for mankind without the pain and death that they have known. Their gathering and their words serve as a warning that we must not allow the genocide of any people to happen again.●

CLINCH RIVER—A KEY PROPONENT FALLS OUT

● Mr. HUMPHREY. Mr. President, recently, in the American Nuclear Society publication Nuclear Report, the Clinch River breeder reactor project and the prospects of establishing alternative financing for it received special attention. In the latest issue dated April 7, an in depth interview was featured with Congressman ROBERT WALKER, ranking minority member of the House Science and Technology Committee's Subcommittee on Energy Research and Production.

Congressman WALKER is no opponent of nuclear power. Indeed, before 1982, he voted three times to fund the Clinch River project. Over the last 6 years on the Energy and Research and Production Subcommittee, though, he has become increasingly skeptical of the Clinch River project. In his interview Congressman WALKER rejected the argument that Clinch River was essential to the Department of Energy's larger long-term base breeder research and development program. He also was concerned that what others are now calling cost-sharing proposals for Clinch River appear to be nothing more than elaborate money shuffles.

Finally, he made it clear that the bottom line with the Clinch River project was whether or not it would clearly save the taxpayer money over the long haul. Will it save such money? Congressman WALKER's answer, as his own vote last December against further funding of the project clearly suggests, is no. Mr. President, Congressman WALKER's interview comments on the Clinch River project are quite balanced and particularly relevant as Congress is now considering whether or not to fund the project for fiscal year 1984. I ask that the interview be printed in the RECORD.

The interview follows:

NUCLEAR REPORT

(Exclusive interview with Representative Robert Walker (R., PA), ranking minority member of the Subcommittee on Energy Research and Production, Committee on Science and Technology.)

Q. Where do you stand on nuclear power?

A. I've generally been a supporter of nuclear power. My attitude is shaped as someone who is a nuclear proponent. Where I see the problems arising for the nuclear industry is in the fact that there has not been a positive response to things like Three Mile Island. I think the industry waited far too long in helping to resolve that situation and gained for itself an awful lot of adverse reaction and adverse publicity that need not have been. I'm also concerned about the economics of nuclear power. I think that over the long haul, the pattern of nuclear activity in the country will be governed by whether or not utilities are going to be able to buy plants at a cost that they can justify to the ratepayers. That gets us into a whole myriad of questions of what we should do to assure that costs are either stabilized or even lowered on a per-plant basis, whether by standardized plants or other issues that are going to take a priority if cost considerations are to be the primary considerations for the rest of this century. This brings me to the R&D area and to some of the things the Subcommittee is engaged in.

Q. How about Clinch River? You voted three times in a row for the project, but last December you switched. Why did you do that?

A. My problem with Clinch River primarily relates to cost, because I think that the technology is probably the most advanced that the world has to offer in this particular application. My objection in December was over the cost factor and how it relates to the amount of money we are putting into nuclear energy research as a portion of how much we are spending on all energy research. What percentage of the overall energy budget is being eaten up today by one project alone and what percentage of our monies in the future will be eaten up by the same project. Can that one project be justified in terms of its value as something which is no longer taking 10% of the money but is taking 20-25, ultimately 30% of the monies that we have available in the research area.

Q. Have you actually made these calculations?

A. The administration's FY-84 budget for CRBR is only 12% of the total energy R&D budget. Understandably, but my point is that we can continue breeder research and we can continue to push the frontiers of our knowledge on breeder research without building the project and thereby bring down the cost in this particular area. Maybe breeder technology is something in terms of research dollars that's important for us to keep a base of knowledge about, but when you are talking about one project eating up a substantial portion of all your energy R&D dollars, I think we must take a serious look at it. That's when I finally came to the conclusion that, with declining amounts of money in that area, we can no longer afford that one project.

Q. Will Congress support even the base breeder program and international cooperative efforts if there is no promise for a commercial breeder in this country?

A. If I am speaking for myself, the answer is yes, and I am of the opinion that many of the Republicans who peeled off on Clinch River in December would also support a base breeder program being maintained, and they would also support a cooperative effort toward international development of specific breeder technologies. I think a far stronger case can be made for that in the R&D area than you can make for the Clinch River project.

Q. Have you studied the new alternative financing proposal for Clinch River?

A. I haven't had a chance to study it very carefully. The briefings I have had on it so far indicate that it doesn't yet include anything very substantive. It involves more in the way of creative financing than it does in restructuring of actual commitments by the industry. If, in fact, that's the case, I'm not certain that it will be any more popular with the Congress than the old proposal. What I'm saying is this: From the initial briefings I've had, it sounds as if they have come up with some ways of appearing to put more money in without actually putting more money in. Nonetheless, we will conduct a series of hearings on the matter. That's one of the reasons why we separated CRBR out of our considerations at the Subcommittee level so we can look at the new proposal as a singular kind of subject. if I can be convinced that there is more substance to it than there now appears, I'm perfectly willing to look at it. However, if all we are doing is shuffling figures around, then I will have to come back to the cost question that caused my concern before the December vote and continues to cause me concern.

Q. If Ronald Reagan telephoned you personally saying we need to demonstrate breeder technology at Clinch River would you be strongly influenced to vote for it?

A. Probably not. I try to listen to the President, and I think he would regard me as one of his more solid supporters on Capitol Hill. But he also realizes that I pursue independent economic and energy philosophies and that my first obligation is to my constituents. My constituents sent me down here to evalute things in terms of the overall economic policies of the country. One of the things they are asking me to do is to find ways of cutting government spending. I think we have done some of that in the energy R&D area. We have actually trimmed some real dollars in some areas, and we have drastically stemmed the rate of growth in certain programs. I have to look at each proposal before me in the terms of that overall perspective. Ronald Reagan does the same thing. He and I may arrive at the same policy direction, but we have different specifics in doing so. If Ronald Reagan could convince me in a phone call that what we were doing was actually saving the government money over the long haul—that we were getting the technology at less cost—that might make a difference. If he's simply telling me that we have to have this project, then I think I know as much about it as he does, having dealt with this particular subject for six years on the Committee. Thus, I would have to make my own assessment based upon the base knowledge that I start with.●

A MESSAGE FOR YOUTH

● Mr. ZORINSKY. Mr. President, as a member of the advisory board of the American University here in Washington, I consider it a privilege to be associated with its young and dynamic president, Dr. Richard Berendzen.

Recently, while speaking before a group of senior honor students, Dr. Berendzen reflected on four significant lessons he learned while obtaining his B.S. from Massachusetts Institute of Technology, and his M.A. and Ph. D. from Harvard University. His message to these young leaders of tomorrow is timeless, impressive, and thought provoking. It is a message not only for our youth, but for us all—one which can serve to remind us that through education we should obtain the knowledge and wisdom to become productive members of this society.

I am sure my colleagues will be interested in Dr. Berendzen's remarks and I ask that they be printed in the RECORD.

MAN OF THE YEAR FOR 1983: EDUCATED, CARING PERSONS

(By Richard Berendzen)

Congratulations, members of Mortar Board! By virture of being in this society, you have demonstrated achievement at the college level. Soon, your undergraduate classes, papers, and exams will end. But in these few words, I should like to return to that education.

Before doing so, however, I wonder as you read this if you know what time it is. Do you know for certain what "1983" means? You might say it is 1,983 years since the birth of Christ. No, He was born about six years before that. And He wasn't born on December 25th or even on January 1st; rather, he probably was born in the spring.

What precisely is a year? I am writing this in January. Why does January have 31 days? Isn't a month related to the moon? Yet it takes the moon only 28 days to orbit the earth, not 31. Why, by the way, are there 12 months in a year? Wouldn't it be more orderly to have a 10-month year, in a decimal system? How can one month have 28 days and another 31? And what, exactly, is a day? For that matter, what is time itself? We make time, measure time, take time, spend time, waste time; we all talk comfortably about time, as if we know what it is. But what, in fact, is time?

In short, are you—a senior honor student—certain you actually know how to tell time? And if you don't even know that, how do you expect to succeed in life beyond college?

Almost everyone—whether student or experienced professional—take commonplace things for granted.

LESSON NUMBER 1: You always have more to learn. Wisdom comes not in what you learn but in the realization of what you have yet to learn.

As you may have guessed, my own professional field is astronomy. I'd now like to give you a short riddle. Read it carefully.

"What is the beginning of eternity,
The end of time and space;
The beginning of every end,
The end of every place?"

It is the letter e.

Lesson Number 2: Sometimes the answer lies right before us, if only we could notice and not be misled. The mark of the truly educated person is not so much the ability to penetrate the unknowable as it is to recognize and understand the knowable.

Now, let me give you an old proverb.

"He who knows not and knows not that he knows not, he is a fool. Shun him.

He who knows not and knows he knows not, he is simple. Teach him.

He who knows and knows not he knows, he is asleep. Wake him.

He who knows and knows he knows, he is wise. Follow him."

Lesson Number 3: Do not confuse words for wisdom, pomposity for profundity. In pretentiousness, this proverb awesomely resembles modern rhetoric—from government manuals to political speeches, from business reports to scholarly tomes—except it is more elegant and less pedantic than they often are. At least it has no "points-in-time," "interfaces," "bottom lines," "prioritizes," or "inputs."

If you have things to say and genuinely wish to say them, you can do so unequivocally.

In this essay, I'd like to say some things directly.

Sad to say, during much of your lifetime, our nation—the nation I hold dear—has, by many demonstrable measures declined.

By many measures, we have lost our resolve. We demand little of ourselves and accept the result. Our productivity slips. Our work ethic plummets.

What is needed—not only in higher education but in all of education, not only in education but in all of American life—is a rededication to a personal, institutional, and even national sense of pride. When professions become only jobs, when mediocrity replaces meritocracy, when today towers over tomorrow, then gradually, inexorably, the foundation for self-respect deteriorates.

To assign blame and find solutions, the search need not go far. We collectively, have lost confidence to demand excellence of our nation and even of ourselves.

Schools alone can not teach rudiments of civil living, respect for knowledge, appreciation of creatively, self-discipline—in short, attributes that should be learned first in the home.

In today's rapidly evolving, increasingly complex world, many of our guiding social institutions have diminished in significance. Without doubt, one of the most poignant of these declines has been in the role of the family. I lament not a changing family structure, but a weakening family responsibility.

And, at the epicenter—more fundamental than standards or work ethic, than pride or even family—lies the singular concept that home and family teach best: love. In our modern, chic world, let us not fear to acknowledge this basic human need.

You soon will not just graduate; you will assume a responsibility—literally, to help the nation be what it can be and should be.

To do so, however, you must be concerned with more than just yourself. In recent years, the national economy has changed many students' motivations. The humble learner and fledgling scholar have given way to the questioning consumer and future job-seeker. And many students have come, not for education but for certification. The Wizard of Oz did not give the scarecrow a brain; he gave what was perhaps more useful—a diploma. Past satire has foreshadowed current reality.

In it most deliciously cynical form, the mandate of "relevance in education" has

been put thusly: "The only value of a classical brain is that it will enable you to despise the wealth it will prevent you from obtaining."

Admittedly, there is more to life than altruism and dedication. And we understand why so many youth today ask: How much does it cost? How long does it take? How much will I make?

For numerous students, the desire to learn has given way to the desire to earn. Although this trend is understandable, it also is lamentable. Job markets change continuously, yet the truths revealed through education should remain and enrich for life.

Sometimes, education comes in unexpected ways. Let me give two personal examples from when I was an undergraduate at M.I.T.

At one class meeting, an unusually rigorous professor gave us a lengthy, complex take-home assignment. To do it correctly would require not only extensive study but also three specific books.

It was a morning class, so I decided to go to the library immediately after lunch, before the other students, to be certain to get the necessary books. But when I arrived at 1:00 pm, I found that all copies of them already had been checked out. So then I called the Boston Public Library, but the circulation desk told me I would have to come in person to find out if a book was in the library. Despite the cold winter weather, I took the bus and subway, only to find, after an hour's wait, that the books already had been checked-out there, too.

Desperate by then, I decided to try the Harvard library. After I found my way through the maze of its card catalogues, I was told: "Yes, Harvard does have the books; yes, they are available; but, no, you can't check them out, because you aren't a Harvard student." I hastily decided to find a Harvard friend, who could check them out for me. During the next few hours, I scurried around Cambridge looking for such a person. Finally I found one, and we went back to the Harvard library. But, alas, by then it was shut.

The next day my paper was due. I reasoned that, afterall, I had made a truly valiant effort, one well beyond the norm. And I was sure the professor would commend me on my diligence, even though I'd been unsuccessful. So, instead of the report, I turned in the saga of my effort.

At the next class, he gave it back, marked F. Trembling with rage, I spoke to him after class. I explained passionately about the efforts I had made and how unrealistic the assignment had been. He showed no emotion, until I finished. Then, he quietly said: "Young man, the reason the books had not been available in our library at 1:00 was that your more enterprising classmates went to the library first, then ate lunch. The reason the books were not in the Boston Public Library was that still other classmates got there before you. In short, Mr. Berendzen, you have told me your problems. Now I would like to hear your solutions. What counts is not unending explanations of how you tried but failed, or why it was not your fault anyway, or how no one could possibly have done better. What ultimately counts is that you get the job done."

For days afterwards, I fumed. Now years afterwards, I cannot recall the name of the professor or course. But I shall remember that small incident always.

I also remember well my first day as an undergrad at M.I.T. Coming from a fairly humble background in East Dallas, I found myself surrounded by students from the best prep schools and by professors of international stature. While the more cosmopolitan students carried green book bags and wore jeans. I had a vinyl briefcase and a polyester suit; I resembled an awning salesman! Nonetheless, I was determined not to be intimidated or let my nervousness show.

As I wandered M.I.T.'s labyrinthian corridors, I became totally disoriented. Ultimately, I came to the end of a long hallway, filled with professors and other awesome-looking persons. If seemed they all were staring at me. Determined to display self-confidence, I randomly chose an important-looking door with no name on it, knocked, and entered—and found I was in a janitor's closet!

As I shut the door, I was sure I heard at least a thousand people roaring with laughter. There I stood in the closet—humiliated—in semi-darkness, surrounded by buckets, mops, and brooms. I tried to think what a young Jefferson or Einstein would have done under the circumstances, but I concluded that a young Jefferson or Einstein or anyone else sensible wouldn't have gotten himself into such a ridiculous situation. I just quietly stood there for what seemed like weeks, hoping I could escape in private, when a terrifying thought struck me: "What if I wait in the closet too long and they come to see if I'm okay or if I've committed suicide?" Afterall, a fully well-balanced person wouldn't spend his day standing in a janitor's closet!

Finally, I decided to rejoin the world outside the closet. But I resolved to do so with dignity. I opened the door confidently; carefully surveyed the pails, the soap, the rags; and I gave the entire scene a wise, knowing nod. As I turned around, a dozen people were staring at me, uncertain if I was a well-groomed custodian, a lost student, or a weird prodigy. I figured I'd leave them guessing, so I said to no one in particular and to all of them in general: "All's well here. You may continue now!"

In that brief afternoon, I taught myself humility, resourcefulness and never to enter an unmarked door.

For 55 years, TIME magazine has picked a Man of the Year (why not Person of the Year?). On four occasions, a symbolic representation of a group of people was depicted (such as Middle America); all others, however, were of real individuals—until January 3, 1983. In that issue, TIME selected the computer as Machine of the Year.

Without denigrating the importance of the computer today, this demonstrates a sad fact: In 1982, not a single human leader stood out; none excelled. Yet, the world needs leadership—human leadership. May the Man of the Year for 1983 be Educated, Caring Persons. May it be you!

So, then, Lesson Number 4 and final: Honor seniors, remember always that the greatest gift you now have or will ever have is time. Use it well, for we truly do need you.●

A TIMELY AND IMPORTANT NATIONAL STORY IN USA TODAY

● Mr. RANDOLPH. Mr. President, I am discouraged by this morning's headline in USA Today: "Almost Half of Us Voted in 1982."

According to the Census Bureau, 48.5 percent of America's eligible voters said they cast ballots in the last election. It is a sad reality, however, that only 41 percent actually voted.

As author of the 26th amendment to the U.S. Constitution, I am especially disappointed that 18- to 24-year-old youth have the lowest voting percentage.

Unless we, as individuals, are prepared to guard our freedoms and to protect our constitutional rights as daringly as those before us, then America will become the last democracy on Earth. We must pull together in this country and reinstill the values of American citizenship in our people.

Mr. President, I ask that the timely and important national story in USA Today be placed in the RECORD. The graph and charts, which accompany this article, clearly demonstrate the need for us to "turn up" the turnout.

The article follows:

[From USA TODAY, Apr. 18, 1983.]

ALMOST HALF OF US VOTED IN 1982

WASHINGTON.—Almost half of the USA's voters cast ballots in 1982—the best turnout since 1966 for a non-presidential election—the Census Bureau said Sunday.

The biggest reasons:

Voting by blacks increased from 37.2 percent in 1978 to 43 percent.

Voting by those age 45 and up increased from 57.2 percent in 1978 to just over 61 percent.

Out of 165.5 million eligible, 80.3 million voted—48.5 percent. In 1966, 55.4 percent voted—in 1978, 45.8 percent.

Voting was high in 1966 because of new voting rights laws, and interest in the controversial "Great Society" programs.

Highest groups in 1982.

People with four or more years of college: 65.5 percent.

People earning $35,000 a year and up: 62 percent.

White collar workers: 57.8 percent.

Estimated percentage of registered voters who went to polls

Year:	*Percent*
1982	41.1
1980	53.9
1978	37.5

1982 ELECTION

Age group-	*Percent*
18 to 24	24.8
25 to 44	45.4
45 to 64	62.2
65 and over	59.9

Source: Census Bureau.

	Voters		Voted	
	Potential	Registered	How many	Percent of potential
Alabama	2,812,000	2,135,722	1,128,626	40.1
Alaska	287,000	[1]	186,034	64.8
Arizona	2,061,000	1,142,159	742,923	36.0
Arkansas	1,650,000	1,116,082	794,869	48.2
California	18,277,000	11,559,099	7,498,177	41.0
Colorado	2,225,000	[1]	927,886	41.7
Connecticut	2,378,000	1,645,454	1,061,058	44.6
Delaware	443,000	285,736	190,960	43.1
Florida	8,169,000	4,865,636	2,648,345	32.4
Georgia	4,040,000	2,300,000	1,168,586	28.9
Hawaii	716,000	405,005	325,459	45.5
Idaho	661,000	541,164	332,237	50.3
Illinois	8,346,000	5,965,514	3,488,279	41.7
Indiana	3,904,000	2,936,978	1,817,287	46.0
Iowa	2,094,000	1,586,345	1,029,182	49.1
Kansas	1,759,000	1,186,513	763,263	43.4
Kentucky	2,620,000	1,826,590	700,315	26.7
Louisiana	3,055,000	1,965,422		
Maine	831,000	733,464	458,454	55.2
Maryland	3,190,000	1,968,498	1,139,149	35.7
Massachusetts	4,394,000	3,025,975	2,103,780	47.9

	Voters		Voted	
	Potential	Registered	How many	Percent of potential
Michigan	6,554,000	5,624,573	2,999,521	45.8
Minnesota	2,988,000	2,667,522	1,829,079	61.2
Mississippi	1,745,000	.....	628,233	36.0
Missouri	3,640,000	2,748,726	1,543,521	42.4
Montana	569,000	445,888	307,219	54.0
Nebraska	1,144,000	832,121	541,543	47.3
Nevada	661,000	322,290	242,578	36.7
New Hampshire	697,000	462,457	282,954	40.6
New Jersey	5,544,000	3,667,302	2,165,711	39.1
New Mexico	936,000	582,646	417,945	44.7
New York	13,153,000	7,459,553	5,124,745	39.0
North Carolina	4,417,000	2,674,787	1,321,080	29.9
North Dakota	473,000	.....	248,517	52.5
Ohio	7,793,000	5,674,128	3,348,585	43.0
Oklahoma	2,299,000	1,485,780	901,488	39.2
Oregon	1,954,000	1,488,480	991,110	50.7
Pennsylvania	8,883,000	5,702,557	3,622,786	40.8
Rhode Island	726,000	516,410	329,998	45.5
South Carolina	2,291,000	1,229,319	671,625	29.3
South Dakota	482,000	426,511	279,140	57.9
Tennessee	3,375,000	2,320,075	1,259,793	37.3
Texas	10,793,000	6,414,988	3,138,628	29.1
Utah	986,000	748,730	537,207	54.5
Vermont	379,000	318,832	166,635	44.0
Virgina	4,078,000	2,232,985	1,413,377	34.7
Washington	3,154,000	2,105,563	1,404,831	44.5
West Virginia	1,408,000	948,329	553,460	39.3
Wisconsin	3,464,000	1,787,799	1,580,130	45.6
Wyoming	354,000	230,074	168,555	47.6

[1] Unavailable.

Sources: Committee for the Study of the American Electorate Center on Political Education, AFO–CIO. ●

CONGRESSIONAL DIRECTORY—98TH CONGRESS

● Mr. MATHIAS. Mr. President, the Joint Committee on Printing has authorized the printing and distribution of the Congressional Directory for the 98th Congress. This compendium of information on the Congress as well as the names, addresses, and telephone numbers of employees in the legislative, executive, and judicial branches of Federal Government in the Washington metropolitan area is published by the Joint Committee on Printing during the first session of each Congress.

Since 1857, the Congressional Directory has offered information on the membership and committee assignments of the Congress. The current edition provides statistical data on congressional districts, elections, former Congresses, terms of service, subcommittee memberships, executive agency and departmental listings, as well as the judiciary. Biographies are printed of Members of Congress, the President and his Cabinet, and judges in the Federal courts.

I especially call my colleague's attention to the paperbound edition of this year's Congressional Directory because the front cover reproduces a detail of the painting by John Trumbull which currently hangs in the Rotunda of the Capitol. It depicts the historic moment when George Washington resigned his military commission to the Congress assembled at the State House in Annapolis, Md., on December 23, 1783. This year in Annapolis, historians and archivists will be commemorating the bicentennial events which occurred in Maryland: The convening of Congress in November and the resignation of George Washington of his commission in December. In January 1984, the 200th anniversary of the ratification of the Treaty of Paris which took place in the State House in Annapolis will be observed. With this final act, the fledgling American Government put the War of Independence against Britain behind it and the business of forming a government was begun.

The Government Printing Office today began to distribute the Congressional Directory to Congress. The book may be purchased through the Superintendent of Documents at the Government Printing Office.

Mr. President, I ask that an account of the events in Annapolis leading up to the resignation of General Washington's commission, prepared by the Senate Historian's Office, be printed at this point in the RECORD.

The material referred to follows:

By the spring of 1783, there were unmistakable signs that Great Britain and her victorious former colonies were moving toward peace. Cornwallis had surrendered at Yorktown in October, 1781. On April 11, 1783, the Congress proclaimed the cessation of all hostilities. Five months later, on September 3, the Treaty of Paris, ending the American Revolution, was signed in Paris by Great Britain and the new United States. As the chilly month of November dawned, the Continental Congress, meeting in Princeton, N.J., discharged the remaining American soldiers. On November 2, General Washington, quartered in Rocky Hill, N.J., saw them off with a moving speech, "Farewell Orders to the Armies of the United States." A week later, Washington himself packed up to go home, and wagons containing his baggage were directed to proceed to Mount Vernon, where Mrs. Washington awaited his return. "As you know," the General reminded his officer in charge of the escort detail in his letter of instruction, "they contain all my papers, which are of immense value to me."

Anxious as he was to follow his papers to Mount Vernon, General Washington could not relinquish his command until the British evacuated New York, which they did not begin to do until November 25. The General went to New York to witness personally the British flotilla making preparations for a wintry crossing of the North Atlantic. Finally, on December 4, he said goodbye to a group of fellow officers at Fraunces Tavern, and he was rowed across the Hudson as the British fleet made sail. He was bound for Annapolis, via Philadelphia, to resign his commission to the Continental Congress.

Washington would have preferred the role of an American Cincinnatus, quietly returning to his agricultural pursuits in Virginia, but his journey south was marked by constant repetitions of the testimonials that had been accorded him in New York. The Pennsylvania Packet reported that, as he approached Philadelphia, church bells pealed and cannons boomed as "the people testified their satisfaction at once more seeing their illustrious chief." While in Philadelphia, between fetes and formalities, the General found time to do some Christmas shopping. For Mrs. Washington, he bought a locket and a dress cap; for his three little stepgranddaughters, small pocketbooks, thimbles, sashes, and children's books; for his stepgrandson, his namesake and aged two and a half, a whirligig, a small fiddle, and a toy gun. He also purchased a handsome silver coffeepot upon which was engraved his coat of arms.

On Friday, December 19, General Washington reached Annapolis, where he would finally resign his commission. Congress, which was attempting to rally a quorum for the occasion, elected to receive him the following Tuesday. The delay was not really unwelcome; for George Washington, Annapolis was a place of many happy memories. It was the center of the political and social life of Maryland, and he had many friends there with whom he had attended races, dined at the Jockey Club and enjoyed the theater on visits before the war. Many faces were missing from those earlier days, but many well-remembered Marylanders still remained to greet the General, and several callers were received. On Monday, the Congress gave him a public dinner, complete with several toasts. Washington's own message was prophetic—"Competent powers to Congress for general purposes." That evening the governor of Maryland gave a ball in General Washington's honor. The General, it was reported, "danced every set that all the ladies might have the pleasure of dancing with him."

Promptly at twelve o'clock the next day, December 23, the General presented himself at the statehouse and entered the chamber where Congress awaited to hear what he might have to say to them. This scene was depicted by John Trumbull in a painting commissioned by the Congress in 1817. Holding both his commission and his address, General Washington, with his sword at his side, solemnly faced the assembled gentlemen, many of whom were old friends, and some of whom were distinct enemies. The President of the Congress and his old opponent, General Thomas Mifflin of Pennsylvania, formally informed him that, "the United States in Congress assembled were prepared to receive his communications." The General arose and said, "The great events, on which my resignation depended, having at length taken place, I have now the honor of offering my sincere congratulations to the Congress, and of presenting myself before them, to surrender into their hands the trust committed to me, and to claim the indulgence of retiring from the service of my country."

In writing the draft of his speech, Washington had bade "final farewell" to Congress and took "ultimate leave" of public life. In the end, he struck out the words, "final," and "ultimate," and prudently left the door open to further connection with the government, although he was eager to return to Mount Vernon. His three-minute address concluded, "I retire from the great theatre of action."

The brief ceremony concluded, the General handed his commission and the copy of his address to President Mifflin. The throng of spectators was dismissed; Congress formally adjourned; Washington, now a private citizen, shook each member's hand and said goodbye. Turning immediately southward to Virginia, Washington rode off at a brisk clip to arrive at Mount Vernon in time to dine with his wife on Christmas day.●

CUTTING ENERGY COSTS FOR COLLEGES

● Mr. KENNEDY. Mr. President, I would like to bring to the attention of all my colleagues an innovative program to help colleges cut their enor-

mous energy costs. Our country's 3,250 campuses spent $3.2 billion for energy last year, compared to $700,000 in 1974.

The comprehensive energy management and financing program being demonstrated by the Higher Education Energy Task Force at 12 campuses is expected to save them up to 25 percent of their energy costs. Late next year, program results will be distributed to other campuses nationwide to help them implement their own energy master plan.

I ask that there be printed in the RECORD the following article by Christopher E. Crittenden, director of the Energy Task Force, which gives more details on how campuses can slow the drain of dollars for energy. It was printed in the Christian Science Monitor of March 18.

The article follows:

HOW TO SAVE CAMPUS BILLIONS

(By Christopher E. Crittenden)

For the first time last year, America's 3,250 colleges and universities spent more than $3 billion for energy. This bloated bill was especially hard for them to take then, when their slice of the federal pie had just been drastically cut and inflation was gnawing away at what was left. It was enough to pay the salaries of 129,000 full-time faculty. It was equal to one and one-half times what US campuses spend for libraries each year, and more than is spent on scholarships and student services.

Much of that energy bill was unavoidable. But the Higher Education Energy Task Force estimates that at least 20 to 25 percent needlessly went up in smoke. Most campuses up to now have just taken a piecemeal approach to energy conservation. Many administrators lack the expertise to implement a systematic, comprehensive energy management plan.

Realizing this, the task force last year began to implement a demonstration College and University Energy Management and Financing Program at a dozen campuses from New Hampshire to California. Funded by the John A. Hartford Foundation of New York City, the program is expected to save the 12 campuses as much as $10 million a year, or one-fourth of their total energy costs of $40 million.

With the ultimate aim of having the system implemented nationally, program officials chose a representative cross section of campuses, large and small, both public and private, in varied climatic zones. At the end of the demonstration period, the comprehensive program will be transferred to other colleges nation-wide through various publications and workshops for campus administrators.

The program effects savings first through an organizational structure and planning model for both the physical plant department and the institution as a whole, to coordinate campus energy management decisions. Then, a computerized energy information management system is put into place to provide campus administrators with data on consumption, patterns of energy use, and conservation opportunities and their cost.

At the same time, program officials are developing cost-effective options for financing energy conservation measures. There are many financing mechanisms common in business that higher education has rarely used, such as leasing energy-saving equipment or obtaining a loan from a financing house. Properly structured, monthly payments would be less than the monthly energy savings, providing an immediate positive cash flow to the campus.

Private individual and institutional investors can also invest in energy efficiency on the campus, using tax credits not available to the institution. Colleges can even create for-profit corporations under their control that can act as an outside agent to obtain debt and equity financing, act as a lessor or guarantor of a campus debt, or provide secondary security for a loan.

Campuses can afford the expensive equipment they need to achieve maximum energy savings. In fact, they can't afford not to make these investments in their future economic well-being. They can't afford to continue spending dollars for wasted BTUs rather than on libraries, lab equipment, and faculty salaries.●

GOVERNOR BRENNAN ADDRESSES CONFERENCE OF THE AMERICAN RIVERS CONSERVATION COUNCIL

● Mr. MITCHELL. Mr. President, on April 8, 1983, the Governor of Maine, the Honorable Joseph E. Brennan, gave the keynote address to the Eighth Annual National Conference of the American Rivers Conservation Council. In this significant address, Governor Brennan outlined the steps that have been taken and the plans that have been made by Maine to preserve and develop its great rivers.

Maine's rivers, which run almost 32,000 miles, are of immense value to the State. Their economic potential is great; their importance to the State's recreational opportunities and wildlife habitat cannot be overestimated. Governor Brennan, in his address, described the energetic and expensive efforts taken by Maine to transform its rivers from some of the dirtiest in the Nation to some of the cleanest. He described the Maine rivers study undertaken by the Maine Department of Conservation and the National Park Service. He also outlined the legislation he had recently submitted to the Maine Legislature to provide a sound legal framework for river management.

Governor Brennan was awarded the "Distinguished Conservation Award" at the Council meeting for the outstanding work Maine had done in protecting its rivers.

However, Governor Brennan also pointed out in his address that Maine's power to develop its river resources wisely is shackled by Federal law which allows Federal agencies to negate the choices a State makes concerning its rivers. He outlined the steps that the Federal Government should take to address the issues of sound river conservation and development.

Governor Brennan's recommendations for Federal action deserve our consideration. It is the responsibility of Congress to develop a comprehensive national policy for river management and to work together with State and local governments and the private sector to address these important issues. Governor Brennan's address is most timely, and I commend it to my colleagues in the Senate. I ask that the text of his speech be printed in the RECORD.

The speech follows:

KEYNOTE ADDRESS BY GOV. JOSEPH E. BRENNAN

Thank you for your kindness in making this award. On behalf of my administration and the people of Maine, I am pleased to accept.

Many of you who know Maine from afar may wonder why it has fallen to a small State in the Northeast to begin tackling the major issues of river conservation and development.

To many, we are much better known for our rock bound coast and lobsters than for our rivers, some of which were once among the most polluted in the Nation.

There are several answers I can provide to the question of why Maine.

We have an abundance of rivers, nearly 32,000 miles. Our rivers have shaped our history so much that the history of Maine is, in large part, the history of our rivers.

Our earliest settlements were along our rivers. Their water supplied the power for the grist mills and saw mills that were the basis of the colonial economy in what was then a remote wilderness district of Massachusetts.

Later, the rivers were the avenues along which logs were transported, and from which the power was provided for many of the mills where America's industrial revolution began.

Rivers formed the culture of Maine. All of our major cities and many of our towns were founded and grew along the banks of the rivers.

So, rivers have always been among the major public policy concerns of the State. The first saw mill had to receive a grant of water rights from the Massachusetts General Court in 1631, and Maine's Legislature has been involved with the issues of river development ever since.

Conflicts between mill dam owners and their river bank neighbors over flooding in the 17th century later became conflicts over rivers for industrialization and water supply in the 19th century.

In the early 20th century, the development of hydroelectricity made Maine appear as the energy savior of New England. Long and sometimes bitter disputes arose over the role Maine would play in meeting regional and national energy needs.

Twenty to thirty years ago, the conflicts over river use had faded because a half century of treating rivers as open sewers had made many of them simply too dirty for other uses.

But in the past decade, Maine people have rediscovered the great rivers of the State, rivers with names that ring of history and romance: the Kennebec of Benedict Arnold, the Penobscot of Paul Bunyan and Henry David Thoreau, the Allagash, the Androscoggin, the Machias, the Narraguagus, the Saco, and the St. John. Energetic and expensive efforts have transformed Maine from the home of some of the dirtiest rivers to the home of some of the cleanest.

This is a source of great pride to Maine people, who look again to our rivers as a mainstay of our way of life.

As a result, demands for river uses have soared spectacularly.

In 1966, 4,000 people canoed the Allagash River. Last year more than 13,000 did.

Between 1957 and 1967 no Atlantic salmon were caught in the Penobscot River. Last year, 1,200 were.

In fact, I had the privilege of reviving a tradition that had been dormant for 30 years—the presentation by Maine's Governor to the White House of the first salmon of the year taken from the Penobscot.

In 1978, there was no whitewater rafting in Maine.

Last year, I was among more than 20,000 people who went down the Kennebec or the Penobscot on rafts.

In Augusta, an entire week of activities is built around the renewal of the Kennebec each Fourth of July.

And while people were rekindling appreciation for the rivers, a national energy crisis arose. The oil shortages hit Maine harder than most States, since we are among the most oil-dependent States in the Nation.

Proposals such as Dickey-Lincoln and the 1980's equivalent of the Oklahoma land rush—the filing of FERC license applications—focused urgent attention once again on the questions of how best to use Maine rivers.

It became clear to me that, without a strong assertion of the public role in decisionmaking about our rivers, we would soon squander the opportunities offered by the rivers of Maine.

Without thoughtful consideration of all our needs, it would be easy to lose their recreational opportunities, their economic potential, and wildlife habitat through inappropriate development.

At the same time, we could just as easily lose valuable energy resources through interminable and needless conflicts over individual proposals.

Public policy decision should not be made on the basis of who can wear who down through endless rounds of trials and appears.

The first result of this effort was the Maine rivers study, undertaken by our Department of Conservation and the National Park Service. The study assessed in detail some 4,200 miles of outstanding Maine rivers. It identified the things which made each special. It classified almost all of Maine's rivers by level of significance, from national to local, and highlighted the truly unique features of our rivers.

As a result of the Maine rivers study, and the careful consideration and recommendations of my cabinet, I issued an executive order in July 1982, setting aside the rivers of national significance from further hydroelectric development.

I also ordered that redevelopment could only take place on these rivers if it did not diminish their special characteristics.

Finally, I directed that we undertake further examination of river issues, to seek ways in which Maine's outstanding river features could be utilized for the greatest benefit of Maine people.

I have now submitted legislation to the Maine Legislature to complete the job of providing a sound legal framework for river management. The legislation would:

Translate into statute my executive order protecting significant stretches.

Establish new land use guidelines to protect significant river shorelines from inappropriate development.

Encourage formation of local river corridor commissions, to develop comprehensive management plans for our rivers and to prevent piecemeal approaches to shoreline zoning.

Streamline and clarify review procedures for hydroelectric development projects.

Make clear the State's authority to require fishways in dams.

Revise the water quality classification system for Maine, to reflect the water quality improvements and research of the past decade; and

Revise the State' laws concerning neglected and abandoned dams.

With this legislation, Maine declares that we are prepared to choose the rivers where hydro development should not take place; and to streamline our laws to make speedy and sound decisions on rivers where hydro development ought to take place should market conditions warrant.

We are prepared to control development on our rivers to maintain unique and irreplacable wilderness and wildlife.

We are prepared to revise our laws to bring our standards and procedures for river management up to date.

In short, we are prepared to finish the job we began more than a decade ago when the first steps were taken to clean up the rivers, and to make them what they are today: a resource of great and lasting benefit to Maine and to the Nation.

But this job is not yet finished. For even if the legislature enacts my proposals, our right to make our own choices is shackled by Federal law which allows Federal agencies to negate the choices we have made.

A major lesson we have learned is that, while much can and must be done at the State level, much remains to be done at the national level.

We are fortunate in Maine that most of our rivers are entirely or mostly within our borders. Much of what we have attempted would have been much more difficult if substantial portions of our rivers flowed through other States, since there is precious little national policy for river management to aid us.

We fear that the absence of adequate national rivers policies and programs could lead to a degradation of rivers elsewhere, putting even greater pressure on the values we are striving to protect in Maine.

Steps must be taken at the national level to address the issues of sound river conservation and development. I suggest in all modesty that our experience in Maine can serve as a model for this national effort.

I would like to propose five steps which will form the nucleus of a national effort for sound river management:

First, and most importantly, Congress must amend the Federal Power Act to allow States to set aside significant rivers from hydro development, consistent with well-established goals for preservation of nationally significant recreation and wildlife values.

The National Governors Association recently adopted a resolution urging passage of such a law, and I am committed to working with the Congress to have such legislation considered in this session.

Next, the Federal Government should begin development of a comprehensive national policy for river management to assure the best use in the Nation's interest of our river resources.

I recognize that this will be an enormous task. The issues are numerous and complex, including:

Energy and recreation;

Water supply and transportation;

Water quality and wildlife;

The proper allocation of the costs of river development between the public and private sectors, and between the State and Federal governments.

It will require the best efforts of Federal, State, and local governments, the private sector, environmental groups, and the public to address these issues. I believe this can best be accomplished by the President appointing a national commission to consider these issues and make recommendations.

Next, Congress should reauthorize the Clean Water Act, and continue the commitment to providing a substantial share of the funds for cleaning up the Nation's waters. Congress should also continue such programs as the land and water conservation fund, which provide money for basic conservation and recreation programs.

Congress must maintain the vitality of the wild and scenic rivers program. In Maine, the Allagash serves as an example of the importance of this program. An effective national rivers policy is simply impossible without a strong wild and scenic rivers program.

Finally, there is much which each of us here tonight must do. Groups such as the American Rivers Conservation Council serve a critical function in bringing the issues of river conservation to the people.

We have learned in Maine that river education must be directed at those who are not regular users of rivers, as well as those who are. Without widespread public awareness of the importance of rivers, all our efforts will be in vain. I am pleased to note that a part of your program this weekend will address this problem.

The course that I have suggested is an ambitious one. It will involve a great deal of effort here in Washington and in all the State capitals. But I am convinced these are attainable goals. I am convinced by our experience in Maine and by the fact that the kind of Federal-State resource management program I have suggested already exists.

Fifteen years ago, the Nation's coasts were threatened by overdevelopment, increasing demands for energy uses, and severe environmental degradation. Today we have in place national legislation which establishes a Federal-State partnership in coastal management.

Some of this legislation grew from the recommendations of a national commission formed to consider the issues facing the Nation's ocean frontiers. States are given principal responsibility for establishing management priorities for the coast, and Federal agencies are required to act consistently with those priorities.

It has taken several years to construct this coastal management system, and many of its features are still evolving. Even in Maine, we will still have much to do should the legislature enact our proposals. We will still face difficult choices about specific projects, and we will have to work to make the new system succeed.

In the case of our Maine rivers policy, I feel we are now just "putting in" at the beginning of a long trip with more than a few difficult portages ahead. At the national level, we have not even begun planning the trip.

But who can doubt the values, the rewards of making the trip?

One of the great appreciators of rivers in literature was the mole in Kenneth Grahame's "The Wind in the Willows." Mole was asked: "Do you really live by the river?"

The Mole's response was one that many, many Mainers share. "By it, and with it, and on it, and in it," he replied. "It's brother and sister to me, and aunts and company and food and drink. It's my world and I don't want any other. What it hasn't got is not worth having, and what it doesn't know, is not worth knowing.

"Lord! The times we've had together! Whether in winter or summer, spring, or autumn its always got its fun and excitements."

As Governor of Maine, let me again express my deep appreciation for the honor you have given me, my administration, and the people of Maine. I hope that a year from now your conference will be filled with reports of substantial progress in our efforts to assure the best use of the rivers of America.

Thank you very much.●

ANACONDA'S LEPRECHAUN VILLAGE

● Mr. BAUCUS. Mr. President, I should like to take this opportunity to honor two outstanding Montanans, and good friends of mine, Eddie and Bea McCarthy. Each year for St. Patricks Day the McCarthys open their home to Anacondans of Irish descent, as well as those who wish that they were Irish. As a member of that latter group, I have had the pleasure of attending this gathering for the last several years. In addition, they invite various prominent Irish Americans to join in their celebration.

The simple fact that they are celebrating shows Eddie and Bea's great spirit. As most Montanans know, Anaconda has seen better economic days. But with people like the McCarthys, we can all be sure that Anaconda will prosper and continue its tradition of excellence. I, and many others, thank Eddie and Bea McCarthy for this great service.

I ask to have printed in the RECORD a copy of a recent USA Today article recognizing the McCarthys.

The article follows:

ST. PAT'S DAY BRINGS OUT BROGUE IN US

(By Patrick O'Driscoll)

ANACONDA, MONT.—Carrying Ireland's tricolor flag and a venerable 70-year-old banner of the Ancient Order of Hibernians, the Irish are marching down Main Street today in this century-old Rocky Mountain copper town—just as they are in New York, Seattle, Chicago and some 150 other communities.

But the atmosphere of "Smelter City" is not the political tension of New York, where grand marshal Michael Flannery's outspoken zeal for the Irish Republican Army has made the USA's largest St. Patrick's Day Parade a referendum on Ireland's continuing violence and bloodshed.

Here the grand marshal is postman Eddie McCarthy, 54, who in Kelly green tam and suspenders stands foursquare behind his 18th annual Sunday-before-the-parade bash.

"It's always been a great town for the Irish. Whenever there's something, we're right in the middle of it," he crows.

Anaconda reflects a different Irish passion—a year-round lust for good times among the descendants of the immigrants who mined and refined the "red metal" in these brown mountains. The Wednesday night meetings of the Ancient Order of Hibernians (AOH) here are devoted to Irish stories, reminiscences, songs and cold cans of Rainier beer, not heated debate over "the troubles" in Northern Ireland.

It is a subtle Irishness, found among many of the 43.8 million Americans who claim Irish ancestry. Although the USA's melting pot is swallowing the country's second-largest ethnic group (after the Germans), Irish Americans maintain ties as perhaps none others have.

"Irish Americans worked hard to be accepted and assimilated into mainstream America," says Maureen Murphy of the American Committee for Irish Studies.

"But the Irish are a very family-centered people. That keeps traditions alive."

Family has supported millions of immigrants whom the Great Potato Famine of the 1840s drove to the USA. Faith, too, has kept family ties tight.

Says Johnny Concannon, unofficial historian of St. Patrick's Day parades: "Even though Irish Americans may be successful and have real lace curtains, there's tremendous awareness of Ireland."

It's an awareness that drove Tish Mulvaney, 68, of St. Paul, Minn., to spend eight years compiling a family tree of 577 descendants of Irish immigrant Matthew Mulvaney. "It's just the reward of knowing the history," she says.

It's an awareness that leads some Irish Americans to best the Irish themselves in cultural pursuits: Chicago schoolteacher Liz Carroll is a past winner of Ireland's fiddle-playing championships.

It's an awareness that leads others to pursue Gaelic, Ireland's difficult native tongue. A small circle gathers weekly in the suburban Washington, D.C., living room of Irish-born teacher Coilin Owens.

Still others channel energy into elaborately decorated costumes and intricate bobs, skips and kicks at a pressure-packed Irish step dance competition called the *feis* (pronounced FESH).

There's new interest among college students in Irish literature, history and language. Loyola University historian Lawrence McCaffrey of Chicago calls it "a kind of search for identity, a feeling that America hasn't worked out. Everything is so homogenized that they're looking for something unique and special."

Even those with no Irish roots are drawn to it. One of them, Gaelic language enthusiast Jo Radner of Washington, D.C., calls it "the O'Ziggenbaum phenomenon." She and friends such as Irish music expert Myron Bretholz find the Irish ethnic identity "very public and appealing. The whole Irish myth fits in with what people want in America. The Irish came here very poor, and they made good."

Anaconda's founder, immigrant miner Marcus Daly, did so well he became one of Montana's fabled "copper kings." But his descendants have to scrape for a living now; the 585-foot-high copper smelter shut down 2½ years ago, and the open pit mine in nearby Butte, "the richest hill on earth," is about to shut down because of depressed mineral prices.

Still, Anaconda and the Irish survive—with reverence for the town's oldtimers, with strong family ties, with civic pride. Many of the town's 9,721 residents will drive 103 miles north to Missoula after this afternoon's parade to cheer the Anaconda High School Copperheads in the state boys' basketball tournament—and turn right around for home to catch the tail end of tonight's St. Patrick's Day dance at the National Guard armory.

Years ago it was held in the 95-year-old AOH hall, but it "died" five years ago. Now, three generations of Anaconda Hibernians meet at the Knights of Columbus hall, where Irish brogues drift past an AOH recruiting poster that reads:

Don't just be a St. Patrick's Day Irishman. Be proud of your heritage.●

ISRAELI INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, I rise today to reiterate my support for the people of Israel as they commemorate the 35th anniversary of their nation's founding.

The citizens of our two nations share a unique bond of friendship and respect which has endured many trials. Despite occasional differences, our common belief in the principles of democracy have served to bind our two nations together. Today Israel remains our most stable, trusted and valued ally in the Middle East.

On May 14, 1948, David Ben-Gurion proclaimed the establishment of the State of Israel. The Declaration of Israeli Independence represented not the end of a struggle for freedom but the beginning of the rightful struggle for recognition of a nation.

The Hebrews first entered the land of Israel during the 18th century B.C. Since that time, the Jewish people have been subjected to repeated attacks from hostile neighbors. Nevertheless, the Israelis have displayed their willingness to make the sacrifices necessary in order to obtain peace. Today, the search for peace continues.

As a Member of the U.S. Senate, I have worked to insure that Israel remains strong. I will not relent in these efforts and I hope that the administration and the Nation will never lessen our commitment to Israel.●

ORDER FOR THE RECOGNITION OF SENATOR MOYNIHAN ON TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order on tomorrow, there be a special order in favor of the Senator from New York (Mr. MOYNIHAN) for not to exceed 15 minutes.

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

RECESS UNTIL TUESDAY, APRIL 19, 1983, AT 2 P.M.

Mr. DOLE. Mr. President, I move, in accordance with the order previously

entered, that the Senate now stand in recess.

The motion was agreed to, and at 5:57 p.m., the Senate recessed until Tuesday, April 19, 1983, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate April 18, 1983:

THE JUDICIARY

Stephen F. Eilperin, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice John R. Hess, retired.

AFRICAN DEVELOPMENT FOUNDATION

Patsy Baker Blackshear, of Maryland, to be a member of the Board of Directors of the African Development Foundation for a term of 4 years (new position).

Chester A. Crocker, an Assistant Secretary of State, to be a member of the Board of Directors of the African Development Foundation for a term of 2 years (new position).

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert J. Lunn, [redacted] (age 55), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert L. Moore, [redacted], U.S. Army.

The following officers for appointment as Reserve Commissioned officers in the Adjutant Generals Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

To be major general

Brig. Gen. Donald E. Edwards, 008-26-2639, Army National Guard of the United States.

To be brigadier general

Col. Raymond R. Galloway, [redacted], Army National Guard of the United States.

Col. William A. Hornsby, [redacted], Army National Guard of the United States.

IN THE NAVY

The following-named limited duty officers to be reappointed permanent lieutenant as regular officers in the Line of the U.S. Navy, subject to qualifications therefor as provided by law:

Arvin, James W.
Augsburger, John A.
Beavers, Harvie Donald, Jr.
Cornelius, Eddie J.
Evans, Robert William
Green, Rheuben Whitfield, Jr.
Heard, Clayton Johns
Hinkle, Wilbur Gordon
Hubbard, David Lee
Johnson, William Isaac
Koca, Richard Lee
Krause, Walter H., Jr.
Loporto, Gerald Edward
McQuay, Edgar, Jr.
Moddesette, Anthony S.
Moran, L. Bernard
Oshaughnessy, Larry Ray
Pemberton, John A.
Reher, Laurence William, III
Ruiz, David P.
Smith, Benjamin Harvey
Smith, John Edward
Stamm, William Patrick
Teague, James Edward
Teemley, Dennis Duane
Thomas, Clarence Augustus, Jr.
Tierney, Paul James
Walkley, Gary Foster
White, Charles Munson
Winston, Herbert C.
Wright, Wayne A
Yankovich, Edward P., Jr.
Zembuch, John Andrew

The following-named temporary limited duty officers, to be appointed permanent lieutenant in the Line of the U.S. Navy, subject to qualifications therefor as provided by law:

Abbott, Michael J.
Albano, Orencio Dugay
Anderson, Ronald Dale
Andreasen, Jon Joseph
Andrus, Leslie Edwin
Ankrom, David Clark
Arguilla, Rodolfo Galano
Ashton, Alfred Joseph, Jr.
Aumont, Donald Ridgeway
Axline, Michael Dennis
Bailey, William George
Barbour, Robert G., Jr.
Barnes, Robert Eugene
Barnes, Robert William
Barnett, Tedd Lewis
Barredo, Ramon Marcelo, III
Barrett, Jeffrey G.
Barton, Albert Russell
Bascianelli, Anthony Charles
Bata, Joseph A.
Bautista, Antonio M.
Belton, David A.
Berardi, Richard Harold
Berry, David Randolph
Bilskis, Richard Allan
Bing, Moses Lee
Bishop, Lloyd D., Jr.
Bitler, Charles W., Jr.
Bixby, Roy Kenneth
Blake, Al I.
Bolin, Richard Allen
Boling, Michael Joe
Booth, Silas C., Jr.
Bosma, William Jacob
Brantley, Larry Gene
Brown, Danny Reginald
Brown, Dewayne Charles
Brown, Michael R.
Brown, William Glenn
Browning, Michael James
Bryant, Harry Douglas
Buchan, James Donald
Buis, Roland Roscoe, Jr.
Bumgarner, Gary Wayne
Burgart, Gary Lee
Burke, William Charles, Jr.
Burket, Lester C., Jr.
Burkholder, Stanley
Byrd, Jimmy A.
Cagle, Ronald Dean
Cahill, Bryce Leslie
Cantin, Roland L.
Capati, Norman M.
Cardenas, Jose Antonio
Carella, Victor Leonard
Carmona, Alfredo Pandez
Casto, Wallace R.
Cavin, James Franklin, Jr.
Cecil, David B.
Channell, James Allen
Chaput, Donald Louis
Clay, Ronald D.
Cloutier, Joseph Roger
Conine, Benny Doyle
Cook, Arthur Richard
Cook, Sherwood E.
Cowles, Robert Howard
Craig, Harold Edward
Crimmins, Lloyd Eugene, Jr.
Cripps, Roy Louis
Crisler, Robert Bruce
Cronin, Donald Roger
Crutchfield, Harry Arnold
Cruzata, Nicanor Fines
Dale, Charles Lee
Dameron, Edgar Leroy, II
Daniel, Stephen James
Davidson, Michael Lee
Davis, Michael Andrew
Deam, Thomas Michael
Decastro, Ernesto Macaspac
Deitz, Roy Jefferson, Jr.
Delre, Joseph Anthony
Derrick, Jay
Deyoung, John, Jr.
Diamond, Robert
Diaz, Clarence Lee
Dicer, Harold Franklin, II
Dick, Michael D.
Dillon, Veon Richard
Domingo, Reynaldo Deleon
Donohue, John Joseph
Donzella, John Richard
Doyle, Joseph Austin, Jr.
Drinan, John Vincent, Jr.
Driscoll, Ernest
Dugan, James H., Jr.
Dunbar, Donald George
Dunn, Edward Patrick
Dykes, James Glover
Dzup, I. Inka, Frank J., Jr.
Eberhardt, Charles Edward
Elder, James Cleveland
Elkins, Gerald W.
Ellis, Kenneth Duane
Emmons, Randall Gerald
Ennis, Harry Esley, Jr.
Ewing, William Albert Jr.
Ezzell, Richard L.
Fernald, Brent Alan
Ferrell, Douglas McCoy, Jr.
Fleury, Jesse James, III
Fontilla, Rodolfo Espiritu
Ford, Stephen Gary
Foster, Don Henry
Fraczak, Larry Francis
Fry, Harvey L.
Gallaher, James Daniel, Jr.
Gardiner, Eddie Joseph, Jr.
Garrity, Ellsworth Marti, III
Georgi, Charles Marti
Goldstein, Alan Philip
Goodbred, Timothy Evan
Gradwell, Edward James, Jr.
Graves, Richard Tim
Grisell, Stephen John
Grochow, Ronald Lorenz
Groel, Thomas Robert
Grunstra, Ronald Hugh
Hall, Kendall Richard
Hall, Richard Thomas
Hall, Walter Isaac
Hallock, David Deforest
Hamilton, Charles R.
Hampton, Robert Lavis
Hand, James Vincent
Hannah, Harold W., Jr.
Harer, Frank Leroy
Hartley, Verle Lee
Hass, Terrell Lee
Hassel, Daniel A.
Havens, William Edward
Helms, Richard C.
Herman, Richard William
Higgins, James Ronnie

Higgins, Richard Louis, Jr.
Hindjosa, Jesse, NMN
Hlinka, Gregory
Hohl, Thomas Kent
Holtz, Gray Lee
Hopkins, Steven W.
Houghton, Robert Conrad
Howard, Jack Dewey
Howard, Joseph Cecil, III
Howe, John F.
Hufford, Ross Merritt, Jr.
Hunt, Earl Ray
Hyman, Stephen George
Hyytinen, Michael Reino
Jarabak, Ronald Francis
Jenkins, David Lloyd
Jenkins, Ronnie Bruce
Johnson, Frank L.
Johnson, James C.
Johnston, William Repko, Jr.
Jones, Larry R.
Jones, Rick Martin
Joves, Rodante Rosario
Karr, Kenneth Edward
Kerr, William Dolph
Kervin, Pat Ray
Kiehne, Gerald John
Kimbro, Phillip Gwinn
King, William Daine
Kinneman, Gregory Duane
Knecht, Albert L.
Lacey, Richard Glen
Lamont, Dwight Edward
Landry, Henry George, Jr.
Lane, Aubrey Eugene
Larmon, Danny Alvaro
Legare, Arthur Edwin, Jr.
Lehman, Lawrence Lester
Lejman, Daniel John
Leware, Bentley Charles
Lill, Harborough Irwin, III
Lister, Charles M.
Lueck, Dale Keith
Lyon, Michael Allen
MacDougall, David Russell
MacDowell, Kenneth NMN
Maguire, Brian Francis
Malone, Dennis E.
Manning, Steve Alan
Markert, George Washington
Marshall, James Odis
Martin, John Lawrence
Martin, Timothy Vaughn
Massey, Donald Wray
Matthews, Samuel Alex
McCabe, William Drew
McCarthy, Patrick Michael
McCready, Daniel Hugh
McCullough, William Fay, Jr.
McElhatten, Gordon Joseph
McElveen, George Gamel, Jr.
McFadden, Michael Wayne
McPheeters, Neil K.
Meador, Richard James
Meadows, Coy O.
Meierotto, Vernon Clifford
Miller, Jerry J.
Miller, Ronald Alvin
Mills, Neal John
Moddy, Donald Jay
Moran, David Ralph
Morrison, Robert Edward
Moses, Clyde Douglas
Murphy, Richard Herbert
Nelson, Robert Loren
Nevin, Robert Wilson
Nigro, Michael Louis
O'Connor, Thomas Charles
Olsson, Lars Osborne
O'Neal, Daniel T.
Paco, Renato Mesa
Panado, Ernesto Felix
Parker, Barry Lynn
Parrish, John Robert
Pauls, Rodney Keith, Jr.
Payne, Edward
Pennington, Charles Daniel
Perez, Rolando Santos
Pertle, William Edgar
Peterson, Merle Norman
Plumlee, Thurman Ray
Poehler, Lester Carl
Pomeranz, Henry D.
Pope, Dale W.
Powell, William Ernest
Powers, Peter Wister
Quale, Theodore John, Jr.
Quinn, James J.
Radona, Pepito Josafat
Ralston, Kelvin Dee
Rawlins, Robert Stanaland
Reily, Philip Key, III
Reuer, Kenneth Leroy
Reynolds, Theodore Arthur
Richardson, George D.
Rickard, John R.
Rill, Louis Friedrick
Roberts, James Francis
Rohren, Lathan E.
Rosado, Gilberto
Ross, Thomas E.
Rousseau, Lester Gene
Sanderson, George Howard, Jr.
Schoelen, James Charles
Schukraft, Keith Barry
Schuler, Fred S.
Schultz, Frederick L.
Scott, John B.
Scott, Raymond
Scranton, Michael Stephen
Sepulveda, John
Sheets, Glen Edward
Sherbanee, Kelly Fredric
Silva, Donald Anthony
Simmons, William allen
Simons, Thomas Paul
Simpson, Richard Lee
Skillman, William F.
Slain, Gerry Lee
Slippy, Thomas George
Sluter, Robert Seton, Jr.
Smietana, Stephen Thomas
Smith, Clifford Anthony
Smith, Danny Glen
Smith, James C.
Smith, John Henry
Smith, John Martin
Sokolik, James Otto
Soper, Robert Taylor
Spigler, Richard David
Squires, Clifford Erwin
Stewart, Richard Arden
Stewart, Roger Franklin
Stiles, Philip A., Jr.
Stone, Richard Cyril, Jr.
Stout, Michael Francis
Sturm, Robert Allen
Sweeney, William Charles
Tate, Gary Johnson
Thomas, Timmie L.
Thompson, Mike
Thompson, Thomas Carl
Thorn, Ronald D.
Throop, David P.
Tichy, Thomas Nicholas
Tomlinson, Gerald Edward
Towery, John Woodrow
Turner, Shelby Joe
Tyre, Odeen Ladale
Underwood, Jon Harland
Vawter, Paul David, Jr.
Vermette, Paul Michael
Vose, Michael H.
Watkins, Richard Harold
Weir, Robert C.
Wessel, James J.
Whitaker, Jerry E.
Williams, Lawrence Joseph
Williams, Robert Anthony
Wilson, William L.
Wippel, Harrell George
Wong, Abraham H. K.
Wood, Gary Willard
Worthington, Michael Allen
Wright, Bill Vern
Wrynn, Barry Joseph
Zaleski, Peter Paul
Zbaeren, William Dale
Zimmerman, Robert Lewis, II
Zuchero, William John, Jr.

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel, under provisions of title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

Ahlers, Richard M., xxx-...
Alexander, Burt E., xxx-...
Allison, Charles R., III, xxx-...
Anderson, Joseph T., xxx-...
Andresen, Gary D., xxx-...
Armes, Willard P., xxx-...
Armstrong, Charles R., xxx-...
Axtell, Grey C., xxx-...
Bagby, Richard A., xxx-...
Baker, Wheeler L., xxx-...
Balha, John T., xxx-...
Barnes, Michael J., xxx-...
Barone, Charles J., xxx-...
Bartolomea, Richard J., xxx-...
Bathurst, Sheldon J., xxx-...
Bausch, Arthur S., xxx-...
Beaufait, Donald A., xxx-...
Bedard, Emil R., xxx-...
Belongie, Raymond M., xxx-...
Benson, James R., xxx-...
Berry, Gerald L., xxx-...
Betta, Guiseppe A., xxx-...
Bevis, Dennis M., xxx-...
Bioty, John R., Jr., xxx-...
Bishop, Wayman R., III, xxx-...
Blackshear, William B., Jr., xxx-...
Blakemore, Frank R., xxx-...
Bland, John P., xxx-...
Blanich, James R., xxx-...
Boak, Michael P., xxx-...
Bobbitt, Frederick M., xxx-...
Bolick, Reed T., xxx-...
Bourre, Norman P., xxx-...
Brennan, Ian, xxx-...
Bresnan, Vanda K., xxx-...
Britton, Larry W., xxx-...
Brock, Michael V., xxx-...
Broderick, Matthew E., xxx-...
Buckley, Robert R., xxx-...
Buckner, David N., xxx-...
Burgess, Victor L., xxx-...
Burke, James D., xxx-...
Butler, Michael D., xxx-...
Byrum, Bruce B., xxx-...
Cahill, Robert E., xxx-...
Campbell, Edgar M., xxx-...
Capito, John W., xxx-...
Carlock, Reid O., xxx-...
Carradice, Daniel M., xxx-...
Carstens, Thomas R., xxx-...
Carter, Roy L., xxx-...
Champeau, John B., xxx-...
Charles, Roger G., xxx-...
Christy, Charles W., xxx-...
Christy, Kenneth L., Jr., xxx-...
Clancy, John E., xxx-...
Clark, James L., Jr., xxx-...
Clarke, James M., xxx-...
Coggins, Bruce T., Jr., xxx-...
Cole, John R., xxx-...
Colpas, Gary E., xxx-...
Combs, Richard A., xxx-...
Converse, George S., xxx-...

Cooke, Edwin J., xxx-...
Cox, John W., xxx-...
Cranford, Jimmy R., xxx-...
Cress, John P., xxx-...
Crews, Edward E., xxx-...
Crittenden, Steven M., xxx-...
Crowe, Clarence S., xxx-...
Culver, William L., xxx-...
Cummings, David J., xxx-...
Cummings, Edward B., xxx-...
Cummings, Michael J., xxx-...
Cummings, Waldo B., Jr., xxx-...
Curtis, William C., xxx-...
Dalton, John F., xxx-...
Darling, Paul P., xxx-...
Davis, George B., xxx-...
Davis, James H., xxx-...
Davis, Michael P., xxx-...
Dean, Thomas C., xxx-...
Debussey, Robert C., xxx-...
Decoteau, Samuel C., xxx-...
Dellacorte, Joseph, xxx-...
Depreker, Charles F., xxx-...
Desantis, Albert A., xxx-...
Dineen, Timothy G., xxx-...
Domina, Walter L., xxx-...
Doyle, Orvis R., xxx-...
Doyle, Wayne C., xxx-...
Doyne, Edward J., Jr., xxx-...
Dunstan, Clarence T., xxx-...
Eggleston, Russell M., xxx-...
Eisel, Roland H., xxx-...
Ellison, Ketron H., xxx-...
Endres, Gerard J., Jr., xxx-...
Ertwine, Carl H., xxx-...
Ewers, Richard G., xxx-...
Fenton, John R., xxx-...
Finnerty, Thomas P., xxx-...
Fitzpatrick, Thomas E., Jr., xxx-...
Floom, Marvin H., Jr., xxx-...
Ford, Brian D., xxx-...
Foster, John T., Jr., xxx-...
Fout, Robert W., xxx-...
Gallina, Charles H., xxx-...
Garcia, David A., xxx-...
Germann, George E., xxx-...
Glantz, Richard E., xxx-...
Glenzer, Richard S., xxx-...
Gobeli, Eugene L., xxx-...
Gooding, William G., xxx-...
Graham, William J., xxx-...
Grandy, Laurens B., Jr., xxx-...
Gregson, Wallace C., Jr., xxx-...
Griffin, Frank W., xxx-...
Guins, Allen D., Jr., xxx-...
Hagee, Michael W., xxx-...
Hague, David C., xxx-...
Hanchett, Barry L., xxx-...
Hanlon, Edward, Jr., xxx-...
Hanner, Norman F., xxx-...
Hanover, Paul E., III, xxx-...
Hansen, Robert P., xxx-...
Hansen, Robert W., xxx-...
Hansen, Willis H., xxx-...
Harkins, Thomas G., xxx-...
Harris, Randall R., xxx-...
Haughey, David W., xxx-...
Henderson, Hal W., xxx-...
Henning, William C., xxx-...
Hering, John C., xxx-...
Herman, Theodore N., xxx-...
Herrington, Richard L., xxx-...
Hickinbotham, Robert T., xxx-...
Higginbotham, Geoffrey B., xxx-...
Hilton, Marlin D., xxx-...
Hilton, Robert E., xxx-...
Hinds, William H., Jr., xxx-...
Hire, Michael G., xxx-...
Hobbs, Thomas A., xxx-...
Hoffman, Richard C., xxx-...
Holly, John J., xxx-...
Holzbauer, Joseph R., xxx-...
Hooper, Harry L., III, xxx-...
Hord, Raymond A., xxx-...
Horton, Danny G., xxx-...
Hudak, Jerome J., xxx-...
Hulsey, James G., Jr., xxx-...
Hutchinson, Homer G., III, xxx-...
Ingram, David H., xxx-...
Isbell, Rofert P., xxx-...
Itnyre, Robert F., xxx-...
Jacobs, Peter G., xxx-...
Jaehne, Richard L., xxx-...
Jankiewicz, Barry E., xxx-...
Johnson, Maxwell O., xxx-...
Jonson, Robert C., xxx-...
Kastner, William W., III, xxx-...
Kelley, Edwin C., Jr., xxx-...
Kelley, Lawrence G., xxx-...
Kellogg, Philip C., xxx-...
Kelly, John R., xxx-...
Kershaw, Charles W., II, xxx-...
Kiley, John P., xxx-...
Kindsfater, Richard C., xxx-...
Klimp, Jack W., xxx-...
Kline, John P., Jr., xxx-...
Kranker, Peter L., xxx-...
Kroeger, Lester A., xxx-...
Kruger, Earl A., xxx-...
Krusemark, Leo E., Jr., xxx-...
Lamade, Dietrick, III, xxx-...
Lamb, Juanita A., xxx-...
Laney, Russell E., xxx-...
Law, Arthur K., xxx-...
Lawson, Luther L., III, xxx-...
Leach, Duane L., xxx-...
Leaming, George D., xxx-...
Leek, Frederick E., xxx-...
List, Robert W., xxx-...
Livingston, Lawrence H., xxx-...
Lloyd, Andrew M., III, xxx-...
Logan, Horace L., III, xxx-...
Lohman, Charles M., xxx-...
Lorenz, Frederick M., xxx-...
Loughlin, Thomas E., xxx-...
Lucy, Forest L., xxx-...
MacPherson, Robert I., xxx-...
Magnuson, Robert W., xxx-...
Marapoti, James A., xxx-...
Marsteller, Ronald W., xxx-...
Mauskapf, Robert P., xxx-...
Mayer, Craig L., xxx-...
Mayer, George B., Jr., xxx-...
Mayer, Shelley B., xxx-...
McCall, Noris L., xxx-...
McCarty, David J., xxx-...
McClure, Merrill C., xxx-...
McGill, Charles R., xxx-...
McGrath, Frederic J., Jr., xxx-...
McKay, George R., xxx-...
McKay, John C., xxx-...
McNeece, James R., xxx-...
Megonigal, Walter F., xxx-...
Meier, Paul N., xxx-...
Michel, Patrick A., xxx-...
Mill, Charles S., Jr., xxx-...
Milo, Barry C., xxx-...
Mitchell, Joseph A., Jr., xxx-...
Mohr, Christophe R., xxx-...
Moore, William W., Jr., xxx-...
Morosoff, Peter S., xxx-...
Morrow Jon, W., xxx-...
Morschauser, Michael C., xxx-...
Motto, Anthony W., xxx-...
Munn, John J., xxx-...
Murray, Norbert M., III, xxx-...
Murray, Robert S., xxx-...
Murray, Terrence P., xxx-...
Myers, Clifford O., III, xxx-...
Nelson, Robert R., xxx-...
Nereim, Monty K., xxx-...
Noel, Thomas E., xxx-...
North, Oliver L., xxx-...
Nulty, Thomas G., xxx-...
Nyalko, Michael A., xxx-...
Nyland, William L., xxx-...
Oates, Patrick P., xxx-...
O'Connor, Bryan D., xxx-...
Ogilvie, Malcolm L., Jr., xxx-...
O'Leary, John J., xxx-...
Olin, George P., xxx-...
Oliphant, John R., xxx-...
Olson, Jan B., xxx-...
O'Neil, John F., Jr., xxx-...
O'Neill, Brian A., xxx-...
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EXTENSIONS OF REMARKS

THE MEDICAL PROFESSIONS' RESPONSIBILITY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. LaFALCE. Mr. Speaker, in February 1983, Dr. David Axelrod, New York State Commissioner of Health, delivered remarks before the Conference on Professional Misconduct and Physician Discipline. Dr. Axelrod expressed his concern that doctors and hospitals bring few cases of medical misconduct to the State's attention. Of 670 complaints received last year, only 51 came from hospitals and physicians.

The suspected reluctance of hospitals and physicians to become involved in incidents of misconduct by staff and colleagues; if true, would be especially disturbing since New York State public health law 230, requires every licensed health professional—including physicians, physician's assistants, specialists' assistants, physical therapists, dentists, dental hygienists, nurses, and pharmacists, report misconduct. Failure to do so is, in itself, misconduct.

Dr. Axelrod calls upon health administrators to increase their efforts to monitor the quality of patient care in their institutions and to be certain all employees are aware of the mandatory reporting requirements of public health law 230.

I share Dr. Axelrod's concern and goals. So, too, should every hospital and licensed health professional.

The public has become increasingly aware of medical malpractice, not by health professional reporting, but by the increased number of malpractice suits and settlements. Today, more than ever, it is in health professionals best interest to build public confidence in their actions, including their willingness to monitor, investigate, and discipline themselves.

Serving and treating the public is the medical professions' special prerogative. Insuring proper conduct in this service is the medical professions' special responsibility.

I recommend Dr. Axelrod's remarks, "Physician Discipline in New York State," to my colleagues:

"PHYSICIAN DISCIPLINE IN NEW YORK STATE"

(By David Axelrod)

To begin, I want to express my gratitude to the organizations which have joined with us in the sponsorship of this conference, namely the United Hospital Fund and its Center for Continuing Education, the New York State Medical Society, Statewide Professional Standards Review Council, the Hospital Trustees' Association, the Hospital Association if New York State, and the Greater New York Hospital Association. By lending your names and presence to this gathering, you have shown that you, too, share our desire to increase public and professional awareness of the extent and nature of the misconduct problem. I hope that these frank discussions will lead to a greater willingness on your part, and on the part of your members and employees, to respond to and help solve the challenge of professional medical misconduct.

Medicine is one of mankind's noblest callings, with traditions dating back more than 2,400 years, to the time of Hippocrates.

What has not generally been recognized is that philosophic definitions of ethics have very little to do with the code of ethics of one of the most ethical professions unless one defines the greatest good to be that of the professions themselves. The medical profession has boasted of its code of ethics so long and so convincingly that it rarely occurs to anyone in or out of the profession to look critically at the code's content or its relationship to the fundamental ethical obligation of all practicing physicians. The fundamental ethical obligation is patient-centered within the professional relationship.

"Medicine," says MacIntyre quoting Plato's Republic, "Is for the benefit of patients, not for that of doctors, and so ruling must be for the benefit of the people, not of the rulers * * * he who is to exercise the art (including medicine) rightly never does what is best for himself * * * but what is best for the patient."

This and only this can serve as the guide for structuring a code by which the physician's actions are to be governed. The basic patient-centered obligation of the medical profession is either altogether unexpressed or grossly neglected in existing codes. It is time that we breathed life and reality into the physicians' professional ethical code.

For example, we have found that:

Here in New York City, physician trafficking in quaaludes and controlled substances is much more widespread than we originally believed.

"Ping-ponging" of patients back and forth among specialists is a common practice.

Fraudulent billing practices are rife, not only on the part of physicians but institutional providers as well.

Within the past year, I have recommended revocation or suspension of the licenses of health professionals guilty of sexual abuse of their patients, a physician who recommended cataract surgery for patients who had no cataracts, a doctor whose widespread and totally uncalled for use of chloromycetin may have cost the life of at least one of his patients, and practitioners who subjected their patients to the perils of unsafe x-ray equipment.

And, in our nursing homes, we find the disgrace of countless patients who lead a virtually vegetative existence due to overdosing with tranquilizing agents prescribed by their doctors.

A chastening litany, I am sure you will agree.

Medical licensure is a privilege granted by the State. It is a privilege which is commonly abused, because some physicians are guilty of the same frailities and shortcomings that we matter of factly expect in the rest of the population.

In the view of society, laws and government, the physician is a social instrument licensed to perform certain skilled actions which are presumed to be in the interest of human health and safety. It is when this social contract is breached that government intervention becomes necessary.

In nineteenth century America, free trade sparked thousands of charlatans and imposters competing in the medical care market. The resultant suffering, disabilities, deaths and financial waste can only be imagined. In response, the states adopted legislation to license physicians, on the basis of educational requirements and the passage of examinations. Medical licensure inevitably restricts the freedom of individuals to sell their healing powers in the market.

Unfortunately, this restriction of freedom did not set standards for ethical, moral, or socially responsible acts. The oath taken by medical students, whether it be the Oath of Hippocrates, Hammurabi or Maimonides, was designed to fill this critical gap in control of physician behavior. Whether this voluntary commitment to ethical principles has been successful is a matter of considerable conjecture. If indeed this process had been completely successful, none of us would be here today.

Despite the impression one might receive from the large number of misconduct cases backlogged within the Department, most physicians take their ethical and social responsibilities seriously. The public esteem for physicians has not come about by accident.

Over the years, certain safeguards have been established to protect society from physicians who are either incompetent or who abuse their professional privileges. In New York State, as a result of legislation passed in 1975, and the responsibility for investigating all complaints against physicians and conducting disciplinary proceedings rests primarily with the State Health Department.

The 1975 legislation, which amended the State's Public Health Law, created within the Health Department the State Board for Professional Medical Conduct and an Office of Professional Medical Conduct. The latter office is empowered to assign investigators around the State to investigate complaints of professional misconduct.

Complaints of substance are forwarded to the full Board, which is composed of a panel of physicians and lay members, and which has the authority to conduct quasi-judicial hearings and recommend disciplinary action. As Commissioner of Health, I review Board findings and recommendations, which I may accept, revise or return for further consideration. Ultimately, I forward my disciplinary recommendations to the

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

State Board of Regents, which governs the medical licensing body, the State Education Department. The Board makes a final disposition in each case.

For those of you who may be unaware of the penalties for misconduct, the Regents may impose any of the following sanctions:

Revocation;

Probation;

Censure and reprimand;

Suspension of license, either wholly, for a fixed period of time or until the individual completes therapy or treatment ordered by the Regents; or partially, until the individual completes retraining in the area specified under the suspension;

Annulment of license (when the license was obtained fraudulently);

Limitation of the individual's right to obtain licenses; or

A fine of up to $10,000 per violation.

As far as I am aware, New York is unique in dividing between two agencies of government, Health and Education, the authority for investigating and disciplining physician misconduct. To say that this is a less than an ideal process is an understatement. But, with recent refinements in the process, it is getting better.

During 1982, the Health Department and Board of Regents took final disciplinary action in 53 cases, an almost five-fold increase over 1980. Last year, 17 doctors had their licenses revoked, 5 more surrendered their licenses voluntarily after disciplinary action was initiated, and 21 were placed on probation. Under extraordinary powers granted to me as Commissioner, I took summary action against five physicians, immediately suspending their licenses on the grounds that they constituted an imminent danger to the public.

We anticipate a continued strengthening of the Professional Medical Conduct Program this year, thanks in part to added funding granted by the Legislature, which will permit us to increase our staff of lawyers for misconduct proceedings from 8 to 13, and enlarge our investigative staff from 19 to 26 positions. The Professional Misconduct Hearing Committee, which numbered 38 members in 1976, has grown to 93 members, and I am grateful to the State and County Medical Societies, and to the various specialty organizations which helped us to enlist physicians to serve on the Board and take part in the hearing process.

But, I ask you to consider these staffing levels in the light of the fact that there are currently about 63,000 physicians licensed to practice in New York State, between 45,000 and 50,000 of whom are believed to be in active practice here. The State's overall doctor to population ratio is about one and one-half times the national incidence, and, except for Washington, D.C. and perhaps San Francisco, New York City has the highest incidence of physicians to population of any American city. With only 8 percent of the nation's population, New York State has over 12 percent of the nation's supply of physicians and 16 percent of the nation's interns and residents.

Obviously, the mantle of responsibility for monitoring and controlling the conduct of such a huge reservoir of physicians cannot fall on government's shoulders alone. It is a responsibility shared by the medical profession and by health care institutions, together with the consumers of health care.

Which is why we are gathered here today—to discuss and share thoughts on how we can increase public, professional and provider awareness of the professional misconduct problem, and to seek your help in monitoring the quality and probity of medical practice, and in the reporting and prevention of medical misconduct.

Under New York State Law, any private citizen may report suspected medical misconduct. However, by law, every licensed health professional, including physicians, physicians' assistants, specialists' assistants, nurses, physical therapists, dentists, dental hygienists, and pharmacists—must report misconduct. Failure to do so is, in itself, misconduct. Reporting of medical misconduct is also required of hospital and nursing home administrators.

Our experience to date has shown that hospitals and physicians are relectant to become involved with incidents of misconduct by staff and colleagues. This is a matter of great concern to me, and it should be a matter of great concern to you, your organizations and institutions, because the problem of professional medical misconduct is one that reflects on the integrity and vlaue of our entire health care delivery system.

Professional misconduct is, in my judgment, a significant public peril. Patients are being harmed and/or abused by impaired, dishonest and incompetent physicians and other health professionals. While no one really knows the extent of the problem, it has been estimated that as many as ten percent of all physicians become professionally impaired at some point in their careers. Which signals to me that a great deal of medical misconduct is going unreported.

We know, for example, that relatively few of the complaints we do receive come from the medical and provider communities. We are much more likely to learn of professional misconduct from patients or, for that matter, by reading the newspapers.

Those of you who are hospital and nursing home trustees and administrators must step up your efforts to monitor and control the quality of patient care in your institutions. You must make sure that your chiefs of service and your employees are aware of the mandatory reporting requirements of Public Health Law 230. I remind you that your prime obligation is the safety and well-being of your patients. And when you do limit or eliminate the privileges of a physician because of misconduct, you must report this action to the State Health Department, to make sure that the physician does not simply move his practice elsewhere with impunity.

Professional Standards Review Organizations are in a particularly advantageous position to detect and respond not only to physician misconduct but also to substandard medical care. I also believe PSROs can do more to monitor and supervise impaired physicians who are undergoing therapy.

Some components of organized medicine have declared that they are disenchanted with the slow and laborious progress of the State's disciplinary process. I can promise you that we are trying our best to make the process better and swifter.

But, at the same time, I urge you not to turn your backs on the problem of professional misconduct, because it is your problem as much as it is ours.

The people of New York State, working through their elected leaders, have directed us to take firm action to combat professional misconduct. We expect no less a commitment from the medical and provider communities.

Thank you for providing me with this forum.●

DO TENANTS FACE A PETLESS FUTURE?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. BIAGGI. Mr. Speaker, a recent issue of the Human Society News featured an article entitled, "Do Tenants Face a Petless Future?" The article which was written by Julie Rovner focuses on an issue of special concern to me, that is, what rights do pet owners have in federally subsidized housing in this country?

Earlier this year, I reintroduced a bill which would prohibit Federal housing assistance to any housing project for the elderly and the handicapped if that project did not allow tenants to own and keep pets. My bill, H.R. 1373, has as its main purpose to establish the basic right of millions of disabled and elderly citizens to have pets in their homes without fear of eviction.

As the ranking New York member of the House Select Committee on Aging, I have a deep and ever-growing concern for the number of citizens of this country who are forced to give up their pets and thus suffer much physical and mental anguish as a result of "no pet" clauses within their building or complex.

I believe that this article clearly illustrates the urgent need for the passage of my legislation. It focuses on the actual real-life experiences of people whose lives have been affected by the denial or separation from their pet, often their major form of companionship and exercise, and it emphasized the urgent need for bringing together the responsible pet owner and the reasonable landlord.

I congratulate Ms. Rovner and the Humane Society for their excellent and timely article, and at this time, I wish to share it with you.

[From the Humane Society News, Spring 1983]

DO TENANTS FACE A PETLESS FUTURE?

(By Julie Rovner)

When 75-year-old Leroy Barthlow and his 92-year-old wife Ida moved into a federally subsidized Maryland apartment with their seven-year-old "Baby Cat" in 1981, no one told them pets weren't allowed. Several months later, the apartment managers discovered the animal and sued to have the couple evicted. The Barthlows argued in court that they had gotten Baby Cat for Mrs. Barthlow on the advice of her doctor and that they could not afford housing that allowed pets. The sympathetic judge ruled that they be allowed to stay. The apartment management appealed the decision and, last November, a higher court overturned the original decision. Either the Barthlows or Baby Cat will have had to leave the apartment by March 1, 1983.

In New York, a woman who had kept her dog in the same apartment for 18 years sud-

denly faced eviction for violating the "no pets" clause in her lease. Her attorney introduced letters from the animal's veterinarian—who said the dog was in poor health and couldn't live long—and the woman's psychiatrist—who said separating her from her pet could jeopardize her mental health—but the hearing officer recommended she be evicted nonetheless. Her lawyer awaits a final ruling in the case.

These are but two examples of a dilemma facing poor, middle-class, and single pet owners: while evidence mounts that pets are important—even vital—to human health, it's becoming increasingly difficult to find affordable rental housing that allows pets.

No one knows exactly how many of the U.S.'s approximately 26 million rental units prohibit pets, but animal shelters are finding themselves more and more frequently the depositories for animals loved and wanted but not allowed.

"We hear it so often," said Jean Goldenberg, executive director of the Washington (D.C.) Human Society: people are forced to turn cherished companions in to her shelter because they cannot find affordable housing that will accept animals. There are no national statistics on the magnitude of the problem, but the Montgomery County (Md.) Humane Society may be typical. In one week in mid-January, four dogs were turned in because owners were either "found out" by landlords to be in violation of their "no pets" clauses or because they could not find "pets allowed" housing.

Elinor Molbegott, general counsel for New York's American Society for the Prevention of Cruelty to Animals (ASPCA), provides another statistic: "I'm getting at least five calls a day from people who are being threatened with eviction because they have pets," she reports. "That's more than 1,000 calls a year—and that's just in New York City alone."

"The Humane Society of the United States recognizes that thousands of pet owners across the nation are facing eviction or exclusion from owning a pet and many 'no pets allowed' clauses in leases are arbitrary and unnecessary," states our official policy. In 1981, the HSUS membership passed a resolution urging the society to "work toward the promulgation of appropriate clauses in leases, model ordinances, and laws that would render invalid and unenforceable any unconditional prohibitions against the right to have and keep a companion animal," and "that The HSUS support federal, state, and local legislation that would help achieve these objectives." Such legislation has been introduced, and we are working in the U.S. Congress and several states for swift enactment.

While in most large cities there are now more vacancies in rental housing than in recent years, according to the National Apartment Association, a lack of new buildings, the epidemic of condominium and co-op conversions, and increased demand for rental housing shrank vacancy rates to near-all-time lows during the 1970's and may do so once again in the 1980's.

When vacancy rates are high, "the tenants may have some bargaining power on things like pets," says Ms. Molbegott. "But, at least in New York, there's an incentive today to have an empty apartment, because you can raise the rent for the next tenant." That incentive, she argues, encourages landlords to use pets—even pets that are not bothering anyone—as an excuse to evict tenants whose rent increases are by law controlled so they can raise the rent for new tenants.

That tactic is not limited to New York. Jack Scheuermann, a prominent attorney in Washington, D.C., reports that when he was running a local law-students-in-court program, "we had a fair number of cases where landlords were using 'no pets' clauses to do through the back door what they couldn't do through the front"—to legally evict a tenant for not-so-legal reasons. Unfortunately, says Mr. Scheuermann, it was often difficult to prove in court that the landlord had motives other than getting rid of the pet.

Yet, while the arguments between landlords and tenants are becoming acrimonious, scientists are uncovering concrete evidence proving that pets are more important to our health and well-being then they ever suspected.

"'Something as simple as a pet having an effect on health sounds crazy at first," says Dr. James Lynch, professor of psychiatry at the University of Maryland School of Medicine, who is rapidly becoming one of the nation's foremost experts on the medical implications of the human/companion animal bond, "but pets are not irrelevant to peoples' lives."

Some of Dr. Lynch's studies have shown, for instance, that the presence of an animal can lower people's blood pressure and that pet owners who suffer non-fatal heart attacks live longer than those who are not pet owners. Dr. Lynch stresses, however, that pets have other important roles in their owners' lives. "Loneliness is one of the main causes of premature death. Pets serve so many emotional functions. Freud once said that the only unambivalent relationship he ever had was with his dog."

By far, those hit hardest by the absence of affordable "pets allowed" housing are the elderly. Many of them are forced to live on fixed incomes and must turn to public housing where pets are, in most cases, prohibited.

When Lucille Hoyne, a widow from Glendale, California, was offered the chance to move into a federally subsidized housing project in Hollywood, she was thrilled. Her electricity would be paid for and her rent significantly reduced. Then she was told that if she wanted the apartment, she'd have to give up her cat.

"I'm one of those who thinks of my pet as part of my family," Mrs. Hoyne says. "I decided that she was more important than the lower rent, and I turned down the apartment. I've had to do without some things, like new eyeglasses, but I'm not sorry." Angry at her predicament, Mrs. Hoyne founded Citizens Against Discrimination for Pet Owners, Inc. (CADPO), an organization devoted "to changing 'no pets' clauses in leases to 'responsible pet owners welcome.'"

It is ironic that the elderly are often both the most discriminated against and the most able to benefit from pet ownership. "Many elderly individuals lose pets, not because of the death of the animal, but because they are forced out of housing or are not able to enter public housing because of the pet," writes the University of Pennsylvania's Dr. Aaron Katcher. "Having to give up a pet can be a severe source of stress leading to depression, physical illness, or even suicide. The older person who must give up a pet suffers a double loss; he loses the comfort of the pet and is exposed to the severe stress of the depression that follows that loss. . . . Laws and administrative decisions that deny access to low-cost housing to the elderly with pets pose a direct threat to their health and well-being."

The situation can only worsen. Today, 11 persent of the U.S. population is over the age of 65; by the year 2000, that number will increase to 13 percent, according to the American Association of Retired Persons (AARP). Of today's elderly, nearly one third live alone, and nearly one quarter live in rental housing.

When out of financial necessity the elderly move into "no pets" housing, "they're being asked to give up a member of the family," says Leo Baldwin, the AARP's housing coordinator, "but the landlord doesn't think in those terms. He thinks about the spot on the rug or the bark that annoys other tenants. Yet pets add so much to the quality of living, and it's hard for people who aren't sympathetic to understand that." "We're learning that pets are necessary aids in the lives of older people. They provide protection, love, and give them something to communicate with," says Robert Blancato, legislative director to U.S. Representative Mario Biaggi (N.Y.), who has introduced legislation in the U.S. Congress making it illegal for housing projects for the elderly and handicapped to receive federal funds if they ban pets. "In these days when more and more older people are living alone, it's not something we ought to be discouraging."

While most subsidized housing projects do ban pets, it's not, as many believe, because the federal Department of Housing and Urban Development (HUD) requires that they do so. Rather, according to Mr. Blancato, "the HUD manual reflects a strong degree of landlord discretion."

So why, then, does nearly every local housing authority prohibit pets? "We've always had a 'no pets' policy in effect," says Roy Metcalf, deputy director of public relations for the New York City Housing Authority. "With our budget, it's simply impossible for us to clean up after pets. We also feel they constitute a danger to children, are unsanitary, and so forth and so on.

Unfortunately, too many landlords hold just such a view. A vice president of the Community Associations Institute, which monitors problems faced by condominiums and planned communities, says, "The three most chronic problems in condominiums are pets, kids, and purple doors."

"It's a tough subject, because there are equities on both sides," says lawyer Jack Scheuermann. "I think most landlords prefer to keep things in the most absolute of terms because, if you open the door to having pets in a project, it's going to be very difficult to close it down the road if the pets become a problem." He said he thinks landlords would be far more amenable to taking pets if there were a quick way for them to resolve serious problems arising from irresponsible pet ownership. Currently, he says, eviction or nuisance proceedings against even the worst problems may take months in court and a lot of money in legal fees.

Mr. Scheuermann suggests creating a "pets due-process clause," whereby pets would be allowed in a building but, if one proved a nuisance, it could be removed quickly, easily, and without a court battle.

The key, of course, is that pet owners, especially those in rental housing, must set a good example for those who are now excluded. "Up to now, we pet owners have been our own worst enemies," said HSUS Vice President for Companion Animals Phyllis Wright. "We're going to have to change the minds of a lot of landlords [who have a negative view of all pet owners]."

CADPO is working to allow pets increased access to rental housing through making each side understand the other better. "What we're trying to do is to improve relations between owners and tenants. We don't want them to think of each other in hostile terms," explains Mrs. Hoyne. CADPO publishes a "Responsible Pet Owner Checklist" for landlords, to help them assess whether a pet owner will be a responsible tenant—criteria include whether the pet is neutered, kept on a leash, vaccinated and licensed, and obedience trained. Its "Tips for Pet Owners Who Rent" sheet explains how to be a responsible pet owner and how to deal effectively with reluctant apartment managers or landlords.

But while CADPO advocates better relations without legislative requirements, most animal-welfare groups involved in the issue agree that pet owner won't obtain any relef from "no pet" restrictions until landlords are required by law to grant them occupancy. Banning pets outright is a form of discrimination. Although it may be unfair, it is not illegal. Only changes in the law can rectify that situation.

The HSUS has been working, mostly through our regional offices, for such legislation. In California, The HSUS supported a bill enacted in 1980 requiring that elderly public-housing tenants be allowed to keep up to two pets. Regional Director Charlene Drennon was invited to speak at a conference in Arizona on the elderly and their pets; she reports that legislation similar to the successful California law is in the works there.

HSUS staff has also been involved in legislative efforts in Pennsylvania, Maryland, Connecticut, and New York. In New Jersey, a proposed bill that HSUS Mid-Atlantic Regional Director Nina Austenberg helped draft eight years ago may finally see enactment this year. Sponsored by Assemblyman Christopher Jackman, it goes far beyond what has been tried in most states, protecting not only the elderly and/or the handicapped with pets, but also making it illegal for a landlord to ". . .arbitrarily refuse to rent or lease or to renew a lease for a dwelling unit to any person because the tenant or prospective tenant has or intends to own, harbor, or care for a domesticated animal on the premises."

One reason Mrs. Austenberg is optimistic about this legislation becoming law is that the formulators "tried to address some of the landlords' objections about having animals." For instance, she says, the bill requires that animals be kept on leashes, owners clean up after their pets, the pets be properly licensed, and animals be neutered. The legislation also allows landlords to refuse to rent to a pet owner if half of the units in the building already have pets living in them, "to protect those tenants who don't want to have to live with animals," according to Mrs. Austenberg.

While the wording of each of the proposed state laws differs, all have one thing in common—a way to remove animals proved to be a nuisance. "Obviously, we have to have some legal way to deal with a dog that bites or someone who's keeping 40 cats in an apartment," says Alan Beck, director of the University of Pennsylvania Veterinary School's Center for the Interaction of Animals and Society. Dr. Beck says he likes the New York City health code because, instead of limiting the number of pets one can have without obtaining a breeder's license, "it simply says that you may not create a nuisance. That's good, because one person might be able to keep six dogs so well you'd never know it, while another could cause a terrible nuisance with just one."

The ASPCA's Ms. Molbegott says her legislative strategy involves making it illegal to enforce "no pets" provisions in leases. "Right now, it takes about the same amount of time in the legal system to evict a tenant for disregarding the 'no pets' clause as it does if the animal is being a nuisance," she says. "But since it's much harder to prove the nuisance, and since it's often difficult to get tenants to testify against another tenant," landlords usually choose to invoke the "no pets" provision instead. Making that illegal would force the landlord to prove the nuisance. Another reason landlords tend to opt for enforcing the "no pets" clause across the board is that even if a nuisance is proved, the judge usually requires only that the tenant "cure" the nuisance and not necessarily get rid of the pet. If the landlord has other motives for evicting his tenant, a nuisance ruling is not necessarily going to achieve his aims.

Perhaps the surest solution to the pet-owner/landlord controversy is to make pet owners and non-pet owners alike aware of the issue. The increased legislative activity on the state and federal levels is one indication of such recognition. Another is a resolution approved last year by the White House Conference on Aging. "The comfort of a companion animal is a civil right not to be denied responsible pet owners," stated the resolution, which called for the establishment of humane policies and regulations ". . . ensuring that the human/companion-animal bond can remain intact for responsible pet owners, in federally funded housing for senior citizens and the handicapped."

"We're getting there," says the University of Maryland's Dr. Lynch. "I think that acceptance of the importance of our pets is going to come. It's in the wind."●

WHO ARE THE LOSERS?

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. McKINNEY. Mr. Speaker, you have listened to me speak three times over the past 5 years on the proposed export of Alaskan oil to Japan. Therefore, I will come right to the point. The bottom line is, Mr. Speaker, this issue, unlike many other issues, has clearly defined winners and losers.

WHO ARE THE LOSERS?

Exporting Alaskan oil would cost the consumer nearly $1.5 billion annually. This is because domestic oil would be replaced with more expensive foreign oil. The U.S. Treasury will forfeit between $800 million and $1.5 billion in defaults on federally insured tanker loans. Exports will compromise the progress we have made toward achieving energy independence, a goal largely forgotten, but crucial to our national security.

WHO ARE THE WINNERS?

From a domestic prospective there are no real winners. No doubt, Alaskan oil would prove beneficial to the Japanese. But at what cost, Mr. Speaker? The administration wants to export Alaskan oil in order to reduce the $20 billion trade deficit with Japan. This action will only adversely affect our worldwide balance of payments. This export would drydock nearly half the U.S. tanker fleet and idle 20,000 workers in shipping and related industries. If the current restrictions are lifted, North Slope producer profits will rise due to higher wellhead prices. However, they will jeopardize their $4 billion investment in the transportation infrastructure to move oil between domestic ports. It is clear, Mr. Speaker, if there are any winners, they will achieve only a short-term victory.

I will forego the historical background of this issue, except to say, that since 1973, in three separate votes, Congress has mandated that Alaskan oil be used for domestic purposes. In 1981, the Reagan administration considered introducing legislation that would remove the ban on exports of Alaskan crude. However, a letter sent to the administration from Howard Wope, myself, and 79 of our colleagues calling on the President to reconsider, put that effort to rest. Now, the Japanese are attempting to change existing law and lift these crucial restrictions. Why should we alter a long standing policy and export several hundred thousands barrels of oil each day when we are desperately trying to fuel economic recovery in our smokestack industries; when worldwide oil markets, entering yet another phase, face an unstable future. The Japanese think we should export our oil. I do not. That is why HOWARD and I have introduced H.R. 1197, a bill to maintain the existing restrictions on Alaskan oil. H.R. 1197, cosponsored by 198 Members, is supported by a broad coalition of consumer groups, business interests, unions, and farm organizations.

Mr. Speaker, I want to return to the winners and losers. It is certain that none of the potential savings from lifting the export ban will be enjoyed by consumers. The administration has argued the export of 1 million barrels per day would exert enough downward pressure on the price of oil to reduce it by 5 percent. In a world market that moves 56 million barrels per day, that 1 percent of additional oil could hardly bring a significant downward force on the price of oil. In fact, consumers will pay more, not less, if exports were implemented. Because of reduced supplies, the price of west coast oil would rise by $2 per barrel, costing consumers $600 million annually. In addition, prices on the gulf coast would go up, increasing oil bills by $1.1 billion. These figures stem from the $3.80 more per barrel that consumers will pay for foreign replacement oil. For these reasons, the big-

gest loser of all will be the millions of Americans who will pay more to heat their homes, drive their cars, and fuel their factories.

The export of Alaskan oil would have the negative effect of sharply reducing the U.S. merchant marine fleet, because any oil sent to Japan would be transported in foreign vessels. This reduction is doubly troublesome because shipowners forced out of business will be unable to pay the Government $700 million they owe in title XI shipbuilding loan guarantees. Furthermore, they would default on $460 million in privately financed debt which would be deducted from the income bases of the debt holders. In addition, the Federal Government, which needs a viable merchant marine for national defense purposes, would have to spend $138 million to acquire these vessels. Moreover, 20,000 workers would be laid off in shipping and related industries. The net result, then, of Alaskan oil exports would be an immediate loss of 20,000 jobs and a cost of over $1.3 billion to the American taxpayer. These costs, both human and monetary, more than offset any increases in tax revenues that might be gained from a higher windfall profits tax.

Furthermore, Mr. Speaker, the export of Alaskan oil would have a disastrous effect on private investments. Major North Slope producers, together with U.S. shipowners, will lose $4 billion they have invested in U.S.-flag ships to move oil between domestic ports. In addition, the oil producers have huge contract commitments to supply the trans-Panama pipeline.

For these reasons, no North Slope producer has come forth with a proexport position. In fact, Charles J. DiBona, president of the American Petroleum Institute recently said, "It is not at all clear that the economics favor exports."

Mr. Speaker, I have identified the losers in this international transaction, now the so-called winners. The proponents see oil exports as a quick, painless method of cutting our $20 billion trade deficit with Japan. This argument, the principal justification for exports, is unsound. The improved balance of trade with Japan would naturally be offset by corresponding oil purchases from foreign sources. Moreover, the export would benefit the Japanese far more than the United States because the oil trade would provide Japan with more balance in its payments account with our country. This in turn, would free them from making any further progress toward reducing trade barriers on American manufactured and agricultural products.

Once we begin exporting, Mr. Speaker, we place ourselves in a dangerous position. In the event of a new energy crisis, we would be forced to cut off exports precisely when the Japanese need our oil most. The result would be a diplomatic disaster. Furthermore, it would be difficult to design a contract that would insure the termination of the trade in a supply shortage. According to John H. Lichtblau, president of the Petroleum Industry Research Foundation, Japan wants Alaskan oil only, "if there are no strings attached." It would be foolhardly to attempt to meet this demand.

Perhaps the greatest loss to our national interest would be the abdication of our long-standing goal of energy independence. Indeed, 10 years ago the Trans-Alaskan Pipeline Act was authorized with the goal of energy self sufficiency in mind. Independent sources say exporting Alaskan oil would increase American imports by 15 percent, the majority of that increase from the volatile Middle East. We have reduced our consumption of imported oil from a peak of 8.2 million barrels per day in 1977 to 4.3 million barrels per day today, yet we still pay over $79 billion per year for imported energy products. In addition, a Government Accounting Office study, released last August, reports that the United States is importing relatively more oil from the Middle East than we did in 1973. A Harvard University report of 2 years ago warned that America was "woefully unprepared" for any new interruptions in oil imports, adding that the gasoline shortages of the 1970's may have been but a preview of "coming attractions of the 1980's." Mr. Speaker, how do we explain to the American people that our energy future is best served by exporting domestic oil?

Currently the United States is attempting to put 750 million barrels of oil into the strategic petroleum reserve stockpile by the late 1980's to insure against future supply disruptions. Why should Congress ask the American taxpayer to foot the bill or filling the strategic petroleum reserve with higher priced foreign oil when we can continue to fill it with less costly Alaskan crude? Here again, Mr. Speaker, the American people lose. If we export Alaskan oil, we will be pumping oil out of the ground for export at a rate three times faster than we are storing it in the SPR. In my view, this rapid drawdown of our oil supply represents callous mismanagement of our national energy resources and a permanent sacrifice on the part of the American people. Even Interior Secretary James Watt worries that promoting a concept of surplus could undermine both the SPR and the development of new domestic resources.

Mr. Speaker, unrestricted exports of Alaskan oil would have a profound impact on our national security. Currently, the operation of our Nation's defense establishment requires nearly 500,000 barrels per day. Clearly, our Armed Forces must be assured of an uninterrupted supply of oil. Our only valid guarantee of emergency supply is our domestic resources.

In addition, exports could seriously compromise the surge capacity of our industrial base, threatening our response capability in the event of international crisis. A study conducted by the National Petroleum Council showed that Alaskan surge capacity constitutes more than half the increase in production that could be achieved to offset a shortfall in world oil prices. Clearly, in time of emergency a swift increase in industrial production will be impossible to achieve without Alaskan oil.

Mr. Speaker, I began by pointing out this issue has clear winners and losers. I hope my remarks have shown that this deal would place an undue burden on the American taxpayer, that it represents shortsighted trade policy, and sacrifices our national energy security for short-term gains of dubious value.

Just as this country truly begins to reap the benefits of Alaskan oil, the Japanese are asking Congress to abandon the commitment we made to the American people in 1973—that is our oil would be used domestically. To let these advantages slip through our fingers, would be an error of monumental proportions. With this in mind, I strongly urge those who have not cosponsored this legislation to join with 198 of our colleagues and support the current restrictions on the export of Alaskan oil.●

A TRIBUTE TO ERNEST PYLE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. SCHEUER. Mr. Speaker, I would like to bring to the attention of my colleagues a long overdue and highly welcome tribute to one of our Nation's most illustrious noncombatant war heroes—Ernest Taylor Pyle. On April 23, the largest U.S. Army Reserve Center in the country—located at Fort Totten in Flushing, N.Y.—will be dedicated in memory of Ernie Pyle. Perhaps better known by his nickname, "The Little Guy," Ernie was a Pulitzer Prize-winning war correspondent who covered much of the Second World War, often at great personal risk from the front lines, until he was tragically struck down by a sniper's bullet less than 4 months before the war was brought to a close.

Born August 3, 1900, in Dana, Ind., Ernie was the only child of Will and Maria Taylor. He was raised on a farm, and spent his boyhood helping his father feed the hogs and horses and plow their fields as well as attending school.

A year before his graduation from high school, the United States declared war on Germany. Although Ernie wanted to enlist in the service immediately, his parents insisted that he complete high school first. A few weeks after receiving his diploma, he enrolled in the Naval Reserve. However, just before he was to report to the Great Lakes Naval Training Station, the Armistice was signed.

In 1919, Ernie entered Indiana University where he studied journalism and served as city editor of the Student. He left the university shortly before his class graduated to become a reporter with the La Porte (Ind.) Herald. A short while later, Ernie left to work for the Washington Daily News.

Ernie was married to Geraldine Elizabeth Siebolds in 1925 and, a short while later, began working for the New York Evening World.

In 1927, the Pyles returned to Washington where Ernie found work as a telegraph editor with the Washington News. He also began to write about aviation and, by 1928, he had won wide recognition as the Nation's leading aviation columnist. Amelia Earhart once remarked that "not to know Ernie Pyle is to admit that you yourself are unknown in aviation."

Although Ernie was promoted to managing editor of the News in 1932, he cared little for the job because it left him with so little time to write.

In 1934 Ernie, recuperating from a severe case of flu, went to Arizona to convalesce. Since a syndicated columnist for the News was on vacation, Ernie suggested some articles about his trip to fill the space. He turned out 11 pieces which were an instant hit. He was soon relieved as managing editor and launched a career as a roving columnist.

Over the next 5 years, Ernie logged some 200,000 miles while visiting virtually every country in the Western Hemisphere. Throughout this time, his writing focused on human interest stories featuring the lives of everyday people: farmers, miners, clerks, and factory workers. With the outbreak of World War II, however, Ernie's writing—and his life—took a new and fateful direction.

In November 1940, he went to England and sent back vivid accounts of the London Blitz. Upon the United States entrance into the war, Ernie became a full-time war correspondent and wound up accompanying United States troops in most of the major European campaigns including North Africa, Sicily, Italy, and Normandy. He was even wounded by shell fragments at Anunzio.

Living and sharing the hard life of the infantry soldier, Ernie gave Americans back home firsthand knowledge of what the war meant to the lonely and frightened GI. The 110-pound reporter endeared himself to the troops he covered, and they affectionately called him "The Little Guy." Leaving the big stories of the war to other correspondents, Ernie wrote that he was "a rapid one-man movement bent on tracking down and stamping out everybody in the world who doesn't fully appreciate the common frontline soldier."

Ernie soon became the most noted and beloved American correspondent of the war. He won a Pulitzer Prize for "distinguished correspondence" in 1943. By 1944, his column was carried by over 270 newspapers and two of his books "Here is Your War" (1943) and "Brave Men" (1944)—were wartime best sellers. To the families of GI's everywhere, his columns from the front were like letters from sons and husbands.

His columns also helped get combat pay and special badges for the infantry and combat medical badges for their medics. One column criticized the jeep's handbrake and resulted in redesign of that rugged wartime vehicle.

With the war in Europe gradually winding down, Ernie started out for the Pacific front in January 1945. He wrote:

> Anybody who has been in war and wants to go back is a damn fool * * * I'm going back simply because there's a war on and I'm part of it and I've known all the time I was going back. I'm going simply because I've got to, and I hate it * * *

On the night of April 7, Ernie was on the command ship *Panamint.* A cold sent him to the sick bay, where he wrote:

> I've got a spooky feeling that I've been spared once more and that it would be asking for it to tempt fate again. So I'm going to keep my promise * * * that that was the last one. I'll be on operations in the future, of course, but not on any more landings * * *

Ironically, that was a promise he did not long keep.

On April 17, Ernie went ashore with the 77th Infantry Division's assault of Ie Shima. The next day, while riding in a jeep with the commanding officers of the 305th Regiment, a Japanese sniper opened fire with a machine gun. Ernie and the others dived into a roadside ditch. When the firing stopped, Ernie raised his head and inquired if everyone was all right. The machine gun fired again and Ernie died instantly with a single shot to the head.

Ernie was buried nearby in a long row of graves among his comrades-in-arms—an infantry soldier on one side, and engineer on the other. A crude marker was raised over his grave and said simply:

At This Spot
The 77th Infantry Division
Lost a Buddy
Ernie Pyle
18 April 1945

Upon its formation on April 1, 1983, the 77th Army Reserve Command inherited the Statute of Liberty insignia, the colors and the heritage of the 77th Infantry Division. Because the Little Guy was so very much a part of that proud heritage, it is a fitting tribute that the 77th Army Reserve Command has chosen to honor Ernie Pyle by naming its new Fort Totten Center in his memory.●

HEALTH INCENTIVES REFORM LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday 18, 1983

● Mr. CONABLE. Mr. Speaker, I am introducing today, at the request of the administration, four bills comprising separate but related elements of the President's health incentives reform program recently transmitted to the Congress. The President's program is a comprehensive effort to reorder the basic economic incentives that operate in the health care sector.

A fifth component—and the centerpiece of the original program—is the medicare prospective payment proposal. This was passed by the Congress on March 24 as title VI of the Social Security Amendments of 1983. Hospital payment reform is a critical first step in initiating major structural improvements in health care financing.

The four-part package I am introducing today is intended by the administration to complement that earlier initiative. It includes:

First, the Health Cost Containment Tax Act, which would encourage employers to provide an adequate level of health benefits to their employees, while eliminating the open-ended tax subsidy of relatively high-cost private health plans.

Second, the Medicare Catastrophic Hospital Costs Protection Act, aimed at improving coverage for long and expensive hospitalization, while increasing beneficiary cost sharing during the earlier days of hospitalization.

Third, the Medicare Voucher Act which would expand opportunities for medicare beneficiaries to use their benefits to enroll in private health plans as an alternative to traditional medicare coverage.

Fourth, the Health Care Financing Amendments of 1983 which contain a number of reforms designed to moderate increases in spending and to make medicare and medicaid more effective and efficient programs. These changes

include a 1-year freeze on physician reimbursement under medicare as well as increases in the medicare part B premium and deductible amount.

The President stated, in a letter of transmittal accompanying this legislation, "that we need urgently to constrain the growth of national spending for health care in the interests of a healthy and stable economy." In addition, as I am sure most of my colleagues have heard by now, the hospital insurance trust fund is rapidly headed toward fiscal insolvency. The proposals being introduced today, coupled with the recently passed hospital payment reforms, represent the administration's approach to dealing with this pressing underfinancing problem.

There has been a great deal of criticism directed at the administration's proposals. I want to make it clear that I, too, am unhappy with parts of the bills. Accordingly, I am not endorsing, in its entirety, this specific set of proposals.

My colleagues should be aware also that the administration's package falls far short of the mark in correcting the serious underfinancing of the Hospital Insurance Trust Fund.

If you thought that making social security solvent was difficult, wait until you take a close look at medicare. According to the Congressional Budget Office, the red ink on the books of the medicare part A trust fund will range from $300 to $400 billion by 1995, depending on one's economic assumptions. The higher amount is about 10 times the current outlays for hospital care under the program. At best, the recent changes made in hospital payments, along with the increased revenues, have extended the solvency of the hospital insurance trust fund until late 1989. The administration's health incentives reform legislation, if enacted would buy us only another year or two.

Clearly, the Ways and Means Committee will have to be back here with further legislation on medicare in the relatively near future. In anticipation of that, the committee will sponsor this fall, in conjunction with the Congressional Budget Office, a conference on the future direction and financing of medicare. We are attempting to pull together some of the best thinking we can find to help us deal effectively with the crisis ahead.

We are also looking forward hopefully to the findings of the current Social Security Advisory Council, which we understand is to provide a report on medicare in July of this year. We probably will need all the help we can get.

In summary, Mr. Speaker, the four bills being introduced today are not perfect, but they deserve consideration along with a variety of other proposals to help keep the medicare program from collapsing. I hope they represent a startoff point in necessary consideration of reform in this vital area.●

ANOTHER SENSELESS ACT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. BROOMFIELD. Mr. Speaker, it was with great sorrow and shock that I learned of the tragic incident at the American Embassy in Beirut this morning. I am confident that all of my colleagues in this Chamber join me in expressing our sympathy to all of the families whose loved ones were killed or wounded in the attack.

Although detailed information on this senseless tragedy is still unavailable, it is reported that American Marines, Foreign Service personnel, Lebanese Foreign Service national employees, and Lebanese nationals visiting our facility were victims of this insane act.

Our American military and civilian Department of State employees were working side by side with their Lebanese colleagues in a difficult environment, to resolve the age-old problem of Lebanon. In spite of the many challenges of the Middle East, the administration has chosen to pursue a policy which aims at bringing peace to that troubled land.

Those who aim to frustrate our efforts often turn to blind acts of hatred. Rather than sitting down to negotiate a solution to a problem, terrorist groups attempt to win their political goals by cowardly acts such as these. I despise all terrorist acts regardless of who might be victimized. Senseless bloodshed accomplishes nothing. It only serves to deepen and aggravate the existing problems and misunderstandings.

Let this insane act of hatred strengthen America's resolve to promote the cause of peace. With that goal in mind, I support the early withdrawal of all foreign forces from Lebanon and encourage the spirit of compromise on the part of all parties involved in the negotiations.

I am certain that all of my friends in the House will join me in hoping that this mindless tragedy in Beirut will not undo the historic and valuable achievements of our negotiators in Lebanon. Let us all commit ourselves to continue the march toward peace in the Middle East. Those who gave their lives this morning would have wanted it so.●

ISRAEL'S 35TH ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. RODINO. Mr. Speaker, today Israel will celebrate the 35th anniversary of her Day of Independence, that day in 1948 that marked the first step toward realization of a dream of nearly 2 millenniums of Jews throughout the world, her rebirth as a nation.

In those 35 years, Israel has progressed from an underdeveloped state to an advanced democratic society totally committed to the ideals of liberty, a symbol of hope and freedom for Jews everywhere.

Israel's accomplishments have been awesome. It has created a high-technology industrial base and high-yield agriculture techniques. It has absorbed more than a million immigrants, while shouldering a national defense burden that costs regularly between a quarter and a third of its budget.

Israel's courageous achievements have come in the face of dreadful obstacles: The terrible legacy of the Nazi Holocaust; recurring wars against invading neighbors that began at the very moment of independence—nations that remain committed to her destruction; economic hardship that might break the will of a lesser people.

The United States recognized Israel as a nation within minutes after she declared her independence on May 14, 1948. Since that time, Israel has remained our closest friend and most steadfast ally in the Middle East.

I congratulate Israel—its leaders, its people, its supporters everywhere—on this historic occasion. Differences have developed between the United States and Israeli Governments as this Nation attempts to sort out strategic interests and other concerns in the troubled Middle East. But we must assure the people of Israel that we remain committed to keeping Israel militarily and economically strong, that we are committed to peace and the Camp David process * * * but we will place no other issues or interests above Israel's survival.●

MR. PRESIDENT: IT'S DANGEROUS TO WITHHOLD F-16's FROM ISRAEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. LENT. Mr. Speaker, I want to bring to the urgent attention of my colleagues a matter of the most serious import. I refer to the President's

announced decision to withhold the sale of 75 F-16 fighter aircraft promised to Israel 1 year ago. The President stated that he would not proceed with the sale until Israeli forces have been withdrawn from Lebanon.

Mr. Speaker, I find such cavalier treatment of Israel to be absolutely appalling. Such a move against Israel represents the crudest sort of attempted blackmail, and gives the greatest encouragement to Israel's sworn enemies, especially Syria, which fought so bitterly against Israeli forces in Lebanon last year. It is a very dangerous move by the President—dangerous both for Israel, and for U.S. hopes for eventual peace in the Middle East.

Mr. Speaker, U.S. intelligence has knowledge that the Soviet Union has moved very swifty to rebuild the military strength Syria lost in the conflict in Lebanon. In fact, the Soviets have increased Syria's military power and effectiveness by making available to Syrian forces the deadly surface-to-air missile known as the SAM-5. This new weapon introduces a dangerous new element into the volatile military situation in the Middle East; an element which threatens not only Israel, but also poses a threat to U.S. forces in the area. The SAM-5 has a far greater range than the older Soviet surface-to-air missile it replaces. The SAM-5's directly menace Israeli forces within Israel's boundaries, and threaten U.S. naval units in the Mediterranean and even some U.S. bases in Turkey. It is the height of folly to further deny Israel the 75 F-16 fighter aircraft promised to Israel 1 year ago.

Mr. Speaker, I have written a personal appeal to the President, urging him—in our own best interests—to permit the sale to go through. I urge my colleagues to join me in persuading the President to change his unfortunate and dangerous decision.

It clearly is in the best interests of the United States to proceed with the sale of these needed new aircraft as rapidly as possible. The President must end this dangerous delay at once.

Mr. Speaker, I ask that a copy of my letter to the President be inserted in the CONGRESSIONAL RECORD at this point.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 8, 1983.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your announcement this week of your decision to withhold the sale of 75 F-16 fighter planes to Israel until Israeli forces are withdrawn from Lebanon has stunned and dismayed me.

Just one month ago, I urged you to end the year-long delay in going ahead with the notification to Congress required to implement the sale. I pointed out the need for these additional aircraft because of increased danger to Israel resulting from the Soviet actions in supplying Syria with newer and more dangerous surface-to-air missiles, the SAM-5s. These longer range SAM missiles now threaten not only our dependable ally Israel, but our own fleet in the Mediterranean and our bases in Turkey.

Every day's delay in completing the sale agreement with Israel increases the threat to Israel's security and to the security of our own forces within the range of the SAM-5s.

Most observers have interpreted your action as intended to put pressure on Israel to complete withdrawal of its forces from Lebanon. Mr. President, if this is, indeed, your intent, I must tell you in utter frankness that it is a terribly dangerous game. Weakening Israel's security and our own in the Middle East simply invites trouble in this most volatile area of the world.

In the strongest terms, Mr. President, I urge you to abandon this dangerous course, and proceed with the sale of the F-16s to Israel. It is clearly in the best interest of our country to do so.

Sincerely,

NORMAN F. LENT,
Member of Congress.●

THE ARMY DEVELOPS EFFECTIVE NEW STRATEGY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. GINGRICH. Mr. Speaker, the Army has developed a new operational strategy for defense of Europe and other areas that stresses maneuverability and advanced weapons. I want to congratulate the Army on developing this new strategy which makes the best use of the number of troops we have compared to our likely opponents, the Soviet Union.

As a way of introducing my colleagues to this new strategy, I would like to offer the following report which appeared in the New York Times on March 13, 1983.

That story follows:

[From the New York Times, Mar. 13, 1983]

UNITED STATES DEVELOPING FLEXIBLE BATTLEFIELD STRATEGY

(By Drew Middleton)

FORT LEAVENWORTH, KANS.—The Army and the Air Force are developing a new operational strategy aimed at countering the Soviet Union's numerical superiority in men, guns, tanks and aircraft. The strategy stresses maneuverability, flexible leadership and advanced weapon systems.

If adopted by the Pentagon—and officers here are confident that it will be—the strategy, called Airland battle, would break dramatically with current doctrine. Since the end of World War II it has centered on attrition, or the destruction of enemy resources through superior firepower.

The Command and General Staff College and the Combined Arms Center here are the seed beds for the new concept, which has the strong support of Gen. Edward C. Meyer, the Army Chief of Staff.

It stresses a bold, flexible offense that would force a battle in depth in which the Army and the Air Force would seek to confuse and disrupt rigid Soviet command patterns and use the initiative of junior commanders. The strategy envisages a penetration into rear areas of the opposing forces for attacks on the Soviet second echelon.

Adoption of the new strategy, however, would appear likely to raise serious issues in the North Atlantic Treaty Organization. The alliance has adopted, primarily on the insistence of the West German Government, a strategy of forward defense under which NATO forces in a crisis would deploy in a belt of defensive positions 12 to 25 miles deep running along the border between the two Germanys.

Officers here say the Airland strategy could be used not only in Europe but also in the Persian Gulf or elsewhere in the Middle East.

They concede that the strategy poses some risks. One is that the ground and air forces might not be able to take control of the battle and exploit enemy weaknesses before being overwhelmed by numerically superior forces.

The Posture of the Army statement for the 1984 fiscal year, which begins Oct. 1, says, "We need to strike supply and transportation facilities and to neutralize or destroy second echelon, reinforcing enemy formations before they reach the forward battle area."

Simultaneously, the statement says, forces not involved in such strikes would be expected to combat forward enemy forces.

Army leaders say the Airland concept takes advantage of evolving technology such as high-speed, jamming-proof digital communications systems, electronic jammers, laser-guided missiles and greater mobility for all ground forces on the battlefield

Such new technology is now under development. But it is expected to be highly expensive and, in its first deployments, susceptible to the mechanical failures that usually appear in new military systems.

Emphasis in the development of the Airland battle has been on the use of conventional, nonnuclear forces. But the Army says that the strategy "does not preclude the use of nuclear or chemical weapons" and that such weapons remain "an essential feature of our tactical arsenal," which by their availability "may deter enemy use and thereby influence the enemy's conduct of operations."

Since cooperation between the Army and the Air Force would be essential, they have signed what is described here as a "memorandum of understanding," and the staffs of both are to work out details.

There are signs that the Soviet high command, without changing the command system, is also thinking in terms of attacks into NATO rear areas.

United States and British intelligence sources say the Soviet Union is developing an Operational Maneuver Group, an all-arms force, as the best means of thrusting deep into NATO's support areas. But the sources said there was no evidence that the Soviet high command was considering using such strategy in other potential theaters of war.●

OFFSHORE OIL AND GAS LEASING

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. LOWERY of California. Mr. Speaker, one of the more controversial issues facing the 98th Congress is the administration's new streamlined plan to accelerate offshore oil and gas leasing. This particular controversy holds special significance for San Diegans. Approximately 11.6 million acres between Point Conception and the Mexican border, extending seaward from the State's 3-mile limit to as far as 130 miles offshore, have been designated for study for inclusion in lease sale 80, scheduled for January 1984. The study includes virtually all of the Federal waters off the Orange County/San Diego coast, from Newport Beach south to the Mexican border.

I do not question the need to develop new domestic sources of oil and gas to reduce our dependence on foreign energy sources and am pleased that the administration has placed a high priority on achieving this goal. However, the economic necessity of developing our domestic energy resources must be balanced by our responsibility to protect the economies and environments of our coastal communities. Therefore, today I am joining with my colleagues RON PACKARD and BOB BADHAM in introducing legislation proposing a 10-year moratorium on oil and gas leasing in nearshore areas off the San Diego coast. The ban would affect approximately 627,840 acres—5.4 percent of the total acreage designated for study for inclusion in lease sale 80—forming a corridor running parallel to the California coast from Newport Beach south to the Mexican border, and roughly 12 miles from the seaward boundary of the 3-mile State tideland boundary.

While I generally support the OCS lease program as a means of increasing the productivity of our domestic energy resources I believe that priority should be given to the leasing of areas which have the highest yield potential and known reserves of hydrocarbon fluids. U.S. Geological Survey results indicate that these nearshore San Diego tracts do not fit into either category. Resource estimates from the 26 San Diego nearshore tracts offered as part of lease sale No. 48 in 1979 were 30 million barrels of oil and 45 million cubic feet of gas. When computed against the 1980 national consumption figures, these resources estimates represented only 42 hours of oil and 17 hours of gas. These tracts were subsequently deleted from lease sale No. 48 by then-Secretary of the Interior Cecil Andrus.

Furthermore, drilling in these nearshore areas would pose a severe threat to San Diego's greatest natural resource—our coastline and beaches. The tourist industry attracted by the natural beauty and recreational potential of our beach areas makes a tremendous contribution to our local economy: tourism is San Diego's second largest industry. San Diego County beaches attract well over 30 million visits a year by people from throughout Califorina, the Nation, and the world. The San Diego Convention and Visitors Bureau estimates that each tourist visiting San Diego area beaches spends an average of $20 per day. Therefore, from an economic as well as environmental standpoint, it is important that we protect our nearshore areas from the risks that offshore drilling would impose.

The introduction of offshore drilling in nearshore areas would also interfere with military activities off the San Diego coast. San Diego is the Navy's principal west coast home port. It supports more than 120 ships of the Pacific Fleet. Petroleum development in nearshore areas would encroach upon the military training areas, and would joepardize the safe transit of military ships as they arrive and depart San Diego Bay. San Diego has always been a Navy port and its presence in the area adds to the economic viability of the region. The introduction of offshore structures that would compromise the Navy's ability to carry out its mission would not be in the best interest of the Nation.

It is my belief that sensitive offshore areas, such as the nearshore areas off the San Diego coast, should be among the last, not the first offshore areas to be developed. These areas are unique in their economic and environmental sensitivity to offshore development and should be protected. The legislation which we will be introducing will do just that, helping us to preserve the delicate balance between our economic and environmental concerns.●

THE FACTS ABOUT CENTRAL AMERICA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. MICHEL. Mr. Speaker, Ambassador Jeane J. Kirkpatrick, U.S. representative to the United Nations, has performed a public service by setting the record straight on the facts concerning Central America. I think all of our colleagues and all Americans can benefit by reading her words.

At this time, I wish to insert in the RECORD, "This Time We Know What's Happening" by Jeane J. Kirkpatrick, in the Washington Post, April 17, 1983.

THIS TIME WE KNOW WHAT'S HAPPENING

The whole scenario sounds like a grade B movie from the 1950s, but that, alas, does not mean it is not true. It's almost unbearably unfashionable to say so, but there is a plan to create a communist Central America which, if successful, will have momentous consequences for our security and that of our European allies, for Israel's international position, and for the unfortunate people of Central America. So far, Congress seems unwilling to make a serious effort to prevent—by means short of war—these human and strategic catastrophes.

Even though a very well organized lobby works indefatigably to confuse the moral, political and intellectual questions involved in U.S. policy toward Central America, there is growing clarity about the issues and the stakes. Indeed, what distinguishes the current debate about military and economic aid for Central America from similar disputes about China, Cuba, Vietnam and Nicaragua is that we have fewer illusions and more information.

We know by now that the government of Nicaragua is and what it intends—in El Salvador, Honduras, Costa Rica, New York, Jerusalem. We know who the guerrillas in El Salvador are, where and how they get their arms, what their plans are, who their friends are.

As recently as July 1979 it was possible for American policymakers of optimistic disposition to suppose that, if they acted wisely and generously, Nicaragua would emerge from its bloody civil war with an independent, pluralist, socialist, neutralist government. To this end, the United States rushed some $24.6 million in emergency food, medical and reconstruction assistance to the FSLN on their triumph, provided $118 million direct economic assistance in the subsequent 18 months, and assisted the new government in securing, in addition, some $262 million from multilateral lending institutions (an amount almost double the amount the Somoza government had received in the preceding 20 years). But before the Carter administration left office in January 1981, the decision was made that Nicaragua no longer met U.S. requirements for assistance, its pattern of internal repression and external aggression being already clear. And during the subsequent two years, Nicaragua's facade of democratic intentions and national independence have been not ripped off, but cast aside.

Everyone who cares to know now understands that the government of Nicaragua has imposed a new dictatorship; that it has refused to hold the elections it promised; that it has seized control of all media except a lone newspaper that it subjects to heavy prior censorship; that it denied the bishops and priests of the Roman Catholic Church the right to say Mass on television during Holy Week; that it insulted the pope; that it has stifled the private sector and independent trade unions; attacked the opposition; driven the Miskito Indians out of their homelands—burning their villages, destroying their crops, forcing them into exile or into involuntary internment in camps far from home.

Persons interested in such question understand, too, that Nicaragua's rulers have introduced into the country many thousands of Cuban teachers, trainers and supervisors, including at least 2,000 military advisers. The Sandinista rulers have denied their

international supporters the comforts of ambiguity. They have explained who their friends are and what convictions guide them.

From Moscow and Managua they have announced their principles: "We guide ourselves by the scientific doctrines of the Revolution, by Marxism-Leninism," Minister of Defense Humberto Ortega explained to his army; ". . . our political force is Sandinismo and our doctrine is Marxist-Leninism." "Marxism-Leninism is a fundamental part of the Sandinista ideology," said another member of the junta, Victor Tirado Lopez. They have issued a new stamp with a picture of Karl Marx and excerpts from the Communist Manifesto.

Nicaragua's leaders are done with dissembling. They are proud of their ideology, proud of their monopoly of power, proud of their huge new military force (which has no peer in the region), proud of their role in Central America's guerrilla war, proud of their string of successes in international diplomacy. Those successes are impressive: a seat on the U.N. Security Council, a stymied regional displomatic initiative, continued support from the Socialist International and a resounding victory at the Delhi Summit of the Non-Aligned Movement. Proud too of their friends, including: Libya, the PLO and, of course, Cuba, their constant companions. The PLO connection, acclaimed by Yasser Arafat at the revolution's first anniversary (". . . the Nicaraguan people's victory is the victory of the Palestinians. Anyone who threatens Nicaragua will have to face Palestinian combatants."), has spawned international progeny. This past week a Latin American preparatory meeting on Palestine has been held in Managua for the purpose of "obtaining governmental and nongovernmental support for the Palestinian cause" and "opposing" Israel's aggressive policy. According to Radio Sandino, delegates from some 20 nations and 10 U.N. organizations were expected.

Such conferences are but one manifestation of the junta's vocation for public diplomacy. Other examples may be observed on U.S. television and, especially, at the United Nations where, with dazzling chutzpah, Nicaragua's leaders last week pressed their demand for immunity from attack by anti-Sandinista Nicaraguans, at the same time they stepped up support for Salvador's guerrillas.

The character of El Salvador's guerrilla struggle is no more ambiguous than that of Nicaragua's government. Since the elections of March 1982, nobody even pretends that the FMLN enjoys popular support, is "really" a bunch of agrarian reformers, or a coalition that would, if victorious, usher in a more perfect democracy.

The fictions with which communist insurgents have conventionally clothed their conquest of power are not available to the partisans of the FMLN. The pretense that the FMLN is an indigenous guerrilla movement without significant foreign support has also been largely abandoned. Too many truckloads, planeloads, boatloads of arms from Cuba, Nicaragua and the Eastern bloc have been found; too many documents have been captured, too many pictures taken, too many bold announcements made from Managua. The facts about the FMLN are understood by people interested in these questions. It is a professional guerrilla operation directed from command and control centers in Nicaragua, armed with Soviet bloc arms delivered through Cuba and Nicaragua, bent on establishing in El Salvador the kind of one-party dictatorship linked to the Soviet Union that already exists in Nicaragua.

There has, moreover, been so much discussion among them of "revolution without frontiers," of "liberating" and "unifying" Central America, so many threats to Hounduras, so much bullying of Costa Rica and guerrilla activity in Guatemala, that it is hardly possible seriously to doubt the regional character of Soviet/Cuban/Nicaraguan goals.

Yet to be fully faced is the relevance of these small, poor nations of the Central American isthmus to the United States, or the importance of Caribbean sea lanes to the Western Alliance. Neither is the extent of the Soviet investment—military, economic, cultural—in this hemisphere yet fully appreciated. But very reluctantly, most serious observers have come to acknowledge that, yes, the area's location gives it a certain irreducible relevance to our national interest. These serious observers grouse about the way the Reagan administration talks about the issues; they grouse about the government of El Salvador; but they understand.

The Economist noted last week that "The 'loss' of El Salvador could be a lethal foreign policy blow for America. . . ." and The New Republic made a similar observation.

There is also a growing, if grudging, acknowledgment that money—in the form of economic and military assistance—is quite probably the key to the viability of the region's non-communist governments. And two top aides of previous Democratic administrations, one a former assistant secretary of state, wrote in last week's New York Times Magazine that, "The area is of clear strategic and political importance to the United States . . ." so that "to stop American aid would be to deliver—yes, deliver—El Salvador into the hands of a guerrilla movement that is . . . allied externally with America's adversaries, and capable itself of the greatest brutality," and advised that ". . . abandonment is an option Democrats should reject."

Yet if few in or out of Congress advocated outright abandonment, a good many argued for such little assistance on such niggardly terms that the effect is almost sure to be the same.

From the perspective of hemispheric policy, it was an extraordinary week.

An official of the Soviet foreign office, Vadim Zagladin, reiterated Brezhnev's threat to install nuclear missiles in the Western Hemisphere five minutes from the United States. And a member of the Nicaraguan junta announced that, if asked, his government would consider installing Soviet nuclear missiles in Nicaragua.

In Managua, Nicaraguan officials made clear their determination to continue support for revolution in Central America while, at exactly the same time, their representatives at the United Nations demanded protection from an internal insurgency.

Meanwhile, the Democratic majority on the Latin American subcommittee on the House Committee on Foreign Affairs acted to deny the democratically elected government of El Salvador the military assistance it needs to stave off a very well armed and advised marxist insurgency and, simultaneously, to deny a democratic Nicaraguan insurgency any support against a repressive, aggressive Marxist government—though the clear effect of such a policy would be to make the United States the enforcer of Brezhnev's doctrine of irreversible communist revolution.

If, as often suggested, the "Vietnam Syndrome" explains the extraordinary reluctance of America's political class to provide urgently needed assistance to endangered friendly governments in an area of clear national interest, in what does that syndrome consist? Obviously, the Vietnam experience did not make us isolationist. The U.S. government pursues, with the full consent of Congress, a foreign policy that involves us in the affairs of four contients. We support a large standing army and a huge defense establishment. We station troops in remote places, provide billions of dollars in economic and military assistance to governments of all sorts in Asia, Africa and the Middle East. Neither the moral nor military misgivings expressed with regard to Central America are evident with regard to these other regions.

Nobody talks about slippery slopes when we rush weapons to Thailand, trainers to Lebanon or economic aid to Africa or Asia. Nobody talks about human rights when there is murder and mayhem in Zimbabwe, though one can readily imagine the outcry if the bishops of El Salvador had issued a statement resembling that of the bishops of Zimbabwe.

Why?

Why is Congress so much more reluctant to assist an imperfect democratic government clearly important to our national interest than much less perfect governments in more remote regions?

What is it that Central America has in common with Vietnam that so repels liberals? Is it just the nature of the contest—the fact that, in both, well-financed communist guerrilla movements have simultaneously targeted the existing government and what is generally called "world public opinion"?

Is it because lobbies of the left have managed, in both cases, to make the anti-communist side seem unbearably unfashionable?

God knows there are parallels enough in the public discussion of Vietnam and Central America. In both cases, well-orchestrated international campaigns have focused mercilessly on the political and moral failings of the government. And in El Salvador, as in Vietnam, the introduction of elections and reforms, the reduction of human rights abuses and corruption have proved not to have much effect on the drumbeat of criticism. In El Salvador, as in Vietnam, Congress calls the U.S. commitment into doubt from quarter to quarter, "certification" to "certification," undermining the confidence of vulnerable allies in our reliability and their viability.

As with Vietnam, doubt is continuously voiced about whether the government of El Salvador, which struggles mightily to satisfy American demands, is morally worthy of American approval or even of survival.

But there are a few crucial differences too, and those differences involve what we know and when we know it. Not only do we know who Salvador's FMLN is, when we didn't know who the Vietcong were, we know now who the Vietcong were, how they came down from the North (20,000 in the early years alone), how they were supplied, how Western public opinion was manipulated into believing that the National Liberation Front, created by decision of the North Vietnamese Communist Party, was a spontaneous product of "deeper" social causes. We know all these things now because Gen. Vo Nguyen Giap and his colleague, Gen. Vo Bam, have told us about them.

We know too about human rights under those two Vietnamese regimes, about the labor camps and mass deportations. We

know this at least in part because Stephen J. Morris' careful study has documented with endless, painful details that "The violation of human rights by the Communist Party of Vietnam, in both the North and the South, was incomparably worse than the violation of human rights by the former Thieu government in South Vietnam. The difference was not one of degree but one of quality."

We know the Vietcong did not establish a broad-based government or a socialist democracy. We know what happened—and is still happening—in Cambodia. We do not enjoy thinking much about these matters, but we know about them, just as surely as we know the character and the stakes of the contest in Central America.

The crucial difference between Vietnam and Central America is not the Pacific Ocean, though that is important. The crucial difference is that the Congress that cut off aid to Vietnam could say it did not guess what would follow.●

HOW CENTRAL IS THE PALESTINIAN PROBLEM?

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. SCHUMER. Mr. Speaker, I would like to share with my colleagues an article by Benjamin Netanyahu, the Deputy Chief of Mission at the Isreali Embassy in Washington which is one of the most lucid pieces written about the Middle East recently.

I commend Mr. Netanyahu's article to my colleagues and urge them to read it without delay.

[From the Wall Street Journal, Apr. 5, 1983]

HOW CENTRAL IS THE PALESTINIAN PROBLEM?

(By Benjamin Netanyahu)

We are frequently told that the "Palestinian problem" lies at the heart of the present unrest in the Mideast. Solve this problem and you will have peace in the area. And the U.S., which is often the target of Arab hostility and criticism, will enjoy a stable and enduring alliance with the Arab world.

However plausible this idea may appear, it does not correspond to Middle Eastern realities.

In the last 30 years, virtually every Arab state has been at war or on the verge of war with at least one of its Arab neighbors. Not one part of the Arab world has escaped this grim regularity.

In North Africa, Libya has clashed with Egypt and Tunisia, threatened Sudan and financed efforts to topple other Arab regimes. Egypt under Nasser invaded Yemen and now trades threats with Qadhafi. Algeria has waged surrogate warfare against Morocco using the Polisario forces in the Sahara.

In the Arabian peninsula, the two Yemens have been warring intermittently for years. Saudi Arabia, while trying to buy off all potential enemies in the Arab world, in turn seeks to dominate the smaller states of the Gulf and has pressed territorial claims against all of them. Kuwait frets over Saudi encroachment on its territory, but worries even more about Iraq, which claims Kuwait in its entirety.

And in the heart of the Middle East, Syria has attacked Jordan, jostles with Iraq and has made a shambles of Lebanon in seven years of ruthless occupation.

The fact that nearly all of these states are frequently bound by treaties of unity and endless protestations of brotherhood and friendship counts for nothing.

LAWRENCE'S CHARACTERIZATION

The Arab world is littered with broken agreements. At the first sign of a neighbor's vulnerability, aggression erupts against the potential victim, to be checked only by the perception or presence of countervailing power. Thus when Saadam Hussein of Iraq perceived post-revolutionary Iran as weak and ripe for plunder, he swiftly revoked the border agreement he had signed five years earlier with the shah and invaded Iran's oil-rich provinces. As early as 1928, T. E. Lawrence characterized the Arab regimes as "tyrannies cemented with blood" and said that "It will be generations before any two Arab states join voluntarily." Fifty-five years later nothing has changed.

No lasting peace is possible among the Arab states as long as the tendency for violence remains central in Arab political life, and every Arab regime will continue to depend on force even for its internal survival. Since King Farouk, every Egyptian ruler has been a military man, relying on the army to crush opposition. Libya is ruled by a colonel and a small clique of officers. The army runs Algeria, and Hassan of Morocco depends on the loyalty of his army to sustain his regime. In Saudi Arabia not one but two armies (they watch each other) protect the princes. In Syria, and Alawite officer corps run by Assad's brother suppresses dissent, sometimes with mass murder as at Hama recently, Hussein of Jordan relies on his Bedouin forces to subdue any threat to his rule. Hussein of Iraq depends on his secret police and army. Virtually every Arab leader has been the target of attempted or successful assassination.

None of these conflicts has anything to do with Israel. None of this violence has Israel as it target. Yet most of the discussions about achieving "peace" in the Middle East focus exclusively on the Arab-Israeli conflict and ignore the pervasive violence that characterizes the Arab world.

To assure that this turbulence and endemic instability will disappear, or even subside, with the theoretical resolution of the Arab-Israeli conflict is to expect the impossible. Even the disappearance of Israel would not make the slightest difference.

Making peace among themselves is hard enough for the Arab states. Making peace with non-Arabs is even harder. For the Arabs regard the area from Morocco to the Persian Gulf as theirs, as Arab, despite the presence of numerous peoples that make up a sizable portion of the population—Berbers, Kurds, Copts, Druse, Jews, Circassians, Armenians, blacks and others. These non-Arab or non-Moslem peoples can be accepted only in a state of subjugation, within a dominant Arab domain, never as independent equals. That is why the Arabs would be as hostile to any non-Arab sovereign state—say a Beber one in North Africa, or a Coptic state in lower Egypt—as they are to the Jewish state of Israel.

While the specific enmity to Israel is deeply rooted in this general intolerance, Israel's sin is particularly odious in Arab eyes. For the Jews of Israel are the only non-Arab people to have successfully defied Arab domination and achieved independence.

Thus, the very existence of Israel challenges the concept of a unified and uninterrupted Arab domain. Even the presumed champion of Palestinian statehood. Yasser Arafat, has said: "The question of borders does not interest us. Palestine is only a small drop in the great Arab ocean. Our nation is a great Arab nation extending from the Atlantic to the Red Sea and beyond."

It is not surprising that hardly a syllable was uttered about a "Palestinian people" or about the "Palestinian homeland" in Judea and Samaria until Israel gained control of that strategic area in 1967. The theme of "homelessness" has been especially promoted since then and inflated far beyond its real proportion. For most Palestinian Arabs have homes. Many of them, in fact, live as full citizens in eastern Palestine, or Jordan, which constitutes nearly 80% of mandatory Palestine. Similarly, most of the Arabs of Judea-Samaria are not homeless refugees; they hold Jordanian citizenship and live in the same homes they occupied before the establishment of Israel. Several hundred thousand work in the Gulf oil states, but are no more "homeless" than are, for example, the many thousands of Americans who work in Saudi Arabia. That a few hundred thousand remain unintegrated is because the Arab states have kept them incarcerated in refugee camps for political reasons. As long ago as 1967, Ellan Rees, the adviser on refugees to the World Council of Churches, noted: "I hold that, political reasons aside, the Arab refugee problem is the easiest of the postwar refugee problems to solve. By faith, by language, by race and by social organization, they are indistinguishable from their fellows of the host country."

Whatever remains of the refugee problem can and should be received by the Arab world that has created and sustained it. Should they dedicate to it a tiny fraction of their enormous resources of land and money, they could make the problem disappear overnight.

It has long been recognized that to be a minority is not necessarily a tragedy. All nation have their minorities. The tragedy is to be everywhere a minority. This was precisely the Jewish situation before the creation of the state of Israel. As for the Arabs, they employ a reverse logic. For them it is a tragedy to be a minority anywhere in the vast swatch of land of the Middle East and North Africa. It is not enough for them that the Palestinian Arabs constitute the entire population of Jordan, and the western Palestinians the majority of that population. They now demand a second Palestinian state in the western part of Palestine, which would add one more state to the 21 they already have. They find it intolerable that some Arabs may live as a minority in Israel just as other peoples have lived as minorities in their midst. The only difference is that the Arab citizens of Israel enjoy the civil liberties and the rule of law (despite calumnious claims to the contrary) that are denied to many non-Arab peoples living under Arab rule.

The Palestine refugee problem is not the cause but the result of the two major assaults on Israel's life by the Arabs in 1948 and 1967. Before those attempts Israel didn't possess Judea-Samaria, which some now urge her to surrender, supposedly because retention of them is the barrier to "peace." Relinquishing Judea-Samaria, which strategically dominates the approaches to Israel from the east, would merely strip Israel of her minimum security zone

and the basis of deterrence against the bellicose Arab armies surrounding her. It would bring back the situation of May 1967, in which Israel lived as if with a noose around its neck.

A HOLLOW THREAT

Telling Israel that the best security is peace—a peace that would depend on treaties and guarantees alone and would require Israel to surrender a crucial element of its deterrence—is to flout reality. It would be as if the U.S., in exchange for Soviet promises for "peace," were required to dismangle its forward defenses that provide it with the crucial warning time necessary to protect North America from a Soviet attack.

And what about the threat that if another Palestinian state isn't created "moderate" Arab regimes will turn to the Soviet Union" This is a hollow threat. There is no question here of Arab "disenchantment" with the West because there was never an enchantment to begin with. The democratic way of life is repugnant to all Arab regimes. That is why there has never been a shred of democracy in any Arab country, save for tiny Lebanon, where it struggles to survive against the forces of intolerance and terrorism that plague the Arab world. If there are Arab states that look to the West, it isn't because of organic links but because of self-interest that cannot be satisfied anywhere else. For this reason only Jordan, Egypt, Saudi Arabia and the Gulf sheikdoms will continue to rely on the West for either aid, or weaponry, or markets, clearly recognizing that they are too weak, and the Soviet Union too close, for them to do without American protection.

The ongoing unrest in the Middle East isn't generated by the Palestinian problem, but by the propensity for violence in the Arab world and the general intolerance toward non-Arab peoples. Neither these tendencies, nor the need of some Arab states for the West, will be affected in any way by whether or not Israel yields up the silver of territory (roughly the size of Greater Los Angeles) that is, however, indispensible for its defense.●

VFW VOICE OF DEMOCRACY RHODE ISLAND WINNING ESSAY

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mrs. SCHNEIDER. Mr. Speaker, it gives me great pleasure to be able to share with you the Rhode Island winning essay in the VFW Voice of Democracy Scholarship Program. This entry was entered by Marywanda Fandino, who is a resident of Warwick, R.I. She is a student at St. Mary Academy-Bayview in Riverside, R.I. She is planning on attending either Harvard University or Swarthmore College in Pennsylvania, and eventually hopes to enter into the Diplomatic Corps. Marywanda's essay is reflective and moving, and I hope you enjoy it as much as I did.

The essay follows:

MARYWANDA FANDINO, RHODE ISLAND WINNER, 1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

SCENE I

It is black—deep and dark. Its shape is irregular. On it are engraved the names of 57,939 young Americans. It is made of granite—strong, resilient, reflective. Standing before it one can see a reflection peering among the crowded names, as though someone were looking out from within the monument. One can easily imagine them as they were—a confident stance, minds alert and aware, graceful gestures, darting eyes—the embodiment of youth. They laughed, lived, cried, they thought, dreamed, stood, and died.

SCENE II

Atop a hill, four young men strive against the wind and against the odds to raise a piece of cloth bearing several stripes and a multitude of stars. This monument symbolizes the relationship between the United States and its youth.

The flag itself represents our country. The fifty states are embodied in each of the stars. The red stripes remind us of those young people who have consistently shed their blood and sacrificed to preserve our nation. Each white strip helps us to recall that the ideal of freedom for which the United States stands is a noble and good ideal.

Beneath it the young soldiers try to plant the flag. As the hands of youth must steady the flag, so too do these same hands support the United States. Shoulder to shoulder they work together preventing the emblem of America from falling. Regardless of the odds, the youth persevere in the face of adversity, assuring that the United States will continue its journey forward. They carry the colors, lending it support, and plant it firmly for all to see:

It has been this way since the beginning. The youth have always provided the muscle behind America's strength. In World War I my Uncle Louis was 17 years old. My Uncle Stanley was 24 in World War II and in the Korean War my Uncle Edward was 18. Young people like my uncles were the ones who fought for our safety, beliefs, philosophies, and yes even for our lives. Other generations form the policy, but the youth of the day act as the impetus behind it.

However, the youth don't have only physical strength, they also possess keen minds abounding with ideas and creativity. Without them the United States would become stagnant, much like a pond in which the water simply stands. Eventually, the water turns a murky brown. Life dies because sunlight cannot penetrate the congested pond. By the same token, the United States and all that it stands for might die also if it were not for the young people who stir the waters and occassionally cause a few waves. Because the youth do not fear speaking out, the light of truth and justice can indeed penetrate into the whole American system, Illumination the progressive path that the United States must always follow.

Thus, the youth of America are its strength both in muscle and in mind. Whereas they support our country upon their shoulders, so too do they nourish this nation with their ideas. Their spirit, foresight, and dedication to this country are mirrored in everything—especially in a long, black, granite, monument!●

TO LEASE RATHER THAN PURCHASE—THAT'S THE QUESTION!

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. PICKLE. Mr. Speaker, I wish to bring to the Members' attention again a pressing question of tax policy that demands immediate attention.

As the gap between the interest rates on taxable and nontaxable bonds has narrowed and as Federal funding for infrastructure needs has been cut back, nontaxable agencies at the Federal, State and local level have turned increasingly to new kinds of innovative financing techniques.

Passage of the Economic Recovery Tax Act in 1981 put into place new accelerated depreciation schedules which will make tax leasing, or leveraged leasing, the financing option of choice for governmental entities across the Nation.

Already the trend has begun. The cities of Atlanta, Ga., Austin, Tex., and Corpus Christi, Tex., to name only a few, are considering leasing rather than purchasing their city halls. Philadelphia is studying a proposal to sell its inner-city schools and lease them back over a long period of time. The University of Nevada has asked its State legislature for permission to sell and lease back two new basketball pavilions and Bennington College reports plans to sell its entire college campus to alumni then lease it back over 99 years.

Waste water treatment systems, solid waste disposal programs, museums, and rapid transit systems are but a few things, municipal governments will begin—indeed have already begun—to lease rather than buy.

As reported by our Ways and Means' Oversight Subcommittee the U.S. Navy and the Air Force have led the way with decisions to lease 13 new ships and 322 new planes respectively.

The motor driving this new leasing juggernaut is purely and simply tax breaks. Cities, counties, States, and Federal agencies are given the opportunity under present law to sell tax writeoffs—accelerated depreciation, investment tax credits and interest deductions—that they would never qualify for on their own account.

By encouraging this development we are creating literally billions of dollars in new tax shelters and pushing off on the public shaky financing schemes replete with public policy problems.

I want to take this time, Mr. Speaker, to share with my colleagues the Washington Post's most recent editorial on this subject. I reprint this article in the CONGRESSIONAL RECORD so that

my colleagues may see the name and nature of this new threat.

[From the Washington Post, Apr. 16, 1983]

LEASE-BACK MANIA

Hardly a day goes by without new tales of extraordinary financing schemes undertaken by governments and nontaxable institutions to attract private investment. The key ingredient? Heaps of tax breaks costly only to the federal treasury and contributions thereto.

All of these schemes operate in basically the same way. The non-taxable agency or organization arranges to have a private group buy or construct some big-ticket item. The nominal owners, being taxpayers, can claim one or more tax benefits such as accelerated depreciation, interest deductions and investment tax credits. The non-taxable organization then signs a long-term lease at a discount reflecting some share of the leaser's tax benefits. The leasers are happy because their tax bill has been reduced at no risk, and the agency is happy because its budget looks lower. But the federal Treasury pays a substantial part of the bill in lost revenue.

The idea is flourishing. That troublesome new NASA satellite just deployed by the space shuttle turns out not to be owned by NASA—at least not for tax purposes. The shuttle budget looks smaller than the true cost to taxpayers. Rural electric cooperatives assisted by the Rural Electrification Administration are getting into the game. The Clinch River Breeder Reactor may be sold and leased back. The Navy wants to "charter" customized cargo ships and the Air Force wants to lease 39 executive jets and assorted transports. Anyone want to buy a missile silo and rent space to the MX program?

State and local governments? Sale-lease-back deals are becoming the preferred method of financing many development projects. Atlanta, for example, is considering selling its historic city hall; private developers will renovate, enlarge, and lease it back to the city. The developers get the tax breaks, the city gets a deal on the rent, and Uncle Sam picks up a large part of the tab. Similar deals around the country involve museums, convention centers, schools and sewer systems.

The renovation of the Torpedo Factory in Old Town Alexandria is a state-of-the-art example. There, the private developers will take advantage of industrial development bonds, the investment tax credit, a special tax credit for rehabilitating old buildings, and accelerated depreciation. Bennington College is considering selling its campus to a group of friendly alumni, and leasing it back. The purchase price paid by the alumni becomes, in effect, a loan made inexpensive for the college because of tax breaks available to the alumni, at the federal Treasury's expense.

This is all absurd. Neither touristy torpedo factories nor college campuses should receive these extra helpings of invisible, unfocused taxpayer largess. And the issues of control and accountability become critical when the property involved is city hall or a Navy ship. This burgeoning tax avoidance industry is attributable in part to higher bond interest rates that make borrowing more expensive to local governments (there's too much state and local government debt floating around), and in part to the extremely attractive depreciation provisions in the 1981 tax act. Plugging this drain on the Treasury should be high on the agenda.●

ISRAELI INDEPENDENCE DAY

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Ms. FIEDLER. Mr. Speaker, today is the 35th anniversary of Israeli independence. In a single generation, we have witnessed tremendous achievements by the Israeli people, and this is an opportune time to congratulate them on what they have created and to look to the future of Israel.

In 35 years, Israel has become a nation with institutions that are among the finest in the world. Israeli democracy has been thriving since its inception. Its courts are free, independent, and respected. Israeli industry is a leader in many fields, and the triumphs of Israeli agriculture are well known. All these changes in such a short time have created their own strains and tensions, but Israeli society has come to grips with them in an admirable fashion.

Israel has repeatedly had to fight for its security, but internally it has always been an island of calm in the turbulent Middle East. The concerns of the Israeli people are those of the American people—a better life for themselves and their children. The goals of its policies—a just and lasting peace settlement in the Middle East—are the same as those of the United States. Whatever differences over specific policies, approaches, or emphasis come up from time to time, it remains that the links of friendship between the United States and Israel have, over the 35 years of Israel's life, become so broad and so deep that no one can question the mutual support and understanding that exists between the two countries.

The achievements of the last 35 years have been obtained in the face of hardship. Let us hope that those of the next 35 years will be gained in a climate of peace and prosperity. It may at times seem that such a peace is impossible, but then the Israel of today must have seemed equally impossible to all but the most visionary at its creation 35 years ago. The Israeli people, through their tremendous efforts and achievements, have earned our respect and best wishes for the future on their Independence Day.●

MAJ. GEN. WILLIAM LYON (USAF RET.) HONORED

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. BADHAM. Mr. Speaker, I have the distinct privilege today of announcing to the House that one of my constituents, Maj. Gen. William Lyon (USAF ret.), of Newport Beach, Calif., will be honored with the Spirit of Life Award from the City of Hope on May 10, 1983.

General Lyon has been recognized many times by numerous organizations for his superb accomplishments on behalf of the city of Newport Beach, the State of California, and our Nation. But I believe this particular honor especially illustrates the spirit of General Lyon's contributions toward making a better life for other people.

For example, his keen sense of citizenship is amply demonstrated through the community projects completed so successfully by each of the civic groups the general has been affiliated with.

His excellent leadership in such corporations as the William Lyon Co., Air Cal, and Holders Capital Corp. have won the highest respect of those who have been associated with him. Further, General Lyon's skills as Chief of Air Force Reserve guided that organization to the highest level of effectiveness in its history to that time.

Indeed, I take pleasure in congratulating Gen. William Lyon upon his dedication and professionalism and commend the City of Hope for selecting him to receive the Spirit of Life Award.●

A TRIBUTE TO THE KIWANIS CLUB OF LA CANADA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. MOORHEAD. Mr. Speaker, in recognition of their many years of dedicated service to their community, the Kiwanis Club of La Canada has selected Mr. and Mrs. Warren Hillgren as La Canadans of the Year for 1982.

The Hillgrens are special people. They are the finest example of the involved community couple; they are epitome of the caring neighbor; the concerned citizen, the intelligent participant in the democratic process.

In most cases, their activities are separate, yet their final goal—the creating and fostering of a caring, vibrant city—is the same. La Canada Flintridge is a vital, energized city and much of the credit for this success rightfully belongs with the Hillgrens.

Seven years ago, Warren led the successful fight for incorporation and has been a member of the La Canada Flintridge City Council since the city's formation in 1976. During this tenure, he has been mayor for 2 years and mayor pro tem for 2 years.

He has served in position of leadership in the chamber of commerce, the Los Angeles County Sanitation Dis-

trict and the League of California Cities.

Mrs. Hillgren is a board member and past president of the Flintridge Assistance League and a board member of the National Assistance League. She is a past president of the United Way Community Drive.

Both are continually involved in aiding the local schools, local sports programs, the YMCA, local health centers, and their church.

Repeatedly, they have given of their energies, their time, and their resources with a graceful generosity that encourages success and emulation and admiration. They are pillars in the community and fitting recipients of the Kiwanis La Canadans of the Year Award.●

ELITE WOMEN VETERANS HONORED

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. WYLIE. Mr. Speaker, on April 8 and 9 a very special reunion took place in Washington, D.C. An elite group of the Nation's women veterans who had been prisoners of war of the Japanese during World War II were honored by the President, by the Veterans' Administration, by the Department of Defense, and by the national veterans organizations.

I am referring to the 81 Army and Navy nurses and aides captured by the Japanese forces May 6, 1942, on the embattled island of Corregidor. Miraculously, all of these ladies survived an ordeal that often proved the better of many strong men. And now a group of them have been brought to Washington to receive long overdue honors.

During the past several years, this Nation has moved to recognize and improve the lives of all those who served this country in time of war and who were captured and imprisoned during the World Wars, the Korean War, and the Vietnam conflict. In 1981, this Congress passed Public Law 97-37 to enhance benefits and services for former prisoners of war. And this year the President designated April 9 as National POW-MIA Recognition Day.

In preparation for the national ceremonies, Dorothy Starbuck, the Veterans' Administration Chief Benefits Director, initiated a search for survivors of the military nurses who served so courageously, so many years ago. Through an intensive effort by VA benefits counselors, more than 60 of the women were found and subsequently invited to ceremonies in and around Washington. Thirty-one were able to accept and did attend what became one of the most emotional and rewarding reunions this Nation's Capitol has ever hosted. One of the women, expressing a typical reaction to the search and invitation, said: "I thought no one would remember."

Well, remember we did, and on the eve of POW-MIA Recognition Day, my colleague and ranking member of the House Veterans' Affairs Committee, JOHN PAUL HAMMERSCHMIDT, of Arkansas, addressed these shining examples of American valor and duty at a reception given in their honor by the Disabled American Veterans at the organization's national headquarters in Washington.

Mr. Speaker, I would like to offer Mr. HAMMERSCHMIDT,'s comments that evening for the RECORD, as a warm and sincere testimony certainly shared by all who heard it then, and all who will see it here. Certainly no group sacrificed more, endured more, gave more for their country than these ladies, and I believe my colleague's words stand for all of us in our appreciation of their endurance and courage.

REMARKS OF THE HONORABLE JOHN PAUL HAMMERSCHMIDT TO THE POW NURSES, APRIL 8, 1983

Thank you, Commander Galian.

Good evening, ladies and gentlemen, and especially our honored guests.

It is a rare privilege for me to be asked to take part in paying tribute to a very select group of individuals who have served this Nation far beyond the call of duty. They and the more than 90,000 other former prisoners of war who are alive today cannot really be given enough recognition for the hardship and suffering they once endured. But we hope that these special days, set aside in their honor, can at least serve as reminders that a grateful Nation has a debt to them that can never actually be repaid.

More than 142,000 Americans have been prisoners of war in this century, 132,201 from World War II alone. Within that very distinctive population were 81 service women—32 of which are here today—who were taken prisoners following the Japanese invasion of the Philippine Islands. I want to address myself specifically to those 32 ladies who honor us so much by their presence here tonight.

With little concern for your own safety and comfort during that most difficult hour you never lost sight of your mission to care for the sick and injured. Under fire on Bataan, and later during the siege of Corregidor you stayed with the troops and performed your duty.

That all 81 of you later survived the rigors and deprivation of the Santo Tomas prison camp for two-and-a-half years and at the same time continued to attend to the health and welfare of others is a tribute to the human will to persist when all seems lost. Truly you were the very essence of sisters of mercy.

William Faulkner, in accepting the Nobel Prize for literature in 1950, spoke of humanity's unflagging struggle to exist in the face of adversity. He said man "* * * is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance."

Today we are honoring that spirit you so elegantly upheld.

For each one of you I have had an American flag flown over the United States Capitol as a token of appreciation and admiration from the Congress of the United States. A mighty emblem of strength under fire, it is a fitting symbol for all that you endured and for that precious faith that never once wavered in a terrible and perilous time and that even today defies description. That these flags may kindle again and again your love of the American Nation is my earnest hope.

All of us are most pleased to have been a part of this reunion. It has stirred our hearts and our memories and reminded each of us of the debt we owe to each of you. Again, thank you for all you have done for this great country.●

VOLUNTARISM IN SAN LEANDRO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. STARK. Mr. Speaker, during this week of national recognition for volunteers, I would like to single out the outstanding community of San Leandro in my district. San Leandro has a long history, beginning in 1959, of volunteers working in city government. Volunteers are active in all 10 of the city's departments.

Volunteers are helping in many areas that one would expect. They provide clerical assistance throughout city hall. Volunteers run the city information desk and provide tours of historic buildings. San Leandro's hot meal program, both for those at the Bancroft Senior Center and for shut-ins, is completely staffed with volunteers.

But the San Leandro volunteer program has also been very innovative. They have a "lock-and-smoke" program which involves carpenters and firemen. The city will buy locks and smoke detectors for low-income and senior citizens and have volunteers install the devices. San Leandro is, rightly, very proud of this lifesaving program. Other projects include a graffiti removal program for businesses, and volunteers in professional service (VIPS), who help the city with special projects. There is a dial-a-volunteer program to help out with large emergency projects such as mass mailings.

In fiscal year 1981-82 volunteers in San Leandro contributed 37,348 person hours to the city. Over 575 volunteers were involved in projects benefiting the city. The benefits to the city are obvious. Tax money can be freed to accomplish other goals. Projects that would not otherwise be accomplished can be done with the volunteers.

But less obvious, are the other benefits that accrue. Since the volunteers are roughly split between teenagers and retired people, there is a bridge between generations that only comes

from close association and working together toward a common goal. The volunteers become liaisons between city hall and the community, helping to make San Leandro a stronger city. The volunteers also become ambassadors for San Leandro wherever they go. Being a volunteer has helped many women either enter or reenter the work force by giving them a place where they can renew their skills and become familiar with a work environment.

Mr. Speaker, I want to commend volunteers wherever they are for the great contribution that they are making in vital areas throughout the country. I am, however, especially proud of the volunteers in San Leandro and the fine work that they are doing.●

SAM KINSORA HONORED

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. RODINO. Mr. Speaker, I would like to call my colleagues' attention to an event which will take place this Saturday night, April 23, in New Jersey. The American Trade Union Council for Histadrut, the Israeli Labor Foundation, will honor Sam Kinsora, who is the president of local 1262 of the United Food & Commercial Workers International Union, AFL-CIO. The dinner dance in his honor will be held in the Aspen Hotel-Manor in Parsippany.

Mr. Kinsora has been involved for many years in the labor movement in Israel. Proceeds from this event will go to a scholarship fund for Israeli students which is being set up in the name of Mr. Kinsora's late wife, Helen.

Sam Kinsora has been the president of local 1262 since 1967 and has been a major force in the labor movement both in the United States and in Israel, through his involvement with Histadrut. It is an honor to recognize him on this important occasion, and I hope that the event is a tremendous success.●

BANKS RESPONSIBILITY FOR MEXICO'S WOES

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. SCHUMER. Mr. Speaker, when the international financial crisis exploded last autumn, many bankers argued that no one could have predicted its seriousness and severity.

I would like to bring to the attention of my colleagues this article which appeared in the October 22, 1982, issue of the Wall Street Journal. The author makes three important points.

First, he suggests that many bankers were not caught by surprise, as they are now claiming. In this regard he states:

> There were plenty of warnings that they were lending too much, but lending officials railed against these warnings, calling the doomsayers alarmists.

Second, he explains that bankers threw caution to the wind. They were certain that the U.S. Government would bail them out if the crisis became serious enough to threaten the solvency of many large banks.

Finally, he points out that bankers have a financial stake in letting the situation deteriorate. They knew they could charge higher interest rates, claiming that higher rates were justified by the additional risk of lending to already-insolvent borrowers.

BANK RESPONSIBILITY FOR MEXICO'S WOES

(By Lawrence Rout)

MEXICO CITY.—A Mexican government official spoke in a recent interview about the need to cooperate with the country's foreign bankers. "They are trying to help us out of our economic troubles," he said, staring at the reporter's tape recorder. "They are being very careful not to ask for more than we can give."

The official then reached over, turned off the recorder, and sneered: "Those bastards got us into this hole. Now they're trying to bleed us for everything we have."

The official, no doubt, exaggerates. But his point is valid. The foreign bankers' role in Mexico's financial crisis is a classic example of international banking gone awry. It illustrates the herd instincts of bankers, and how all-consuming competition among them can, at best, permit, and at worst, push a government to mismanage its economy. Bankers can't take all the blame for the country's woes, but they probably deserve more than most bankers admit.

Yet there is a question whether any lessons will be learned. Many foreign bankers, though a bit more humble these days, say that they would do the same thing, if they had it to do over again. Some say they couldn't have known what was going on; others say that the cost of being shut out of the Mexican market was too great. And even those who accept criticism say the ultimate lesson may be that no matter how big their mistakes, they may not cost the bankers a penny. Bank debts of many countries, including Mexico, are so large, they say, that banks can count on the U.S. government or international financial organizations to bail them out.

And, at least for a country such as Mexico, they may be right.

International financial experts say that Mexico is a case study of the "merry-go-round" philosophy that often infects commercial banks' dealings with foreign countries. Creditworthiness isn't judged by a country's ability to repay loans, but by its ability to get more loans to service existing debt. The merry-go-round keeps going faster until somebody wants his money back, or even tries to slow it down.

That's what happened in Mexico. About five years ago, with oil discoveries being announced here with increasing regularity, bankers decided, en masse, that Mexico was hot. They converged on Mexico, falling all over each other to be the country's banker. Last year, the Mexican government borrowed an extraordinary $20 billion abroad, mostly from commercial banks. Mexico's biggest U.S. lenders in recent years have included Bank of America, Citibank, Chase Manhattan, Manufacturers Hanover, Chemical Bank and Morgan Guaranty.

THEY STARTED TO WORRY

But this spring, bankers—again, en masse—started to worry about Mexico's rising inflation, overspending and overborrowing. Some wouldn't renew their maturing loans, and almost everybody refused to increase exposure.

"Of course, we had problems when that happened," a Mexican government official says. "You can argue that we should never have borrowed $20 billion. But banks simply can't lend that much to a country one year and try to cut it to zero the next. But that's what happens when everybody does what the other guy is doing."

Most bankers argue that they don't create economic problems, but just react to them when they become apparent. One banker says that blaming the banks is like blaming the candy store for your cavities; the banks, he says, can't be responsible for a country's mishandling of the money the banks lend. Banks showed caution late, but only because they had poor government figures; there was no sign that the government's short-term debt was so great until it was too late to do anything about it.

And besides, bankers like to say, we are just lenders, not policy makers. If we start telling governments how to run their companies, we would be driven from the country as imperialists, bent on destroying Mexico's independence.

The arguments are valid—up to a point. One banker, for instance, says that the candy store analogy is correct, but it is more appropriate to say the bankers were like pushers supplying a drug addict.

"We can say we didn't know how they would use the money," he says. "But that is just nonsense. We know exactly how they will spend it because governments always do the same thing."

He continues: "We gave Mexican officials the opportunity not to tell their people to tighten their belts. We gave them a choice between building roads and factories or cutting back job creation. What kind of choice is that?"

Furthermore, there is a great deal of evidence that bankers were careless in their lending decisions. This was Mexico, with its oil reserves, and a future brighter than almost any other developing country. Consumed by competitiveness, the big banks particularly offered incredible deals that bore little resemblance to normal estimation of risk. There were plenty of warnings that they were lending too much, but lending officers railed against those warnings, calling the doomsayers alarmists.

"We don't get promoted for not making loans," one banker admitted last fall. "I wouldn't be getting raises if I'm warning my home office to slow down while everybody else is charging ahead."

The bankers knew, though, that much of their money was going to the government to finance capital flight and support an overvalued peso. Those aren't projects that can earn much of a rate of return.

A year ago, several bankers were asked by a reporter if they were bothered that money they lent to the state oil company was prob-

ably being channeled into general funds and used to shore up the peso. We don't like it, they said at the time, but there isn't anything we can do about it. These same bankers now claim they never suspected such a thing was happening.

And earlier this year, the Mexican government wanted desperately to restructure its mounting short-term debt into longer-term loans. Government officials warned the banks that Mexico had too many loans maturing later in the year. But bankers didn't think the government was paying enough for the longer-term debt. They said that the economy would deteriorate during the year, and they would be able to get huge interest margins down the road. Clearly, they didn't guess the extent of the economic deterioration, but they knew that if they waited long enough, their delay would make things worse.

"In retrospect, maybe we were too greedy," one banker says. "We didn't push them over the cliff, but we led them to the edge."

Still, this banker and others believe that the underlying assumption governing many of their decisions was that, at least with the government debt, the banks wouldn't lose. In "The Money Lenders," Anthony Sampson's book on international banking, the author writes that the "herds of bankers appeared to be behaving ... as if there were some kind of safety-net; as though they were working more closely with their governments than appeared to their shareholders or to the public."

Mr. Sampson says that the old rules, under which rash bank decisions would put the bankers out of business, aren't necessarily valid anymore; banks are so interdependent that the collapse of one bank can threaten the whole system.

WILL THE UNITED STATES BAIL THEM OUT?

And it's clear that the bankers in Mexico believed that was the case, or at least they believe it now. They agree that they will lose money on private-sector debt. But bankers feel assured that the U.S. government, the International Monetary Fund, the Bank for International Settlements—somebody—will make sure they don't lose money on their government loans.

That implicit expectation of help is strongly suggested by the rate at which money has been lent to the Mexicans recently. A government agency here got a $500 million, eight-year credit last November at ⅝ percentage point above Libor (the London Interbank Offered Rate, which is the benchmark interest rate on international loans). At the start of this year, a six-month loan was made to Mexico at only ⅛ percentage point above Libor. A variety of fees goes into the total pricing of a loan, of course, but a spread of an eighth of a percentage point suggests bankers weren't pricing their loans to take into account the true risk of lending to Mexico.

The ultimate lesson may be that banks don't have to be very careful when lending to Mexico, or to any government as important as Mexico is to the world financial system. In the end, a few bankers candidly admit, spreads will increase and the banks will make more money than they would have if the country hadn't run into financial troubles.

It's an unhealthy situation with few solutions. How do you make sure banks work together to avert a financial crisis? One suggestion is that an international organization of central banks require a minimum amount of information from borrowing governments. If the government doesn't give the information, or the figures show dangerous signs, the organization can deem the country uncreditworthy. That should hasten housecleaning in countries because they won't be able to rely on the commercial banks, which would be reluctant to lend too much to an uncreditworthy government.

But perhaps the only way to make sure that banks don't lend wildly is to have them pay for their mistakes. It's a risky proposal; despite the harm banks can do, they often are the only source of money for many countries. Development economists worry that if banks lose money abroad, they will overreact by drastically reducing their loans to Third-World countries. Such an overreaction, these economists say, could do more harm than the recent lending mania.

Still, many people think that the risks can be kept at a minimum. "You don't want (the banks) to lose so much that the financial system is endangered," says Karin Lissakers, senior associate at the Carnegie Endowment for International Peace in New York. "But bankers always say they learn their lessons and they never do. For disciplinary reasons and for reasons of equity, the banks should feel a little pain."

October 22, 1982.●

GRANDPARENT VISITATION ACT—ANALYZED BY LIBRARY OF CONGRESS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. BIAGGI. Mr. Speaker, in advance of tomorrow's full House vote on House Concurrent Resolution 45, I wish to insert into the RECORD a report prepared for me by Rita Reimer, legislative attorney, American Law Division of the Library of Congress. This report provides a section-by-section analysis of the Uniform Grandparent Visitation Act.

As the author of the concurrent resolution, I consider this to be essential reading for my colleagues so they may fully understand and appreciate the limited intent of the resolution.

House Concurrent Resolution 45 is a sense of the Congress resolution that all 50 States should adopt a uniform Grandparent Visitation Act which would be developed by the National Conference of Commissioners on Uniform State Laws.

The text of the report follows:

H. CON. RES. 45, 98TH CONGRESS

(UNIFORM GRANDPARENT VISITATION ACT)

(By Rita Ann Reimer, Legislative Attorney)

H. Con. Res. 45, 98th Congress, is a "sense of the Congress" resolution which expresses congressional belief that grandparents and grandchildren should be encouraged to develop and/or continue a meaningful relationship with each other following the dissolution (because of death, divorce, or separation) of the marriage of the grandchildren's parents. Its introduction notes that approximately 75 percent of all older Americans are grandparents, that grandparents play a vital role in millions of American families, and that an estimated one million children each year experience the divorce of their parents. Such children may have little or no further contact with their grandparents, even though such contact could in many instances prove mutually beneficial.

The introduction further notes that, although forty-two states now statutorily authorize some form of grandparent visitation, the scope of these statutes varies widely, as do the factors considered by state courts in determining whether such visitation is in the grandchildren's "best interest" (the applicable standard in all of the states). Since courts focus almost exclusively in the interests of the grandchildren, interests of the grandparents who are seeking continued contact may not be fully considered. Also, the lack of uniformity among state laws in this area can make it difficult for a grandparent who has been granted visitation rights to have those rights enforced, should the grandchildren move from the state which issued the original order.

Accordingly, the body of the resolution expresses the sense of the Congress that (1) the National Conference of Commissioners on Uniform State Laws should develop a model state act which (a) grants grandparents adequate rights to petition state courts for visitation privileges with their grandchildren following the marriage dissolution of such grandchildren's parents (the language encompasses stepparent adoptions); and (b) establishes procedures for the interstate recognition and enforcement of state court orders granting such visitation privileges; and (2) states should adopt the model act which is so developed. The Secretary of Health and Human Services [HHS], through the National Center for Child Abuse and Neglect [NCCAN], is requested to provide technical assistance in developing, publishing and disseminating guidelines which may be used in determining the "best interest of the child" in each case, which guidelines are to take into account the ability of the grandparents to help satisfy a child's need for continuity of care following the marriage dissolution of the child's parents. This latter proviso explicitly recognizes grandparental interests and contributions to a greater extent than is presently the case in any applicable state statute.

Like present state laws, this model act would not give grandparents an absolute right of visitation. Rather, it would permit to grandparent a petition the court, asking that such privileges be granted. No visitation "right" as such would accrue until a court order has been issued granting the petition, which order would be issued only after the court had examined all the facts surrounding that particular case and determined that the order was justified.

Only a few states have extended grandparent visitation to stepparent adoptions, as proposed in the model act. Adoption generally terminates the legal relationship between the adoptee and his or her birth relatives, including, except in these few states, grandparent visitation rights. Again, under the model act such visits would not be mandated, but would be authorized by a court only where it found them appropriate, on a case by case basis.

The National Conference of Commissioners on Uniform State Laws is a non-governmental entity formed in 1892 to promote uniformity in state laws on all subjects where this is thought desirable and practical. Over the years it has issued numerous model acts, which have met with varying degrees of success in terms of enactment by state legislatures. Procedures in the model

act for the interstate recognition and enforcement of state court orders granting grandparent visitation could perhaps be modeled after those found in the Uniform Child Custody Jurisdiction Act (UCCJA), the Uniform Reciprocal Enforcement of Support Act (URESA), or the Revised Uniform Reciprocal Enforcement of Support Act (RURESA), all of which have been widely adopted by the states.

As a "sense of the Congress" resolution, H. Con. Res. 45 makes no changes in present federal law; it adds, deletes or amends no United States Code provisions. It is hortatory only, expressing the sense of the Congress that the Uniform Commission "should" develop a model state act, and states "should" adopt the act which is so developed. Thus under this resolution it is completely optional, first with the National Commission and then with the individual states, whether any action will be taken at all. No money is authorized to accomplish the expressed purposes of the resolution, and no penalties are imposed for failure to take a suggested action. Its sole purpose as presently written is to place Congress on record as supporting grandparent visitation rights in general, and these suggested actions in particular, in the hope that this expression of support will encourage the National Commission and the individual states to comply with these wishes.●

URGE PROMPT PASSAGE OF LEGISLATION TO END METRO-NORTH COMMUTER RAIL STRIKE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. McKINNEY. Mr. Speaker, last Tuesday, April 12, I introducd legislation to bring an end to the Metro-North commuter rail strike that has affected thousands of residents of Connecticut and New York for the past 6 weeks. My bill called for an immediate return to work by the striking conductors, and a resolution of issues not agreed upon during collective bargaining, through binding arbitration. Senators WEICKER and D'AMATO introduced the bill in the Senate 2 days later, and a hearing was held before the Senate Labor and Human Resources Committee last Friday. At that hearing, the parties involved in the strike, faced with the possibility of Federal intervention, voluntarily agreed to abide by the terms of our legislation, and the strike was ended over the weekend. For the further information of my colleagues in the House, I would like to insert into the RECORD a copy of my testimony before the committee.

TESTIMONY BY THE HON. STEWART B. MCKINNEY, SENATE LABOR AND HUMAN RESOURCES COMMITTEE, APRIL 15, 1983

Mr. Chairman: First, I would like to thank the committee for scheduling hearings so promptly on this issue of great urgency. The Metro-North commuter rail strike has disrupted the lives of nearly 90,000 residents of Connecticut and New York for 6 weeks, and has affected hundreds of businesses in Manhattan, Stamford, and other corporate centers in our region. While Federal intervention may seem an extreme step, there is precedent for such action. It is painfully apparent that the parties involved have reached an impasse in bargaining, and are unable or unwilling to resolve the problem at the table.

To review the situation, pursuant to the transfer of commuter lines from Conrail to local authorities, 16 out of 17 unions have agreed to contracts with Metro-North to operate commuter service. The United Transportation Union (UTU), representing conductors and trainmen, has been on strike since February 7 and sporadic negotiation sessions to resolve remaining issues in contention have taken place since that date. At one time or another, each side has agreed to binding arbitration, but the terms recommended by a Presidential Emergency Board in December have not been acceptable to either. Negotiations have once again broken down.

Let me emphasize that the legislation before your committee, and that which I introduced in the House last Tuesday, would not dictate the terms of any settlement. I do not view that as Congress' role. Rather, we should establish a mechanism by which the parties and their chosen arbitrators may arrive at an agreement. To that end, our bill would allow an immediate return to work by striking union members under the terms to which they have already agreed during collective bargaining.

The alternative of imposing the recommendations that the Presidential Emergency Board handed down last December has been suggested. That option would dictate the terms of the one remaining unresolved issue, that of crew size. Since this has been the pivotal point of contention for the past month and a half, Congress should not impose any new temporary solution. Until this aspect is decided permanently, we propose a return to work under normal conditions in effect under Conrail prior to the transfer on January 1, 1983. An arbitration board could then determine the terms of unresolved issues according to a timetable specified in the bill. I wish to reiterate that we do not take it upon ourselves to appoint the members of that board, but leave their selection to the parties involved. One member would be selected by the UTU, one by the MTA, and one jointly by the parties. If they fail to agree on a third member, the Governors of the States of Connecticut and New York will jointly select a member to complete the board.

Mr. Chairman, the Federal Government has intervened several times in strike situations in the past. In 1973, Public Law 93-5 was approved by Congress to resolve a situation very similar to the one we face today. In that case, the Penn Central Corp. and the UTU were at odds over who should determine crew size, and Congress stepped in to halt a strike affecting thousands of riders. I believe we are justified in doing so once again. The parties involved have followed all established procedures with respect to settling contract disputes—a cooling-off period was exhausted, a Presidential Emergency Board issued recommendations, and a mediator has been present at negotiations. However, no resolution is in sight.

The impact of the work stoppage on tens of thousands of commuters and their families has continued long enough. Although alternate plans for transportation into New York City were put into place immediately, they have been able to handle only a portion of the daily riders. Bus systems transport only about 4,000 riders into the city, and major highways have become clogged and dangerous as people resort to their cars for the long ride into work. The added commuting time has lengthened the typical work day by 2 hours or more, working parents barely have time to see their children and spouses, and the toll taken on personal well-being, health, and productivity cannot be measured.

According to the New York City Chamber of Commerce, 60 percent of businesses in Manhattan are reporting consistent tardiness or early departures from work, and 20 percent are reimbursing employees for the extra expense of commuting by alternative means, at great cost to themselves. In the long run, overall business clientele could be affected, as well as decisions concerning the eventual location of major corporations. And I know from personal conversations with my constituents that many are beginning to seriously question the wisdom in living in the suburbs.

Mr. Chairman, I urge prompt consideration and passage of the legislation introduced by myself and Senator WEICKER, so that residents and workers in the Nation's largest corporate center may return to a normal life. It is clear that the strike will not be settled locally. It is time for Congress and the administration to step in on behalf of hundreds of thousands of citizens.

Thank you.●

L. B. J. REMEMBERED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. PICKLE. Mr. Speaker, recently the Honorable Doug Cater submitted an incisive analysis of Robert Caro's book about President Lyndon Johnson. Those of us who knew and loved L. B. J. and respect his memory were pleased Mr. Cater chose to speak out. Despite the negative analysis by Mr. Caro, the overriding fact is that L. B. J. was the dominant political figure of our time since F. D. R. Whether you agreed with him or liked him, he knew how to get things done. I commend Mr. Cater's article to my colleagues, many of whom served during L. B. J.'s period in office and know firsthand of the powerful and effective contribution L. B. J. made to this country.

WAITING FOR CARO

(By Douglass Cater)

SOME TROUBLING QUESTIONS ABOUT A BIOGRAPHY OF LBJ

(Books about figures well known and well remembered in Washington are a familiar source of capital controversy, but even by the standards of the genre the publication of the first volume of Robert Caro's projected three-volume biography, "The Years of Lyndon Johnson: The Path to Power," has occasioned a major storm. Here the book and the author are addressed by a former special assistant to President Johnson, Douglass Cater, longtime Washington correspondent and now president of Washington College in Chestertown, Md.)

Lyndon Baines Johnson altered the life of almost everyone who had close dealings with him. He certainly altered mine. One way was to change me from a self-confident journalistic interpreter of politicians by convincing me there was at least one I could not capture on paper. I devoutly hoped that a biographer would come along adequate to the challenge of LBJ.

Now comes Robert Caro. When I heard long ago that he had undertaken this task, preparing to devote many years of research to three massive volumes on Johnson, I was glad. A veritable modern Boswell, albeit recording post-mortem a Johnson he had never met. No one told me that Caro had begun this mission, as he recently confided to the Washington Post, "thinking I was going to love Lyndon Johnson." It would have shaken my confidence in his detachment. Even so, I would have waited my turn to relate my complicated memories of serving four years as LBJ's presidential assistant.

Calculating this would come in time for Volume Three, I was not impatient that Caro did not call me nor, so far as I can determine, any of Johnson's close associates during the Senate or White House years. The elaborate footnotes of Volume One attest that he was confining his researches to the period prior to 1941. LBJ has just turned 32 when Volume One ends.

Imagine then my consternation when Atlantic carried in its very first installment the summation: "No one knew him. Enlisting all his energies and all his cunning in a lifelong attempt . . . to obscure the facts of his personal life, his rise to power, and his use of power, he succeeded so well that no one saw him whole; not his wife . . . not his mother . . . not his enemies . . . not the citizenry of the Nation. No one."

But Caro, only 200 pages into Volume One, does see him whole: "Some men—perhaps most men—who attain great power are altered by that power. Not Lyndon Johnson. . . . In analyses of other famous figures, college, being only part of the formulating [sic] process that creates character, deserves only cursory study, but the years Lyndon Johnson spent at college are revealing of his character as a whole—all the more revealing, in fact, because at college there are no complications of national or international politics or policy to obscure character. . . . He came out of the Hill Country *formed*, shaped—into a shape so hard it would never change."

The biographer who had thought he was going to "love" Lyndon Johnson experienced a rather violent change of feeling: "Johnson's entire career . . . would be characterized by an aversion to ideology or to issue, by an utter refusal to be backed into firm defense of any position or any principle . . . Other qualities of Lyndon Johnson less immediately evident to others were present not only in Washington but at San Marcos [College]: the viciousness and cruelty, the joy in breaking backs and keeping them broken, the urge not just to defeat but to destroy; the iron will that enabled him, once his mind was set on a goal, to achieve it no matter what the obstacles; above all, the ambition, the all-encompassing personal ambition that made issues, impediments and scruples superfluous. . . ."

Why had Caro shot his judgmental wad so prematurely? By his own admission, he anticipated several more years of personal digging into LBJ's rise to power as Senate leader, vice president and finally president of the United States. This was the period, encompassing half his lifetime, when I watched closely, and gradually came not to love but to respect and, yes, even to admire this Texan whose final years were marked by tragedy. According to Caro, LBJ never grew an inch. By my own estimate, Johnson, like Roosevelt and Truman and Kennedy before him, grew and continued to grow under the stress of exercising leadership. Caro claims that LBJ's true person was "cunningly concealed" from even his mother. I, on the other hand, had found myself impressed by the inner purposes of the growing leader even when his traits of personality tended to conceal those purposes.

Caro works in a frozen time dimension, and his admiring reviewers seem content with this biography of a politician whose character was hardened at an age barely beyond puberty. Newsweek's Peter Prescott, praising Caro's "astonishing concern for the humanity of his characters," claims that "detractors may be hard pressed to mount a rebuttal in face of the documentation he provides." How, indeed, will the later historian deal with the highly abbreviated footnotes, taking up 62 pages in Volume One alone? There is no research organization established for the purpose of double-checking the researcher. Caro did not keep transcripts of interviews, nor would he, in the case of Mrs. Lyndon Johnson, agree for her to record the interview.

Waiting for Caro, I can only sample his evidence for traces of bias or distortion. This is why I requested the oral histories in the LBJ Library of two young men, L. E. Jones and Gene Latimer, who figured large in Caro's first installment. They had been high school debaters coached by teacher Johnson who were later brought to Washington to share his hotel basement lodgings and serve as clerks on Capitol Hill, where he worked as secretary for a congressman. Charles Dickens could not compare to Caro in describing their desperate plight; nor Ebenezer Scrooge have driven proteges more mercilessly. ("In fact, as would be demonstrated as soon as Johnson began hiring men on a large scale, the crucial qualification was subservience. Dignity was not permitted in a Johnson employee.")

Caro quotes several snippets from Latimer's oral history recorded in August 1971. But he fails to mention—not even to dismiss as irrelevant—Latimer's concluding remarks to the interviewer. "One more thing and I shall be done. Biographers and news media alike have libelously stated that Lyndon Johnson treated his staff with demands amounting to inhumanity or brutality . . . Someone should say—and I do say—that no one under him ever worked harder than he himself . . . and that far from being ruthless to his employees, their welfare was very important to him . . . Small wonder that those of us who were with him when the going was tough resent very deeply statements by those who don't know who say he was ruthless to us out of their pique and ignorance."

Was Latimer's statement uttered because of lingering fear? L. E. Jones, dictating his oral history on Oct. 14, 1977, nearly five years after Johnson's death, made much the same point: "I am sure he had his detractors. I know he did. But the people that worked with him liked him. He had some faults, but most people were willing to overlook them because the guy was obviously a genius in politics."

Why, in this meticulously researched and exhaustively reported book, did neither of these conclusions find their way even into a footnote? I reviewed Caro's copious accounts of other interviews and noted a common usage: snippets of direct quotation are granted the interviewer, but the thundering judgments are reserved for Caro alone. Throughout the long volume, I could not locate one instance when close associates of Johnson had a chance to offer their overall assessments. Even Sam Houston Johnson, whose death has conveniently closed the book on Caro's revisionist treatment, is not quoted in a final judgment on his brother.

My suspicion of bias run rampant goes particularly to Caro's handling of those who cannot speak from the grave. Take for example, his prolix recital of LBJ's relations with longtime friend, patron and fellow Texan, Sam Rayburn. ("Obviously, I fell in love with Rayburn," Caro tells the Washington Post interviewer. "They don't make politicians like that anymore.") He argues that in 1940 Johnson betrayed Rayburn by serving as "New Deal spy in Rayburn's meetings." The speaker was attempting to swing the Texas delegation behind Vice President Jack Garner against FDR's bid for a third term. Johnson worked behind the scenes to keep the Lone Star State behind Roosevelt. A face-saving compromise, allowing a first-ballot ceremonial vote for Garner, was negotiated and blessed at the White House. But, Caro concludes sourly, Rayburn "had been tarred beyond cleansing by a brush wielded by Lyndon Johnson." He fails to offer hard evidence from Speaker Rayburn or anyone else to support the conclusion. "Around the speaker's personal feelings had been erected a wall as impenetrable as the wall with which Lyndon Johnson surrounded himself," Caro hints darkly. Less hysterical historians record that Rayburn remained one of Johnson's most loyal friends until death.

So it goes. When we were very young, we played a childish game where every word or deed of one's playmate was ascribed to the basest motivation. I sense such game-playing in Caro's account. What was intended to be a love affair has gone so sour that no pejorative is too strong, no insinuation too far-fetched. It is as if Robert Caro has becomes a chameleon for the monster he imagines; exaggerating beyond the point of hyperbole; manipulating facts when the facts don't fit his conclusions. Ten thousand footnotes cannot close this credibility gap.

How can we account for such a prodigious labor of denigration? Caro himself shows no particular attachment to ideology or issue or scruple of his own. He accuses LBJ of stealing elections while admiring the way Speaker Rayburn rammed through a critical House vote in disregard of the rules. A clue to motivation is provided by his interview with People in which he says he grew "disgusted" with politics after a brief stint as political speechwriter in New Jersey. He began his earlier book, on Robert Moses, because he had suddenly decided that highways "get built because Robert Moses wants them built." Then he ended up with a rather loathsome portrait of Moses. Evidently Caro's impulse to love powerful men cannot stomach familiarity with them.

What do I say when Caro finally calls? There appears to be scant chance that my assessment of LBJ will be of any interest to him. To turn him away runs the risk of perpetuating a dour suspicion he has repeatedly voiced of a conspiracy to conceal the "real" Johnson from public view. To speak with candor risks providing the snippets to

reinforce the judgment Caro has already rendered and published. I find myself waiting with mounting curiosity for the phone to ring.●

A TRIBUTE TO JEAN FORBATH AND HENRY T. SEGERSTROM

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. BADHAM. Mr. Speaker, it is again my annual privilege to stand before this body to pay tribute to two fine people who will be honored on April 27, 1983, as the man and woman of the year by the Costa Mesa, Calif., Chamber of Commerce in the 40th Congressional District, which I represent.

This year the honors will go to Jean Forbath, a dedicated community leader who has devoted more than 20 years of service to the underprivileged, her church, and to education and to Henry T. Segerstrom, a scion of a pioneer Costa Mesa family, who has channeled his considerable talents, energy, and resources into business, cultural, and philanthropic improvements for the city.

Mrs. Forbath, wife and mother of seven children, has been president of the board of directors of Feedback Foundation, which directs the nutrition program for older Americans in Orange County and founded Save Our Selves, a nonprofit corporation established to address the needs of 32,000 poverty-stricken people in Orange County each year.

In addition, she has been a member of numerous organizations working to aid in housing, medical, education, and nutrition matters. She has been active in women's church affairs, as vice chairman of the Lay Advisory Board to the Bishop of Orange, member of the Lay Advisory Board of the Religious Education Department of the Archdiosese of Los Angeles and has been active in various programs of St. John the Baptist Catholic Church in Costa Mesa.

Jean Forbath is a graduate of Immaculate Heart College of Los Angeles, has done post-graduate work at the University of Connecticut and UCLA and has been a college instructor and high school teacher.

Henry Segerstrom is a native Californian, born in Santa Ana, who received his undergraduate and masters degrees from Stanford University. He served more than 4 years in World War II, receiving numerous medals, including the Purple Heart for service in the European theater.

Henry has taken a leadership role in his family's business interests, which date back to the turn of the century. Most visible development has been South Coast Plaza, which has provided the city with its financial tax base and residents of southern Orange County one of the finest shopping centers in the world.

Henry Segerstrom has been active in the 552 Club of Hoag Hospital, Newport Harbor Art Museum board, Huntington Library, Orange County Transportation Coalition, California Roundtable, Fraternity of Friends of the Los Angeles Music Center, and Orange County Performing Arts Center.

Numerous awards have come his way, including Coast Community College outstanding citizen, first Mardan Center, first Meritorious Achievement in the Arts, first Patron of the Arts for Orange County Master Chorale, first Golden Baton Award, and Orange County Philharmonic Society.

Henry and the Segerstrom family have been instrumental in bringing true culture to Orange County, through the gift of land for the South Coast Repertory Theatre and Orange County Performing Arts Complex, which he served as chairman of the board of trustees.

These two individuals, with their widely different interests and backgrounds, symbolize all that is good about the people of Costa Mesa and I am proud to have the opportunity to enhance the record of these United States with a word of congratulations to Jean Forbath and Henry Segerstrom.●

JUSTICE GARABALDI NAMED "WOMAN OF THE YEAR"

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. RODINO. Mr. Speaker, on April 21 Justice Marie L. Garabaldi will be honored as "Woman of the Year" by the Ironbound Manufacturers' Association.

Justice Garabaldi is the first woman ever to be named to the New Jersey Supreme Court, and has sat on that bench since last November. Prior to her appointment to the State supreme court, she was a partner in the law firm of Riker, Danzig, Sherer & Hyland in Neward. She has been an active member of the legal community in New Jersey, serving as president of the New Jersey State Bar Association, and has also been involved in legal activities on a national level.

The Ironbound Manufacturers' Association was founded in 1917 and is dedicated to promoting better working and living conditions in the Ironbound community. The association is citing Justice Garabaldi for her contributions to business and industry as well as her various civic activities.

I offer my sincere congratulations to Justice Garabaldi and to the Ironbound Manufacturers' Association on this occasion.●

SOUTH COAST DISTRICT COUNCIL OF JEWISH WAR VETERANS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. PATTERSON. Mr. Speaker, the Jewish War Veterans is an organization which, in addition to providing services to its members, seeks to uphold democracy and freedom in America by fighting bigotry and anti-Semitism. These veterans, who have fought valiantly in our Armed Forces, hope that through their efforts the horrors encountered by the Jewish people in the last World War will neither be forgotten nor repeated.

On April 16, the South Coast District Council of the Jewish War Veterans will be holding their annual dinner to install new officers for 1983-84. The guest of honor at this dinner will be a distinguished leader of the Jewish War Veterans, National Commander Stanley Zwaik.

Mr. Speaker, I ask the House to join me in commending the outgoing officers: Murray Louison, commander, Bill Hoff, senior vice commander; Gerard Witt, junior vice commander; Nate Dubovsky, judge advocate; and Steve Edelman, 1 year trustee.

I request that you also join me in congratulating and wishing good luck to the incoming officers: Bill Hoff, commander; Gerard Witt, senior vice commander; Paul Baine, junior vice commander; Murray Louison, judge advocate; and Joe Lichtenfeld, 3 year trustee.

I am proud to be acquainted with the members of the South Coast District Council of the Jewish War Veterans and applaud their humanitarian work.●

INTERNATIONAL FINANCIAL STABILITY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. SCHUMER. Mr. Speaker, we have been told repeatedly that the international debt crisis is merely a temporary liquidity problem caused by high interest rates and falling commodity prices. Proponents of this view argue that the crisis will abate once Congress approves the $8.4 billion quota increase.

I would like to believe this optimistic scenerio. Unfortunately, nearly every week I read that another nation has

unilaterally announced that it can no longer repay its loans. Many of these nations have already received IMF assistance, but that does not seem to make any difference.

Unless we take additional steps to relieve their crushing debt burden, giving the IMF additional funds with which to pursue its business as usual policies will only make matters worse. Developing countries will be deeper in debt. Their political leaders will face increased domestic opposition as they squeeze their economies still further in order to reserve scarce foreign exchange for repaying the banks.

Faced with mounting debt and rising domestic opposition to harsh IMF austerity policies, many countries may soon decide that debt repudiation is the least painful alternative. That would be disastrous for U.S. banks in particular and for the world economy in general. Fortunately, we can avert this calamity. I have introduced H.R. 2378, the International Financial Stability Act. It would provide long-term debt relief, reduce the domestic pressures pushing many Third World countries to consider debt repudiation as a desirable option, and increase the probability that U.S. banks will be repaid.

Before Congress acts on the various international debt bills now under consideration, I urge my colleagues to read this article which appeared in the March 31, 1983, Washington Post. It reports that Brazil has been an exemplary debtor. It has complied with every stipulation of its IMF loan agreement. But the article goes on to report that Brazil is still facing bankruptcy. Even worse, the author describes current IMF procedures as "a suicidal kind of policy" and reports that Brazil may be resolving its "economic crisis with a social crisis."

BRAZIL FINDS NICE-GUY ROLE IN DEBT DRAMA DIFFICULT

(By Caroline Atkinson)

SAO PAULO, BRAZIL.—The international banking tremors brought on when successive financial crises in Mexico, Argentina and Brazil threatened to set off a Third World "debt bomb" have abated as a series of financial rescue packages have fallen into place.

Each country now has a stringent economic austerity program, designed by the International Monetary Fund to cut dependence on foreign cash. At the same time, the IMF also has taken on a newly public role of helping to arrange agreements between the debtor nations and their commercial bank creditors to gain extra time to pay off their loans and extra cash to keep afloat while the austerity medicine takes effect.

But the amounts of money owed and needed, and the number of countries involved, have made managing the world's debt crisis a new game for all the players. As the case of Brazil is beginning to show, good behavior in acceptance of the traditional IMF program is no longer a guarantee of financial reward from nervous bankers.

The commercial loans are still being made, but only reluctantly, and on nothing like the scale that enabled Brazil to notch up one of the fastest growth rates in the world. In addition, it is clear that at present the bankers are no happier about lending to Brazil than they are to other debtors who are less helpful about taking their medicine.

Despite the pain, Brazil, in the words of one of its economists, has gone out of its way to play the "good boy." It has made interest payments on time, negotiated swiftly with the IMF and agreed to very tough economic conditions. The Brazilians, with debts of more than $80 billion, have "done this the way it ought to be done," U.S. Ambassador Langhorne A. Motley says.

But, he adds, "the irony is that there is no justice" or reward for playing by the rules. Brazil is being treated little better than other debtors who have missed interest payments, failed to disclose just how bad their finances are, or held out longer against accepting tough IMF conditions. For Brazil, the IMF conditions, which include a halving of the public sector deficit and stringent cutbacks in imports, will squeeze industry, hold interest rates high and force up unemployment just as they do in other countries that bankers complain have been less compliant.

Now, though Brazilian officials insist the package they worked out with the IMF and their private bank creditors will work, others are more doubtful.

Already, there are reports that Brazil will be forced to ask bankers for more money later this year than the originally agreed-to program forecasted. Finance Minister Ernane Galveas rejects the idea, calling such reports either "a mistake or a provocation." Planning Minister Antonio Delfim Netto, the nation's economic czar, was not so emphatic. The government's trade targets for fewer imports and more exports "are very hard but feasible," he said. He added, however, that if Brazil does need extra cash to meet its payments gap "it would be very small," and bankers "will help us."

But "it's going to be tough," commented one foreign expert in Brazil who has followed the crisis closely.

During the late 1960s and early 1970s, the so-called "miracle years," Brazil managed a spectacular 11 percent yearly growth rate by building up its economy with borrowed money. When times became hard following the first oil crisis, more money was borrowed to keep Brazil growing and to service the old debts.

Confidence finally collapsed in the wake of Mexico's near bankruptcy last August. The foreigners wanted their money back, and Brazil could not pay.

The IMF itself noted in a report this month that "the present state of international financial markets and prospects for the period ahead clearly indicate that the path of economic development followed by Brazil in the past is no longer feasible, and . . . a fundamental change in the country's economic strategy is required." Rather than depend on overseas borrowing to support investment and growth in Brazil, the country "will depend much more on the generation of larger domestic savings."

Despite Brazil's agreement to the traditional IMF remedy and the added input of direct IMF participation in the negotiations with the commercial banks, private economists and opposition politicians see two critical short-term problems in Brazil's financing package. One is that Brazil may be unable to achieve the $6 billion trade surplus that it has forecast for 1983 and that it needs to help service its debts and repay emergency short term money due this year. The other problem is that banks may be unwilling to come up with all the money that Brazil has counted on them to provide this year.

The agreement between the IMF, Brazil and its bankers assumed that private banks from around the world would increase their loan exposure in Brazil by close to 7 percent this year, despite the drastic scramble to get out last year. U.S. bankers who now wish that they had never lent any money south of the Rio Grande would rather be reducing their exposure than increasing it. But from Brazil's point of view, the 7 percent increase is considered a bare minimum. It is "significantly below the rate of the past several years [20 percent a year since 1978]," the central bank pointed out. Without it, the recession that is widely forecast for this year would be even more severe.

Central Bank Governor Carlos Langoni claimed earlier this month that "we don't need any more money" provided Brazil can meet its trade surplus target. The nation asked for all the money that it needed and will get it, he said.

But the experience of the last few weeks suggests Langoni may be wrong.

Despite the agreement reached with bankers at the end of February, Langoni and other officials are still sometimes engaged in a frantic search for enough cash to cover import bills and keep up interest payments, sources say.

"The government is acting like a financial treasurer," complained Joao Sayad, new finance secretary of the state of Sao Paulo, where Brazilian industry is concentrated and about 40 percent of the nation's total output is produced. It is a "continual challenge" to keep up the level of foreign bank deposits in Brazilian banks, on which the nation depends for dollars, Motley said.

The problem, according to one observer, is that Brazil made the mistake of assuming that financial markets would return to near-normal this year after last year's hiccup. The government asked bankers for a complicated four-part financing package, two parts of which have proved difficult to control. In addition to a new long-term loan of $4.4 billion and the rollover of another $4 billion of other loans due this year, Brazil asked banks to keep on lending for trade financing and to restore the levels of money-market lines that they had with overseas branches of Brazilian banks.

Bankers have not restored their credit lines to Brazilian banks to the $9 billion level originally requested, a development the government and its creditors did not allow to hold up agreement on the IMF loan and on the first two parts of the financial package. They "just declared victory and walked away," Motley said, leaving Brazil without sufficient cash to manage its payments easily. Furthermore, foreigners are apparently not lending as generously for trade as officials had hoped, although bankers have officially promised to provide more this year than Brazil requested.

New York bankers say that Brazil's cash-flow problems are manageable at present and have not gotten any worse in recent weeks. It is too soon to tell now whether the nation will need more cash, one said, suggesting that bankers will "sit down again" in May to see how Brazil's cash position is shaping up.

Economist Adroaldo Moura Silva believes that the $6 billion trade surplus cannot be achieved. "At best (it) will be $3 billion to $5

billion . . ." he said. Even the IMF initially questioned the trade figure, Brazilian sources reported. The fund doubted whether Brazil could boost its exports by the 14 percent needed to reach the $23 billion government goal. As a result, the IMF plan outlined a stiffer drop in imports—from $19 billion to $16 billion instead of to $17 billion—to achieve the planned surplus. Brazilian officials now use a range for the trade targets.

Cheaper oil, a stronger than expected U.S. recovery, and the boost to exports that should come from a 23 percent devaluation against the dollar last month mean there is a "greater probability of reaching the goal" than three months ago, Langoni said. Many economists in Brazil agree that these factors will help, but they still expect the trade balance to come up short.

This is partly because of a more fundamental problem with the government's IMF approved plan: it hurts too much for Brazil to be able to keep to it, some say.

The program is "a suicidal kind of policy" that will doom Brazil to a third year of recession that it can ill afford, one economist said. It faces considerable poverty with a rapidly growing population. "A country like Brazil can't stop growing like a developed country can," according to industrialist Luis Eulalio Bueno Vidigal. More bluntly, the IMF's plan is to "resolve an economic crisis with a social crisis," said Cesar Maia, finance minister for the new leftist opposition party that has won power in the state of Rio de Janeiro.

Despite the strong language, Vidigal added that he did not think industrial opposition to the government would change its policy. "I don't see how we can change. . . . We have no option now" but to do what the IMF and bankers want, he said.

Brazil needs growth of 5 percent or 6 percent a year just to stop unemployment from rising, Delfim Netto agrees. But with the richer foreigners who supported Brazil's growth and development in the past now unwilling to go on lending, the nation has to try, not simply to live without this lending but also to "repay part of the savings we have already taken" in loans from overseas, he said.

There is no way to do that without slowing the economy and cutting back sharply on buying from overseas, government officials say.

Cutting imports hurts because although they are only small in relation to the approximately $300 billion Brazilian economy—less than 8 percent of the total economy last year—they are "a very critical . . . slice," Delfim Netto said.

Imports will only come down significantly if the government slows its spending and screws down the private economy on line with its economic program. So far it appears that spending, particularly in the many state-owned enterprises that account for a huge proportion of the Brazilian economy, has not yet dropped in line with the plan, an expert said. The government has now set up a committee to monitor state spending on a weekly basis, and make sure that the plan is met, one foreign expert said.

Whether because the $6 billion trade surplus does not materialize or because of continued shortfall in the capital flows into Brazil, the consensus outside the government seems to be that Brazil will be back for more money this year. "I'm afraid the Brazilian government has to negotiate again in a very short time," an opposition senator said.

New York bankers are prepared for this, several said. Provided Brazilian officials can show that the nation is on the road to adjustment, requests for more money will be greeted sympathetically, several other bankers predicted.

If not, Brazil will have to squeeze its economy still more, one informed source said.

Confronting complaints that the government already has promised its creditors too much in return for their money, Brazilian officials—and creditors—are keeping their fingers crossed that a strong U.S. recovery will come in time to boost Brazilian exports and cheer up the world financial system.●

H.R. 2565, THE NATURAL GAS CONSUMER ACCESS AMENDMENTS OF 1983

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1983

● Mr. CORCORAN. Mr. Speaker, for the benefit of our colleagues, I would like to include in the RECORD at this point the text of H.R. 2565, the Natural Gas Consumer Access Amendments of 1983. With 11 of my colleagues from Illiniois, I introduced this legislation on April 14. It has been referred to the Energy and Commerce Committee, of which I am a member and senior Republican on its Fossil and Synthetic Fuels Subcommittee. Joining me in introducing this legislation were: Mr. SIMON, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DURBIN, Mr. EVANS of Illinois, Mr. LIPINSKI, Mr. MADIGAN, Mr. MICHEL, Mr. O'BRIEN, Mr. PRICE, and Mr. RUSSO. The text of H.R. 2565 follows:

H.R. 2565

A bill to amend the Natural Gas Policy Act of 1978 to establish natural gas pipelines as common carriers, and for other purposes

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 "Natural Gas Consumer Access Amendments of 1983".

COMMON CARRIAGE

SEC. 2. (a) Section 311(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3371(a)) is amended to read as follows:

"(a) COMMON CARRIAGE.—

"(1) GENERAL RULE.—A pipeline shall, without discrimination, transport natural gas on reasonable request of the owner of such natural gas, if—

"(A) no later than 30 days before the date of the requested transportation, such owner submits to such pipeline a formal application for transportation which shall include documentation for the sale of a minimum of a total of 250 Mcf per day of natural gas from and to any number of points on the transporter's system for a period of at least 6 months, except that the Commission may, on a case by case basis, modify such notice and minimum tender requirements after application and hearing;

"(B) such owner agrees to compensate the pipeline in accordance with the tariff rates established by the Commission; and

"(C) the pipeline has sufficient available throughput capacity, including the capacity with full use of compression and looping facilities.

"(2) RATES AND CHARGES.—

"(A) MAXIMUM RATES AND CHARGES.—Within 180 days after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983, the Commission shall, by regulations, establish maximum rates and charges for the transportation of natural gas by pipelines under this subsection, and such rates and charges shall be just and reasonable within the meaning of the Natural Gas Act.

"(B) RATES TO PERMIT COMPENSATION AND PROFIT.—Such rates and charges shall be designed to reasonably compensate any pipeline for expenses incurred by such pipeline in transporting natural gas or in the gathering, treatment, processing, delivery, or similar service in connection with any such transportation. The Commission shall also provide an opportunity for such pipeline to earn a reasonable profit on such services.

"(C) ITEMIZED INVOICE FOR SEPARATE SERVICES.—Under the regulations prescribed under subparagraph (A), the Commission shall identify separate services to be itemized under this subsection and shall require each pipeline which provides such services to provide to each purchaser of such services an itemized invoice which shall specify the amount charged for each of such services.

"(D) COSTS AND EXPENSES OF UNUSED FACILITIES.—The costs or expenses of facilities not used in cases in which pipeline services are provided to an individual purchaser of services pursuant to this subsection shall not be included in the rates and charges for such services, unless the Commission specifically finds that public necessity requires otherwise.

"(E) OFF-PEAK AND INTERRUPTIBLE SERVICE RATES AND CHARGES.—In establishing rates and charges pursuant to this subsection, the Commission shall—

"(i) take into account the lower costs (including lower opportunity costs) associated with usage of the facilities of pipelines during off-peak periods; and

"(ii) provide for separate rates and charges for interruptible service.

"(3) ADMINISTRATIVE RESPONSIBILITIES REGARDING INTRASTATE PIPELINES.—

"(A) IN GENERAL.—The responsibilities of the Commission over any intrastate pipeline (as described in paragraph (4)(B)) under the other paragraphs of this subsection shall be delegated by the Commission to the State commission (as defined in section 2(8) of the Natural Gas Act) having ratemaking jurisdiction over such pipeline, unless such State commission waives its rights to exercise such jurisdiction.

"(B) PROCEDURES; ADMINISTRATION.—The Commission shall delegate such responsibilities and shall establish waiver, review, and appeal procedures in accordance with the principles of section 503 (relating to State commission responsibilities over well determinations).

"(4) PIPELINE DEFINED.—For purposes of this subsection and section 315, the term 'pipeline' means—

"(A) any interstate pipeline, and

"(B) any intrastate pipeline engaged in or affecting interstate commerce.

"(5) REGULATION OF COMMON CARRIERS.—The Commission shall prescribe regulations governing contractual relationships and obligations relating to the transportation of natural gas under this subsection. Regula-

tions shall be prescribed under this paragraph not later than 180 days after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983.

"(6) PIPELINE DEVELOPMENT.—

"(A) IN GENERAL.—For purposes of increasing available throughput capacity under paragraph (7), the Commission may require the interconnection of the facilities of 2 or more pipelines, or may require the extension or modification of the facilities of any pipeline or pipelines.

"(B) COMPRESSOR FACILITIES AND LOOPING.—Such extension or modification may include the installation of additional compressor facilities to increase transmission capacity and the looping of transmission lines.

"(C) COMPLIANCE WITH NATURAL GAS ACT.—No interconnection, extension, or modification under this paragraph shall be required unless the Commission, pursuant to section 7 of the Natural Gas Act, determines that public convenience and necessity require such interconnection, extension, or modification.

"(D) PAYMENT OF COSTS.—The development and capital costs of any interconnection, extension, or modification under this paragraph shall be paid by the pipeline which owns the facilities which have been so interconnected, extended, or modified. Such costs shall be subject to recovery under paragraph (2).

"(E) OTHER INTERCONNECTION PERMITTED.—Nothing in this subsection shall be construed to limit the ability of any person to construct or alter such facilities as are necessary to connect with the facilities of any pipeline, including any pipeline which has been required to make such interconnection.

"(7) AVAILABLE THROUGHPUT CAPACITY.—

"(A) IN GENERAL.—For purposes of this subsection, 'available throughput capacity' means that portion of pipeline capacity which during the term of the transport contract would otherwise be unused except during periods of peak usage.

"(B) SHARING OF AVAILABLE THROUGHPUT CAPACITY.—The regulations prescribed by the Commission under paragraph (2)(A) shall provide for the sharing of any pipeline's available throughput capacity with other pipelines in order to allow such other pipelines to provide transportation under this subsection.

"(C) PROTECTION OF HIGH-PRIORITY USERS.—Such regulations shall include provisions designed to assure availability of natural gas to high-priority users as defined in section 401(f)(2).

"(D) NATURAL GAS FOR RESALE OR DIRECT PURCHASE.—In the calculation of available throughput capacity in any case in which any pipeline provides, on its own behalf, natural gas for resale or direct purchase, the portion of the available throughput capacity which the pipeline may use to transport such natural gas may not exceed the lower of—

"(i) the then current capacity used to serve resale or direct purchase customers of that pipeline, or

"(ii) the then future capacity needed to serve resale or direct purchase customers of that pipeline, as documented by projections considered by the Commission to be reliable.

"(E) DETERMINATION OF NONAVAILABILITY.—For the purpose of determining whether there is available throughput capacity in any pipeline sufficient to accommodate a request for transportation, the burden of demonstrating lack of capacity is on the pipeline asserting nonavailability. The Commission shall determine whether available throughput capacity exists and shall promulgate relevant criteria for such determination.

"(8) TRANSPORTATION OF PIPELINE'S OWN GAS.—Nothing in this subsection shall be construed to prohibit any pipeline from owning natural gas or from transporting natural gas owned by that or any other pipeline or pipeline affiliate if such transportation is in accordance with this subsection.

"(9) STORAGE.—Any pipeline may provide storage pursuant to a request if—

"(A) such pipeline has filed a tariff therefor with the Commission, and

"(B) such tariff is determined by the Commission to be just and reasonable.".

(b)(1) Subparagraph (B) of section 314(b)(3) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3347(b)(2)(B)) is amended by striking out "authorized by the Commission".

(2) Clause (ii) of section 601(a)(2)(A) of such Act (15 U.S.C. 3431(a)(2)(A)(ii)) is amended by striking out "authorized by the Commission".

(3) Subparagraph (B) of section 601(b)(2) of such Act (15 U.S.C. 3431(b)(2)(B)) is amended by striking out "authorized by the Commission".

(4) Paragraph (2) of section 602(b) of such Act (15 U.S.C. 3432(b)(2)) is amended to read as follows:

"(2) under section 311(a), except to the extent provided under such section.".

(c)(1) The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

(2) Until the establishment of maximum rates and charges under section 311(a)(2) of the Natural Gas Policy Act of 1978 (as amended by this Act), the maximum rates and charges for a pipeline shall be interim rates and charges which shall be based on the pipeline's system average costs.

FREE ACCESS GAS

SEC. 3. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375) is amended by adding at the end thereof the following new section:

"SEC. 316. FREE ACCESS GAS.

"(a) FREE ACCESS GAS.—The term 'free access gas' means natural gas produced from any well in the United States—

"(1) the drilling of which began on or after May 1, 1983, regardless of its contract dedication;

"(2) which is not subject to a sales contract as of the effective date of this section;

"(3) which is released by the purchaser or otherwise made available by the exercise of a market-out clause, or other similar contract provision, or by the amendment or renegotiation of a sales contract;

"(4) which is subjected to a material unilateral modification of the sales contract by the purchaser, whether authorized by law or regulation;

"(5) which is subjected to any material breach of the sales contract by the purchaser in either the price paid or the amount of gas required to be taken; or

"(6) which is subjected to any termination of contractual obligations as provided in section 315.

"(b) SALE AND TRANSPORT.—Free access gas may be sold to any purchaser capable of taking delivery and the seller shall be considered released from all duties and obligations in contract or in law with respect to who may purchase natural gas which meets the definition of free access gas under subsection (a).".

(b) The table of contents for such Act is amended by adding at the end thereof the following new item:

"Sec. 316. Free access gas.".

(c) The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

VOIDABILITY OF CONTRACTS; MARKETOUT PROVISIONS

SEC. 4. (a) Section 315 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3375) is amended to read as follows:

"SEC. 315. VOIDABILITY OF CONTRACTS; MARKETOUT PROVISIONS.

"(a) CONTRACT VOIDABILITY BEFORE JANUARY 1, 1985.—

"(1) GENERAL RULE.—In the case of a contract subject to this section, if a pipeline or local distribution company which is a party to such contract transmits to the other parties a written notice requesting that such contract be voided, such contract shall be unenforceable with respect to any natural gas sale, transportation, or storage required under such contract after the expiration of the later of—

"(A) the 60-day period beginning on the date notice under this paragraph is received by all parties to such contract, and

"(B) the date specified, in such notice, for contract termination.

"(2) LOAD LOSSES.—

"(A) GENERAL RULE.—In the case of a contract for the purchase of natural gas which has a minimum purchase requirement with a pipeline or producer, if natural gas under such contract is not taken, as a direct result of the voiding of a contract under this subsection by any other person, such minimum purchase requirement shall be reduced by the volume of such natural gas not taken.

"(B) MINIMUM PURCHASE REQUIREMENTS DEFINED.—For purposes of this paragraph, the term 'minimum purchase requirement' means any contract or tariff requirement of payment for the minimum quantity of natural gas contracted for if the purchaser fails to take delivery.

"(3) APPLICABILITY.—This subsection shall not operate to make any contract provision unenforceable after December 31, 1984.

"(b) AUTHORITY TO MARKET-OUT ON AND AFTER JANUARY 1, 1985.—

"(1) GENERAL RULE.—In the case of a contract subject to this section, if a producer, pipeline, or local distribution company which is a party to such contract transmits to the other parties a written notice requesting that it be marketed out, such contract shall be unenforceable with respect to any natural gas sale, transporation, or storage required under such contract after the expiration of the later of—

"(A) the 60-day period beginning on the date notice is received by all parties to such contract, and

"(B) the date specified, in such notice, for contract termination.

"(2) APPLICABILITY.—This subsection shall not operate to make any contract unenforceable before January 1, 1985.

"(c) CONTRACTS SUBJECT TO THIS SECTION.—A contract is subject to this section if—

"(1) it is in effect on the date of enactment of the Natural Gas Consumer Access Amendments of 1983, and

"(2) it has not been materially amended or renegotiated after such date and before the date specified in the notice under subsection (a)(1)(B) or subsection (b)(1)(B), as the case may be.".

(b) The table of contents for such Act is amended by striking out the item relating to section 315 and inserting in lieu thereof:

"Sec. 315. Voidability of Contracts; marketout provisions.".

MARKET STUDY AND REPORT

SEC. 5. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375), as amended by sections 2, 3, and 4 of this Act, is amended by adding at the end thereof the following new section:

"SEC. 317. MARKET STUDY AND REPORT.

"(a) IN GENERAL.—The Commission and the Department of Justice shall undertake a cooperative study of the competitive effects of vertical integration in the production, purchase, transport, storage, and sale of natural gas, and the effects of vertical integration on the price, availability, and deliverability of natural gas to local distribution companies and ultimate consumers.

"(b) SUBMISSION OF REPORT.—The cooperative study shall commence within one year after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983, and its findings shall be reported to Congress within two years after such date.".

(b) The table of contents for such Act is amended by adding at the end of the items relating to title III the following new item:

"Sec. 317. Market study and report.".●

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, April 19, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 20

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

SR-253

9:30 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1984 for agriculture and rural development programs.

SD-138

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

Business meeting, to mark up S. 530, to provide Federal assistance to upgrade instruction in mathematics, science, computer technology, and foreign languages in the Nation's institutions, and to provide assistance for employment-based vocational training programs, and related proposals.

SD-430

Veterans' Affairs

Business meeting, to mark up S. 11, S. 567, S. 578, S. 629, S. 664, bills to improve and extend certain veterans' health-care programs; S. 636, to provide for judicial review of certain administrative decisions of the Veterans' Administration, to codify certain VA adjudication procedures, to improve VA's appeals process, to require the VA to comply with certain rulemaking procedures, and to provide for reasonable fees to attorneys serving as legal counsel for veterans; and to consider the VA's medical facility construction process and specific facility prospectuses.

SR-418

10:00 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

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Executive Office of the President, National Security Council, Property Review Board, Office of Management and Budget, and the Office of Federal Procurement Policy.

SD-124

Armed Services

To resume hearings on S. 675, authorizing funds for fiscal year 1984 for military programs of the Department of Defense, focusing on a report by the President's Commission on Strategic Forces on the basing of the MX missile.

SD-106

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Foreign Relations

Business meeting, to consider S. 660, to authorize funds for fiscal years 1984 and 1985 for the Department of State, S. 734, to authorize funds for fiscal years 1984 and 1985 for the U.S. Information Agency, S. 694, to authorize supplemental funds for fiscal year ending September 30, 1983, and to authorize funds for fiscal years 1984 and 1985 for the Board for International Broadcasting, and S. 608, to authorize funds for fiscal years 1984 and 1985 for the U.S. Arms Control and Disarmament Agency.

SD-419

Rules and Administration

To hold hearings on S. 840, S. 929, and S. 930, bills authorizing funds for the Smithsonian Institution, and to consider pending administrative business.

SR-301

Veterans' Affairs

To hold hearings on S. 992 and S. 1033, bills to provide emergency job training and employment programs for veterans.

SR-418

11:00 a.m.

Environment and Public Works

Regional and Community Development Subcommittee

To hold hearings to review programs of the Tennessee Valley Authority and the Clinch River breeder reactor project.

SD-406

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

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Treasury.

SD-124

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

APRIL 21

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of James H. Burnley IV, of North Carolina, to be General Counsel, Department of Transportation.

SR-251

9:20 a.m.

*Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1984 for agriculture and rural development progams.

SD-138

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

Finance

To hold hearings on S. 307, and S. 951, bills to provide continued health protection for certain individuals who lost their health insurance coverage as a

result of being involuntarily unemployed.

SD-215

*Labor and Human Resources
Employment and Productivity Subcommittee Business meeting, to mark up S. 242, authorizing funds for fiscal year 1983 to provide additional employment opportunities in existing Federal or federally assisted labor intensive programs, to provide incentives for employers to hire the long-term unemployed, and to expand retraining opportunities for dislocated workers.

SD-430

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the government of the District of Columbia.

SD-192

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

Armed Services
To continue hearings on S. 675, authorizing funds for fiscal year 1984 for military programs of the Department of Defense, focusing on a report by the President's Commission on Strategic Forces on the basing of the MX missile.

SD-106

Energy and Natural Resources
Business meeting, to consider pending calendar business.

SD-366

Foreign Relations
Business meeting, to consider S. 637, to authorize funds for fiscal years 1984 and 1985 for international security and development assistance programs, S. 638, to authorize supplemental funds for fiscal year ending September 30, 1983, for international security assistance, S. 701, to authorize funds for fiscal years 1984 and 1985 for the Peace Corps, and S. 714, to authorize funds for fiscal years 1984 and 1985 for the Inter-American Foundation.

SD-419

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Indian Health Service, and the Office of Indian Education, Department of Health and Human Services.

SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Treasury.

SD-124

Armed Services
Preparedness Subcommittee
To resume open and closed hearings on S. 675, authorizing funds for fiscal year 1984 for military programs of the Department of Defense, focusing on readiness, operation and maintenance budget for the U.S. Navy, and naval reserve status.

SR-222

Governmental Affairs
To hold hearings on the nomination of Joseph H. Sherick, of Virginia, to be Inspector General, Department of Defense.

SD-342

Judiciary
Constitution Subcommittee
To resume hearings on S. 774, to revise certain provisions of the Freedom of Information Act by providing protectable interest in national security information, law enforcement investigations, business confidentiality, and personal property.

SD-226

APRIL 22

9:30 a.m.
Finance
To hold hearings on S. 98, S. 634, and S. 863, bills to provide tax incentives for businesses in economically depressed areas to stimulate job programs.

SD-215

Labor and Human Resources
Family and Human Services Subcommittee
Business meeting, to mark up S. 1003, authorizing funds through fiscal year 1986 for child abuse prevention and treatment and adoption reform programs.

SD-430

Joint Economic
To hold hearings on the Consumer Price Index figures for March.

SD-138

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 947, authorizing funds through fiscal year 1988 for water resource development projects of the Army Corps of Engineers.

SD-406

Labor and Human Resources
Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Domestic Volunteer Service Act.

SD-430

10:30 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 916 and S. 848, bills to provide for the termination, extension, or modification of certain contracts for the sale of Federal timber.

SD-366

Judiciary
Separation of Powers Subcommittee
Business meeting, to mark up S. 462, to clarify certain provisions of the Hobbs Act relating to Federal jurisdiction over labor extortion matters.

SD-226

APRIL 25

9:30 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1984 for the U.S. Customs Service, Department of the Treasury.

SD-192

Commerce, Science, and Transportation
To resume hearings on S. 372, to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.

SR-253

Labor and Human Resources
To hold hearings on S. 771, authorizing funds for fiscal years 1983-86 for health promotion and disease prevention programs of the Department of Health and Human Services.

SD-430

10:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Theodore J. Garrish, of Virginia, to be General Counsel of the Department of Energy.

SD-366

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

Foreign Relations
To hold hearings on the nominations of Alvin P. Adams, Jr., of Virginia, to be Ambassador to the Republic of Djibouti, Jay P. Moffat, of New Hampshire, to be Ambassador to the Republic of Chad, and James D. Rosenthal, of California, to be Ambassador to the People's Revolutionary Republic of Guinea.

S-116, Capitol

APRIL 26

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.
Foreign Relations
To hold hearings on United States-Soviet relations.

SD-419

Labor and Human Resources
To continue hearings on S. 771, authorizing funds for fiscal years 1983-86 for health promotion and disease prevention programs of the Department of Health and Human Services.

SD-430

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

Energy and Natural Resources
Business meeting, on pending calendar business.
SD-366

Governmental Affairs
To resume hearings on S. 121, to establish a U.S. Department of Trade as an executive department of the Federal Government.
SD-342

Judiciary
Business meeting, to consider pending calendar business.
SD-226

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

3:30 p.m.
Foreign Relations
To hold hearings on the nomination of Helene A. Von Damm, of New Jersey, to be Ambassador to Austria.
SD-419

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-116

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on S. 44, to establish uniform standards of product liability law.
SD-628

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on proposed legislation authorizing funds for the Office of Federal Procurement Policy within the Office of Management and Budget.
SD-538

Labor and Human Resources
Business meeting, to mark up S. 38, proposed Longshoremen's and Harbor Workers Compensation Act amendments, S. 1008, to revise provisions for financial assistance to meet the special educational needs of disadvantaged children, and consolidation of Federal programs for elementary and secondary education, S. 564, to establish the U.S. Academy of Peace, S. 655, authorizing funds for fiscal years 1984-86 for the national sea grant college program, and other pending calendar business.
SD-430

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

Energy and Natural Resources
Business meeting, on pending calendar business.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

Judiciary
Criminal Law Subcommittee
To hold hearings on the proposed Justice Assistance Act of 1983.
SD-226

Labor and Human Resources
To continue hearings on S. 771, authorizing funds for fiscal years 1983-86 for health promotion and disease prevention programs of the Department of Health and Human Services.
SD-430

10:30 a.m.
Small Business
Small Business: Family Farm Subcommittee
To hold hearings to discuss certain problems facing family farm owners.
SR-428A

2:00 a.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

Judiciary
To hold hearings on pending nominations.
SD-226

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

9:30 a.m.
Judiciary
Criminal Law Subcommittee
To hold hearings on S. 485, proposed Lawyers Duty of Disclosure Act.
SD-226

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

Energy and Natural Resources
Business meeting, on pending calendar business.
SD-366

Finance
To hold hearings on S. 528, to provide a Federal income tax credit for tuition.
SD-215

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

*Judiciary
To hold hearings on S. 815, S. 1059, and the substance of S. 425, bills to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

10:30 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings to explore certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226

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

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the General Services Administration, and to discuss the substance of S. 102, to allow State and local governments to continue to acquire surplus Federal lands for park and recreational use.
SD-116

2:30 p.m.
Governmental Affairs
To hold hearings on the nominations of John L. Ryan, of Indiana, to be a Governor of the U.S. Postal Service, and Maria L. Johnson, of Alaska, to be a member of the Merit Systems Protection Board.
SD-342

Select on Indian Affairs
To hold hearings on S. 727, to authorize the Secretary of the Interior to set-aside certain judgment funds of the Three Affiliated Tribes of Fort Berthold Reservation in North Dakota, S. 884, to provide for the use and distribution of certain funds awarded the Red Lake Band of Chippewa Indians, and S. 973, to make technical amendments to the Indian Self-Determination Act.
SD-538

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-116

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 249, to make permanent and extend the exclusion from income for amounts paid under educational assistance programs, and S. 825, to exclude income from the sale of membership lists from the unrelated business income tax on nonprofit organizations.
SD-215

*Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on copyright audiovisual rental.
SD-226

10:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 73, proposing an amendment to the Constitution of the United States relating to voluntary school prayer.
SD-628

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-116

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on nuclear waste activities.
SD-366

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 883 and S. 558, bills to expedite exploration and development of geothermal resources.
SD-562

10:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on Senate Joint Resolution 73, proposing an amendment to the Constitution of the United States relating to voluntary school prayer.
SD-226

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-116

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

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue oversight hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs.
SD-366

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the Legal Services Corporation.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

MAY 4

9:30 a.m.
Labor and Human Resources
Business meeting, to consider proposed legislation relating to science education.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MAY 5

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 772, to establish an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

11:00 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

2:00 p.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Judiciary
Constitution Subcommittee
To hold hearings on S. 81 and S. 141, bills to revise current law relating to civil actions for the deprivation of rights.
SD-226

MAY 6

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on the strategic petroleum reserve to review financing mechanisms, interim storage, fill capacity, and other related issues.
SD-366

Governmental Affairs
Information Management and Regulatory Affairs Subcommittee
To hold oversight hearings on the implementation of the Paperwork Reduction Act of 1980.
SD-342

MAY 9

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on proposed authorizations for refugee programs.
SD-226

MAY 10

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of E. Pendleton James, of California, to be a member of the Board of Directors of the Communications Satellite Corporation.
SR-253

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, proposed International Telecommunications Act.
SR-253

Labor and Human Resources
To hold hearings on home health care services.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 11

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 999, proposed International Telecommunications Act.
SR-232A

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on oil pipeline deregulation.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on the District of Columbia school system's career oriented curriculum.
SD-124

Labor and Human Resources
To continue hearings on home health care services.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MAY 12

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on certain tragedies involving children.
SD-562

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on computerization of criminal history.
SD-226

Labor and Human Resources
Business meeting, to mark up S. 772, to establish an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
SD-430

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

Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

2:00 p.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 81 and S. 141, bills to revise current law relating to civil actions for the deprivation of rights.
SD-226

MAY 13

9:30 a.m.
Labor and Human Resources
To hold hearings to examine fire safety issues.
SD-430

10:00 a.m.
*Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:30 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings to explore certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226

MAY 16

9:30 a.m.
Judiciary
To resume hearings on S. 610, to encourage college student-athletes to complete their undergraduate education before becoming professional athletes.
SD-226

MAY 17

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 18

9:30 a.m.
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To resume hearings on the status of emergency preparedness in the Washington, D.C. metropolitan area.
SD-562

Labor and Human Resources
To hold oversight hearings on activities of the Equal Employment Opportunity Commission.
SD-430

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SD-628

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

Veterans' Affairs
To continue oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SD-628

MAY 19

9:30 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 372, to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
SR-253

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on computer chips protection.
SD-226

Labor and Human Resources
To hold hearings on health care cost.
SD-430

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on S. 696, to provide for the ratification of the Memorandum of Agreement between the U.S. Department of the Interior and the State of Texas for the Management of the Matagorda Island State Park and Wildlife Management Area A Unit of the National Wildlife Refuge System in Calhoun County, Texas.
SD-406

Judiciary
Courts Subcommittee
To hold hearings to discuss bankruptcy matters relating to the Manville Corporation in Denver, Colorado.
SD-562

10:30 a.m.
Energy and Natural Resources
To hold oversight hearings on the geopolitics of strategic and critical minerals.
SD-366

MAY 20

10:00 a.m.
Judiciary
To resume oversight hearings on organized crime in the United States.
SD-226

Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 10, proposing an amendment to the Constitution of the United States relative to equal rights for women and men, and on related measures.
SD-628

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

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the Employee Retirement Income Security Act (ERISA).
SD-430

10:00 a.m.
Appropriations
HUD-Independence Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain

programs under the subcommittee's jurisdiction.
SD-124

Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 25

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on the problem of parental kidnaping.
SD-226

Labor and Human Resources
To continue hearings on health care cost.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 8

9:30 a.m.
Labor and Human Resources
To hold hearings on food safety.
SD-430

10:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 9

9:30 a.m.
Labor and Human Resources
To coninue hearings on food safety.
SD-430

JUNE 10

9:30 a.m.
Labor and Human Resources
To continue hearings on food safety.
SD-430

JUNE 14

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on proposed legislation revising certain provisions of the Labor-Management Reporting and Disclosure Act (Landrum-Griffin Act).
SD-430

JUNE 15

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume oversight hearings on activities of the Patent and Trademark Office, Department of Commerce.
SD-226

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Alien Education Assistance Act.
SD-430

Veterans' Affairs
To hold oversight hearings to review certain health care and other services provided Vietnam veterans.
SR-418

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 16

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on deinstitutionalization of certain status offenders.
SD-226

Labor and Human Resources
Labor Subcommittee
To resume hearings on proposed legislation revising certain provisions of the Labor-Management Reporting and Disclosure Act (Landrum-Griffin Act).
SD-430

JUNE 20

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on proposed authorizations for refugee programs.
SD-226

JUNE 22

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on patent term restoration.
SD-226

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on causes and remedies.
SD-430

Veterans' Affairs
To hold oversight hearings on certain health care services for veterans.
SR-418

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 23

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To continue oversight hearings on the breakdown of the traditional family unit, focusing on the role of Federal policy.
SD-430

JUNE 27

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on proposed authorizations for refugee programs.
SD-226

JUNE 29

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on Federal Government patent policy.
SD-226

10:00 a.m.
Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 30

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on juvenile offenders of serious and violent crimes.
SD-226

JULY 6

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 13

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 20

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 27

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

APRIL 20

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Small Business
Urban and Rural Economic Development Subcommittee
To hold hearings on proposals to promote jobs through small business enterprise.
SR-428A

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine matters relative to the attempted assassination of the Pope.
SD-226

Labor and Human Resources
To hold oversight hearings on the investigation by the Department of Labor and the Department of Justice on the alleged involvement of certain union workers in organized crime.
SD-430

11:00 a.m.
Joint Economic
To hold hearings on the first quarter gross national product estimates and the economic outlook for 1983.
SD-342

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

APRIL 21

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings to review U.S. immigration quotas.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of bilingual education programs administered by the Department of Education.
SD-430

APRIL 22

10:00 a.m.
Judiciary
To resume hearings on organized crime in the United States.
SD-226

APRIL 26

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 48, to establish the National Transportation Commission as an independent regulatory agency, and to eliminate existing statutory restrictions against common ownership and control of certain water carriers.
SR-253

APRIL 27

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on S. 48, to establish the National Transportation Commission as an independent regulatory agency, and to eliminate existing statutory restrictions against common ownership and control of certain water carriers.
SR-253

APRIL 29

10:00 a.m.
Judiciary
Constitution Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

Labor and Human Resources
To continue joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430