SENATE—*Tuesday, May 3, 1983*

(Legislative day of Monday, May 2, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable WILLIAM L. ARMSTRONG, a Senator from the State of Colorado.

PRAYER

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

Let us pray.

God of all comfort, we remember in prayer those of our Senate family who are hurting. We pray for Mark Lacovara, his sisters, and their family in the loss of their father. May Thy peace fill their hearts. We are grateful for the good news concerning Diane Lee and commend her to Thy loving care, praying for her rapid and total recovery. For any others who may be experiencing difficulties, grant relief in their situation. Help us to love one another, to care for and be sensitive to one another's needs.

Our Father, we pray for the pages as they approach the end of their school year and graduation. Thank Thee for their efficient and faithful service.

As the Senate takes up the complex and controversial issue of the budget, we pray, Heavenly Father, for special dispensation: Wisdom and patience for the leadership, the chairmen, and members of the committees. Guide the Senators through debate to consensus and resolution. In Jesus' name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 3, 1983.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WILLIAM L. ARMSTRONG, a Senator from the State of Colorado, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. ARMSTRONG thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. STEVENS. I thank the Chair.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, has there been an order entered for the transaction of routine morning business following the time for the two leaders?

The ACTING PRESIDENT pro tempore. There has not.

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

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

THE BUDGET RESOLUTION

Mr. STEVENS. Mr. President, today the Senate is going to continue consideration of the Senate Concurrent Resolution 27, the first concurrent budget resolution for the fiscal year 1984. It is imperative that the Senate dedicate itself to completion of this critical stage of the budget process. Many of the committees in the House and the Senate must await the outcome of the consideration of this budget resolution.

As a member of the Appropriations Committee, I can assure the Senate that that committee would welcome the achievement of the first concurrent budget resolution. It would help the appropriations process tremendously. Congress has the opportunity this year to complete all of the appropriations bills before the end of the fiscal year if this budget resolution is approved in sufficient time to permit that.

Mr. President, the majority leader is at the White House conferring with the President and his staff. He may have a further announcement later today regarding the schedule for today and the remainder of the week.

I ask unanimous consent that a place be reserved in the RECORD for that statement should he wish to file it or make it.

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

ORDER FOR RECESS TODAY FROM 12 NOON TO 2 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess today between 12 noon and 2 p.m.

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

Mr. STEVENS. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

Mr. BYRD. Mr. President, the Senator reserved his time. What is the next order?

The ACTING PRESIDENT pro tempore. Under the standing order, the minority leader is recognized.

Mr. BYRD. I thank the Chair.

SHIFTING OF RURAL WATER AND WASTE DISPOSAL FUNDS

Mr. BYRD. Mr. President, I was disturbed to learn recently that the Department of Agriculture and the Office of Management and Budget had decided to shift half of the rural water and waste disposal program grant and loan funds that Congress approved last month in the Emergency Jobs Authorization Act to the farm operating loan program under the provisions of the interchange authority approved in 1944. I am told that this reprograming will transfer $75 million in grant funds and $225 million in loan funds from the rural water and waste disposal program to the farm operating loan program on an emergency basis.

The purpose of that transfer is to provide operating credit for the farmers in 20 States, States in which funds from the farm operating loan program are exhausted for loan assistance needed to plant this year's crops.

I can well understand, and I agree with the need for timely action to assure adequate loan assistance to farmers for spring planting. They cannot wait until August or September to do their spring planting, so it is obvious that the need existed for such funds. But I find it difficult to understand why the farm operating loan program reached such dire straits before emergency action was taken to

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

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shore it up. Surely the Farmers Home Loan Administration officials must have known that adequate resources were dwindling from that program at the time they testified before both Senate and House committees a few weeks ago. And surely they knew that available loan funds would fall far short of that required for the spring planting season; yet apparently they did not mention the problem. As a result, no opportunity was provided to take care of the current emergency in a more orderly and reasonable fashion.

Further, I cannot understand why the needed funding for the farm operating loan program was taken from the rural water and waste disposal program and not from the emergency loan program.

The emergency loan program is an open-ended funding resource. I am talking about the fund that is provided for disasters. It would appear to have been a better source from which to take the needed money, and it would have left the emergency jobs measure funds intact for use as intended by the Congress and would not have adversely affected any other Agriculture Department program.

Unfortunately, because of the transfer of those funds, all 50 States and eligible territories will be penalized counter to the intent of Congress. Congress approved those funds the month before last to create and maintain jobs for Americans in rural areas, and to provide assistance for basic human amenities, to alleviate health hazards, and to promote stability and growth in those same rural areas.

In my home State of West Virginia, unemployment has reached more than 21 percent. Under the rural water and waste disposal funding program as contained in the Emergency Jobs Appropriations Act, West Virginia had anticipated receiving $10 million: $3 million for grants and $7 million for loans. These anticipated figures were based on earlier rough calculations by the Farmers Home Loan Administration officials. But I was told last week that West Virginia's share of the rural water and waste disposal money from the jobs bill subsequent to reprogramming will be only $1.153 million for grant allocation and $3.487 million for the loan program.

So what we see is the administration giving with one hand and taking away with the other, clearly in circumvention as to the intent of Congress when it passed the jobs bill.

West Virginia has no remaining grant funds from its regular fiscal year 1983 rural water and waste disposal allotment and only $3.5 million in its loan program. Current West Virginia rural water and waste disposal grant and loan applications total $19.7 million. At the national level, I am told there are rural water and waste disposal applications pending for funding amounting to $1.5 billion.

I have discussed this matter twice with the Director of the Office of Management and Budget, who seems to show no inclination to budge. I have written to the Secretary of Agriculture to express my concern about this transfer and to find out what action may be anticipated in the future to restore the transfer of the funds.

To date, I have received no satisfactory answer to my question from either Mr. Stockman or the Secretary of Agriculture.

I do hope this money can be restored through the appropriations process. I think the will of Congress should be carried out. What has happened in this instance, if carried to further ends, could mean that the other jobs programs which Congress thought it was funding will come up short of money because of reprograming.

I call on my colleagues in the Senate to join in supporting an effort to restore those funds that have been transferred from the rural water and waste disposal program and to do so through the next appropriate vehicle, which I assume would be the supplemental appropriations bill, and which is expected to be considered in a few weeks, because I believe this is a matter of concern to many, if not most, Senators. I am not certain that they are aware of what has been done. Senator EAGLETON, I believe, spoke on this subject a few days ago.

I think it is a sort of sleight-of-hand operation, in dealing from the bottom of the deck, when Congress appropriates money for jobs and for waste and water systems and then that money is reprogramed, granted for a very good cause. I maintain that the moneys could have been obtained elsewhere.

I also maintain, as I have said in my speech, that the Farmers Home Loan Administration officials should have alerted Congress to the dire emergency which faces farmers, when that agency appeared before Appropriations Committees earlier.

Mr. President, I yield the floor. If I have any time remaining, I yield it to the acting Republican leader.

Mr. STEVENS. I thank my good friend.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business to extend not beyond 11 a.m. in which Senators may speak for not to exceed 5 minutes.

MR. PRESIDENT, WHY NOT A SUMMIT, NOW?

Mr. PROXMIRE. Mr. President, James Reston, the veteran columnist of the New York Times is one of the wisest as well as one of the fairest observers on the Washington scene. Reston rarely calls on a President to act unless this wise man—with many years of experience in observing action at the top levels of our Government—has become convinced that we face a genuine emergency.

In his column yesterday, Mr. Reston wrote:

> The U.S.-Soviet nuclear arms talks in Geneva have reached an impasse which is likely to develop into a crisis before the end of the year unless both sides make some strenuous new effort to avoid it.

What is Reston talking about? How serious is this crisis he talks about? Mr. Reston is not referring alone to the dismal prospect that the nuclear arms race will go on and on until sometime in the future when some kind of mistake in this increasingly instant-trigger technology sets off Armageddon. Reston is referring to a sequence of events that could lead directly to a confrontation not at some time in the vague future, but at the end of this year, by December 31, 1983.

Here is why: The U.S. and U.S.S.R. negotiators at Geneva seem most unlikely to reach any agreement. So why is this important? Because if they reach no agreement, we will deploy our Pershing II nuclear missiles in Britain and West Germany. Then what happens? Then the Soviets have indicated their intention of putting intermediate range missiles within striking distance of the United States. Does that mean Cuba? Or Nicaragua?

As Reston writes:

> Nobody who remembers the Cuban missile crisis during the Kennedy administration will underestimate the importance of avoiding another such confrontation.

So what does Reston suggest we do about this situation? He suggests wisely that it is time for a Reagan-Andropov summit to reach a better understanding on both sides. Would such a meeting reach an agreement on the deployment of nuclear arms? Maybe not. Probably not. But it might. And it would certainly improve the understanding on both sides and provide for further progress.

In this connection, Reston makes two additional points: First, the histroy of meetings between our Presi-

dent and the top Soviet leaders in the past have led to greater understandings in virtually every case. Both President Ford and President Carter found their meetings with Brezhenev useful even when they did not settle anything. They eased tensions. They moved both nations a little closer to accommodation.

Second, the President has been meeting with just about every other leader of virtually every other country in the world except the Soviet Union. He sends Secretary Shultz to the Middle East although the hope of an agreement there is very slim. At least he is trying for an agreement to achieve the peace in the Middle East and that is certainly to the credit of the President and the Secretary.

In the same spirit, President Reagan, give it a try. Give it a nudge. No issue is nearly as important as preventing a nuclear war. However remote the prospects of reaching an agreement based on a summit meeting may seem, let us try it.

Mr. President, I ask unanimous consent that the article to which I have referred from the 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, May 2, 1983]

WHY NOT A SUMMIT?

(By James Reston)

WASHINGTON, April 30.—The U.S.-Soviet nuclear arms talks in Geneva have reached an impasse, which is likely to develop into a crisis before the end of the year unless both sides make some strenuous new effort to avoid it.

The United States is committed to begin deploying its new cruise and Pershing 2 nuclear missiles in Britain, West Germany and Italy at the end of the year, within reach of the Soviet Union, unless an agreement is reached by then to reduce or eliminate the Soviet intermediate missiles now targeted on Europe. Both governments have rejected the other's proposals, and already time is short for a serious reappraisal.

In fact, the danger increases, not only because the passage of time adds more missiles to the arsenals of the two major nuclear nations, but because Soviet officials have recently been threatening, if we emplace new missiles in Europe, to put intermediate Soviet nuclear missiles within striking distance of the United States. Nobody who remembers the Cuban missile crisis during the Kennedy Administration will underestimate the importance of avoiding another such confrontation.

The chances are that this alarming prospect will not be removed by officials at Geneva arguing about "who's ahead" in the arms race, but will have to be discussed as the presiding political issue of world affairs of President Reagan and General Secretary Andropov. Chancellor Kohl of West Germany proposed such a summit meeting when he was here the other day, and other allied leaders are likely to urge President Reagan to give it serious consideration when they meet with him at Williamsburg, Va., at the end of May.

The purpose of a summit at the present time and under present circumstances is not only to reach some kind of accommodation on the control of nuclear weapons but also to appraise the wider relations between the United States and the Soviet Union and their policies in relation to the other nations of the world.

In fact, unless there is a better understanding between Washington and Moscow on a broad range of issues that now threaten the peace and order of the world, the chances are that they will not be able to negotiate an acceptable nuclear accommodation.

There is, of course, a popular view in the United States that two nations that hold such fundamentally incompatible views of history, of the nature of society and the individual's place in it cannot hope to reach a general agreement, and that the Soviet Union wouldn't be faithful to its promises if they did.

However, former Presidents Ford and Carter, who were the last to meet a Soviet leader personally, do not agree, nor do they accept the idea that personal summits are meaningless.

Mr. Ford testifies that his long talks with Leonid Brezhnev at Vladivostok, while they didn't settle anything, were highly useful. Mr. Carter met Mr. Brezhnev in Vienna near the end of his Administration for the signing of the SALT II treaty and thought their general talk on U.S.-Soviet relations was hopeful.

But by that time, Mr. Brezhnev was very ill. Zbigniew Brzezinski, Mr. Carter's national security adviser, has said that "the greatest foreign policy mistake we made was that we did not meet Brezhnev early in the Carter Administration and make clear to him what the United States could do to improve relations, and what it could not tolerate in defense of its national interests."

In President Reagan's case, there are even domestic political arguments for a summit meeting. His foreign policy is not going well in the Middle East, Central America or even in Europe. As a result, the Congress is challenging his conduct of foreign affairs, and sometimes adding to the confusion in the process. Nobody doubts that a summit meeting with Mr. Andropov would command the attention of the world and even of the Congress.

For the time being, Mr. Reagan is scrambling from one crisis to another, reacting to other people's leads, emphasizing El Salvador in a major speech to a joint session of Congress and sending Secretary of State George Shultz to the Middle East. The Secretary vows to remain for weeks if necessary to get the foreign troops out of Lebanon and, against the odds, try to persuade the Israelis to accept the Reagan plan for Palestinian "autonomy" in the West Bank and Gaza.

It's hard to understand these priorities. The President finds time to deal with the leaders of almost every government in the world except the Soviet Union, but even with a nuclear crisis coming on, neither Mr. Reagan nor Mr. Andropov is making any move to talk things over.

The President sent Secretary Shultz to the Middle East not because he had an agreement or even much hope of one but because he wanted to demonstrate that he was willing to do everything possible to keep the peace process going.

The same argument applies to a Reagan-Andropov summit. It might not get anywhere, but history and the American voters are not likely to blame President Reagan for trying.

SALVADOR

Mr. PROXMIRE. Mr. President, one of America's foremost essayists, Joan Didion, has recently published a book about her experiences in El Salvador. Her book is entitled "Salvador," and in it Didion draws on her 10 years spent observing life in El Salvador to assemble a compelling report on one of the world's most troubled and least understood nations.

Didion is a concise, lucid writer with an eye for the grimly ironic. Through her report we receive an eye-opening look at a region fraught with violence. We learn of the oppression, the death squads, and the body dumps which abound in this tiny Central American country. Didion saw one of these body dumps near a national tourist center. She notes that the magazine of the national airline of El Salvador described this area in their April-June 1982 issue as "offering excellent subjects for color photography." Over the course of her book we learn that such bizarre ironies are a fact of life—a way of life—in Salvador.

Didion does not attempt to pass judgments or offer correctives for the existing conditions in El Salvador. Instead, she brings the country to life through her own observations of the social and political landscapes as she experienced them. After reading just a few chapters of her book, it becomes all too apparent that killings and human rights violations are commonplace. Didion implies that one of the worst aspects of these conditions is this commonness; the citizens of El Salvador are so inured to the death and terror around them they no longer recognize it.

Mr. President, through her thought-provoking insights, Joan Didion presents a unique account of life and death in El Salvador. Her report reveals a country where human rights are not protected and where indiscriminate killings occur daily.

While genocide is not presently occurring in El Salvador, the frequency of human rights abuses there warrants our notice. In other places at other times, patterns of violence similar to those in El Salvador have led to tragedies involving genocide. From news reports, agency issues, and books such as Ms. Didion's, we hear the warnings of impending tragedy in El Salvador.

I urge my colleagues to give to their advice and consent to a treaty that would make genocide an international, punishable crime. Through the ratification of the Genocide Convention, the United States can lend a strong voice in the fight to eliminate human rights violations and thereby remove the specter of death which is so visible

in a number of regions around the world.

SENATOR JOHN TOWER

Mr. COHEN. Mr. President, last week a reporter for the New York Times informed me that his paper was going to do a profile of Senator JOHN TOWER. My views were solicited and I was more than willing to contribute to a story about a man that I consider to be a close friend.

Anything that I might say about JOHN TOWER would be the same whether on or off the record. I chose to go on the record. I was asked about his strong points, his weaknesses—as if each of us can be summed up like a balance sheet of debits and credits.

I spoke of JOHN TOWER's intelligence and integrity. I referred to his skill as a consummate negotiator during conference committee action on the defense authorization bills, his delegation of total responsibility to his subcommittee chairman, and his unflagging support for their decisions even if opposed by the Pentagon.

I was asked whether he had a temper. Yes, he has a temper. He is an intense man, but he is not a vindictive one. And, I noted, like our former colleague Senator Edmund Muskie, he could use controlled anger deliberately and skillfully during the course of debate.

I thought I had expressed some positive views which I genuinely hold about JOHN TOWER and, therefore, was surprised to see a quote in bold type attributed to me in the April 29 issue of the Times. "He has been saying the same things for 20 years." The tone of the quote appeared pejorative, the implication negative.

Did I say those words? Indeed, I did. But they were said in response to a question: "Isn't JOHN TOWER out of step with the public mood of the country on defense spending?" Perhaps so, but JOHN TOWER has been saying the same thing for 20 years, that we have to rebuild and modernize our defenses. He is not someone who holds his ear to the ground to sound out in which direction the public mood may be running. Churchill told us it was very hard for anyone to look up to a leader who assumed that awkward posture. He has been consistent despite any shift in the public opinion polls. That is to his credit.

That is a rough, if not exact, paraphrase of my words on JOHN TOWER. Now I know the author of the column to be an excellent and fairminded reporter who is no doubt limited by space considerations, and, I suspect, the sharpness of editorial scissors. So I cast no criticisms.

I take the floor today solely for the purpose of pointing out that each one of us in public office has been the subject of profiles which either profess to plumb the depths—or catch the essence—of our personalities. Often we are more than appear to the public eye, occasionally, far less. Each of us has character flaws and fallibilities.

But I know that JOHN TOWER is more than a man that wears pinstriped suits to enhance his height. He is more than a man afflicted with an obsession that the Russians are coming.

As a sketch, the story on JOHN TOWER may have hit its mark. But as a portrait, it missed the man.

THE ADMINISTRATION'S COMMITMENT TO FEDERALISM

Mr. BAKER. Mr. President, Richard S. Williamson, Assistant to President Reagan for Intergovernmental Affairs, has written an insightful account of the Reagan administration's commitment to federalism, and I ask unanimous consent that the article, which appeared in the publication American Education, be printed in the RECORD.

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

THE ADMINISTRATION'S COMMITMENT TO FEDERALISM

(By Richard S. Williamson)

This nation has never fully debated the fact that over the past forty years federalism—one of the most essential and underlying principles of our Constitution—has nearly disappeared as a guiding force in American politics and government. My Administration intends to initiate such a debate.—President Reagan, in an address to the National Conference of State Legislatures, July 1981.

The following January, in his first State of the Union Message, the President presented a major Federalism Initiative to sort out our responsibilities among the various units of government, and the issue was joined. The media dubbed it "New Federalism" and the topic moved to the forefront of public debate.

To understand President Reagan's commitment to federalism, it is necessary to recognize how it is woven into the fabric of the American policy. While the debate often focuses on organizational principles, a vibrant federalism has importance beyond its service as an instrumentality. It is integral to social accord, and thus preserves our democracy.

In a recent thesis prepared for the American Enterprise Institute, Daniel J. Elazar maintained that American federalism can be traced to the Mayflower Compact of 1620. Because the Pilgrims were about to settle in an area outside the jurisdiction of their patent-issuing company, they drew up an aboardship agreement to preserve order through rule of law sanctioned by themselves. It was patterned after their church convenant which vested religious authority in the congregation. Thus, the Mayflower Compact was an agreement by parties seeking to unite for a common purpose while preserving their respective integrities.

FEDERALISM IS A CORNERSTONE OF OUR GOVERNMENT'S FOUNDATION

The Articles of Confederation and the Constitution were preceded by innumerable compacts, covenants, and constitutions to create churches, trading companies, towns, and colonies. In toto they established the roots of federalism as the political, economic, social, and religious dimensions of America society.

Federalism fosters social harmony because it reduces government to a manageable scale and makes citizen participation more readily accessible. Decentralization allows individual and communal interests to be balanced, avoiding collectivism and potential disintegration into anarchy. Federalism thus bonds the character of our society because people can unite with one another to accomplish a common purpose without losing their individuality.

Federalism promotes civic responsibility by fostering citizen participation. Community members serve on city councils, zoning boards, advisory committees, and other similar organizations. Most states and localities provide for ballot initiatives and referenda to decide at least some public policy issues. Advisory votes are also common at the state and local level. All states have some form of open meeting laws, and most have open records laws. Most states also require local budget hearings. As a consequence of citizens participating in and learning about the workings of government, civic responsibility is deeply embedded in society and allowed to flourish. This mitigates the dangers of a permanent ruling class entrenched in a distant bureaucracy.

Federalism helps secure individual rights by providing multiple avenues of redress. Indeed, our republic was founded because a distant and monopolistic government in England was denying or trespassing rights. By dividing government into units—each deriving its authority from the same people, yet acting autonomously—competition for public preference in the delivery of services is encouraged. Each unit serves as a protection from the tyranny of the other.

Federalism provides diversity and allows for local considerations in problem solving. In 1932, Supreme Court Justice Louis Brandeis, in a dissenting opinion in *New State Ice Co.* v. *Liebmann*, wrote:

"It is one of the happy incidents of the federal system that a single, courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country."

States can learn from one another's experiments. Under a federal framework, a problem solved in one manner at a given time and place may be solved differently in another period and setting. States and localities have flexibility to adjust for differing social customs, demographics, and climate. In the area of welfare, for example, it is impractical to design one program which will serve the diverse needs of the urban poor in New York City, the refugees in Miami, and the rural poor in Appalachia.

Federalism fosters accountability because state and local officials are more accessible to the people. By decentralizing the public policy forum, decisions that directly affect the lives of average citizens are made by the unit of government closest to them. People know whom to blame when services go sour, and they have recourse in the voting booth. Also, local officials are fulltime citizens of the community and are available in the neighborhood on a daily basis.

Federalism is efficient because responsibilities are sorted out. With a national government focusing on national problems, and state and local governments handling their own local problems, the system does not

become overloaded and congested. Flexibility and workability are maintained because resources can be targeted. Conversely, monolithic governments are wasteful—their bureaucratic overhead diverts funds from real services, and programs may be designed which are not really needed in certain jurisdictions.

The qualities of a federal system can be summarized as the law of comparative advantage for governments: Let each unit do what it does best and most cost-efficiently. It is a division of labor as fundamentally prudent in government as it is in industry, organizations, and the home.

NEW FEDERALISM REPRESENTS PRESIDENT'S COMMITMENT TO CHANGE

From the outset of his Administration, the President emphasized that there was to be a dramatic change in the attitude of the federal establishment. A fifty year trend of power centralization in Washington was to be reversed. The Federalism Initiative was a major step, but it was just part of a multifaceted program to restore a proper Constitutional balance of power in our system of government.

He asked his Cabinet members to ensure that a high-level person be assigned responsibility for intergovernmental affairs in each department or agency. He instructed the Cabinet to conduct "early and genuine consultation" with state and local officials concerning programs and policy changes. And he called on them to monitor programs carefully to ensure that they did not have unintended and undesirable effects on state and local governments. The spending reductions reordered priorities to enable the national budget to address truly national needs.

Fifty-seven narrow and restrictive categorical grant-in-aid programs were consolidated into nine broad block grants. This response to the call for flexibility from state and local officials allows them to achieve better services by targeting funds to local needs. It also reduced paperwork for states and localities by 5.4 million manhours (83%) in fiscal year 1982. The Elementary and Secondary Education Block Grant, for example, consolidated numerous federal activities and programs.[1] It enabled Secretary Bell to eliminate 118 pages in the *Federal Register*. Savings of $1.5 million resulted from reducing grant application requirements, and $215,000 from easing programmatic and financial reporting burdens.

DEREGULATION SAVES TAXPAYERS DOLLARS

The President established a Task Force on Regulatory Relief chaired by Vice President Bush. To date, 119 reviews have been undertaken, 35 of which relate directly to state and local governments. This alone will save taxpayers roughly $2 billion locally in annually recurring costs, and between $4 and $6 billion locally in total investment costs. This is just the start of deregulation for state and local governments, as the President recognizes that there is much more that can and must be done in these areas.

On an ad hoc basis, the Administration opposed new restrictions on state and local governments, such as recent Congressional proposals for regulation of state and local employee pension plans.

Undeniably, Congress has not given the President everything he wanted in returning power and authority to states and localities; and movement on his "Federalism Initiative" has not been as swift as he would like. But like a dog walking on hind legs, it's not important whether it's done gracefully, it's just extraordinary that it's happening at all.

The federal establishment has begun the politically unnatural act of relinquishing power and restoring traditional responsibilities to state and local governments. The rush to a monolithic federal establishment has been halted. Now the debate is not only what government should finance, but which unit of government should be responsible for given programs.

In essence, all the President's federalism efforts have grass roots origins. They are what the people have long been asking of their governors, state legislators, and municipal and county officials, and in turn what state and local officials have been asking of Washington.

Ronald Reagan has been speaking out for twenty years about the virtues of federalism—as private citizen, as Governor of California, and as a Presidential candidate. His landslide election was correctly reported as an eruption in the American body politic; but it was not without its seismographic warnings. The relentless gravitation of power of Washington during the 1960s and 1970s had long been producing discord in our system of government.

Social harmony was not being fostered, because individual rights and local priorities were being suppressed. Civic responsibility was not being promoted, because government was becoming more distant from the people. Diversity and accountability were being stifled because Washington was constricting options, and government had become profligate and inefficient.

Frustrated at losing control of their governance and by the failure of the liberal programs to solve social and economic problems, the voters staged a revolt. The Congressional elections of 1978 and 1980 produced a distinctly more conservative Congress. Such tax limitation ballot initiatives as Proposition 13 in California, and Proposition 2½ in Massachusetts demonstrated unequivocally that the voters were demanding that fewer dollars go to the public sector. In addition, the people were sending a clarion message that government should come home to the state and local level. This was amply reaffirmed in a Harris Poll taken shortly after the President's announcement of his Federalism Initiative. It showed that, by a 2-to-1 margin, the American people approved of the major components of this proposal.

The new formula for American government is thus diversity and decentralization. This will achieve better services from shrinking resources, restore faith in our system, and make government work again.

(EDITOR'S NOTE: The Federalism concept and final proposal are still being defined and deliberated among Federal and state government leaders. Many specific points outlined in these articles are subject to change as the debate continues. American Education presents these discussions of Federalism—one from the viewpoint of an Administration official and the other from a U.S. Senator—as part of our continuing effort to bring to our readers current thought on topical issues in education. We welcome your response to these and other articles in American Education.)

[1] For complete list of programs consolidated under Chapter 2 of the Education Block Grant, see the following list.

PROGRAMS CONSOLIDATED UNDER EDUCATION BLOCK GRANT/CHAPTER 2

Civil Rights Technical Assistance and Training.
Teacher Centers.
Alcohol and Drug Abuse Education Program.
Follow Through.
Strengthening State Educational Agency Management.
Teacher Corps—Operations and Training.
Emergency School Aid Act—Basic Grants to Local Education Agencies.
Emergency School Aid Act—Grants to Non-Profit Organizations.
Emergency School Aid Act—Educational TV and Radio.
Educational Television and Radio Programming.
Use of Technology in Basic Skills Instruction.
Ethnic Heritage Studies Program.
National Diffusion Program.
Career Education.
Education for the Use of the Metric System of Measurement.
Education for Gifted and Talented Children and Youth (State Administered and Discretionary Programs).
Community Education.
Consumers' Education.
Elementary and Secondary School Education in the Arts.
Instructional Material and School Library Resources.
Improvement in Local Educational Practice.
International Understanding Program.
Emergency School Aid Act—Magnet Schools, Univeristy/Business Cooperation and Neutral Site Planning.
Career Education State Allotment Program.
Basic Skills Improvement.
Emergency School Aid Act—Planning Grants.
Emergency School Aid Act—Pre-Implementation Assistance Grants.
Emergency School Aid Act—Out-of-Cycle Grants.
Emergency School Aid Act—Special Discretionary Assistance Grants.
Emergency School Aid Act—State Agency Grants.
Emergency School Aid Act—Grants for the Arts
Biomedical Sciences for Talented Disadvantaged Secondary Students.
Pre-College Teacher Development in Science Programs.
Secretary's Discretionary Program.
Law-Related Education.
Cities in Schools.
PUSH for Excellence.
Emergency School Aid Act—Evaluation Contracts.

The following categorical programs were authorized in 1981 but never funded. They are authorized in Chapter 2 of the 1982 Education Block Grant:

Preschool Partnership Program.
Youth Employment Program.
Environmental Education.
Health Education.
Correction Education.
Population Education.
Dissemination of Information.
Educational Proficiency Standards.
Special Grants for Safe Schools.

ANOTHER SUCCESSFUL ESOP COMPANY

Mr. LONG. Mr. President, I am sure that my colleagues have noticed that employee stock ownership is catching on in the United States. The legislation that we have enacted over the past 10 years has been successful in encouraging more than 5,000 companies to share ownership with their employees through employee stock ownership plans (ESOP's).

I am convinced that the growth of employee stock onwership is one of the most beneficial changes that we have brought about in the U.S. economy in many years. By broadening the opportunities for working Americans to gain an ownership stake in the companies for which they work, we have begun to build a firm foundation for future economic growth that will be more equitably shared. Although there is much yet to be done, it is gratifying to find that the legislation that we have enacted thus far has resulted in such widespread success.

As an example of that success, Mr. President, I will ask unanimous consent that a recently published profile of an ESOP company be printed in the RECORD. This profile was compiled by the Employee Stock Ownership Association of America, a trade organization representing the interests of companies which share an interest in ESOP's. This profile is the latest in a continuing series of studies undertaken by the association, studies which prove time and again the many benefits of legislation favoring the use of employee stock ownership as a technique of corporate finance.

ESOP's provide companies with a flexible financing tool with which they can achieve a variety of corporate purposes while, in the process, insuring that their employees have an opportunity to share in a piece of the action.

Although we have recently placed increased national emphasis on the financing of such "hard" factors as capital investment and research and development, thus far we continue to overlook those "soft" factors that can have such an important impact on productivity and profitability—the motivation, commitment, and dedication of our work force. Incentives for employee stock ownership provide a way to link these two factors, and to end the costly mismatch between our national goal of improved productivity and our system of incentives and rewards.

I ask unanimous consent that the profile to which I referred earlier be printed in the RECORD.

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

THE CANTERBURY PRESS ESOP

The Canterbury Printing Company was founded in 1950 in a small garage on Canterbury Hill near Rome in Upstate New York. Since those days of one-man operation, this innovative company has expanded its markets and updated its equipment and processes to become one of the region's leading commercial lithographers. Today, nearly 75% of the Canterbury effort is devoted to periodicals, specializing in the medical-pharmaceutical field.

The company has grown to a vibrant business now employing more than 60 people. Sales in 1982 climbed 17% over the previous year, to approximately $4 million. Canterbury Press has been one of the pioneers of the four-day work week. And, it has added another important dimension to its leadership with its employees: Ownership.

The Canterbury Press Employee Stock Ownership Plan was established in 1975 by the then-owner, Ward West, as a means of divesting his 100% ownership of the firm. As is often the case, Mr. West was looking for a way to reward his many loyal employees who might otherwise have lost their positions by a sale to another entity. After investigating the recently-enacted provisions of the Employee Retirement Income Security Act (ERISA), he decided on an ESOP buyout of his interest in the company. The ESOP now owns 100% of Canterbury Press stock, making it one of a growing number of completely employee-owned companies.

CANTERBURY'S ESOP SETUP

The Canterbury Press ESOP was started with no conversion of other benefit plans. The banks were not involved and there were no compensating wage or benefit reductions. A small-scale participatory profit sharing plan and a saving plan were terminated, with the proceeds distributed to the participants either in cash or rolled over into annuities.

The corporation has contributed 15% of eligible payroll each year. These cash contributions have been used to gradually purchase all of the stock. At the time of Ward West's retirement in 1981, the corporation loaned the ESOP trust $350,000 to permit purchase of the balance of shares held by Mr. West. This loan is steadily being offset by corporate contributions, and will be paid off by the end of 1983.

The Canterbury stock is currently valued in excess of $1.5 million. An outside appraiser makes an annual valuation of the stock since it is not publicly traded. An outside bank trustee is also utilized. A reduction for closely-held stock was taken until Mr. West divested in 1981. The ESOP has been audited by the IRS on various occasions with no problems. No TRASOP or PAYSOP variations have been utilized thus far.

Most of the cash has been used for stock purchases, so there is little balance at the present time to cover the firm's repurchase liabilities. The Canterbury workforce is still relatively young and turnover is minimal, so stock distribution should not be a problem in the immediate future. The company is planning ahead to meet these needs by investing future corporate contributions to cover obligations to departing employee-owners. The feasibility of insurance coverage is also under investigation.

Since mid-1981, the company has invested well over $1 million in new plant and equipment. Avenues of financing have included the New York State Job Development Authority, the Oneida County and City of Rome Industrial Development Corporations, as well as local banks.

Participation in the ESOP at Canterbury Press is based on a few eligibility requirements. Quite simply, all full-time employees join the Plan on their twenty-fifth birthday. Employees who work less than one thousand hours during any calendar year do not participate. ESOP contributions are based on employees' regular compensation, excluding overtime.

ESOP participation continues until an employee leaves due to death, retirement or a break of the 1000 hours requirement. Distribution of account balances takes place upon reaching retirement age, death or total disability. Employees are given the option of lump sum or installment distribution of their ESOP holdings, and a "put" option for their stock is mandatory.

An open shop contract is in effect with the Graphic Arts International Union, which has jurisdiction in camera, stripping, plating and printing press areas. The ESOP is not involved in the contract and union membership has no bearing on ESOP participation. Employees also enjoy complete company-paid health care benefits and life insurance.

Canterbury Press boasts the first four-day work week in Central New York. Company president Don McLoughlin explains that such a schedule actually allows for more production time. The printing presses can run for 10-11 hours daily before being shutdown. Longer and more complex jobs can be completed sooner, and costly start-up and cleaning of the machines is minimized.

IMPROVED QUALITY VIA COMMUNICATION

The ESOP was not universally understood and embraced by the employees at the outset. However, according to McLoughlin, each year of operation under the ESOP creates more believers. Regular employee meetings in both large and small groups work toward stimulating discussion among the stockholders. Even at these meetings, though, it has not been easy to involve everyone as much as management would like.

The Canterbury Press ESOP Committee, which consists of president Don McLoughlin along with the company's secretary-treasurer and a representative from the shop, maintains an open door policy for comments and questions about the ESOP and about company operations in general. This approach provides valuable input from employees.

Management shares some corporate information at plant-wide meetings called Reports to Stockholders. Detailed financial information is not distributed, but general discussions of profitability, growth plans, equipment purchases, etc., are included.

As a closely-held stock corporation, Canterbury Press has no voting pass-through of ESOP stock. The company issues special annual reports and stock certificates to let the ESOP participants know the successful status of their plan. However, Canterbury Press avoids declaring and passing-through dividends on the ESOP stock because they are not tax-deductible.

McLoughlin explains the effect of the ESOP: "Since the advent of ESOP, we have really seen an increase in quality." And, in an industry where the quality of the workmanship is its most important feature, this is one of the most important benefits of the ESOP. "It is now common to hear someone on the shop floor say, 'Be careful with that—it's my company, you know!' "

The future is very bright for Canterbury Press. Employment is expected to continue to grow and sales are projected to increase. Likewise, the outlook for the ESOP is very good. Its original objective of purchasing the company from its sole owner has been met and its future is financially secure.

Management is now putting more emphasis on the employee communication and participation aspects of the ESOP, working toward an even better understanding of what it means to be a Canterbury Press employee-owner.

Says McLoughlin, "The idea of actual company ownership, along with the four day work week in effect at Canterbury for the past 11 years, ensures us of top talent as openings occur." When pressed for one thing that would improve the operation of the ESOP and the company, he adds, "If we were granted one wish, it would be that we be permitted to pay dividends as a corporate deduction."

TESTIMONY BEFORE APPROPRIATIONS COMMITTEE ON MX MISSILE

Mr. HATFIELD. Mr. President, this morning the Appropriations Committee began 3 days of hearings on Senate Concurrent Resolution 26, relating to the MX missile and its basing mode. Our witnesses this morning were Mr. McGeorge Bundy and Mr. Stansfield Turner. So that their views might be available to all Senators, I ask unanimous consent that material they submitted to the committee to be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HATFIELD. Tomorrow the committee hearings will continue with testimony from Mr. Kenneth W. Dam, Deputy Secretary of State; Rear Adm. Jonathan T. Howe, Director of the Bureau of Political-Military Affairs, Department of State, Mr. Richard Perle, Assistant Secretary for International Security Policy, Department of Defense; and Lt. Gen. Brent Scowcroft, Chairman of the President's Commission on Strategic Forces.

EXHIBIT 1

STATEMENT OF MCGEORGE BUNDY, SENATE COMMITTEE ON APPROPRIATIONS

Mr. Chairman, I have accepted your invitation to testify before your Committee because I believe that the most important decision Congress will take this year on nuclear weapons is the decision whether to accept or reject or postpone the President's recommendation for building 100 MX missiles to be based in Minuteman silos. The recommendation follows the report by the Scowcroft Commission, and in two earlier papers I have strongly criticized the reasoning of that report. I attach those papers for whatever value they may have to Members of the Committee, but today I shall try to go beyond the relatively narrow framework of the Commission report and examine in some detail the three principal arguments that are pertinent to the question of deploying MX-in-Minuteman.

I offer these comments without any intent of suggesting that I know all the answers to the hard questions of strategic stability and arms control. I do share with General Scowcroft the strong conviction that we are at a major turning point in our ways and means of dealing with nuclear danger, and I believe that it would be the height of irresponsibility to take the very large step of approving MX-in-Minuteman before Congress and the country take a good hard look.

For let us make no mistake. A deliberate decision to build a major new weapon system which contributes nothing to the overall survivability of our strategic forces would be a very large new step indeed. Whatever else we do about it, we should not sweep it under the rug.

THREE ARGUMENTS FOR BUILDING MX REVIEWED

First, it was said that we need a new system because Minuteman is increasingly vulnerable.

This argument has now been withdrawn because no sufficiently survivable system is acceptable to both Congress and the White House. But it was the best single argument for MX, and it is not merely a debating point to note its disappearance. A system that is vulnerable to surprise attack, or survivable only with a launch-on-warning policy—and MX-in-Minuteman is precisely such a system—has a wholly different and lesser value than one that is survivable. Based in Minuteman silos MX does not meet the very first purpose for which four Presidents have put it forward. It is a mistake to pretend that this shift is a small matter. Its contribution to overall survivability is indeed the most important single test of the value of any strategic nuclear weapons system. That criterion has now been abandoned in the case of MX-in-Minuteman. The other reasons for building it should therefore be very strong indeed, because a system which is not survivable is in some degree (depending on its size and importance, and on the posture of others) dangerous and destabilizing. The outright abandonment of this primary argument for MX is a very large reason for questioning the value of MX-in-Minuteman.

Second, it is said that we need MX-in-Minuteman to correct the imbalance between the United States and the Soviet Union in the size and quality of ICBM forces.

This imbalance certainly exists. But it is important to correct it only if—

(a) there are no other balancing elements between the two strategic nuclear arsenals, or

(b) there is some special advantage for the Russians in this specific imbalance.

Neither condition holds:

(a) The Soviet advantage in ICBMs is balanced generally by our commanding qualitative and quantitative superiority both in submarine-based forces and in strategic aircraft. In overall terms our our forces are more survivable than Soviet forces—more of their warheads than of ours are vulnerable to a first strike. Both sides have many times the number of survivable warheads necessary for overall deterrence. Both sides are are still adding more, and most of ours are not going to be in MX missiles.

(b) The Soviets do have one specific superiority in a particular kind of ability to destroy hard targets. Overall we have a more varied and survivable capability of this sort than they do, but only a relatively small part of our force can be ordered to make extremely rapid missile attacks. Our submarines are hard to reach for instant commands, and our bombers take eight hours, not 30 minutes, to arrive. So the Soviets, with three-quarters of their force in ICBMs, do have superiority in the field of prompt hard-target kill capability. But it is important to ask what advantage this superiority confers. Let us distinguish two cases—that of capability which deters full-scale nuclear war and that of more limited capability which might have some more specific deterrent effect. As to full-scale war, the only sane course for both sides is to avoid it, and the general guarantee of that is the survivability of very large forces on both sides in the face of any kind of attack. The Soviet advantage in prompt hard-target kill capability is of no value in this case as long as overall deterrence is maintained, and moreover if we think about the balance of hard-target kill capability that would exist in all-out war it is important to remember the overwhelming deterrent value of the large and growing second-strike hard-target kill capability of our bombers and submarines.

Any special advantage of Soviet prompt hard-target killers must therefore be sought elsewhere: in less-than-general war or in peacetime perceptions. But for less-than-general war we have excellent prompt hard-target killers of our own. (When and where it would ever be wise to use them is a different question.) There are 900 modern Mark 12-A warheads in our Minuteman force today, each with high accuracy (which can be further improved if we choose)—a force acclaimed by leaders in and out of uniform over recent years precisely for its outstanding prompt hard-target kill capability. I submit that 900 warheads are many times more than enough for any kind of "limited" prompt action against hard targets that may never seem necessary to any President in any situation short of all-out war. Let us remind ourselves that every warhead in this force has a destruction power ten times as great as that of the bomb that hit Hiroshima. Can it be argued seriously that such a capability for prompt hard-target attack, backed up by thousands of additional hard-target killers in submarines and on bombers only hours away, is inadequate for "lower" levels of nuclear war? It seems obvious that we have enough hard-target killers, prompt and less prompt, for any capability we can conceive of for the deterrence of either general or "limited" nuclear war.

What remains is the question of political perceptions. This specific and narrow imbalance, it is asserted, can weigh heavily on the political scales. Even though it confers no usable superiority in any conceivable form of nuclear war, we hear that its very existence may make for political "blackmail." But an imbalance that has no real military meaning can have no real political meaning, at least not if we think straight and talk straight.

Closely examined, MX-in-Minuteman gives us literally nothing that we now need for military balance. It does not add to survivability, and its additional contribution to our large existing hard-target kill capabilities is not needed in any conceivable scenario of either limited or general war. The asserted perception of a politically usable advantage on the Soviet side has no basis in reality, and if any such perception exists, it can be removed at low cost by a single Presidential speech.

Third and finally, it is asserted that we need MX-in-Minuteman because it will help us to get a positive Soviet response in the strategic arms reduction negotiations (START). This may be the deepest hope of the members of the Scowcroft Commission.

Let us begin by agreeing that the Russians will certainly refuse to give something for nothing in any arms control negotiation. Refusal to recognize this reality is what has condemned our opening position in START to failure. The objective of that proposal is the same as that of the Scowcroft Commission: to reduce the size of the Soviet MIRVed ICBM force. But so far there is no

sign of any readiness on our side for balancing reductions in the areas where we are ahead. It is not surprising that there has so far been no real START negotiation at all. Our unrealistic proposal has received an unrealistic Soviet response, and there is no current prospect for significant change on either side.

Would 100 MX-in-Minuteman change that prospect? There is no evidence whatever that they would; I know of no dissent among students of Soviet behavior to the estimate that the Soviet response to MX-in-Minuteman will be a new Soviet "MX," already well along in its development and testing. The contention that building relatively small numbers of an admittedly vulnerable missile will of itself produce a real start in START is wholly unpersuasive. The absence of MX-in-Minuteman is not the real cause of the emptiness of START.

When we examine more closely the value of MX-in-Minuteman for arms control negotiations we encounter three large difficulties.

It is wrong to suggest that we can somehow use a force not yet built to encourage the Russians to move away from a much larger set of forces already bought and paid for. What makes us think that they would react that way? Would we? Would we scrap our bombers or our quiet submarines merely to prevent the Russians from building their own?

But if in fact we build 100 MX-in Minuteman, would we then be ready to dismantle them quickly? If we build them, will it not be primarily the consequence of an understandable reluctance to go against the overwhelming commitment of our own Air Force to this system? Can we expect that the honest but mistaken devotion of the Air Force to MX will disappear with its construction? If there was ever a system that will be held off the bargaining table by the intense attachment of its possessors, it is this one. Already one can find Air Force officers explaining that MX must never be traded against a parallel number of Soviet MIRV's, because this system is more valuable to us than a counterpart is to them.

Finally, we really do not have the one option that might at least in theory lead to an eventual bargain: we cannot and will not build several hundred of these things and then trade them out. It would be enormously expensive, but what is worse is that it would be intensely dangerous. The very worst way to deal with the Soviet ICBM force would be to duplicate it. Let us simply consider how unstable the balance of terror would be today if our present strategic forces were the same as those of the Soviet Union. The existence of two large vulnerable MIRVed and ICBM forces, each on a hair trigger, would be much more dangerous than the relatively stable balance we have today. It is important to make it completely clear, in this current process of decision, that we have no such intention.

I conclude that MX-in-Minuteman has no large-scale value for the encouragement of arms control. Yet its value is not zero, and there is no need to cancel the program entirely without seeking a trade of some sort. A single limited system cannot in itself produce any large shift in Soviet behavior, but before it is canceled entirely it would be worthwhile to seek a bargain in which both sides might agree to build no new MIRVed ICBMs. This would in fact be a good first step in the general direction recommended by the Scowcroft Commission, and it has the considerable advantage that it is a step on which we might get Soviet agreement. Once we build 100 MX-in-Minuteman, they will become too precious to trade at any price the Russians would accept, and above all we must never build hundreds more.

MORE GENERAL CONSIDERATIONS

Our objective, in strategic modernization and arms control alike, should be stability. The single most important element in stability is the overall survivability of our forces, which already have the required variety of capabilities necessary to deter and respond to nuclear attack at all levels. Usable nuclear superiority is now wholly beyond the reach of both sides. To pursue it would be expensive and unsuccessful folly, and what does not exist confers no political advantage. We need only what we need, as President Eisenhower used to say, and what we need is a varied and survivable force with varied and survivable capabilities. Except for MX-in-Minuteman, all our existing modernization programs contribute to that basic requirement. Quite without MX-in-Minuteman those programs are more than adequate. If they all belonged to the United States Air Force, I think literally no one would now be advocating MX-in-Minuteman.

Our central arms control objective is the same: stability. For that purpose we do indeed need to encourage movement away from large vulnerable MIRVed ICBMs. How can we do it? Only by readiness to bargain in a way that meets Soviet concerns as well as our own. What worries us most may be the SS-18, but what worries the Soviets is the prospect of a losing race in technology or a terrible new vulnerability to accurate missiles on close-in submarines (a possibility which should concern us too). There is much matter here for negotiation, and a bargain good for both sides is not hard to imagine. The much harder task is to get past the suspicion and fear and eagerness for one-sided advantage that have marked both governments so often in the nuclear age.

Aside from its foolish and foreordained support for MX-in-Minuteman, the Scowcroft Commission has done good work in this direction. But the special and painful case of MX is not the right centerpiece for a balanced review of what we need for stability. No such review has yet been offered by this Administration or required by Congress. An indefinite postponement of MX-in-Minuteman might well provide just the right stimulus to serious thought and responsible communication.

STATEMENT OF McGEORGE BUNDY—SUBCOMMITTEE ON STRATEGIC AND NUCLEAR FORCES, SENATE COMMITTEE ON ARMED SERVICES

I am honored by your invitation to appear before your Committee. I come to question the current proposal to deploy 100 MX missiles in Minuteman silos. Unless a far better case is made in these and other hearings, I believe that Congress should reject this recommendation and should instead insist on a much more searching and comprehensive analysis of what is now required for strategic stability and overall deterrence, both in modernization and in arms control policy. Because the Scowcroft Commission was created and selected by men whose overriding objective was simply to save the MX missile, its membership was not broad enough to encompass the full range of relevant judgments. My most urgent specific recommendation is that the Subcommittee should seek out the views of many other Americans whose assessments have equal claims to respect.

My general appraisal of the Commission report is contained in a short article initially prepared at the invitation of the *New York Times*, and I attach this paper. It notes a number of constructive contributions of the Commission's report, but it also raises a number of questions. In this statement I develop further a number of responses to the major arguments of the Commission.

First: I believe that the deployment of MX-in-Minuteman could open the way to a most dangerous competition in destabilizing, vulnerable, first-strike weapons. Over the last generation we have left it to the Russians to deploy such weapons, correctly preferring to build only survivable systems. But the only thing more dangerous than for one side to rely on vulnerable first-strike systems would be for both sides to do so. Aware of this danger, the Scowcroft Commision asserts that MX-in-Minuteman should "encourage" the Russians to move away from their big MIRVed ICBMs. But will it? Unless I am misinformed, the preponderance of opinion among close students of Soviet behavior is that the Soviet answer to MX-in-Minuteman will be the deployment of their own similar system, which is already being tested. The Commission strongly hints that we should then reply by enlarging our own deployment of MX. But if we should build two hundred MX-in-Minuteman with two thousand warheads, we would be creating a highly unstable situation of mutual first-strike vulnerability between ICBM forces on both sides. Even the deployment presently proposed would be highly uncomfortable in any grave crisis.

Let me make this point another way. If our country today had the very same strategic deployment that the Soviet Union has, relying primarily on vulnerable MIRVed ICBMs, the world would be an enormously more dangerous place than it is, because in that case each side might persuade itself, much more plausibly than either one can today, of the possible advantages of a preemptive attack. The last thing Americans should want is a major competition in this kind of threatening and vulnerable weaponry.

I recognize that the Commission itself is wary, in parts of its report, of building forces that could threaten the whole Soviet ICBM force, and I also recognize that Congress and the country are quite unlikely to support any second or third deployment of MX-in-Minuteman. But is not that simply another way of saying that the only good thing about the Commission's desire to convert the Russians by the threat of a continuing MX competition is that this threat will not be executed?

Second: MX-in-Minuteman will not contribute to the progress of strategic arms control unless there is a drastic modification of the Administration's approach to the START negotiations, a modification of which there is at present no sign. So far the Administration has rigorously insisted on unbalanced Soviet concessions which do not seem to be negotiable, and there is much language in the Commission's report that can be used to reinforce this stance. But the only possible use of MX-in-Minuteman as an element in arms control policy would be as a program to be traded out, together with the emerging Soviet MX, in some kind of no-new-MIRV agreement. I recognize that it will not be easy for Congress to encourage the Administration in this direction, but

this possibility is the only one that I can see for using MX now to make a constructive contribution to national security.

Third: We do not need MX-in-Minuteman either to prove our mettle to the Russians or to fill in an asserted gap in our range of deterrent capabilities. The Commission makes two claims here. The first is that if we now cancel the MX the Russians will doubt our "national will and cohesion." But the Russians know as well as we do that we have half a dozen other programs of strategic modernization in hand, and they do not forget what Administration spokesmen constantly pass over—the commanding U.S. lead in strategic systems other than ICBMs. The Commission itself specifically recognizes the growing role of the submarine force, and it recommends no change in the probably redundant program of bomber modernization. We have so many good programs in hand that we have no need to impress the Russians with a bad one.

Nor is the Commission's more technical argument persuasive. It tells us, more by assertion than by careful argument, that MX-in-Minuteman is needed to repair an imbalance in prompt hard-target kill capability. But neither the Commission nor anyone else has explained why this need is now so ovewhelming that we should deploy the admittedly vulnerable MX-in-Minuteman when we have four other serviceable hard-target killers on hand and on order—900 Mark 12A warheads already in Minuteman IIIs, thousands of missiles deployed or programmed for bombers, cruise missiles in attack submarines, and the D-5 missile that will be in Trident submarines. All these systems are more survivable, warhead for warhead, than MX-in-Minuteman. I have no doubt that strategic planners can produce "requirements" for MX too; experience shows that there is no limit to that process. But for deterrence, rather than for exotic and unreal scenarios, our strategic forces are more than ample today, and for deterrence the weapon that arrives in hours is just as impressive to political leaders as the one that arrives in minutes.

Fourth: We do not need MX-in-Minuteman to prove ourselves to our allies. The Commission asserts that we require this deployment "to assure our allies that we have the capability and will to stand with them." This assertion should be compared with the real opinion of Europeans, and last week there were two important statements on the point. One came from an outstanding American observer, Flora Lewis, and the other from one of the most respected of British conservatives, Lord Carrington.

Ms. Lewis reported from Rome that in a meeting of the Trilateral Commission,

". . . West Germans were astonished to find an American politician wondering whether failure to deploy the MX missile would be taken as a sign of United States weakness, whether it would reinforce the arguments of West Germans opposed to Pershing 2's. Would they say that if Americans don't install bigger missiles why should they?

"The situation is just the opposite, the West Germans explained. 'What we're afraid of isn't American weakness,' was the politely truncated answer, leaving implicit that the real fear is of stumbling into war." (New York Times, April 22, 1983, p. 31.)

What Lord Carrington said is still more trenchant. His comments are not directed at the specific issues of MX, but who can doubt that he has some people in Washington in mind when he calls for more confidence in the powerful present deterrent strength of the West and tells us all not to be "hagridden by fear of military inferiority?" It is not Europeans, but overzealous Americans, who contend that MX is a poultice for the Alliance.

Fifth: The assertion that the Scowcroft Commission embodies a general bipartisan consensus of experts is quite unjustified. While no one should question the sincerity of the Commissioners and the "Senior Counselors" who have endorsed their work, it is no secret that both the Commission's members and its counselors were screened in advance with support for MX as a requirement. There are persons of at least equal experience and judgment who have other views on these matters, and I suggest that this Committee should ask for their comments on the issue, either by testimony or in writing.

It is not for me to say who should be consulted, but for illustrative purposes let me simply note a number of people who have expressed themselves on these problems over the last year or two and who have responsible experience in the past. (In most cases I do not know their opinion of the current proposal to put MX in Minuteman silos.) Among former Secretaries of State I note Dean Rusk, Cyrus Vance, and Edmund Muskie; among former Secretaries of Defense, Robert McNamara, Clark Clifford, and Elliot Richardson; among former assistants to Presidents on these matters, Andrew Goodpaster; among former Directors of the CIA, William Colby and Stansfield Turner; among other military professionals Maxwell Taylor and Elmo Zumwalt; among former Arms Control negotiators, Averell Harriman, William Foster, Gerard Smith and Paul Warnke; among Science Advisers to Presidents, James Killian, Jerome Wiesner, and Frank Press.

Sixth: In the face of the obvious need for major reductions in the Administration's defense budget, MX-in-Minuteman becomes a strong candidate for elimination. Even though it makes no significant contribution to overall deterrence, it carries a price tag conservatively estimated at $15 billion over the next five years. Yet almost everyone except Secretary Weinberger now recognizes that reductions very much larger than $15 billion are now imperative. If our government does not make any hard choices among big-ticket items, it is predictable that what will get shortchanged is precisely what is most needed: things like spare parts, training, and general operational readiness—the very things that matter most in the real world.

The long and unhappy history of this ill-fated weapon system has lessons for us all, and some but not all are sketched in the Scowcroft Commission's report. It is indeed time to think again about the relation between arms control and stable deterrence. We should indeed concentrate our attention more on warheads and less on launchers. We also need to look further ahead than is our habit, not simply to our own favorite new weapons, but to the situation we will face as the Soviet Union makes its own new choices. Our mistakes with MX can help us do better, but only if we lift our eyes from the single, narrow, short-term objective of deployment of MX at any cost in any available space, and examine the future dangers of the nuclear weapons competition considered as a whole.

[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, considered 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 effects of MIRV's (multiple independently targetable re-entry vehicles)—that is, many warheads on one missile. MIRV's are the United States's 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 strenghened 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 safety 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 intercontinential 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 commission wraps it in jargon. The main reason for this recommendation is that a commanding majority of its authors wants 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 reports'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.

[From the Los Angeles Times, Apr. 8, 1983]

THE EAGLE FORCE CAN FLY AS AN ALTERNATIVE TO MX

(By Stansfield Turner)

For four months, a presidential commission headed by retired Air Force Lt. Gen. Brent Scowcroft has been laboring on an unenviable task, and the results are due any day now, recommendations for basing the MX, the new intercontinental missile that President Reagan is eager to deploy and that Congress is determined to scrap.

As the impasse hardens, and as national security needs intensify, this might be the time to reconsider a concept that once was examined and rejected as an alternative to the MX. That is the so-called Eagle Force of aircraft armed with nuclear missiles. It would serve the aims of the Administration and Congress. It also would be a better addition to our strategic nuclear forces than a ground-based MX system.

The Eagle Force would be built around the Air Force's F-15 Eagle fighter aircraft. With the support of 200 aerial tankers, 500 F-15s dispersed at military and civilian fields around the country could easily reach targets in the Soviet Union.

The Eagle Force would be more secure than 100 MXs or 100 B-1 bombers or both. Every day, some aircraft would staff to fields that were unoccupied the day before. It would be a prodigious task for the Soviets to keep track of them and to attack them all at once. The Eagle Force would not be invulnerable, but for the Soviets to knock it out would involve a massive attack and still leave them with great uncertainty as to the probability of success.

The F-15s would be modified to carry five air-launched cruise missiles each, which generally would be launched from outside the Soviets' anti-aircraft defense perimeter. The total destructive power of such an attack by the Eagle Force would be greater than that of 100 MXs or 100 B-1s, and it would cost less than the MXs and about the same as the B-1s.

We could field this force even more quickly than the MX. This would serve the President's wish to strengthen our nuclear forces as soon as possible.

With all Eagle Force components under the Air Force's wing, there would be none of the resistance that it had about being replaced by the Navy as the predominant service in nuclear defense if the MX and/or the B-1 were canceled.

One reason for the demise of the MX has been the strenuous objection from areas where it would be based. The only corresponding objection to the Eagle Force would be the periodic presence of aircraft with nuclear weapons on civilian airfields. However, the American public has become sufficiently sophisticated about nuclear weapons to understand that there is almost no probability of an accidental detonation.

Funds for the Eagle Force would be spent across many of the 48 contiguous states, so this solution would have a better reception in Congress than would any of the others that would help our economy less and only in a few geographical sectors.

Beyond all this, the Eagle Force would answer more than one of our military establishment's needs. In 1980, President Jimmy Carter said that, if necessary, the United States would use military force to protect its interest in the Persian Gulf region. In 1981, President Reagan reaffirmed this in even stronger terms. Yet the U.S. military is not prepared to do that today on the scale that these Presidents envisioned. We just haven't been able to afford it while strengthening our nuclear forces and our forces for the defense of Europe as well. Within the Eagle Force, however, the 200 tanker/cargo aircraft could be of great value in transporting the Rapid Deployment Force to the Persian Gulf area, and the F-15s would be valuable in such circumstances, either for air combat or for launching non-nuclear cruise missiles at ground targets. Of course, there would be limits on how many tankers or F-15s could be taken off nuclear alert, but submarines and B-52s could be repositioned temporarily in alert status to compensate.

The one strong point of the MX that the Eagle Force could not match is its capability for rapid retaliation response. To assemble the force, refuel it in the air and deliver it to its launch points would take quite a few hours, whereas the MX would take 30 minutes or so to reach the Soviet Union once the launch button was pushed.

The desire for quick response is rooted in the military tradition of counterattacking an aggressor's forces as rapidly as possible so as to weaken those forces before they can consolidate their position and do more damage. This traditional response is not appropriate in the non-traditional sphere of nuclear warfare. Not even a 30-minute response would catch the Soviets without their still having the option of launching another wave of missiles at us before ours arrived to destroy them. Since we have always built our nuclear forces around retaliation, a slow Eagle Force would be just as useful as a fast MX force for our purposes. In fact, a slow force would be preferable because it would permit more time for deliberation and negotiation, and our objective should be de-escalation and termination of

hostilities on terms acceptable to us—not "victory," which could only be pyrrhic.

Whatever decision is made, it must take into account the issues of past presidential commitments, international reaction to whatever we do, military inter-service politics and domestic economic and political considerations. With all that, the solution must make sense militarily.

When all these diverse factors are joined, the Eagle Force comes out way ahead of all other possibilities.

[From the New York Times Magazine, Mar. 13, 1983]

THE "FOLLY" OF THE MX MISSILE

(By Stansfield Turner)

The United States has reached a watershed in its nuclear defense strategy. President Reagan and Congress are trying to decide what to do about the MX, the new intercontinental ballistic missile that is larger, more expensive, more powerful and more accurate than anything in our military arsenal. The issue, however, goes beyond the costs and proficiency of a new weapons system. The question is whether deploying the MX would enhance our security or detract from it.

For several years now, the immediate problem with the MX has been how to base it. Placed in existing silos, it would be vulnerable to surprise attack by the Soviet Union's beefed-up strategic forces—just as vulnerable as our present generation of land-based missiles. There have been various schemes for making the MX less vulnerable, including the ingenious "dense pack" notion of placing them so close together that incoming Soviet missiles would knock each other out. These proposals have all been fended off or left in abeyance, largely on the instinct, shared by Congress and the public, that the ideas made little sense.

Yet it is unlikely that anyone will be able to find a basing scheme any more acceptable than dense pack, not even the special commission of experts appointed by the President to study the problem. Only two weeks age, several alternative basing schemes that seem to be no more practical than dense pack were offered by the congressional Research Service, an agency specializing in analysis for Capitol Hill. One of these was to place the missiles in planes that can remain airborne for long periods. Another was to dump the missiles into the oceans in cannisters at times of tension, and to trigger them by remote control.

It is apparent that any basing solution for this large a missile is going to require highly unusual procedures and will be highly controversial. In this circumstance, it is only natural to ask whether the MX missile is essential to our national security. Are there no alternatives? Reaching a judgment on this life-or-death issue, it seems to me, involves two basic questions:

(1) What kind of nuclear capability do we need? Do we want an ability to retaliate against Soviet cities? Or do we seek the capacity to destroy the Soviet Union's principal military targets?

(2) How large a nuclear force do we require? Must it be bigger than the Soviet Union's, or about the same, or can it be smaller and still suffice?

How our leaders answer these questions will determine whether we proceed toward greater stability in the "balance of terror" between the United States and the Soviet Union or toward heightened instability, with all the new dangers that would entail.

There are, as we know, four types of delivery systems in our nuclear-weapons arsenal.

First, there are the intercontinental ballistic missiles (ICBM's)—large, landbased, relatively immobile missiles that travel to their targets by leaving the earth's atmosphere and re-entering it on a precalculated trajectory.

Then there are the submarine-launched ballistic missiles (SLBM's), which follow the same trajectory as the ICBM's but are based in specially designed, nuclear-powered submarines.

Third, we have the bombers—traditional, large, long-range aircraft, such as the B-52's, the core of our bomber force—carrying nuclear bombs.

Finally, there are those recent additions to our inventory, the cruise missiles—unmanned small aircraft that are transported to their launch points on bombers, submarines or trucks and that fly at a very low altitude.

Of these four systems, the land-based missiles are the most vulnerable to a Soviet attack and the submarines the least vulnerable. We should understand that there will never be a perfectly invulnerable weapons system, and trying to achieve one will be progressively difficult in the future. We must, instead, count on making it so complicated for the Russians to knock out all our nuclear forces in a short period of time that they will never feel confident of their ability to do it.

The way to increase survivability is to emphasize mobility, numbers of weapons and concealment. Bombers are mobile, and reasonably safe from attack when on airborne alert. Submarines are mobile and readily concealed at sea. Even if there should be a breakthrough in submarine detection—and no such breakthrough is foreseeable at present—submarines will certainly remain more difficult to locate than ICBM's or bombers. Cruise missiles are mobile, and small enough to be concealed, and we could have large numbers of them. Thus, for assurance that we won't be knocked out by surprise, our intercontinental nuclear forces should be built around these three systems.

What I am proposing, therefore, is a shift of emphasis in our mix of nuclear weapons—a shift away from large ICBM's, like our present land-based missiles and the projected MX, to small, multibased cruise missiles.

Such a move would not only make our deterrent forces more survivable but would serve to reduce the elements of instability in the American-Soviet nuclear confrontation. For the more we rely on ICBM's, the more nervous we will be about the threat of a surprise attack on them; our finger will have to be on the trigger. And because the MX—added to the capability of our existing ICBM's—would give us the potential for a surprise attack on Soviet ICBM's, it would make the Russians nervous; their finger, too, would have to be on the trigger. Cruise missiles, on the other hand, are too slow to threaten a surprise attack and too small to be targeted in a surprise attack by the Russians. Hence, if the United States shifted away from ICBM's and toward cruise missiles, both sides would relax somewhat and the nuclear balance would be stabilized.

The same combination would also give us as much assurance as possible that our weapons would penetrate any Soviet defense. The Russians would have to construct both ballistic missile defenses (against our submarine-launched missiles) and antiaircraft defenses (against bombers and cruise missiles traveling in the atmosphere). Both sets of defenses would have to be nearly impregnable.

It is true that because cruise missiles are small and easily concealed, it would be very difficult to verify the number of these weapons deployed by each side. Because of this, it is sometimes argued that shifting to cruise missiles would kill the chances for a new strategic arms-control agreement and thus increase tensions. But that is a specious argument.

The key objective of arms control is not control of the number of weapons but a lessening of the likelihood of anyone starting a nuclear war, either deliberately or accidentally. The critical step toward that goal is a reduction of the number of weapons that put people on edge by posing the threat of a surprise attack—and those weapons, by and large, are the ICBM's. There is no reason why ICBM's cannot be controlled by agreement—and bombers and submarines as well—even if cruise missiles cannot be counted.

The fundamental choice, then is not between weapons of greater or lesser potency but between greater stability or less. The so-called nuclear experts, however, are finding it difficult to shed conventional military thinking, which sees advantages in "superiority" in weapons and holds that defeating the enemy's military forces is the end objective if war should break out.

Such emphasis on the power and number of weapons is misplaced. The levels of damage in intercontinental nuclear war are likely to be so high that most of the weapons we and the Russians possess will exceed any conceivable usefulness. A common nuclear weapon today has an explosive power about 40 times greater than the bomb that killed 100,000 people in Hiroshima. The United States and the Soviet Union each has about 270 urban areas with a population of more than 100,000. Imagine what several hundred such warheads could do to either country.

The United States has about 9,500 nuclear warheads and the Soviet Union about 8,000, all capable of being delivered over intercontinental distances. Some of these warheads are powerful and accurate enough to destroy "hard" targets, like ICBM silos, which are built of reinforced concrete. The remainder of these warheads are only capable of destroying "sort" targets, like cities, industries and basic military facilities. Some of the systems could hit their targets very quickly, because their time of flight to the Soviet Union is quite short and because the communications link to them is swift and sure. Others either have relatively long flight times or, in the case of submarines, are not always within reach of quick communications.

The advantage of the large land-based missiles is that they cannot only hit "hard" targets but get there fast. Bombers and cruise missiles, while also capable of destroying "hard" targets, would take longer to reach their objectives. And we cannot be sure how long it will take for our nuclear-armed submarines to receive instructions and carry them out; furthermore, submarine-launched missiles are not accurate enough to be effective against "hard" targets. By about 1990, however, the undersea system will become as accurate as the other three, and the principal distinction between the four systems, in terms of their striking power, will be that bombers and cruise missiles will take longer to get there and sub-

marine-based missiles may take longer to be launched. What difference will that make?

The question is of fundamental importance. For the answer determines which of two basic nuclear doctrines or strategies we adopt.

The first is the doctrine of retaliation. The two premises here are that we can deter the Russians from attacking us with nuclear weapons by the threat of a devastating nuclear counterblow against their urban and industrial centers; and that if, against all rational expectations, deterrence fails, we require only a limited capability to fight an intercontinental nuclear war.

The second is the doctrine of nuclear-war fighting. The premises here are that we can deter the Russians only if we are capable of waging and "prevailing" in a nuclear war; and that we require a capability to outlast the Russians in protracted nuclear war if deterrence fails.

The most critical point in deciding between these different approaches is which is the more likely to prevent the outbreak of intercontinental nuclear hostilities.

For many years, the United States relied on the first doctrine—that an assured capability to retaliate with nuclear weapons provided adequate deterrence. This view rested on the enormous destructiveness of nuclear weapons and the very high probability that they would penetrate enemy defenses. Today, there is no meaningful defense against ballistic missiles and little against cruise missiles; only bombers are vulnerable to serious attrition. Defenses will improve in the future, but since only a few nuclear weapons need arrive on target to do high levels of damage, defense will continue to be a difficult proposition.

What this means is that any Soviet leader contemplating initiating nuclear war must do more than estimate whether his nuclear forces could do greater damage to the United States than ours could do to the Soviet Union, or whether he could destroy all American nuclear forces and still have some of his own left. He must ask what might be the absolute level of damage to the Soviet Union. There would be little satisfaction to him in doing more damage to the United States or eliminating our nuclear strength if the damage suffered by the Soviet Union were unbearable.

This kind of calculation—that a preponderance of nuclear force is meaningless if the opponent retains the capacity for massive retaliation—is, of course, an entirely new way of looking at wars, and it is probably because of its newness that it came under challenge in the United States some years ago. As one critic, Colin S. Gray, put the argument in an article last fall, "Deterrence cannot be simply based upon the ability to bring on a holocuast." "For a threat to be believeable, and thus an effective deterrent," he wrote, "it has to posit purposive military actions, and those actions have to be directed against targets that are of very high value to Soviet leaders."

More specifically, Mr. Gray and others of his persuasion worry about what would happen if the Soviet leaders were to unleash a nuclear attack aimed not at America's cities but at its nuclear forces. Their contention is that no American President would be likely to implement the longstanding doctrine of retaliation against Soviet cities, because he would know that this would invite the devastation of American cities by the Soviet Union's remaining store of missiles. Out of such reasoning the war-fighting doctrine was born.

This doctrine says we need nuclear forces powerful enough not only to devastate the Soviet Union's cities but to destroy its intercontinental nuclear forces, however long it takes. Such a capability, it is argued, would place the Soviet leaders in the position of knowing that they could not "prevail" if they were to start a nuclear war with the United States.

In my view, the doctrine of nuclear war-fighting is wrong in denying the credibility of the threat of retaliation against Soviet cities and industry. The argument, to repeat, rests on the contention that the Soviet leaders might well order a strike at our nuclear forces in the belief that the American President was not likely to retaliate with a blow against Soviet cities. What this overlooks is the great uncertainty as to how anyone would react in such a situation. There is no precedent on which to base a judgment.

Can anyone say with any certainty that a President would not launch all the weapons we have if the Russians were to launch even a limited attack on our nuclear weapons sites? Rationality may not prevail in such circumstances; or the President may react before it is clear that the attack is of a limited nature; or he may act in the belief that the Russians had launched a full-scale attack; or he may believe that any nuclear war is bound to escalate, and that our best move is to go all-out right away and hope to limit the Russians' ability to strike a second time.

Beyond guessing how the President might react, the Russians would have to worry about a complete breakdown in our chain of command. What would the commanders of our nuclear submarines do if, knowing that the United States had been attacked, they lost all contact with headquarters? Just half a dozen submarines could place almost 1,000 nuclear warheads on the Soviet Union.

In short, any neat calculation as to how the United States might respond could be wrong in so many ways that no Soviet leader could feel confident of the outcome of his launching even a small-scale nuclear attack on our country. Even gamblers grow cautious as the stakes rise, and a Soviet leader contemplating a nuclear attack on the United States would know that he would be gambling the very survival of his society. In my view, only if we were to push the Soviet Union into a desperate situation threatening its existence as a Communist state could a Soviet leader conceivably decide on the gamble of a nuclear attack on the United States.

The war-fighting school also argues that the Russians are going ahead on their own to build a nuclear war-fighting capability; that this makes nuclear war a likely eventuality; and that the Russians can be deterred from initiating such a war only if we demonstrate to them that we have the same kind of capability and could successfully outfight them in such a conflict.

There is ample evidence that the Russians are making very substantial investments in intercontinental nuclear forces, and that they are paying attention to all the components of a war-fighting capability. There is a world of difference, however, between preparing for the possibility of nuclear war and preparing deliberately to start one. Nothing I have seen persuades me that the Soviet leaders' intention in building their nuclear war machine is to use it offensively.

In any case, we don't have to go beyond a strategy of retaliation to be able to wage war against the Soviet Union's nuclear forces, if forced to. We already have a considerable capacity to engage in that kind of conflict. As I have noted, all of our four nuclear weapons systems are either capable of striking hard military targets or will acquire that capability before long. A President, then, could choose to retaliate only against cities, or only against hardened targets, or against both.

What he could not do with the bombers, cruise missiles and submarine-based missiles is to strike back rapidly. The key difference between the war-fighting concept and the retaliatory strategy hinges on whether we need an ability to retaliate quickly. If we do, ICBM's are clearly essential and cannot be replaced by cruise missiles. In my view, rapid response, in the event that deterrence breaks down, is not essential, and is even dangerous.

It is a natural military instinct to want to counterattack as rapidly as possible, in the hope of slowing the enemy's offensive. In nuclear war, however, a rapid response would have the opposite effect. If the Russians were to launch a nuclear attack against us, they would certainly be on the alert for our response. If we were to strike back at their muclear forces, especially their vulnerable land-based missiles, they would have the option of launching those missiles while our attacking force was still in flight.

It would make no difference whether we counterattacked with ICBM's that could get to their targets in 30 minutes or with cruise missiles that took as long as 12 hours (including the time it took to transport them to within launching distance). The Russians would see us coming and have ample time to launch their missiles while ours were on the way. There is no way to gain surprise once the nuclear genie is out of the bottle.

By setting an objective of attacking the Soviet Union's remaining nuclear weapons after a Soviet surprise attack, the war-fighting school would confront the Russians with the alternative of launching those remaining weapons quickly or seeing them destroyed. Yet the last thing we would want to do in that kind of situation is force the Russians to launch even more weapons against us. Instead, our objective should be to retaliate not by going after just their remaining missiles but by hitting both military and civilian targets intensively enough to demonstrate that continuing this war would lead to escalation and disaster.

The object of our counterattack would be to persuade the Soviet leaders to absorb the blow and negotiate. That would not be an easy decision for them to make. It would be more difficult to make in the 30 minutes' warning they would have of an attack by our ICBM's than in the four to 12 hours it would take our cruise missiles to reach their targets.

Thus, it would be preferable to conduct such a counterattack with "slow" cruise missiles or bombers and give the Russians as much time as possible to make their decision. In fact, we would want to use that time to let the Russians know exactly what we were doing—that a counterattack of the same proportion as their attack on us was irretrievably on the way; that we hoped they would absorb it and then negotiate; and that if they fired one more missile at the United States, our entire remaining arsenal would be immediately launched in a devastating blow. This would provide more margin for reason to reassert itself than would the momentum of a war-fighting strategy, which would propel us both into successive rounds of nuclear exchanges and

would probably lead to mutual, if not global, destruction.

It is folly to talk, as the warfighters do, of prolonging intercontinental nuclear exchanges until the Soviet side was exhausted. Of what value would it be to us to have some nuclear forces left after 8,000 nuclear warheads have been fired in each direction? Neither nation would be thinking of "victory" after sustaining 8,000 nuclear blasts, each 10 to 100 times more powerful than the one at Hiroshima. In fact, long before anything like 8,000 weapons had been exploded, a nuclear war would become entirely unmanageable. It is interesting to note that prior to his recent retirement as chairman of the Joint Chiefs of Staff, Gen. David C. Jones said publicly that he did not consider protracted nuclear war feasible. It is largely civilian nuclear theologians like Colin Gray who do.

There is another line of reasoning put forward by the war-fighing school that may be paraphrased as follows:

"The forces of NATO and the Warsaw Pact that face each other in Europe are armed with conventional weapons, and our side has always been outgunned. We have tried to compensate by placing short-range 'tactical,' or battlefield, nuclear weapons behind our conventional forces, in case we needed to make a special effort to turn the tide of battle. In turn, we have always backed up these tactical nuclear forces with the threat that our ICBM's in the United States would enter the fray, if necessary. Hence, these intercontinental forces of last resort must be capable of war-fighting, including quick response."

The argument is pure sophistry. If, in the event of a nuclear attack against the United States, the President's readiness to retaliate against Soviet cities lacks credibility, as the war-fighters contend, what makes them believe that the President would attack the Soviet Union with nuclear weapons in retaliation for a conventional attack on Western Europe? The United States certainly should not and would not expose its own cities to nuclear devastation in order to compensate for NATO's weaknesses in conventional forces. It should be clear that if the West's conventional defenses in Europe ever reach the point where they cannot stand on their own, the Russians will soon detect that, and we can expect troubles that a "nuclear war-fighting capability" could not counter.

This examination of our strategic problems leads, I suggest, to the following conclusions:

We need weapons with a high degree of invulnerability to enemy attack, so that a large part of our deterrent can be depended on to survive a Soviet strike of no matter what intensity. These weapons should be able to retaliate in a deliberate, preferably slow, manner against either hard military targets or soft targets, including ordinary military installations, as well as cities and industries. We should have enough of these weapons to be certain of being able to inflict an unacceptable level of damage on the Soviet Union, but not necessarily to match the Russians weapon by weapon.

In other words, we must recommit ourselves to a doctrine of assured retaliation, relying principally on submarine-based missiles, bombers and cruise missiles, and rejecting the MX as unsuited to our needs. And we must reject the nuclear war-fighting doctrine as misconceived and dangerous to our security.

It may seem curious that a war-fighting theory with such lapses in logic should have gained such credence in the United States, and that, as a result, we are on the brink of going ahead with the MX missiles at great financial cost and at great risk of nuclear instability. Yet the reasons are not hard to identify.

Perhaps the main reason is that war-fighting theorems are in accord with normal military reflexes in war, which are to strike quickly at the enemy's military forces. Another explanation lies in interservice politics: The Air Force sees the MX missile as a means of preventing its predominance in the intercontinental-nuclear field slipping away to the Navy. And there are, undoubtedly, the usual pressures from the military-industrial community to continue production of weapons under contract today.

Another factor, in my view, is that, over the years, the uniformed military in our country have virtually abdicated the formulation of nuclear doctrine to civilians. After all, military men cannot claim any particular operational expertise with nuclear weapons that has been denied to civilian specialists. It is good to have civilians thinking in all areas of military endeavor, but that there should be so few military men who can hold their own in debate on these matters is disturbing. Unrealistic concepts like that of nuclear war-fighting are a direct consequence of this lack.

Finally, the war-fighting doctrine has made inroads into official policies because it has not had to stand the test of full-scale public scrutiny and debate. This deficiency is being corrected: The American public displayed considerable skepticism over the dense-pack scheme, and the Congress, properly responsive to the public's views, voted in December to postpone any decision on the MX. Now, with the subject coming up for resolution, a still more difficult test of our democratic process is at hand.

It is doubly important for the public to involve itself in the final judgment on whether we need the MX missile. Of course, there are many technical details and some secret matters that must be left to the experts, but the broad purposes of acquiring or foregoing specific nuclear weapons like the MX are quite within the public's ability to comprehend. In no other area today is it more important for the principle of public control over public officials to be exercised.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION—FISCAL YEAR 1984

The PRESIDING OFFICER. The Senate will resume consideration of the pending question, which the clerk will state.

The legislative clerk read as follows:

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

The Senate resumed consideration of the concurrent resolution.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged equally to each side.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

Thereupon, the Senate, at 12:01 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The majority leader is recognized

Mr. BAKER. Mr. President, the principals in the management of the budget resolution are on their way to the floor. I have not cleared the request I am about to make with the minority leader, but I trust he will have no objection. If he does, I assure him, if he is listening, that we shall rescind the request and restate the time.

I ask unanimous consent that I may be permitted to suggest the absence of a quorum, with the time consumed by that call to be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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

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

Mr. DOMENICI. Mr. President, I understand that the distinguished Senator from Utah (Mr. HATCH) is prepared to offer an amendment. I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 1227

Mr. HATCH. Mr. President, I offer an amendment in the nature of a substitute for Senate Concurrent Resolution 27 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an amendment numbered 1227.

Mr. HATCH. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the resolving clause and insert in lieu thereof the following: That the Congress hereby determine and declares that the concurrent resolution on the budget for fiscal year 1983 is hereby revised, the first concurrent resolution on the budget for fiscal year 1984 is hereby established, and the appropriate budgetary levels for fiscal years 1985 and 1986 are hereby set forth:

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

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

Fiscal year 1983: $604,500,000.
Fiscal year 1984: $675,600,000.
Fiscal year 1985: $753,300,000.
Fiscal year 1986: $817,400,000.

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

Fiscal year 1983: $874,630,000,000.
Fiscal year 1984: $886,203,000,000.
Fiscal year 1985: $953,034,000,000.
Fiscal year 1986: $1,015,694,000,000.

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

Fiscal year 1983: $805,490,000,000.
Fiscal year 1984: $824,783,000,000.
Fiscal year 1985: $870,044,000,000.
Fiscal year 1986: $917,944,000,000.

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

Fiscal year 1983: $200,990,000,000.
Fiscal year 1984: $149,183,000,000.
Fiscal year 1985: $117,544,000,000.
Fiscal year 1986: $100,544,000,000.

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

Fiscal year 1983: $1,380,890,013,000.
Fiscal year 1984: $1,576,364,000,000.
Fiscal year 1985: $1,762,164,000,000.
Fiscal year 1986: $1,944,713,000,000.

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

Fiscal year 1983: $90,690,013,000.
Fiscal year 1984: $195,473,987,000.
Fiscal year 1985: $185,800,000,000.
Fiscal year 1986: $182,549,000,000.

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

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

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

(1) National Defense (050):
(A) New budget authority, $243,900,000,000.
(B) Outlays, $214,200,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $274,900,000,000.
(B) Outlays, $243,200,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $310,000,000,000.
(B) Outlays, $276,100,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $346,400,000,000.
(B) Outlays, $308,000,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.

(2) International Affairs (150): Commitments,
Fiscal year 1983:
(A) New budget authority, $24,070,000,000.
(B) Outlays, $11,270,000,000.
(C) New direct loan obligations, $11,700,000,000.
(D) New loan guarantee commitments, $9,200,000,000.
Fiscal year 1984:
(A) New budget authority, $15,570,000,000.
(B) Outlays, $11,200,000,000.
(C) New direct loan obligations, $11,200,000,000.
(D) New loan guarantee commitments, $10,300,000,000.
Fiscal year 1985:
(A) New budget authority, $16,230,000,000.
(B) Outlays, $11,530,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New loan guarantee commitments, $10,300,000,000.
Fiscal year 1986:
(A) New budget authority, $14,660,000,000.
(B) Outlays, $11,450,000,000.
(C) New direct loan obligations, $11,600,000,000.
(D) New loan guarantee commitments, $10,300,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $7,890,000,000.
(B) Outlays, $7,690,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $8,060,000,000.
(B) Outlays, $7,940,000,000.
(C) New direct loan obligations, $37,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $7,830,000,000.
(B) Outlays, $7,830,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $7,060,000,000.
(B) Outlays, $7,220,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1983:
(A) New budget authority, $3,880,000,000.
(B) Outlays, $4,330,000,000.
(C) New direct loan obligations, $13,100,000,000.
(D) New loan guarantee commitments, $200,000,000.
Fiscal year 1984:
(A) New budget authority, $3,220,000,000.
(B) Outlays, $3,900,000,000.
(C) New direct loan obligations, $13,900,000,000.
(D) New loan guarantee commitments, $200,000,000.
Fiscal year 1985:
(A) New budget authority, $3,650,000,000.
(B) Outlays, $2,790,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $2,390,000,000.
(B) Outlays, $2,450,000,000.
(C) New direct loan obligations, $14,400,000,000.
(D) New loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New budget authority, $12,220,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $9,350,000,000.
(B) Outlays, $10,580,000,000.
(C) New direct loan obligations, $27,000,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $9,630,000,000.
(B) Outlays, $10,360,000,000.
(C) New direct loan obligations, $27,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $9,330,000,000.
(B) Outlays, $9,850,000,000.
(C) New direct loan obligations, $27,000,000.
(D) New loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1983:
(A) New budget authority, $24,180,000,000.
(B) Outlays, $23,970,000,000.
(C) New direct loan obligations, $18,600,000,000.
(D) New loan guarantee commitments, $5,500,000,000.
Fiscal year 1984:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,820,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New loan guarantee commitments, $3,800,000,000.
Fiscal year 1985:
(A) New budget authority, $12,580,000,000.
(B) Outlays, $10,880,000,000.

(C) New direct loan obligations, $11,700,000,000.
(D) New loan guarantee commitments, $3,800,000,000.
Fiscal year 1986:
(A) New budget authority, $11,070,000,000.
(B) Outlays, $11,000,000,000.
(C) New direct loan obligations, $12,200,000,000.
(D) New loan guarantee commitments, $3,800,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $3,340,000,000.
(C) New direct loan obligations, $6,500,000,000.
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1984:
(A) New budget authority, $7,289,000,000.
(B) Outlays, $31,000,000.
(C) New direct loan obligations, $6,400,000,000.
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1985:
(A) New budget authority, $5,164,000,000.
(B) Outlays, $924,000,000.
(C) New direct loan obligations, $6,300,000,000.
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1986:
(A) New budget authority, $4,065,000,000.
(B) Outlays, $1,465,000,000.
(C) New direct loan obligations, $6,300,000,000.
(D) New loan guarantee commitments, $48,700,000,000.
(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $26,860,000,000.
(B) Outlays, $22,040,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New loan guarantee commitments, $1,100,000,000.
Fiscal year 1984:
(A) New budget authority, $27,280,000.
(B) Outlays, $25,090,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New loan guarantee commitments, $600,000,000.
Fiscal year 1985:
(A) New budget authority, $27,930,000,000.
(B) Outlays, $25,760,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New loan guarantee commitments, $400,000,000.
Fiscal year 1986:
(A) New budget authority, $28,680,000,000.
(B) Outlays, $26,830,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New loan guarantee commitments, $300,000,000.
(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $8,630,000,000.
(B) Outlays, $7,810,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New loan guarantee commitments, $500,000,000.
Fiscal year 1984:
(A) New budget authority, $6,080,000,000.
(B) Outlays, $8,000,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1985:
(A) New budget authority, $6,940,000,000.
(B) Outlays, $8,320,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $7,440,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New loan guarantee commitments, $400,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $27,570,000,000.
(B) Outlays $27,060,000,000.
(C) New direct loan obligations, $600,000,000.
(D) New loan guarantee commitments, $6,500,000,000.
Fiscal year 1984:
(A) New budget authority, $25,980,000,000.
(B) Outlays, $25,630,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New loan guarantee commitments, $6,600,000,000.
Fiscal year 1985:
(A) New budget authority, $24,980,000,000.
(B) Outlays, $25,070,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New loan guarantee commitments, $6,600,000,000.
Fiscal year 1986:
(A) New budget authority, $24,720,000,000.
(B) Outlays, $24,830,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New loan guarantee commitments, $6,600,000,000.
(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $25,050,000,000.
(B) Outlays, $29,550,000,000.
(C) New direct loan obligations, $47,000,000.
(D) New loan guarantee commitments, $200,000,000.
Fiscal year 1984:
(A) New budget authority, $30,670,000,000.
(B) Outlays, $31,210,000,000.
(C) New direct loan obligations, $29,000,000.
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1985:
(A) New budget authority, $33,150,000,000.
(B) Outlays, $33,370,000,000.
(C) New direct loan obligations, $28,000,000.
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $35,210,000,000.
(B) Outlays, $35,240,000,000.
(C) New direct loan obligations, $28,000,000.
(D) New loan guarantee commitments, $300,000,000.
(12) Medical Insurance (570):
Fiscal year 1983:
(A) New budget authority, $46,210,000,000.
(B) Outlays, $53,120,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $63,064,000,000.
(B) Outlays, $59,304,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $70,650,000,000.
(B) Outlays, $66,340,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $84,269,000,000.
(B) Outlays, $74,909,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $121,420,000,000.
(B) Outlays, $108,930,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New loan guarantee commitments, $14,600,000,000.
Fiscal year 1984:
(A) New budget authority, $110,670,000,000.
(B) Outlays, $97,270,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New loan guarantee commitments, $14,700,000,000.
Fiscal year 1985:
(A) New budget authority, $113,740,000,000.
(B) Outlays, $97,390,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New loan guarantee commitments, $16,500,000,000.
Fiscal year 1986:
(A) New budget authority, $122,430,000,000.
(B) Outlays, $99,440,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New loan guarantee commitments, $18,100,000,000.
(14) Social Security (650):
Fiscal year 1983:
(A) New budget authority, $184,570,000,000.
(B) Outlays, $167,270,000,000.
(C) New direct loan obligations, $.0.
(D) New loan guarantee commitments, $.0.
Fiscal year 1984:
(A) New budget authority, $177,740,000,000.
(B) Outlays, $175,570,000,000.
(C) New direct loan obligations, $.0.
(D) New loan guarantee commitments, $.0.
Fiscal year 1985:
(A) New budget authority, $199,170,000,000.
(B) Outlays, $186,610,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $217,380,000,000.
(B) Outlays, $199,310,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
(A) New budget authority, $24,930,000,000.
(B) Outlays, $24,530,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New loan guarantee commitments, $8,000,000,000.
Fiscal year 1984:
(A) New budget authority, $25,860,000,000.
(B) Outlays, $25,390,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New loan guarantee commitments, $9,000,000,000.
Fiscal year 1985:
(A) New budget authority, $26,320,000,000.

(B) Outlays, $25,860,000,000.
(C) New direct loan obligations, $600,000,000.
(D) New loan guarantee commitments, $10,500,000,000.
Fiscal year 1986:
(A) New budget authority, $26,910,000,000.
(B) Outlays, $26,400,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New loan guarantee commitments, $12,500,000,000.
(16) Administration and Justice (750):
Fiscal year 1983:
(A) New budget authority, $5,180,000,000.
(B) Outlays, $5,120,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,780,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $4,910,000,000.
(B) Outlays, $4,920,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $4,860,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1983:
(A) New budget authority, $5,640,000,000.
(B) Outlays, $5,700,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,490,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $5,550,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,770,000,000.
(B) Outlays, $5,560,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,420,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $7,030,000,000.
(B) Outlays, $6,990,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $4,760,000,000.
(B) Outlays, $5,360,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1983:
(A) New budget authority, $88,160,000,000.
(B) Outlays, $88,160,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $91,680,000,000.
(B) Outlays, $91,680,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $88,010,000,000.
(B) Outlays, $88,010,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $84,760,000,000.
(B) Outlays, $84,760,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1983:
(A) New budget authority, $790,000,000.
(B) Outlays, $900,000,000.
(C) New direct loan obligations. $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $860,000,000.
(B) Outlays, $940,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $2,150,000,000.
(B) Outlays, $2,130,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $2,210,000,000.
(B) Outlays, $2,210,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, $18,230,000,000.
(B) Outlays, $18,230,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $20,300,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $22,830,000,000.
(B) Outlays, $22,830,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $27,440,000,000.
(B) Outlays, $27,440,000,000.
(C) New direct loan obligations, $0.
(D) New loan guarantee commitments, $0.

RECONCILIATION

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

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays as follows: $1,587,000,000 in budget authority and $1,579,000,000 in outlays in fiscal year 1984; $2,328,000,000 in budget authority and $2,328,000,000 in outlays in fiscal year 1985; and $3,129,000,000 budget authority and $3,129,000,000 in outlays in fiscal year 1986.

(c) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1984; $700,000,000 in budget authority and $700,000,000 in outlays in fiscal year 1985; and $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1986.

(d) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1984; $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1985; and $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1986.

(e)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $2,681,000,000 in fiscal year 1984; to reduce outlays by $4,478,000,000 in fiscal year 1985; and to reduce outlays by $10,031,000,000 in fiscal year 1986.

(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $2,600,000,000 in fiscal year 1984; $4,800,000,000 in fiscal year 1985; and $9,400,000,000 in fiscal year 1986.

(f) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $41,000,000 in budget authority and $3,000,000 in outlays in fiscal year 1984; and $51,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1985; and $51,000,000 in budget authority and $9,000,000 in outlays in fiscal year 1986.

(g)(1) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $741,000,000 in budget authority and $741,000,000 in outlays in fiscal year 1984; and $1,006,000,000 in budget authority and $1,006,000,000 in outlays in fiscal year 1985; and $855,000,000 in budget authority and $855,000,000 in outlays in fiscal year 1986.

(2) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $482,000,000 in fiscal year 1984; to reduce budget authority by $3,000,000 and $1,020,000,000 in outlays in fiscal year 1985; and to reduce budget authority by $3,000,000 and outlays by $2,113,000,000 in fiscal year 1986.

(3) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce revenues as follows: $1,200,000,000 in fiscal year 1984;

$2,500,000,000 in fiscal year 1985; and $2,500,000,000 in fiscal year 1986.

(h) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $167,000,000 and outlays by $147,000,000 in fiscal year 1984; to reduce budget authority by $330,000,000 and outlays by $310,000,000 in fiscal year 1985; to reduce budget authority by $281,000,000 and outlays by $271,000,000 in fiscal year 1986.

(i) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $221,000,000 and outlays by $220,000,000 in fiscal year 1984; to reduce budget authority by $238,000,000 and outlays by $237,000,000 in fiscal year 1985; and to reduce budget authority by $243,000,000 and outlays by $240,000,000 in fiscal year 1986.

HOUSE COMMITTEES

(j) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public law 93-344, sufficent to reduce budget authority and outlays as follows: $1,587,000,000 in budget authority and $1,579,000,000 in outlays in fiscal year 1984; $2,328,000,000 in budget authority and $2,328,000,000 in outlays in fiscal year 1985; and $3,129,000,000 in budget authority and $3,129,000,000; in outlays in fiscal year 1986.

(k) The House Committee on Education and Labor shall report changes in laws within jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays as follows: $167,000,000 in budget authority and $147,000,000 in outlays in fiscal year 1984; $330,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1985; $281,000,000 in budget authority and $271,000,000 in outlays in fiscal year 1986.

(l) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $169,000,000 in fiscal year 1984; to reduce outlays by $701,000,000 in fiscal year 1985; and to reduce outlays by $533,000,000 in fiscal year 1986.

(m) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $41,000,000 and outlays by $3,000,000 in fiscal year 1984; to reduce budget authority by $51,000,000 and outlays by $8,000,000 in fiscal year 1985; to reduce budget authority by $51,000,000 and outlays by $9,000,000 in fiscal year 1986.

(n) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1984; $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1985; and $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1986.

(o)(1) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisidction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $741,000,000 in budget authority and $741,000,000 in outlays in fiscal year 1984; $1,006,000,000 in budget authority and $1,006,000,000 in outlays in fiscal year 1985; $855,000,000 in budget authority and $855,000,000 in outlays in fiscal year 1986.

(2) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined by section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $491,000,000 and outlays by $615,000,000 in fiscal year 1984; to reduce budget authority by $787,000,000 and outlays by $1,217,000,000 in fiscal year 1985; and to reduce budget authority by $1,045,000,000 and outlays by $2,655,000,000 in fiscal year 1986.

(3) The House Committee on Post Office and Civil Service shall report changes in laws sufficient to increase revenues as follows: $1,200,000,000 in fiscal year 1984; $2,500,000,000 in fiscal year 1985; and $2,500,000,000 in fiscal year 1986.

(p) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1984; $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1985; and $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1986.

(q) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1985; and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1986.

(r) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $2,379,000,000 in fiscal year 1984; to reduce outlays by $3,580,000,000 in fiscal year 1985; and to reduce outlays by $8,956,000,000 in fiscal year 1986.

(s) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $221,000,000 and outlays by $220,000,000 in fiscal year 1984 to reduce budget authority by $238,000,000 and outlays by $237,000,000 in fiscal year 1985; and to reduce budget authority by $243,000,000 and outlays by $240,000,000 in fiscal year 1986.

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

The PRESIDING OFFICER. There is a 2-hour time limitation on this amendment.

Mr. HATCH. Mr. President, my budget plan promises real relief from the excessive burden of Government spending which is stifling our Nation's economy. This plan will balance the budget. It will balance the budget without raising taxes. And, this proposal gives us the hope of balancing the budget by the 200th anniversary of the Constitution, by 1989. It is a realistic plan. It is a responsible plan for restrained growth across-the-board in Federal programs.

By avoiding tax increases, this budget removes a huge temptation for Congress to spend more money. This plan imposes a modified freeze on major areas of domestic spending, including the open-ended spending programs. It calls for an adequate, but not excessive, level of defense spending. Social security is left unchanged and none of the recently enacted social security reforms are altered in the slightest, even though I doubt that these reforms are truly sufficient to insure these funds' solvency in the outyears.

In the past, the greatest stumbling block to cutting Federal spending was the objection from one special interest group or another that cuts fell unfairly, that they would have to bear greater cuts than some other group. This plan avoids this fairness problem. This plan calls for a shared freeze. Everyone will share the burden of cutting back excessive Government spending.

We must do this, in my opinion; we must cut spending, if we are ever to overcome the economic mess we have created for ourselves by decades of fiscal mismanagement. We must do this if we are to allow the economic recovery, which is just beginning, to turn into long-term, noninflationary growth. Only this approach to solving our economic problems will create real jobs for the young and the disadvantaged who require a stable and healthy economy. Only this approach will preserve the standard of living of those on fixed incomes.

Mr. President, we must not approve anything similar, in my opinion, to the proposed House budget. We must reduce the massive Federal deficits. These deficits sap the economic strength of our whole economy. But we must reduce these deficits without once again increasing the burden of taxes on the American citizen.

Raising taxes only tempts Congress to spend more and to pander to a variety of carefully cultivated spending constituencies. Raising taxes has failed to balance the budget in the past. It has failed to eliminate deficits in the past. There is no reason to believe that raising taxes is going to accomplish either of those in the future.

Eliminating excessive Government spending is the only sure way to reduce and eliminate the deficits. We must meet this challenge of cutting Federal spending, tough as it may be. We must meet this challenge if we are to restore our Nation to health after decades of increasingly more severe economic crises.

Today's budgetary crisis is not new. It has been building for a long time. Several decades of massive Federal spending and the resultant burgeoning deficits have burdened our economy with too much Government. This has created insistent special-interest pressure groups in favor of ever more Government. We have probably gone too far in creating and encouraging these groups and in making promises that we just plain cannot keep.

We should have learned that the more Government there is, the worse it is for the economy. A comparison of the 1950's with the 1970's shows how much worse off we are today with more Government.

During the 1950's, inflation averaged 2.1 percent per year. During the 1970's, this inflation rate tripled. We should note that, in the 1970's, Government took advantage of the increased tax revenues that came from higher inflation forcing taxpayers into higher tax brackets. With the higher inflation of the 1970's, this bracket creep forced taxpayers to hand over approximately an extra $127 billion in Federal income taxes.

Or, take what has happened to the prime interest rate with more Government: The prime rate averaged 3.3 percent in the 1950's. Over the last 10 years, it has more than doubled.

Or, take unemployment: In the 1950's, it averaged 4.7 percent. But unemployment has doubled over the last 10 years. The unfortunate trend is for each recession to push the unemployment rate to a new, higher level. The level that we have "accepted" as each cycle of recession fades has been progressively higher. This should not and need not be the case if we get rid of excessive Government.

Or, look at what has happened to productivity with more government: During the 1950's, productivity increased, on the average, 3.25 percent per year. After 20 years of Government spending, productivity was cut in half.

Even if Congress adopted all of the spending restraints that the President's budget requested, Federal spending in 1984 would still be excessive. It would still consume a larger bite of our economy than at any time since the Second World War. The Federal budget ate a fifth of the Nation's product in the Carter years. It now consumes more than a quarter. Government at all levels—Federal, State, and local—eats up more than one-third of our Nation's total product. That is a pretty hefty bite.

Government has thus come to constitute a larger and larger proportion of our lives. But that has not been beneficial and productive, contrary to the claims of those who for so long touted stimulative deficits. Deficits, particularly deficits of the massive size we are now experiencing, are, in fact, counterproductive.

As only commonsense would tell us, for any given amount of money in the society, there can be only so much spending, no matter who does it. Government spending and the resultant deficits replace or crowd out private spending. Government purchase of goods and services uses up a larger proportion of that stock of money, thereby shifting resources from the private to the public sector. Government spending and deficits crowd out the availability of capital for investment and the creation of new jobs. The reduction of resources available for use by the private sector, as a result of increased Government spending, is nothing but a tax.

The total cost of this expenditure tax, of Government spending, is even higher than the simple amount of reduced resources available to the private sector. The key to calculating this extra hidden cost is a comparison of the productivity of the Government's use of resources with their use in the private sector. Do we not know only too well the low, or even negative, productivity of many Government programs. This limited productivity is the result of the few incentives for efficiency and the vast and costly mechanisms for redistributing income and subsidizing consumption that characterize Government programs.

It is crucial that we eliminate these deficits which draw resources from the more productive private sector and which channel them into projects of questionable value in the public sphere. Adopting a budget with such mammoth deficits during a phase in the business cycle when expansion is already beginning to occur will certainly stifle that economic recovery. Such a budget will drain away resources sorely needed by the private sector, where productive and lasting employment could actually develop.

Against these priorities of reducing excessive Federal spending and eliminating counterproductive deficits, let us look at what the House budget would do. That budget destroys most of the hard-fought spending and tax reforms that the President and we in Congress achieved in the last 2 years.

The House wants to raise taxes. Congress has already raised taxes three times in the last 8 months. Nevertheless, the House adds another $265 billion in new taxes over the next 5 years. We enacted $214 billion in taxes

in TEFRA, $21 billion in the Highway Gas Tax Act, and the $48.6 billion in new social security taxes. Think of it, the House budget wants to add another $265 billion in taxes to the $285 billion in new taxes we have just recently enacted.

I do not know who can say that we are not increasing taxes. The problem is we are increasing spending at the same time.

I might add that in spite of all this, the House adds another $265 billion in new taxes over the next 5 years and $315 billion over the next 6 years. This is $285 billion above the tax increases already enacted in the last 8 months, above the $214 billion in TEFRA, the $21 billion in the Highway Gas Tax Act, and the $49 billion in new social security taxes.

And we still have high deficits. We have virtually wiped out all of the President's tax cuts and they still want to tax more.

The House budget also intends to spend lots more of the taxpayer's hard-earned money. They obviously want to bring back the big spender's paradise days of the Carter administration and prior administrations. They want to increase domestic spending almost $200 billion above the President's requested levels over the next 5 years. With this huge increase, they would eliminate all but a scant 3 percent of the hard-won savings achieved in social welfare programs over the last 2 years.

The House budget would also drastically prune our national defense effort to a meager 2.3 percent growth in fiscal year 1984. The House cloaks this irresponsible cut in the charge that defense spending is to blame for the overall increase in Government spending. They blame defense spending for our massive deficits. This charge is dead wrong.

As a percentage of the total Federal budget, spending on defense has declined drastically from its 1962 level and it has never recovered. In 1962, national defense spending amounted to 46 percent of all Federal spending. By 1983, however, national defense spending constituted only 29 percent of all Federal spending. The increases that we now need in defense spending simply repair years of budgetary neglect.

I would prefer to see us spend more on our national defense. Only by preserving our national security can we preserve the whole complex of our liberties and benefits as American citizens. But, in a time of economic crisis, when all Federal programs must bear their fair share of cuts, defense spending, too, must be moderated. But we must not be irresponsible in making defense spending cuts, as has been the House.

The fact is if the House is right, they are going to save us some tax dollars. But if President Reagan is right, he is going to save us our freedom, and I think that is pretty important.

Contrary to the claims of the House, it is domestic spending, not defense spending, which has mushroomed and produced our massive Federal deficits. As a result, it is domestic spending which must bear the greater burden of the restraint in Federal spending growth. This restraint in the growth of Federal spending must occur despite the fact that all of us, myself included, believe many programs worthy of support and funding. Within this group, the major culprit producing ballooning Federal spending and huge deficits is the open-ended spending programs. These programs require payment of benefits to all recipients qualifying under the law regardless of the total dollars involved. We must restrain their excessive growth.

Mr. President, we must reject the House budget and any budget proposals like it. In contrast to the proposed House budget and any like it, the plan I have offered faces up to our real economic needs. This proposed budget is simple and it is fair.

It refuses to raises taxes. It restrains defense spending growth to the minimum consistent with our basic national security. And it imposes a modified freeze across the board on major areas of domestic spending so that all groups and spending constituencies will shoulder their fair share of this burden.

My plan deserves to be enacted. Our economic health demands it.

I might add that this particular approach is not a total freeze. If we had a total freeze, we would balance the budget in 2 years. We are not in a budget crisis, therefore, and nobody is asking for this, for a total freeze.

If we had a low-growth path, it would be in 3 years, thus we would balance the budget if we had a straight freeze across the board. I might add, ours is not a straight freeze; it is a modified freeze.

I can say we take into consideration the needs of the people of this country even though some of the restraint of growth in spending is going to be difficult and would be difficult for all of us as Members of Congress.

SPENDING FREEZE-BALANCED BUDGET PLAN

Growing budget deficits and repeated threats to raise taxes will jeopardize the economic recovery and reverse our progress on inflation and interest rates. While the Nation and the Congress are deeply divided over possible ways to deal with the deficit, there is considerable support in the country for an overall spending freeze.

The spending freeze-balanced budget plan demonstrates clearly that a modified spending freeze could serve as a basis for resolving our fiscal year 1984 budget crisis and for moving the Federal Government to a balanced budget under Congressional Budget Office (CBO) high-growth projections by the end of the decade. With a modified spending freeze and with the preservation of the third year of the individual income tax cut and indexing, the budget can be balanced in fiscal year 1989, the target year for the implementation of the Balanced Budget Amendment to the Constitution and the 200th anniversary of the founding of the Republic—an ideal bicentennial gift for all Americans.

The spending freeze-balanced budget plan calls for a basis freeze in the dollar level of spending for nondefense discretionary programs. Real outlays for entitlements, other than social security, farm price supports, and unemployment compensation are frozen at fiscal year 1983 levels, limiting the growth in entitlement spending to the inflation rate. Pay for nonuniform Federal employees is frozen at 1983 levels as are target and loan prices under the farm program. The freeze is applied for 3 years with constrained growth thereafter.

Defense spending authority is frozen at the levels specified in the fiscal year 1983 budget outyears, which provides for real growth in defense of 7.5 percent in fiscal year 1984, 7.0 percent in fiscal year 1985, and 6.0 percent in fiscal year 1986. The savings accruing from the spending freeze and limitations on defense growth are supplemented by the deficit reductions achieved in the enacted social security package; in the President's proposals to increase offsetting receipts and treat excessive health insurance coverage as ordinary income; and by the savings to be achieved from partial implementation of previously proposed user fees.

Beginning with the spending freeze concept and real and nominal constraints on spending growth in the outyears, the deficit can be reduced sharply in fiscal year 1984 and, under the CBO high-growth path, balanced in fiscal year 1989.

The spending freeze-balanced budget plan preserves the third year of the individual income tax cut and indexing. It sets into place a long-term deficit reduction program by freezing spending in the short term and constraining spending growth over the remainder of the decade. Within the constraints imposed by limits on the growth in Federal spending, Congress can allocate funds to balance spending priorities within the overall binding budget. The deficit reductions achieved in the spending freeze—balanced budget plan will continue to exert downward pressure on interest rates, assuring a strong economic recovery and enhancing private job creation.

Mr. President, I yield at this time to the distinguished Senator from Kansas.

The PRESIDING OFFICER (Mr. ANDREWS). The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Senator for yielding. I should like to take just a few minutes to indicate my support for the proposal submitted by the distinguished Senator from Utah.

Mr. President, the purpose of the budget process is to set out a fiscal policy that is consistent with noninflationary economic growth. As the budget resolution is considered today, we must be particularly sensitive to the current state of the economy. Thankfully, our economy is recovering. Here are some figures that are just as important as forecasts of revenues and deficits:

Gross national product rose 3.1 percent in the first quarter.

Industrial output was up 1.1 percent in March, the third consecutive monthly gain.

New housing starts are running at an annual rate of 1.6 million, up 75 percent from 1 year ago.

The leading indicators jumped 1.5 percent in March, a broad-based gain that points to a faster paced recovery in the second half. At the same time the concurrent indicators rose 0.7 percent, showing current improvement in the economy.

Prices continue to stabilize as they have since President Reagan took office. The annual rate of inflation, as measured by the Consumer Price Index is just 0.4 percent so far in 1983.

In the most important economic category, jobs, the unemployment rate is down 0.5 percent since January, and manufacturing and construction employment is starting to pick up. More good news is expected when the Labor Department issues its April unemployment report.

It seems to this Senator that our No. 1 budget priority should be not to get in the way of the recovery, and I think that is something we have to guard against. Everybody has their own agenda; everybody has a plan. The recovery is underway. I think it must be our top priority not to stand in the way of that recovery but to try to help it along, make it stronger, and hopefully it will last.

We should produce a budget that will allow the expansion to become firmly established. The way to insure this is to avoid a revenue target that would endanger the July tax cut or tax indexing. That is one reason why I support the Hatch substitute.

The revenue line reported out of the Budget Committee would endanger both the third installment of the individual rate reduction and the recovery. It calls for $30 billion in revenues next year and $121 billion over 3 years. As a practical matter, Mr. President, there is simply no way to raise that kind of revenue in fiscal year 1984 without scaling back or eliminating the July tax cut. But that would be precisely the wrong move at the wrong time.

While the recovery clearly is underway, it remains somewhat fragile. Virtually all economists agree that rising consumer spending is needed to keep the expansion going. Without increased consumer demand, businesses might find their inventories rising again. The July tax cut will increase consumer's spendable income and give a boost to retail sales—just the tonic that I believe is needed.

There are other reasons why the third year of the tax cut is important. Due to bracket creep and rising payroll taxes, this will bring the first real marginal rate reductions for the average taxpayer.

I support the budget plan offered by Senator HATCH. It combines three basic budget elements which would do the most to promote economic recovery: It holds the line on new taxes, restrains spending, and produces lower deficits. The attraction of this budget plan is that its lower deficits result from reduced spending, rather than an increased tax burden on an economy that is in the early, fragile stages of recovery.

The Hatch proposal would reduce nondefense outlays by approximately $12 billion in fiscal year 1984, more than the Senate Budget Committee plan. The Hatch substitute would freeze discretionary spending for the next 3 years and allow only inflation adjustments for entitlement programs. In addition there would be a pay freeze for Federal employees and a freeze on farm price supports.

I must say, coming from a farm State, a wheat State, that this is not an easy decision to make. Mr. President, I find in visiting with Kansas farmers that for the most part they would much prefer to have a sustained and lasting recovery than more money paid from the Federal Government for what they may grow, or what they may not grow, in the form of a target price or other price support programs. And I would also add, that I believe that most farmers would be willing to give some on price supports, so-called target prices, the very generous PIK program, a very expensive program, which was implemented early this year by the President and by the Secretary of Agriculture.

These budget totals would require tough choices, but I believe most Senators agree that when we face deficits of over $200 billion we need spending cuts of more than the $3 billion proposed by the Senate Budget Committee for fiscal year 1984. Clearly, the American taxpayer deserves that we make every effort to restrain spending before we even consider raising his or her taxes. And let us not forget that the House budget raises nondefense spending about $15 billion in fiscal year 1984. In order to get a reasonable budget out of conference, we will need to come in low on the spending side.

The Hatch substitute would hold the line on taxes, adding only about $4 billion in revenues in fiscal year 1984 and $7 billion in fiscal year 1985 through increased user fees and the President's proposals for employer health insurance contributions. This is just the cautious approach that is called for in our current economic situation. We cannot afford to shock the economy off its expansion path by major tax increases. Above all the July income tax cut and indexing must be preserved.

SPENDING

On the spending side, the Hatch plan calls for some important reductions in entitlement spending. I want to make it clear that, while such cuts are difficult, the Finance Committee stands ready to do its share to help bring down the deficit. In fact, the record will show that the Finance Committee has done more than its share to control spending in the last 2 years.

As this Senator pointed out to the distinguished Senator from Utah just yesterday, this plan, as I review it, would mean that the Senate Finance Committee would have about 50 to 55 percent of the total responsibility. But that is satisfactory because we have a big deficit, and we have a lot of jurisdiction in our committee. We have a lot of responsibility in our committee to restrain spending.

In 1981, Finance Committee programs accounted for savings of $28 billion over 3 years, including $8.1 billion in social security and $4.4 billion in medicare. Last year, TEFRA reduced Finance Committee spending by $17 billion over 3 years, mainly through savings in the medicare program of $13 billion. In addition, we have already passed legislation this year which will lower social security outlays by $10.4 billion over the next 3 fiscal years. So let the record show that the Finance Committee has already achieved significant entitlement reform, with major savings for the Federal budget. Despite the savings we have achieved, we will continue to look for savings in these programs, both in the health area and income security.

MEDICARE COST SAVINGS ARE NECESSARY AND POSSIBLE

In 1983, medicare and medicaid will consume $76.7 billion in Federal funds. The medicare program alone accounts for about $57 billion. It is a program which has grown at an alarming rate since its creation 17 years ago. The original program cost estimates done in 1965 showed a projected cost in 1990 of $8.8 billion. The current projected cost for 1990 is in excess of $100

billion, more than 11 times the original estimate.

In this regard, I ask unanimous consent to have a table printed in the RECORD.

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

[In billions of dollars]

Hospital insurance benefit cost projections	Estimate of costs		
	1970	1975	1990
Actuarial estimate made in 1965	3.1	4.3	8.8
Actuarial estimate made in 1967	4.4	5.8	10.8
Current estimate (1982)	[1] 5.3	[1] 11.6	96.8

[1] Actual program costs.

Mr. DOLE. Mr. President, the medicare trust fund is rapidly approaching a period of time in which it will no longer have sufficient funds to finance program expenditures. Under current assumptions, the program will reach this point in 1987 or 1988 unless something is done to moderate its growth.

Clearly, in looking at potential changes in medicare, we will look to all aspects of the program and all participants, including physicians, hospitals, and beneficiaries. We will want to continue to try to balance the results of any changes among all parties.

No single change is likely to be enough to solve the financing problem. However, some limited additional reductions in the rate of growth are absolutely critical at this time.

Additional reductions in the rate of growth are possible. If we are unable to face the dismay of some in achieving the savings required by this resolution, I fail to understand how we can face the disappointment of many if we elect to do absolutely nothing about medicare costs and the approaching deficits—deficits which mean no hospital care, no doctor care, and no home health care.

The medicaid program will account for approximately $19.3 billion in Federal spending in fiscal year 1983. This is an increase of 17 percent. Certainly we can look for some small, additional savings.

I agree that a great deal has already been taken from medicaid and that the program, during a period of high unemployment, may well have to provide services to a greater number of people. However, continued attempts to at least moderate its growth in some reasonable fashion should be considered.

We have an obligation and a responsibility to monitor these programs, whether they be agriculture, defense, health, or anything else, if we are really concerned about deficits.

The Hatch recommendations include an assumed medicare savings that may be somewhat higher than we would have liked, but remember the House budget assumes no savings in this area or in the area of medicaid. I think that is a point that cannot be lost on those of us in the Senate. I have been around here long enough to know that we are not going to come back from conference with the Hatch numbers. If we go into conference with what I consider a weak resolution reported by the Budget Committee on the spending side, and a very strong resolution on the tax side, we are liable to come back with all tax increases and very little spending reduction.

I say this knowing the difficulties in the Budget Committee: We are all going to have difficulties in our committees. I certainly commend the chairman of the Budget Committee, Senator DOMENICI, and the ranking minority of that committee, Senator CHILES.

Everyone in this Chamber thinks the deficits are too large, and nearly everyone has a program that is different from that of someone seated on his right or on his left. It makes it very difficult for the Budget Committee, and I stand ready to support the Budget Committee in every effort they make.

We must provide our Budget Committee some flexibility in conference so they can return to us a budget that includes some responsible reductions in spending growth. To go into conference with the number we believe is adequate will likely mean leaving conference with something less.

INCOME SECURITY PROGRAMS

The Hatch substitute anticipates relatively small savings in the income maintenance programs under the jurisdiction of the Senate Finance Committee. For fiscal year 1984, the committee would be required to achieve $338 million in savings; for fiscal year 1985 the savings would rise to $660 million, and in fiscal year 1986, savings of $2.049 billion would be assumed. These are savings which are possible, especially in light of the fact that expenditures for the income maintenance programs total some $40 billion per year. I believe that these are deficit reduction figures which can be accomplished without jeopardizing the basic welfare and unemployment programs or the recipients of benefits under those programs.

The growth rate of social spending slowed during the 97th Congress. Significant changes were made in the Aid to Families With Dependent Children (AFDC) program and in the unemployment insurance program. In the 1981 Omnibus Reconciliation Act, a large number of important reforms were enacted in those two programs which have reduced spending by several billions of dollars. The impact on the States and their administration of these programs was also substantial. The early returns from the States indicate that they have held up well under the new requirements and program developments.

In fact, in many States they finally made reforms, particularly in the employment area, which should have been made years ago and which were not made because the Federal Government was picking up the tab in too many cases. We now find many States reforming their unemployment compensation programs, and I think we want to continue to encourage cost-saving at the State level.

I am convinced that additional improvements and modifications can be made in a compassionate, responsible manner. The Finance Committee will consider the President's fiscal year 1984 budget recommendations, as well as recommendations from private industry and public advocacy groups. The Congress has a duty to examine all Federal programs on a continuing basis in a critical fashion. The exploding Federal deficit will permit us to do no less.

WE CANNOT AFFORD A MAJOR TAX INCREASE NOW

The level of revenue increase envisioned by the Hatch compromise would seem to be both within an acceptable range of what the economy can stand in the near term and also a level that can be reached without enacting significant new taxes or repealing tax relief we enacted in the last Congress.

1981 LEGISLATION

Some commentators who have recently been advocating substantial tax increases to reduce the budget deficit have forgotten the major concerns over "stagflation" which seemed to be unbeatable just a short time ago. As I indicated earlier, the economy has made substantial progress since then. Back in 1981, Congress recognized, quite rightly, that we could not expect the economy to recover without providing enough capital to the private sector to reverse the economic malaise.

This effort included a reexamination of many Federal spending programs which preempted capital from the private sector as well as broad-based tax reduction, but the tax reduction was needed and it looks like it is showing results. The combination of rate cuts and expansion of the IRS provisions have significantly increased the funds available in financial institutions and, indeed, have caused many of these institutions to emphasize individual savings as a source of funds.

This is a real and beneficial change in the habits of our citizens. They are becoming relatively more interested in savings than in increasing consumption. Massive tax increases in the near term could destroy this beneficial change by taking the money which could be saved by our citizens before they see it, let alone decide what to do with it.

I know how easy it is to say that we will do away with the third year of the tax cut, or do away with the indexing, because we have not gotten that yet and no one will miss it. That way, we will bring down deficits and interest rates and bring about sustained recovery. I am not at all certain that is the case.

It seems to me that we need the third year of the tax cut. And if we talk about indexing, that is a basic change in tax policy that benefits the workingmen and workingwomen of this country. It says, in effect, that when you get a cost-of-living adjustment, you are not going to be pushed into a higher tax bracket and have it taken away.

In my view, indexing was the soundest provision in the 1981 tax act, even though there were many other good provisions. Indexing, which takes effect in January 1985, is highly desirable and is one provision with which Congress should stick, in the view of this Senator.

Living in the real world, as we in Congress do—although some may not believe it is the real world—we must recognize that we must conference with a Democratic budget resolution, passed by the House Democrats. It is a political document. They have a 101- or 102-vote margin. There are no coalitions that can overcome this margin.

It seems to me that if we are really concerned about deficits and are really concerned about spending restraint, we cannot go along with a budget resolution that takes away 42 percent of the tax cuts—as the House resolution does—raising taxes by $342 billion over a 5-year period, and adds about $181 billion in new spending.

Mr. President, it seems to me that we can indicate to everyone in this country that we are sincere in our efforts to reduce the budget deficits, that we understand the need for a strong recovery, that we understand the need to get people back to work, and that we understand that that can be done without raising taxes.

The Senator from Utah has made clear that his assumptions may be based on specific items, but we are voting for numbers. The Senate Finance Committee is not bound by anything someone may suggest, that if you are going to get the revenue increases, it has to be A, B, or C. We believe we can best make those decisions in our committee.

There is no mandatory direction on how we would take care of the spending reductions. We believe we have some plans that we may achieve in our committee and reach these figures.

1982 LEGISLATION

In considering the revenue line proposed in the Hatch budget, we ought to keep in mind the need for caution when it comes to increasing the share of our national product that goes to taxes, and remember that last year we took substantial steps to improve tax equity and tax compliance that will bring in additional revenue.

When we enacted the Tax Equity and Fiscal Responsibility Act in 1982, we did so under a mandate from the Congress as expressed in the budget resolution—and we did so in the conviction that clear, decisive action to reduce the budget deficit was absolutely essential to both recovery and long-term economic stability. The President supported that effort, and through hard work and a willingness to make difficult decisions in an election year we reached agreement on nearly $100 billion over 3 years in new revenues. We raised those revenues, however, by and large, by cutting back on existing tax preferences and providing additional tools to improve compliance with the existing tax laws.

I underscore my commitment: If we are asked to raise additional taxes, it is my view that base-broadening is the way we should go. We should look at compliance and all the $296 billion in tax expenditures. Before we take away anyone's tax cut, we should make certain that everybody pays the taxes they owe. I suggest that we have taken responsible action and will continue in this direction.

With reference to 1982, I also credit the Senate Budget Committee, because without their direction and mandate, we could not have passed the tax bill. We would still be arguing that bill on the Senate floor.

In the view of this Senator, base-broadening is the way we always ought to go, when revenues are needed—but everyone acknowledges the difficulty of forging a political consensus in favor of such measures year after year.

Mr. President, the point is that we have taken responsible action on revenues by following the 1981 tax cut with the 1982 compliance measures and equity improvements. After TEFRA, taxes are expected to rise to about 19 percent of gross national product by 1985. That is slightly higher than the average during the 1970's and the 1960's, and contrasts with the 21 percent of GNP taken by taxes in 1981: A record high for peacetime. In addition, we should not forget that one reason revenues have declined, and may grow rather slowly, is the impact of the recession, which proved more severe than many of us hoped or expected. TEFRA brings revenues in line with recent history, plus a bit more—that is responsible policy. The Hatch budget recognizes this, and minimizes the possibility of enacting more TEFRA-type measures as recovery proceeds, in the interest of sound tax policy. Caution on revenues is what we need now, though.

Other Members may not agree. But remember this: When spending is running at a record 25 percent of GNP, and taxes at a rate consistent with the recent past, the burden of proof ought to be on those who defend present spending levels, not on those who defend the revenue line. The Hatch budget puts that burden of proof where it belongs—and while we are prepared to work out our differences, let us keep that overriding truth in mind.

TAXPAYER COMPLIANCE

Mr. President, last year the efforts to improve taxpayer compliance formed the centerpiece for the Tax Equity and Fiscal Responsibility Act of 1982. That effort raised nearly $30 billion over the next 3 years. Although elements of that package have proved controversial, there remains strong support for the proposition that we should collect more of the taxes owed before we raise taxes for honest taxpayers. There is support for that view because it is fundamentally unfair to allow taxpayers to cheat their way into lower taxes. There may be disagreement over the means to improve taxpayer compliance—I understand that some of my colleagues may not be enthusiastic about efforts to expand mandatory withholding, particularly to interest and dividend income—but it is not necessary to go that far to achieve significant improvements in taxpayer compliance. Generally, there is strong support for additional compliance measures.

Mr. President, that support makes sense because the compliance gap remains enormous. Even after TEFRA, we will lose about $100 billion annually over the next several years.

The compliance gap arises principally out of underreported income. That is taxpayers who file tax returns underreport their income. We lose about $70 billion annually that way. Overstated deductions cost us $10 to $15 billion annually. Unreported, illegal source income costs $8 billion annually. Nonfilers—those 5 to 6 million taxpayers who owe returns but fail to file—cost about $5 billion. Corporate noncompliance costs about $4 billion annually. These are large losses, even by the standards of this body.

While we can never achieve total compliance with our tax laws, we can do considerably better than we are doing now, without allocating excessive resources to the IRS or unnecessarily intruding into taxpayers' privacy. The Senator from Utah has recognized the need for improving compliance. Rather than increasing taxes, this amendment would increase compliance. That is a direction this Senator wants to go in, too.

Even though we lost on withholding on dividend and interest income at the source. We were able to work out some compromise that still picks up most of the revenue.

Not that I believe that is good policy, but we simply did not have the votes to retain withholding.

So, Mr. President, this Senator, as chairman of the Senate Finance Committee, is willing to pledge to his colleagues on both sides of the aisle that we believe there still are opportunities to pick up revenue in tax compliance areas. We believe, at least the chairman believes, there are a number of areas in that $296 billion in tax expenditures that should be looked at to make certain they are still proper and still should be part of the Tax Code; that they are not loopholes or overly generous. I am prepared to suggest if in fact the revenue numbers are realistic, and by realistic I mean low in 1984, 1985, and 1986, that we can achieve spending reductions and produce a budget that will send the right signal to the financial markets. Then we will see a reduction in long-term interest rates. Financial markets will be much more impressed by real spending restraint than by tax increases.

So I conclude by complimenting the distinguished Senator from Utah. I know he has worked long and hard on this effort. I know other Members on this side and perhaps some on the other side of the aisle have been consulted about this. It is my hope that, Mr. President, we might not have a vote on this proposal until tomorrow, because some of us are necessarily absent for the remainder of the day. But I am not certain what the chairman has in mind in that regard. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator from Utah yield the floor to me? I do not want to use your time.

Might I ask while Senator DOLE is here and Senator CHILES, how much additional time might you desire on your amendment?

Mr. HATCH. As I understand it, we will debate it a while today and then continue in the morning, and we are hoping perhaps we can vote somewhere near at noon tomorrow or at least put it to a vote at that time.

Mr. DOMENICI. Mr. President, that may very well be the case. That was not my understanding. That is what I wanted to talk about.

Mr. CHILES. I will say to the distinguished chairman it was not my understanding either. My understanding was we were going to have a vote on that tonight and a vote on one of our amendments.

Mr. HATCH. I am not prepared to do that. This will be debated, go right to it in the morning and have a vote at such time. I think it will take a little more time. There are a number of people who have indicated they want to speak, and I think there are a number of people out of town who are interested in this.

Mr. DOMENICI. Mr. President, as the Senator knows, I have commended him regularly for this effort, and have been working as best I could to accommodate him and to provide whatever I could by way of encouraging the CBO and others to help draft it. But I really had never understood we would put it off until tomorrow. I understood that if it did not go too long tonight we would vote, and I thought that might occur.

Mr. HATCH. That never was my understanding. With every conversation I have had on this I said I was not prepared to vote tonight. I am sorry—if the Senator would like, I would be happy to withdraw it now and bring it up again tomorrow.

Mr. DOMENICI. What does the distinguished Senator from Florida think?

Mr. CHILES. I would just say I have been listening to what I heard from your side and that was we would take a vote on Senator Hatch's amendment and that would be the first amendment up. We waited, we did not present an amendment because that was the amendment that was going to be presented first. We have been 2 days now on the budget. We have not had a lick at it yet, and then we were going to have an amendment up from our side and we are prepared to do that.

Mr. DOMENICI. Senator, I understand you have an amendment ready on medicare, is that correct?

Mr. CHILES. We were going to have one after the conclusion of this vote.

Mr. DOMENICI. I would be more than willing, if the Senator from Florida would accommodate, to continue this for 10 or 15 minutes, pull it and offer the BAUCUS amendment, and we will vote on the Hatch amendment at a time that you and I can agree on right now that is accommodating to the distinguished Senator.

Mr. DOLE. Will the Senator yield?

Mr. DOMENICI. I would be pleased to yield.

Mr. DOLE. The Senator from Kansas may be part of the problem so I do not want the Senator from Utah to be unduly criticized. The Senator from Kansas has a longstanding commitment outside of Washington and that is why I suggested if possible if we could work it out and have the vote tomorrow. It is unfortunate, and I am not gone very often around here, but many of the amendments that come up are dealing with Finance Committee jurisdiction and I assume one of them coming up will deal with your jurisdiction.

Mr. CHILES. It does.

Mr. DOLE. I hope it is possible to accommodate the Senator from Kansas. I never made a request for that before. It just happens it is a longstanding commitment I could not extricate myself from. In fact, I am being called right now to move.

Mr. HATCH. If the Senator will yield, it is my understanding, I never said I was going to go to a vote today on this amendment. It was my understanding that we would call it up, get most of the debate out of the way today, although there may be a little bit more debate tomorrow, and then go to a vote. But I never said I would be willing to go to vote today. This will take a little more time and I am willing to fulfill that time agreement today. It is frankly difficult for me to come here at 3 o'clock and be prepared to go on this because we just got the figures, and I have not had a chance to look those up and I have been trying to accommodate the Senate and my colleagues and I think it is a way of getting this disposed of. But I suggest we continue with this, I have laid it down as the pending business, and then come in in the morning at which time we will be through and that would be the propitious time. Certainly it would accommodate the distinguished Senator from Kansas who will be necessarily absent.

Mr. DOMENICI. Let me suggest to the distinguished Senator from Florida, so he will understand, it was never my understanding that we would wait until tomorrow. That does not mean that Senator HATCH might not have thought that and might not have spoken to some people about it. He might have even spoken to the leader about it. I have just been unaware of it. So I thought we would proceed to at least get two votes done today. So I had told you we would take up this amendment, and then another one. But obviously I am going to try very hard to accommodate the distinguished Senator from Kansas who has indicated he does not do this very often and has asked us to accommodate him.

Mr. CHILES. The Senator from Kansas many times accommodates people on this side of the aisle as well and, of course, we would certainly want to return the courtesy.

Mr. DOMENICI. I would suggest this, if it is not too much of a burden on the Senator and his people: If Senator HATCH wants to continue for another 15 minutes, then we would set his aside and you can take up Senator BAUCUS'——

Mr. CHILES. I think it would only be fair, Mr. President, if somebody on our side had a chance to speak on this, too, before the Sun goes down today.

Mr. DOMENICI. Of course.

Mr. HATCH. Will the Senator yield?

Mr. DOMENICI. I was laying the framework for doing two things. I have no objection to anyone who wants to speak to the amendment. I thought we could agree—and Senator METZENBAUM has indicated he does.

Mr. HATCH. Senator SYMMS, also.

Mr. DOMENICI. We agree we would do that and then call up the Baucus amendment, debate it, and we could get the leader and agree on a time certain for both those votes tomorrow and get a vote on Hatch first and then vote on Baucus and leave sometime——

Mr. CHILES. I think Senator BAUCUS, who had the amendment on our side, is amenable to laying it down this afternoon and have it be the pending business tomorrow. He does not want to debate it today and carry it over until tomorrow. So under those circumstances we can do that. But I think if we are going to go forward with this, I think our side should have a chance to speak on Hatch today.

Mr. DOMENICI. Of course.

Mr. CHILES. I assume nothing has changed the order that this amendment is subject to a motion to table, as all amendments are subject to a motion to table?

Mr. DOMENICI. I have not asked for any privileges with reference to it and I note that the distinguished Senator from Utah has not. You are referring to his substitute?

Mr. CHILES. Yes.

Mr. DOMENICI. Whatever the available votes are.

Mr. HATCH. Everybody has a right to table. I was hoping they would not table.

Mr. CHILES. I just want to make sure what the rules are here. They seem to get changes as we go along.

Mr. DOMENICI. So, as I understand the distinguished Senator from Florida, we will proceed as long as is necessary in debating the Hatch amendment and then it will be set aside for Senator BAUCUS to lay his amendment down.

Mr. CHILES. As long as Senator BAUCUS' amendment would be the pending business when we come in tomorrow and we take it up and dispose of it first and then go back to Hatch.

Mr. HATCH. That is not my understanding. We covered this with the majority leader and with staff. It was to lay this down and it is the pending business, go to the morning and proceed with others as well. I am willing to be accommodating because I understand there are Senators here who thought the same as the distinguished Senator, the chairman of the Budget Committee. But I thought it was covered. I do not know that I chatted with you, Senator DOMENICI.

Mr. DOMENICI. I say to the Senator from Florida that I think the only matter in disagreement between him—between what I have said and what he has said is that if Baucus is laid down tonight, debated tomorrow, he has suggested that it be voted on before the Hatch amendment. Is there any compelling reason for that? Otherwise we can certainly work out a unanimous-consent agreement on that.

Mr. CHILES. Well, the only thing I think is Senator BAUCUS was asking that his be debated and voted on in sequence; that this not be debated, then put aside, further debate on the Hatch amendment, a vote on the Hatch amendment, and go back to the Baucus amendment. He is just asking if he is ready to do his today and have his vote today.

Mr. HATCH. Will the Senator yield?

Mr. DOMENICI. I am pleased to.

Mr. HATCH. I would have no objection. Let us debate this for a little while. I will finish my statement and Senator SYMMS will finish. As I understand, Senator METZENBAUM wants to make his statement of this amendment. Then we will temporarily set my amendment aside.

Mr. CHILES. I will have something to say on the amendment, too.

Mr. HATCH. Sure, whoever does. Then we can set this one aside temporarily. I will not agree to a vote certain at this time until after Senator BAUCUS has proceeded.

As I understand, the distinguished chairman of the Budget Committee is willing to give me some time.

Mr. DOMENICI. I will indicate that, with all the time we have, I am willing to give the Senator time off the bill on the amendment. That certainly does not mean indefinitely. Another half hour or an hour. I am more than willing to accommodate. I am sure we are all right. If we proceed on that basis, Senator CHILES and I can work out with the leadership a consent agreement on Baucus which would mean it would not only be laid down but debated tomorrow and voted on in sequence. Then we would return to Hatch for some additional debate and a vote.

Mr. HATCH. Can we have some idea how long Senator BAUCUS wants on his amendment?

Mr. DOMENICI. Tomorrow.

Mr. CHILES. Yes.

Mr. HATCH. So there are at least 2 hours.

Mr. CHILES. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise at this time to address myself not only to the Hatch amendment but to the sorry condition of the budget, where we are, and how we got there. Let us not kid ourselves. We know where the responsibility lies. It lies at the doorstep of the President of the United States.

I think everybody in this Senate remembers the claims that were made by the administration for supply-side economics. They told us that tax cuts for the rich would stimulate investment. They had curves drawn on the back of cocktail napkins to prove it.

Well, we know that that did not work. Investment was not stimulated, as indicated by the charts that stand behind me. As a matter of fact, the gross national product went down in 1982. As a matter of fact, capacity utilization has continued down. In 1979, 1980, and 1981 the figures were pretty good, but then when we got to 1982 and 1983 it went down to 69 percent. We know that business expenditures in new plant and equipment, according to the President, were going to be stimulated by this great new program of supply-side economics. But the facts are that expenditures on new plant and equipment, after making adjustments for inflation, still went down in 1982 and 1983 to a far lower figure than anything that had been the case in 1979, 1980, and 1981.

When we look at after-tax corporate profits, they absolutley were decimated in 1982. They went down in 1981 from 1980, and down in 1980 from their 1979 level.

When we find the only place on the chart where there are great increases, we find it is in the area of business failures, which, in 1982, went up to 25,340 from a figure of 16,000 in 1981, and 11,000 in 1980.

Supply-side economics has been a great program.

Indeed, Senator HATCH now comes to us with some suggestions along the same line. As a matter of fact, the President, who unquestionably is recognized by all of us as the Nation's greatest communicator, constantly goes on the TV tube and says:

> I am against new taxes. No new taxes. This administration will not stand for new taxes. I am opposed to new taxes; I will veto a bill if it has new taxes.

The President has a short memory, because the President has already signed legislation into effect that does place new and substantially higher taxes on the people of this country. When you look at those taxes, you will see that they are not on his friends, they are not on the rich, and they are not on the corporate community. Oh, no.

The cigarette taxes—we doubled those from 8 cents to 16 cents. The President seems to forget that that is a new tax, or at least the doubling of an old tax. It is a tax that will take from people in this country about $6.6 billion over a 3-year period.

(Mr. SPECTER assumed the chair.)

Mr. HATCH. Mr. President, will the Senator from Ohio yield just a second on that?

Mr. METZENBAUM. No; I shall be ready to yield in about an hour.

When we look at what the President has done about increasing taxes, he has increased telephone taxes from 1 to 3 percent. But that does not bother him, because those are just ordinary people who are going to pay the extra

$3.3 billion over a period of 3 years. Nor does he want to be reminded, when he is talking about new taxes, about the gasoline tax that under his leadership was increased by the Congress—$11.6 billion over a period of 3 years—1983, 1984, and 1985.

Then the President found another way to raise some money. That is by limiting some medical deductions that average people might have on their tax returns. He does not consider that a new tax; it is just a way of getting new taxes from the average people of this country. That picks up $3.7 billion over a period of 3 years. Then he limited the casualty deduction. That picks up $1.4 billion in the years 1984 and 1985.

My good friend from Utah, and he is indeed my good friend, talks about raising some money in this new U.S. Chamber of Commerce budget that he is trying to sell in the U.S. Senate. Again, what would he do? He would pick up more in consumption taxes by extending them. The cigarette tax would be continued at 16 cents per pack beyond September 30, 1985; the telephone tax would be extended beyond 1985 at 3 percent; the employee health benefits tax, which would be a new tax on health benefits in excess of $175 a month. Then he would raise user fees by $5.4 billion over a 5-year period.

What a wonderful approach we have here: the President of the United States, my good friend from Utah, and the U.S. Chamber of Commerce unwilling to address themselves to the revenue side of why we have deficits and why we do not have a balanced budget, but willing to look a little more at taking more from the consumer. They are not willing to look at the real substance of the problem. We shall discuss that before the afternoon is over.

The President, in his state of the Union message, said, "Nor is the deficit, as some would have it, rooted in tax cuts." I want you to know, Mr. President, in case you do not know it, that that is exactly the reason we have a deficit. There are not two reasons, or three reasons, or four reasons. That is exactly the reason that we have a deficit. If you look at that chart back there, and there is one on every Senator's desk in case your eyes are not that good, you will find if we had not passed the 1981 tax law and the 1982 amendment, if we had gone back to the days before the tax law, if we had done all the things we are doing in this budget having to do with expenditures and other programs, we would have a $97 billion deficit for 1984, a $56 billion deficit for 1985, a $14 billion deficit for 1986 and, lo and behold, we would have a $2 billion surplus for 1987, and a surplus for 1988 of $37 billion.

So when the President says, "Nor is the deficit, as some would have it, rooted in tax cuts," he just does not know the figures. Because if he knew the figures, he would be able to understand easily that if it had not been for the tax cuts that we in Congress enacted—and I must confess that I was taken in—we would not be facing these enormous budget deficit. I voted for the tax bill and I am sorry that I did. But if we had not voted for that tax bill, we could be looking at a surplus by 1987 and a big surplus by 1988. Instead of that, under the marvelous and magnificent leadership of the President, who did so well as a campaigner in saying that he would balance the budget, his budget would give us a deficit of $185 billion in 1984, $179 billion in 1985, $149 billion in 1986, $160 billion in 1987, and $159.4 billion in 1988. The fact is that, right in this fiscal year, we are already experiencing a $129 billon deficit in the first 6 months and that means, in my opinion, that the $210 billion deficit that has been projected for this fiscal year is totally out of kilter and will be substantially higher.

Let us take a look at what has occurred. In 1981, we enacted the Economic Recovery Tax Act, and we lost $1.135 trillion through fiscal year 1988. Last year, we recognized our mistake and we recouped $275 billion through fiscal year 1988 by enacting the Tax Equity and Fiscal Responsibility Act and the Highway Revenue Act. The net loss to the Treasury from the President's program from fiscal year 1981 to fiscal year 1988 is $860 billion. That is the root of the problem of continued deficits, and when the President learns that and tries to do something about it and provides his leadership to this Congress, then we are going to be able to move toward balancing the budget.

The President's fiscal year 1982 budget, which included the President's tax cut proposal, has failed to deliver on other promises. The fiscal year 1982 budget promises that revenues as a percentage of GNP would not fall below 19.3 percent; 19.3 percent is just a number, but the fact is that we are talking about the percentage of gross national product that is paid as taxes to the Federal Government. So when you say that the percentage of gross national product will not fall below 19.3 percent, you are really talking as a businessman would talk about the kind of income you have as against the expenses that you have.

The facts are that, in 1983, they will be below the 19.3 percent; they will be at a 19-percent figure in 1983, in 1984, 18.7; in 1985, 18.8; in 1986, 18.7; in 1987, 18.5; in 1988, 18.5. When you are talking about a fall-off of 1 point of the GNP, you are talking about big billions of dollars.

The fiscal year 1982 budget promised that revenues would increase through fiscal year 1986, reaching $940 billion. What are the facts? I will state the facts. The facts are that under current law, revenues will total not $940 billion, they will total only $773.5 billion by fiscal year 1986. That is $170 billion shortfall in 1 year.

As I previously mentioned, this year's deficit will be far greater than anybody has projeced, because we are running at a $129 billion deficit in the first 6 months and we were talking about a $210 billion projection, but it will obviously be substantially higher than that.

I say to Members of the Senate, it is clear that the President's tax cut program went too far, that it is in fact largely responsible for our mammoth budget deficits. If we had not adopted the President's tax program, if we had not enacted the 1981 tax cut and the 1982 tax increases, we would be looking at a surplus for 1987 and 1988.

Unless this administration has the temerity, has the courage, has the willingness to address the revenue side of the ledger, we are going to continue to experience unacceptably high budget deficits. The Hatch amendment totally fails to address itself to that part of the problem. Instead, it would attempt to take more out of the mouths of the people of this country, take away from those who do not have able lobbyists, make it difficult for more people to go to college, to feed their families, to provide help for senior citizens, and cut, cut, cut. What kind of an America would we have?

I believe we can reduce the budget deficits by taking a look at the revenue side, by correcting some of the inequities in our tax laws. It is clear, Mr. President, who is benefiting from this administration's tax and spending policies. It is also clear who is not. For 1982, 1983, and 1984, including bracket creep and social security increases, Americans who earned $30,000 or less when the 1981 tax cut bill was passed will pay a greater share of their income in Federal taxes than they did in 1980. For those taxpayers with incomes between $10,000 and $15,000, the tax increases will average 9 percent. For taxpayers earning under $10,000, the increase will be 28 percent.

The President says the people are unfair when they point their finger at him and say that he has been generous to the rich and cruel and inhumane to the poor and middle class Americans.

Let me point out to him that although those earning less than $30,000 a year will be paying a greater share of the tax burden, the fortunate few Americans who earn more than $200,000 a year will receive a $58,000 tax cut through 1984, a $58,000 wind-

fall that comes after adjusting for bracket creep and social security tax increases.

Now, how did all of this come about? In 1978, during the Carter administration, the maximum effective tax on capital gains was 48 percent. In the Carter administration that figure was cut to 28 percent. Today, after the Reagan tax cut, it is down to 20 percent.

I point out to you, Mr. President, that that 20 percent figure is less than the marginal rate paid by a family of four earning just $15,000 a year. If you make your money in the stock market, you pay a lower rate than the marginal rate paid by a family of four earning just $15,000 a year.

But do you know what that change cost as far as revenues to the Government is concerned? That one change alone costs $9.8 billion between 1983 and 1987.

Now, then, I have heard a lot of people say taxes are too high. I know that people always think that taxes are too high, but I have never really heard the dead complaining too much about taxes being too high because their voices have been muted. But in spite of the fact that they were not there to make their case, the Federal estate tax was cut and cut substantially, drastically, in a Draconian manner. The Federal estate tax will be eliminated on all but three-tenths of 1 percent of all estates. That really will help middle Americans. Fat chance.

The Economic Recovery Tax Act of 1981, increased the unified credit from $47,000 for estates of individuals dying in 1981, to $79,300 for estates of individuals dying in 1983. In 1981, the credit enabled estates of up to $175,625 to be transferred tax free.

This year estates of up to $275,000 can escape the estate tax. The credit continues to grow through 1987, when it will exempt all estates valued at less than $600,000. In addition, maximum estate tax rates are to be reduced from 60 percent in 1983 to 55 percent in 1984 and to 50 percent in subsequent years. These provisions alone will cost the Treasury about $15 billion through fiscal year 1986.

Now, who benefits? Working people do not have estates of that size. Middle-income people do not have estates of that size. Very few farmers have estates of that size. Overwhelmingly, the gains go to the wealthiest 3 percent of American families. The President seems to continue to have a concern about them and very little about middle income and poor Americans.

Prior to ERTA, U.S. citizens working abroad were permitted to deduct the excess costs of living abroad. It seemed to be a reasonable kind of approach. But ERTA changed all of that. It repealed the deduction for excess living expenses and replaced it with a provision excluding foreign-earned income up to a statutory limit. In 1982, you could earn $75,000 and pay no tax on it if you worked overseas. That amount increases by $5,000 each year until it reaches $95,000 in 1986.

Now, who benefits? It is not the employees who benefit. The people who really benefit are the corporations, the large multinational corporations who can take into account the fact that you do not have to pay any taxes on those overseas-paid wages when they set their wages.

That provision will cost $2.5 billion between 1982 and 1986.

I am frank to tell you, Mr. President, it will not help any of those unemployed workers in Ohio, or Pennsylvania, or Indiana, or Texas, but it will help those who are making $95,000 overseas.

Today, taxpayers may not claim medical deductions until expenses exceed 5 percent of income instead of the previous 3 percent level. That will cost middle income taxpayers $3.7 billion in 1983, 1984, and 1985. Who will suffer? Those who suffer the most will be the elderly and those afflicted with catastrophic illnesses.

Mr. President, they tell us that tax rates have been cut across the board, that helps everyone. And the President speaks loud and clear about being against new taxes, but the facts are that he is advocating a standby tax of $5 a barrel which amounts to an additional 12 cents a gallon on gasoline over and above the 5 cents a gallon that was added in 1982. Again we find the President and this administration totally concerned about protecting those who are rich, who do not have to worry about their taxes. What does he do? He wants to put 12 cents a gallon on the average working American who drives his or her car to work. What kind of logic is that? What reasonableness can there be? What kind of fairness can there be?

The Reagan tax cut program is not a tax cut at all. It is a tax shift in which middle and lower income working families are paying more and wealthy taxpayers are paying much less.

What about the corporate world? For all practical purposes, large corporations pay next to nothing. The Reagan administration's tax policy virtually wipes out the corporate tax. The 1981 act will reduce the corporate share of Federal revenues from 20 cents of every dollar collected in 1980, exclusive of social security taxes, to 12 cents by 1983. I want to repeat that. The 1981 act will reduce the corporate share of Federal revenues from 20 cents of every dollar collected in 1980 to 12 cents by 1983.

In the first 6 months of this fiscal year, the Treasury has collected $24.9 billion in corporate income taxes, but it has paid out $12.6 billion in refunds. The result is a net collection of $12.3 billion, which is 46 percent less than collected at this time last year. Is it not understandable why we cannot balance the budget?

The Wall Street Journal on April 26, 1983, put their finger right on the problem. "U.S. budget gap grew in March to $26.04 billion," said the Wall Street Journal. "Last month's figure topped year ago's $18.26 billion, February's $25.34 billion." Reading from the Wall Street Journal:

> The Federal Government's budget deficit widened in March to $26.04 billion from $18.26 billion a year earlier, the Treasury said.
>
> The Reagan administration predicts that the deficit for all fiscal 1983 will total a record $210 billion, almost double the previous record deficit of $110 billion last year.

But that is not where the problem is. The reports show that receipts for the first 6 months of the current fiscal year total $276 billion, down from $289 billion in the first half of fiscal 1982.

Now hear this: Almost all the decline was in corporate income tax collections, which totaled $12.29 billion in the first half of the current fiscal year, compared with $22.91 billion a year earlier.

In other words, the reason why the revenues are not there is that the corporate world is paying that much less. In October, November, and February, refunds actually exceeded receipts. The Treasury says that they believe that refunds will reach a record high of $22 billion this year.

Corporate taxes in this administration, under this President's leadership, have gone to the point where we are giving the corporations back more than we are taking from them.

Even members of the President's own party have expressed shock at this prospect, at the prospect that corporations are not paying their fair share of the taxes. Sixteen of the U.S. Senators who came here on the wave of conservatism and new rightism in 1980 wrote to the President of the United States after the 1981 tax bill was passed and said:

> Mr. President, we are gravely concerned that by 1985, as many as half of the corporations may be paying no corporation taxes at all.

That letter was signed not by Democrats but by 16 of those Senators elected in 1980 on the wave of conservatism. Even they were concerned that 50 percent of the corporations in this country will be paying no taxes by 1985.

They were Senators ABDNOR, ANDREWS, DENTON, GORTON, HAWKINS, KASTEN, MURKOWSKI, QUAYLE, SPECTER, D'AMATO, EAST, GRASSLEY, MATTINGLY, NICKLES, RUDMAN, and SYMMS.

What we are talking about today is how we are going to balance the budget. We cannot balance the budget, my good friends on the Republican side, if you are not willing to take a

look at the revenue side. You wrote the letter to the President. You told the President that 50 percent of the corporations will not be paying any taxes by 1985. Where are your voices now, when it is time to do something about the problem?

I do not believe it is wrong to provide tax relief for American industry. But to spend billions of dollars in revenue in an unbalanced manner and at a time when this Nation faces ballooning budget deficits, and then not concern yourself about bringing in enough money to balance the budget—that is irresponsible. That is closing your ears and your eyes and just being unwilling to face up to the reality of why we have a budget deficit.

I point out again: If there had been no tax law changes enacted in 1981 and 1982, we would have a surplus in 1986 and 1987.

Let me point out that the corporate tax cuts did not benefit small businesses. About 80 percent of the new depreciation tax cuts will go to the largest 1,700 firms. Oil and gas companies, some of the most profitable corporations in America, will receive an estimated $60 billion in tax savings over the next decade.

When we talk about closing tax loopholes, there are some who say, "We have heard that before." You have heard it before. You will hear it again. And you will continue to hear it until you do something about it.

The new tax laws have exacerbated the problem.

They have opened new and expensive giveaways, loopholes to special interests who know how to work the Halls of Congress. And does the President address himself to this problem? Not one single word.

Do the Hatch amendment and the U.S. Chamber of Commerce address themselves to that problem? Not one single word.

The 1981 act made possible safe-harbor leasing. That was like a program of food stamps for corporations of this country. The provision permitted profitable companies which were unable to use all their newly won tax breaks to sell them to companies that could and millions and millions of dollars were traded between the corporate giants before Congress, prodded by news accounts of abuses in a $30 billion price tag over 5 years, took steps to eliminate or to move toward eliminating that tax bonanza.

But the fact is that those safe-harbor leases are still impacting revenues while they are being phased out and provide another reason that we cannot balance the budget.

Many loopholes remain and it is a rather sad commentary that now we find cities of this country, the colleges of this country, and the nonprofit corporations of this country working out special kinds of sales and leasebacks for what purpose? To take advantage of the Federal tax laws to gut the revenues of the Federal tax system in order that they may pick up that additional revenue. A college wants to sell all of its property or lease all of it and then lease it back so that tax gimmicks may be used. Cities are talking about selling much of their major facilities and leasing them back so that tax gimmicks may be used.

The Navy leases ships so that tax gimmicks may be used. And because they are concerned that the tax gimmicks may not hold up, they even provide a guarantee and indemnification that if the tax gimmick does not work they will not only indemnify the corporation for the loss of that revenue but they will indemnify them for the cost of their legal fees in trying to maintain the tax gimmicks.

The 1981 tax bill repealed about 15 percent of the windfall profit tax at a cost to the Treasury of $33 billion during the 1980's. That money has got to come from somewhere and it comes in the deficits that this Nation is experiencing.

Mr. President, and I now address myself to the President of the United States, when are you going to accept your responsibility to balance the budget as you promised you would do when you were a candidate for the Presidency?

It is one thing to go around the country and say that the Democrats want to increase taxes. But the fact is you are the one who has increased taxes. You have already done that. I do not know of one Democrat, including the one who is speaking at the moment, who wants to increase taxes.

But there is a whale of a difference between increasing taxes and eliminating some of the tax cuts that should not have been put in place in the first instance and should not be put in place in the future.

ITT, Texas Instruments, and other multinationals in that tax bill of 1981 sought and won extra foreign tax credits, something special. And high technology companies got a new 25-percent tax credit for added spending on research and development. It is likely to become the tax shelter promoters' favorite items of the eighties and maybe into the nineties. The list goes on and on and on and on.

At the same time that the administration is proposing and supporting new loopholes, the old ones continue to subsidize special interests.

My good friend from Utah, the U.S. Chamber of Commerce, and President Ronald Reagan, do nothing at all about the loopholes. It does not bother them that some do not pay their fair share of taxes. Any time they look at the tax revenue side they look only at the American people, the consumer, middle-class Americans and poor Americans, but not the corporate world, and not wealthy Americans, and not those who die and leave very substantial estates.

Let me give you some examples of some of those loopholes.

Since 1951 there has been an excess bad-debt deduction that financial institutions have. No other businesses have it. But the financial institutions, those great bankers who were in here lobbying so hard on the withholding provision, they have an artificial figure that they set up for bad-debt reserve. No other business has that right. They set up a bad-debt reserve based upon the probability of how much they are going to lose in bad debts. Bankers get a special kind of consideration.

Banks and other financial institutions, as a consequence, are permitted to compute and deduct amounts far in excess of their actual experience. What does that cost the Federal Treasury? Well, not much. That single item only cost $4.2 billion through fiscal year 1988. Yet the administration's 1981 tax bill extended that loophole and last year the Finance Committee reported a tax bill to the Senate floor which would have expanded it further.

I am happy to report in that respect that some of us objected and the Finance Committee position did not prevail.

In 1943, the timber interests in this country proved not that they were such great growers of timber, which I assume that they were and I have respect for their ability in that regard, but they proved that they were something far better—they were great lobbyists; they knew how to get special provisions in the tax laws of the United States.

They came to Washington and left with a special tax provision that treats income from the sale of timber as a capital gain. That means that instead of paying a tax rate as high as 46 percent, they need pay only on the basis of capital gains.

Frankly, the farmers of my State when they grow corn, or wheat, or soybeans, or those farmers who grow cotton or tobacco, or those who grow any kinds of products, tomatoes, or cabbage, or whatever, they all pay taxes at normal rates. But those who grow timber, which is planted in the same manner as other crops, are allowed to treat their profits as a capital gain. This special interest provision will cost the Treasury $3.1 billion through fiscal year 1988.

Every other taxpayer may deduct the cost of acquiring or improving an asset over its useful life. But the oil companies had their lobbyists here, and back in 1961 they successfully were able to put into the law a special provision for oil and gas companies and, as a consequence, they have been

able to write off immediately the cost of acquiring or improving an asset.

In other words, they can write it off in the first year. No other business can do that. And the expenses that are permitted this special tax treatment include excavating, grading, land clearing expenses, and the nonsalvagable cost of constructing derricks, tanks, pipelines, and other structures. We are talking about a whale of a lot of money. But the Hatch amendment would not address itself to that. Oh, no, we must not step on the toes of the oil and gas companies, and the President of the United States does not address himself to that kind of a loophole. Oh, no. Oh, no. But the facts are that we could save $19.3 billion through fiscal year 1988 if the President would only provide the leadership and Senator HATCH would include it in his amendment.

Replacing the percentage depletion allowance for oil and gas with cost depreciation, changing the depreciation period for oil refinery property from 5 to 10 years, which is certainly reasonable, and eliminating the intangible drilling cost deductions, if we had the guts to stand up to the oil companies and their political action committees, we could pick up $32.2 billion over the next 5 years. But do we do it? Do we talk about it? Do we make any effort to do it? Oh, no, that crowd is sacred, that crowd is protected, and the President is not going to step on their toes even if it would mean helping to balance the budget.

We have heard what the President's advisers think about tax reform—may I have order in the Senate, Mr. President?

The PRESIDING OFFICER. Yes; the Senate will be in order.

Mr. METZENBAUM. Ed Meese says the progressive tax system is immoral. And on Thanksgiving Day the press reported that the administration was considering a new tax. What is that new tax? Fully taxing unemployment benefits. Secretary Regan has said that perhaps the consumer interest deduction should be curbed or eliminated. I tell you that this crowd in the White House is not to be believed. The President himself came up with a great idea——

The PRESIDING OFFICER. The Senate will be in order. The Senator from Ohio is entitled to be heard.

Mr. METZENBAUM. I do not want any of you to miss the great idea that the President had because none of you have even gone this far, but maybe you will think it is such a great idea that you will come up with a proposal to go even beyond what the Economic Recovery Tax Act of 1981 did. Do not forget it was the President of the United States who recently said that the corporate income tax should be repealed. That is a quote, "the corporate income tax should be repealed." "The income tax should not be progressive," Mr. Meese.

What tax changes does the President request in his budget? Taxation of employer-provided health insurance premiums. There is a good one. That shows how fair the President wants to be. Or $5 a barrel oil excise taxes. That is a great one. That will not step on the toes of his friends. A 5-percent income tax surcharge. If you already are not paying any tax, a 5-percent income tax surcharge does not affect you at all. A total of $150 billion over 5 years of unfair new taxes.

The interesting thing is that the President's budget even with these new taxes, these consumer, middle-income taxes, would add $833 billion to the national debt. The committee resolution calls for $270 billion in additional revenue over the next 5 years. Even with that amount of additional revenue, the next 5 years will add $702 billion to the national debt. The theme is a familiar one: Stay the course with a program that does not and cannot work for the vast majority of Americans.

I say to my colleagues across the aisle until such time as you are prepared to look at the root of the problem as to why there is a budget deficit, until you are prepared to look at the fact that taxes have been slashed to such an extent that you cannot possibly balance the budget, the Hatch amendment will not solve the problem, and we will continue to have deficits that exceed anything in any person's imagination prior to this administration taking office.

Do not forget this President ran for office and promised us we would have a balanced budget when he took office. We will, in his 4 years of office, have deficits greater than we accumulated in the entire history of the United States. And there is one root cause. Contrary to what the President says, there is one root cause. He may have told us in his state of the Union message "Nor is the deficit," said he, "as some would have it, rooted in tax cuts." I say to you that it is unequivocally rooted in tax cuts, and it is also rooted in the fact that this President's programs have brought on a deep recession for the people of this Nation.

Sure, the market went up, but unemployment did not come down. Gross national product did not go up, but bankruptcies did. And all of these can be laid on the doorstep of this administration's economic leadership.

The President can make 10 more speeches on the national television, but when all is said and done the people in my State who are unemployed want to know how they get a job back. They get a job back by bringing down interest rates and making it possible for small businesses to expand and hire more people, and you cannot bring down interest rates unless you balance the budget and you cannot balance the budget until you are prepared to take a hard look at the revenue side of the budget. You cannot just do it by trying to cut and cut and cut more.

(Mr. HATCH addressed the Chair.)

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I listened to the remarks of the distinguished Senator from Ohio and I have to admit that if taxes are so important, then let us look at the real tax on the economy. I might add the level of Federal spending, because that is what real taxes really are. The Senate Budget Committee recommends in 1984, $849 billion in spending; in 1985, $909 billion; and 1986, $904 billion. We are now spending around 25 percent of the gross national product and that is what I call a tax. We used to spend something like 20 to 22 percent and that was supposed to be high. If we keep going the way we are going, it will be almost 26 percent in fiscal year 1984 and probably 1985. I might add, if we do not reduce that spending burden, we are never going to be able to reduce the deficits. We will have such sluggish growth, it will be awful.

I have heard the distinguished Senator continue to talk about the chamber of commerce budget. Well, I admit the chamber of commerce is one of many organizations that supports this budget but it is only one. The National Association of Manufacturers supports it, the National Tax Limitation Committee, the National Taxpayers Legal Fund, the National Taxpayers Union, the National Association of Wholesale Distributors, Coalition for America, the American Business Conference, the National Lumber Materials Dealers Association, Independent Bakers Association—I can go on and on. In fact, if we had the time to get to most of the organizations in this country, I think most of them would support it because most of them want this country to survive. Unfortunately, we are spending this country right into bankruptcy.

Mr. JOHNSTON. Will the Senator yield?

Mr. HATCH. I would be happy to yield to my colleague.

Mr. JOHNSTON. I have a couple of questions to ask my distinguished colleague. I had gotten his previous version——

Mr. HATCH. Will the Senator withhold because I have only a few minutes, and what I would like to do is, let me just finish, and then I would like to yield to the distinguished Senator from Idaho and then I will be happy to answer questions afterward and we will probably have to ask for time from the floor. Let me just finish this: I think raising taxes, I made the point before that the distinguished Senator

from Ohio does not like to raise taxes either but we have raised $285 billion, and I have to admit both sides have done it. I might add I think raising taxes is a worthless method of trying to bring down the deficit. The whole point of the deficits—in 1981 insuring fair play—was increasing the pressure to control Federal spending. They amassed an amount of spending programs we have had in existence. If the third year tax cut would have been taken away, all that pressure to cut spending would be removed. Raising taxes, it seems to me, makes spending easier. Higher taxes have failed to balance the budget. I made the point it failed in the past, and I do not see any reason why we would think it would help us in the future. Between fiscal 1977 and 1982, in that 5-year period, total taxes increased nearly $262 billion. In the last 8 months, they have increased $284 billion but in that same 5-year period, 1977 to 1982, total spending increased more than $328 billion and the Government ran deficits of $350 billion.

It does not take any brains to realize that this spending practice here is running out of control and the American people are the losers. Yet that is all I hear from the Budget Committees of both the House and the Senate.

For those who believe that the deficits are a problem, let me assure them that Federal spending is, not tax cuts. Federal spending is the cause of the burgeoning deficits. When Federal spending is increased as a percentage of the GNP, the deficit is also increased as a percentage of GNP. Yet at the same time, the burden of taxation has not declined. It has remained stable or even increased a bit as a percentage of the gross national product.

Consider the volume. Between 1965 and 1969, Federal spending was 19.7 percent of GNP, and the deficit was 0.2 percent. In that period, the burden of taxation was 18.8 percent of GNP. From 1975 to 1979, Federal spending grew to equal 22 percent from the 18.7 percent of GNP. The deficit ballooned from 0.2 percent to 3.1 percent of GNP. Even so, the tax burden on the American people was not reduced. It remained steady at 19 percent of GNP. Between 1980 and 1982, Federal spending rose to 3.3 percent of GNP from 3.1 percent. The American taxpayer did not have this burden lessened again. Instead, the tax burden grew to 20.5 percent of GNP. Really, all that is left of the tax cuts in 1983 will only return the tax burden on the American people to its historic rate of about 19 percent of GNP. Yet Federal spending and deficits as a percentage of GNP will rise, Federal spending to about 25 percent and the deficit from 3.3 percent to almost 7 percent of the gross national product.

I would have to say tax cuts are not the culprit. Tax increases are not the solution to deficits. Cutting wasteful Federal spending is the solution.

That is what we are trying to do here and we are trying to do it in a reasonable way by having what we call a modified spending freeze balanced budget with no tax increases. The three goals we are trying to achieve are these:

No. 1, we do not want to have major tax increases. We think the American people are tax-burdened to death.

No. 2, we want to have reasonable military figures so that the national security interests of this country are protected.

No. 3, we want to restrain the growth of Federal spending.

Even under our approach, the growth of Federal spending goes up in every category, in fact, and where we set aggregates, it is up to the Congress of the United States to live within those aggregates and they can adjust those aggregates any way they want to. It is a reasonable approach. It is one that can get this country to a balanced budget in 1989. It is not easy for any of us but at least some of us have the guts to put it out here and quit demagoging about the issue.

I think it is just the plain time that we face the responsibilities that we have as Members of Congress.

I yield to the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. I thank the distinguished Senator for yielding. I would say to my distinguished colleagues, I appreciate the work that he and countless other Americans did in trying to bring this budget resolution before this body. This may not be a perfect budget, which the learned Senator from Utah and the distinguished Congressman from Texas, PHIL GRAMM, worked out with the support of vast numbers of people in the private sector. It may not be a perfect budget. There may be things about it that many of us will find we have some difficulties with. For example, the revenue numbers are only numbers, and the Finance Committee will have to decide where to raise the taxes specifically. I do not necessarily accept the assumption that they would all be user's fees. They might, but they might not. But the Hatch-Gramm spending freeze-balanced budget which I think we can be proud to be following, and points us toward balancing the budget by 1987 or 1988 or 1989.

The Senator had a chart showing the Hatch-Gramm proposal would be a bicentennial balanced budget. That is using the CBO high growth assumption. By 1989, the outlays and revenues lines converge, and we would have a balanced budget.

I think it does at least start us in the right direction.

I sat here in the Chamber and listened to my friend from Ohio make a great many statements. I know that he is a successful businessman, so I know that he also knows that business collects taxes and pays them to Government. People are paying all the taxes, whether you have businesses out there that are producing potatoes, or businesses that are producing automobiles, or businesses that are running parking lots, whatever. The price of the product or the service that the business provides has to reflect what the cost of doing business is. So in many instances, businesses collect taxes and people always end up paying them.

I know my good friend from Ohio knows that, no matter what he may say about certain kinds of tax breaks that go to this business or that business, or what he says about oil and gas PAC's.

I read an article the other day in the paper which said that the price of oil has been reduced greatly and, in fact, much of the political action committee money does not really go to the Republicans, despite what my friend and colleague from Ohio suggested.

I think that we did do some very good things in the 1981 Economic Recovery Tax Act. I think that those things that were done with respect to the estate taxes and other things are matters that this body can be very proud of.

I know that my friend from Ohio also knows that it is small business which provides most of the jobs for most of the Americans, that most working people are actually employed by small business. It is small business that will enjoy most of the benefits of the estate and gift tax changes that were put into the 1981 Recovery Act. That will be very helpful to employment and helpful to the future growth of the country.

I want to support with a great deal of enthusiasm the amendment offered by my good friend from the State of Utah, Senator HATCH.

Mr. President, I would like to say that it has always been interesting to me, in the deliberations and debate on the budget, that every time the subject comes up with respect to balancing the budget, there are two subjects during the debate about which we hear a great hue and cry. One subject is defense spending. Then my good friend from Ohio and others make a big thing about balancing the budget.

The other subject is raising taxes.

But if one looks at the history of revenues, historical data, I would only point out that we can read off what the actual revenues have been. This comes from some of our Budget Committee material. The total revenues of the Federal Government from fiscal

year 1976 are as follows: Fiscal year 1976, $298.1 billion; fiscal year 1977, $355.6 billion; fiscal year 1978, $399.6 billion; fiscal year 1979, $463.3 billion; fiscal year 1980, $517.1 billion; fiscal year 1981, $599.3 billion; fiscal year 1982, $617.8 billion. It is projected to be $606.3 billion in fiscal year 1983, but that year is not over yet so we do not know how that will be. It is projected in fiscal year 1984 to be $653.9 billion; in fiscal year 1985, $717.8 billion; fiscal year 1986, $773.5 billion; in fiscal year 1987, $827.1 billion; and in fiscal year 1988, $882.4 billion.

I think if you got outside of this area called Washington, D.C., and went to any other place in the United States, Mr. President, you would find that the people out in the country would say it appears to them that all through the historical trendline the revenues to the Federal Treasury have been increasing consistently year after year after year. So revenues have continued to go up steadily, despite the tax cuts of 1981. Those tax cuts are not the cause of the deficits. On the contrary, they are the cause of the economic recovery which is pulling in increased revenues.

With the passage of some of the Reagan tax proposals, I think the percentages of the gross national product in total taxation to the Federal Government have been somewhat reduced so we may be sliding back in the direction of 19 percent or slightly less—18.7 percent, I believe is the percentage of the GNP which will actually be taken by the Federal revenue raisers for revenue to the Federal Treasury. The problem is that the spending side of the equation has outstripped the revenue side.

I think that that is the point that should be made. Mr. President, many economists will say we can either borrow this money the Federal Government spends, we can print the money the Federal Government spends, or we can raise taxes for the money that the Federal Government spends. I think despite all of the eloquence that was just displayed by our friend from Ohio, where the premise he is talking from misses the point is that Federal spending is continuing to go up as a percentage of the GNP and the Federal revenues have also been going up, but the Federal spending has been outstripping it. Spending is going up at a faster rate than revenues.

I think that the Economic Recovery Act really has little to do with the large deficit numbers. All one has to do is examine where the dollars are going with respect to the budget and one will find that the big dollar expenditures in the Federal budget are going out in the nondefense spending areas. More specifically, the big dollar outlays have been going in the people programs.

I also would like to make another point that the Senator from Ohio was talking about. He would leave the impression in this Chamber that somehow the Republicans are only concerned about the rich and the Democrats are concerned about the common man. If the third year of the tax cut is repealed, I just want to point this out—I hope my good friend from Ohio is on the floor to hear this because I know he would not want to leave the mistaken impression he leaves. That is that, somehow, President Ronald Reagan's 25-percent across-the-board tax cut to all working Americans only benefits the rich and does nothing for the middle class, the working people of the country, or those who are economically disadvantaged. I know the Senator from Ohio would not like to leave that impression here with his colleagues, because it is not true. The Reagan tax cuts help those with the lowest incomes more than they help those with the highest incomes.

To set the record straight, it is true that in the 1981 Economic Recovery Tax Act, the overall tax burden was lowered, the top level of the tax, from 70 to 50 percent. That is something that this Senator, as a Republican, did support. But I might mention the fact that if we go back and examine the legislative record, we will find that the lowering of the taxes from 70 to 50 percent was actually a Democratic amendment. It was first suggested by the House Ways and Means Committee and became part of ERTA through the efforts of the Democrats on the committee with the support of some Republicans.

I happen to think it was the right thing to do for the country. I think it has increased savings and enhanced potential for economic growth.

Let us go back and look at a proposal such as the Senator from Ohio is talking about and supportive of, where we would actually do away with the third year of the tax cut. What would happen is that the change in the tax liability due to repealing the third year of the tax cut, for these people who earn less than $10,000 a year, it would raise their taxes 13.9 percent. For the person earning from $10,000 to $15,000 a year, it would raise their taxes 10.8 percent; for those earning $15,000 to $20,000 a year, it would raise theirs 11.3 percent. Coming up to the person earning from $50,000 to $100,000, it would increase theirs by 11.4 percent; for those earning $200,000 and over it would only raise their taxes 2.7 percent. So in sum, the attached table indicates that the effects of repealing the third year tax cut will increase taxes greatly for low-income people.

So let us understand that the third year of the tax cut, that President Reagan is supportive of and has said that he would veto any effort to change that by Congress. And there are 36 Senators, of which this Senator is one, who signed a letter to the President saying they would be supportive of his veto of any repeal of the third year tax cut. That 10 percent largely goes to the working people of this country. This is where they will first feel the benefits and will first enjoy at least keeping their heads above water with respect to the reduction that was intended earlier on.

REAGAN TAX CUTS ONLY UNMASK FEDERAL SPENDING GROWTH

All the Reagan tax cuts did was attempt to restrain the growth in the tax rate and the tax burden on the American citizen. These cuts only reduced the burden of taxes on the economy from its historic high of 20.1 percent of GNP at the end of the Carter administration and returned it to its traditional level of approximately 18.5 percent by fiscal year 1983.

In 1980, total Federal spending equaled 23 percent of GNP. Even with the Reagan administration's attempts to restrain it, Federal spending is estimated to climb to a whopping 25.7 percent of GNP by the end of 1983.

Thus, all the Reagan across-the-board tax cuts, restoring the tax rate to its historic lower level, did was to unmask, and attempt to constrain, the accelerating growth in Federal spending.

I agree with this policy. Unless we prevent continued growth in revenues, we will never constrain the Federal spending, which is the real cause of our deficits.

PROGRESSIVE EFFECTS OF ECONOMIC RECOVERY TAX ACT

The Economic Tax Act of 1981 shifted the burden that the various income groups bear in a progressive direction. The lower income groups will bear a slightly smaller proportion of the total personal income tax burden in the country, and the highest income groups will bear a slightly higher burden.

For example, before Economic Recovery Tax Act of 1981 those earning less than $10,000 paid 2.2 percent of all taxes. Under the 1981 Tax Act they received 2.6 percent of the tax cut. Since this was a slightly larger share of the tax cut than their share of the total burden, their share of the total tax burden went down as a result of the act. The highest income group, those earning $200,000 and above, paid 6.7 percent of all taxes before ERTA. Since they received only 5.4 percent of the tax cut, they will as a consequence, bear a larger share of the total personal income tax burden than before.

Not only have the burdens for the various income groups shifted, but, in addition, there is a likelihood that the effect of lowering the maximum tax from 70 to 50 percent will lead to some

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desheltering activity by higher income groups; that is, to some leaving of tax shelters. This will render more of higher groups' income liable to taxes.

The Senator from Ohio also made many outlandish statements with respect to trying to lay the entire blame for the economic problems of the country at the doorstep of President Reagan. I think the good Senator from Ohio, as a successful businessman, knows there is plenty of blame to go around for everyone who has been in Congress and past administrations for the economic problems of this country. I think the problem very succinctly could be stated that the Federal Government spends too much money. That is why I would support the Hatch budget. It does not make all the cuts in the places I would like to make them; there are some places I would like to make some adjustments; but at least it points us in the direction I would be proud to follow.

Mr. President, growing budget deficits and repeated threats to raise taxes will jeopardize the economic recovery and reverse our progress on inflation and interest rates. While the Nation and the Congress are divided over possible ways to deal with the deficit, there is considerable support in the country for an overall spending freeze.

The spending freeze-balanced budget plan demonstrates clearly that a modified spending freeze could serve as a basis for resolving our fiscal year 1984 budget crisis and for moving the Federal Government to a balanced budget under Congressional Budget Office (CBO) high-growth projections by the end of the decade. With a modified spending freeze and with the preservation of the third year of the individual income tax cut and indexing, the budget can be balanced in fiscal year 1989, the target year for the implementation of the balanced budget amendment to the Constitution and the 200th anniversary of the founding of the Republic—an ideal bicentennial gift for all Americans.

The spending freeze-balanced budget plan calls for a basic freeze in the dollar level of spending for nondefense discretionary programs. Real outlays for entitlements, other than social security, farm price supports, and unemployment compensation are frozen at fiscal year 1983 levels, limiting the growth in entitlement spending to the inflation rate. Pay for nonmilitary Federal employees is frozen at 1983 levels as are target and loan prices under the farm program. The freeze is applied for 3 years with constrained growth thereafter.

Defense spending authority is frozen at the levels specified in the fiscal year 1983 budget outyears, which provides for real growth in defense of 7.5 percent in fiscal year 1984, 7 percent fiscal year 1985, and 6 percent in fiscal year 1986. The savings accruing from the spending freeze and limitations on defense growth are supplemented by the deficit reductions achieved in the enacted social security package, in the President's proposals to increase offsetting receipts and treat excessive health insurance coverage as ordinary income, and by the savings to be achieved from partial implementation of previously proposed user fees.

Beginning with the spending freeze concept and real and nominal constraints on spending growth in the outyears, the deficit can be reduced sharply in fiscal year 1984 and, under the CBO high-growth path, balanced in fiscal year 1989.

The spending freeze-balanced budget plan preserves the third year of the individual income tax cut and indexing. It sets into place a long-term deficit reduction program by freezing spending in the short term and constraining spending growth over the remainder of the decade. Within the constraints imposed by limits on the growth in Federal spending, Congress can allocate funds to balance spending priorities within the overall binding budget. The deficit reductions achieved in the spending freeze-balanced budget plan will continue to exert downward pressure on interest rates, assuring a strong economic recovery and enhancing private job creation.

Mr. President, I see the distinguished majority leader is on the floor. I ask unanimous consent to print in the RECORD certain data with regard to figures I used in my statement.

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

HISTORICAL DATA

[By fiscal years; in billions of dollars]

Source	Actual						
	1976	1977	1978	1979	1980	1981	1982
Individual income taxes	131.6	157.6	181.0	217.8	244.1	285.9	297.7
Corporation income taxes	41.4	54.9	60.0	65.7	64.6	61.1	49.2
Social insurance taxes and contributions	90.8	106.5	121.0	138.9	157.8	182.7	201.5
Excise taxes:							
Windfall profit tax					6.0	23.3	18.9
Other	17.0	17.5	18.4	18.7	18.3	17.5	17.4
Estate and gift taxes	5.2	7.3	5.3	5.4	6.4	6.8	8.0
Custom duties	4.1	5.2	6.6	7.4	7.2	8.1	8.9
Miscellaneous receipts	8.0	6.5	7.4	9.3	12.7	13.8	16.2
Total revenues	298.1	355.6	399.6	463.3	517.1	599.3	617.8
Nominal growth (percent)	7	19	12	16	12	16	3
Real growth (percent)	6	12	5	7	3	6	−4

PROJECTIONS

[By fiscal years; in billions of dollars]

Source	Baseline					
	1983	1984	1985	1986	1987	1988
Individual income taxes	285.8	295.2	320.8	345.4	371.6	400.0
Corporation income taxes	40.3	55.8	65.2	74.0	83.1	87.7
Social insurance taxes and contributions	212.1	232.1	260.8	288.6	308.3	330.2
Excise taxes:						
Windfall profit tax	14.4	13.5	12.2	10.3	9.6	9.0
Other	23.4	28.4	29.6	26.3	26.2	27.1
Estate and gift taxes	6.1	5.9	5.6	5.0	4.6	4.3
Custom duties	9.2	9.6	10.0	10.3	10.6	10.8
Miscellaneous receipts	14.9	13.4	13.6	13.5	13.2	13.3
Total revenues	606.3	653.9	717.8	773.5	827.1	882.4
Nominal growth (percent)	−2	8	10	8	7	7
Real growth (percent)	−6	3	5	3	3	3

TABLE 3.—THE EFFECT OF REPEALING THE 3D-YR TAX CUT DISTRIBUTED BY ADJUSTED GROSS INCOME CLASS

[1981 levels, 1984 law]

Adjusted gross income class (thousands)	Tax liability under 1984 law (millions)	Change in tax liability due to repealing the 3d-yr tax cut	
		Amount (millions)	Percent
Less than $10	$4,518	$628	13.9
$10 to $15	12,742	1,372	10.8
$15 to $20	17,780	2,018	11.3
$20 to $30	45,579	5,489	12.0
$30 to $50	65,901	7,618	11.6
$50 to $100	39,018	4,466	11.4
$100 to $200	18,899	1,706	9.0
$200 and over	15,619	420	2.7
Total	220,057	23,717	10.8

Note.—Details may not add to totals due to rounding.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Apr. 29, 1983.

ORDER OF PROCEDURE ON BUDGET RESOLUTION

The PRESIDING OFFICER (Mr. EAST). The majority leader.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield to me?

Mr. DOMENICI. I am happy to yield.

Mr. BAKER. I thank the Senator.

Mr. President, I see the minority leader is on the floor and I thought it might be well at this time to have a colloquy with him on the plans of the Senate for tonight, tomorrow, the rest of the week, and perhaps next week. I think I know the answers to the questions I am going to put because, as usual, he and I have met privately off the floor.

I indicated earlier through our cloakroom hot-line facilities that, at approximately 4 p.m., I would propound a unanimous-consent request to establish a time certain for passage of the budget resolution. I did not do that. It became clear in the course of our negotiations that that request would not be granted at this time. I inquire of the minority leader, if I may at this point, if I am correct in assuming that he would be obligated to object on behalf of other Senators if such a request were put to him.

Mr. BYRD. Mr. President, I would be constrained to object on behalf of other Senators. As to the time for a vote at Wednesday noon, I ran into one problem. A Senator who is very much involved in this, in several of the amendments, will not be here. I cannot agree to that. He would be receptive to an agreement that would put a final vote late on Tuesday.

On the other hand, there are those who are a little concerned at this stage that if we set a final time for a vote, they will not have an opportunity to call up their amendments. So I think at this particular stage, we shall not be able to make an agreement.

However, I think that if the majority leader and I continue to watch the situation, see how things go, and consult with our managers and Senators on both sides, it may be that as time moves forward, there will be some votes on amendments that will indicate that there would be time for amendments to be called up and disposed of in a proper manner.

I encourage the majority leader to keep trying. I do not know if we can do anything about it today. I shall do likewise. I have not talked to my own manager on this side of the aisle.

But I believe at this point I could not encourage the majority leader that a request would be granted today.

Mr. BAKER. Mr. President, I thank the minority leader, and I understand that. I understand the difficulty of arranging schedules to meet not only the maximum convenience but the convenience of every Senator. And that, of course, is implicit in any unanimous-consent agreement of this sort. I, too, hope that later we can get such an agreement. I think, for my part, we probably could clear Tuesday night instead of Wednesday noon, but I understand the minority leader to say that might not be agreeable on the basis of concern that Members might not have time to offer their amendments.

I regret to say what I am about to say, and the minority leader will understand that I do not say it in any way acrimoniously or even in direct response to anything he said, but I have no other choice except to say that, absent an agreement, I do not think we can do anything except plow ahead. I know the minority leader has been in the same position when he occupied this chair and that he perhaps more than anybody else except me understands how it is difficult sometimes to arrange unanimous-consent agreements and how it is necessary sometimes to discommode the Senate Members, their families, and schedules and plans that are already laid and made, but that has to happen.

If we could agree to a time certain on final passage, it had been our hope that we could go out at normal hours this week, maybe even not be in on Friday, certainly not on Saturday, and get final passage Tuesday night or Wednesday. That would protect Members I think on debate and protect me on the matter of seeing that the Senate addressed the issue in a timely way. But absent that, I really have no choice except to say what I am about to say now, and that is that I expect we will be in tonight until about 7. We will be in much later tomorrow night and Thursday night. We will be in session on Friday. There will be votes on Friday. We will reserve judgment on how well we do before we make an announcement on Saturday, but Members should assume that there will be a session on Saturday.

Even so, it will take us up into next week to consume the 50 hours, judging by our past experience, because last year, if my memory serves me, it took us 2 weeks to use 40 hours. The minority leader and I last year had agreed to reduce that time from 50 hours to 40 hours, so even on that basis it is going to take a long time to use up the time that we have.

Once again, I do not say that in any way as a threatening gesture but simply as a statement of what I conceive my responsibility is to manage the affairs of the Senate. So, once again, I hope that when we finish debate on the Hatch amendment—I believe the managers and opponents want to vote on that tomorrow instead of tonight and that is all right with me—if there is no objection, we can temporarily lay aside the Hatch amendment and set a time under the circumstances to vote on that tomorrow and go to some other amendment. The managers themselves, of course, will determine that.

I understand there is a Specter amendment that may be available, also that there is a requirement, I believe, that a Baucus amendment would be either pending when we first return tomorrow or make pending tonight with debate and a vote to occur tomorrow. That is fine with me, too. But after we finish the debate on the Hatch amendment, I would like to see us, if consent is given, temporarily lay aside that amendment, set a time for, say, 15 minutes of debate tomorrow and then a vote but then tonight yet go to the Specter amendment.

Once again, if we want to set the vote on the Specter amendment tomorrow, that is all right with me. That is up to the managers. But we ought to have full debate and finish it tonight? Then we can try to arrange an orderly sequence of amendments tomorrow that would carry us to perhaps 10 or 11 a.m.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. tomorrow.

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

Mr. BAKER. Tomorrow, I would hope, Mr. President—and this is in no way a request but it is an expression of preference—that the two managers could arrange a list of amendments alternating between Republicans and Democrats so that there would be ample opportunity for everyone to have their turn at bat and to calculate how many it would require to take up the time between approximately 10:30 a.m., when we shall be back on the resolution, until about 9:30 or 10 tomorrow night.

Mr. DOMENICI. Will the distinguished leader yield?

Mr. BAKER Yes; I yield.

Mr. DOMENICI. I do not know what my good friend Senator CHILES has discovered on his side, but to this point I am not aware of a lot of

amendments on our side that people are asking us to put into some sequence. I hope they are listening and that they will present those to me, because I need that if I am going to comply with any kind of list.

I should also like to ask if the distinguished junior Senator from Pennsylvania would be ready, assuming we could agree here, to lay down and debate his amendment tonight? We would eventually put off the vote until tomorrow and either agree to a time certain or stack it in some way.

Mr. SPECTER. I am prepared to proceed.

Mr. DOMENICI. I thank the distinguished Senator.

Will the Senator from Florida enlighten us on his end?

Mr. CHILES. Mr. President, I think on this side we have had people mention amendments, 8 to 10 amendments. If the process works the way it usually does, it will grow.

Mr. BAKER. It almost always does.

Mr. CHILES. But as of now, I probably have heard of about 8 or 10 amendments.

Mr. DOMENICI. At this point, we are aware of no more than four. I agree with my friend from Florida that that could certainly turn into many more before we are finished. But I wonder, while the majority and minority leaders, the minority manager of the bill and Senator HATCH are here, if we might attempt a unanimous-consent agreement with reference to the rest of the evening and the sequencing of amendments and votes in the morning.

Mr. BAKER. Yes. Mr. President, I am agreeable to that if the minority leader is prepared to consider it.

Mr. BYRD. Yes.

Mr. President, while the colloquy was going on, Mr. JOHNSTON indicated that he would like to call up an amendment fairly early in the sequence. I do not think the amendment he——

Mr. CHILES. Senator HOLLINGS has suggested he would like to call up his amendment early tomorrow. It is a freeze amendment.

Mr. BYRD. I do not believe that the amendment that Mr. JOHNSTON is talking about is—I think the Senator has two amendments, does he not?

Mr. JOHNSTON. Mr. President, I have one.

Mr. BYRD. The Senator has one.

Mr. DOMENICI. Might I say to the distinguished minority leader——

Mr. BYRD. Mr. President, I think such a sequence can be arranged at least for tonight and part of tomorrow.

Mr. BAKER. Good.

Mr. BYRD. I certainly do not fault the majority leader for taking the position that we might have to run late on some days. He is doing what he has a responsibility to do. He does not cherish these actions that he has to take any more than anyone else does. So we will continue to work on our side, and we will try to be helpful in working out a sequence.

UNANIMOUS-CONSENT REQUEST

Mr. BAKER. Perhaps I could put a unanimous-consent request now to try to arrange the rest of this day and the beginning of tomorrow. Let me try it. I have not yet discussed this either with the managers or the minority leader, so let me state it carefully.

Mr. President, I ask unanimous consent that when debate is completed this evening on the Hatch amendment, it be temporarily laid aside; that the Senate then proceed to the consideration of an amendment by the distinguished junior Senator from Pennsylvania.

I ask unanimous consent that after the time for debate has expired on the Specter amendment, the vote on that amendment be postponed until 15 minutes after the Senate resumes consideration of the pending resolution on tomorrow. After the disposition of the Specter amendment on tomorrow, I ask unanimous consent that the Senate resume consideration of the Hatch amendment; that there be a time limitation of 15 minutes equally divided providing the assurance of a vote on the Hatch amendment.

Mr. CHILES. That is too short.

Mr. BAKER. Is that too short?

Mr. CHILES. Yes.

Mr. BAKER. What does the Senator want?

Mr. DOMENICI. Thirty minutes.

Mr. CHILES. Thirty minutes.

Mr. BAKER. Thirty minutes, fifteen minutes on a side.

Mr. BYRD. I think the manager on this side is talking about an hour divided.

Mr. CHILES. I think we need 30 minutes on a side.

Mr. BAKER. All right, Mr. President, an hour, 30 minutes each on a side, on the Hatch amendment.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. Mr. BAUCUS has an amendment he would like to call up at a rather early moment tomorrow, and Mr. JOHNSTON would like to have the next amendment on our side, and Mr. HOLLINGS would be the next one on our side.

Mr. BAKER. Is the Baucus amendment to be next after the Hatch amendment? Do I correctly understand that to be the preference?

Mr. DOMENICI. That was our understanding.

Mr. BYRD. Mr. BAUCUS had wanted to call up his amendment tonight.

Mr. BAKER. We can do that.

Mr. President, I ask unanimous consent that after disposition of the Hatch amendment tomorrow, the Senate then proceed to the amendment of the Senator from Montana (Mr. BAUCUS). That would complete the sequencing. How we interchange them would be a question the managers can examine tomorrow before we proceed further.

Mr. DOMENICI. I think we could go to the Johnston amendment, in terms of fairness. I just wonder what the Johnston amendment is, generally speaking.

Mr. JOHNSTON. I say to my colleague that the Johnston-Nunn-Exon-Boren-Proxmire amendment will be a substitute which will get us to a balanced budget by 1988.

Mr. DOMENICI. I have no objection to proceeding next—if Senator CHILES has no objection—to the Johnston amendment, and then we will have four sequenced.

Mr. BAKER. Mr. President, I have a request that after the disposition of the Baucus amendment, the Senate proceed next to an amendment by the distinguished junior Senator from Louisiana (Mr. JOHNSTON), as described.

Further, I ask unanimous consent that all the provisions of the Budget Act regarding floor consideration of amendments shall remain in full force and effect with respect to amendments so specified.

Mr. BYRD. Will the majority leader say that again?

Mr. BAKER. That all provisions of the Budget Act regarding floor consideration of amendments shall remain in full force and effect. Perhaps the minority leader would want to think about that.

The PRESIDING OFFICER. That preserves the germaneness requirement.

Mr. BAKER. Mr. President, to review the request so far, it is that at the conclusion of debate tomorrow on the Hatch amendment, it be temporarily laid aside; that the Senate then proceed to the consideration of the Specter amendment; that at the conclusion of the time for debate on the Specter amendment, the vote on that amendment will be postponed until tomorrow.

Mr. SPECTER. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. SPECTER. In light of postponing the vote to tomorrow, will the majority leader include a brief time for debate tomorrow morning—15 minutes equally divided?

Mr. BAKER. After the Senate convenes tomorrow at 10 a.m., which has been ordered, I ask unanimous consent, as well, that the Senate proceed to the consideration of the budget resolution at 10:30 a.m. tomorrow; that the Senate then resume consideration of the Hatch amendment, on which there will be 1 hour of further debate, to be equally divided; that after the

disposition of the Hatch amendment, the Senate resume consideration of the Specter amendment, at which time there will be 15 minutes of debate equally divided; that after the disposition of the Specter amendment, the Senate proceed to the Baucus amendment; that after the disposition of the Baucus amendment, the Senate proceed next to the consideration of the Johnston amendment, and that the request in respect to the provisions of the Budget Act regarding floor consideration of amendments is to remain in effect, as reiterated.

Mr. BYRD. Mr. President, I ask the majority leader to leave out that part until I have studied it a little more.

Mr. BAKER. Mr. President, let me not put the request. I do not want to specify the amendments until we can do that.

I wonder if the Senator would like to put in a quorum call so that we have a chance to think about that. I do not want to put the request until we have that part of it.

Mr. DOMENICI. I say to the distinguished minority leader that whenever we have made unanimous-consent requests as to amendments without having them tendered at the desk, we have used that language, so that we are not agreeing to the submission of an amendment that is in derogation of the germaneness rule under the Budget Act.

Mr. BYRD. I thank the Senator. My suggestion would be that we not have a quorum call, that the Senate proceed while I give a little thought to this.

Mr. BAKER. Mr. President, the Parliamentarian might use that time to reduce to writing the several meanderings of this request as we put it together.

I withdraw the request temporarily, and I yield the floor.

AMENDMENT NO. 1227

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, since I intend to speak in opposition to the amendment of the distinguished Senator from Utah, may I have a few minutes from my counterpart?

Mr. CHILES. I yield to the Senator from Washington such time as he may require.

Mr. GORTON. I thank my distinguished colleague.

Yesterday, Mr. President, in my initial statement on the budget resolution, I pointed out the difficulties faced by all Members in dealing with this bebate. I pointed out that, for all practical purposes, every Member of this body feels that the budget deficits which are projected in a current services budget—that is to say, if we make no changes in policy—are unsupportable; that they will have an adverse impact on the economy; that they are not something we can view with equanimity or, for that matter, at all; and that we must at least lower them and begin to get on a path toward a balanced budget at some foreseeable point in the future.

At that time, I also pointed out that each Member of this body has other values which conflict with that desire for lower budget deficits and that often that conflict is won by one of those other values.

Some feel that as important as lower deficits are, we must protect one or a large number of vitally important social or capital investment spending programs. Others feel that the national defense is the prime duty of any nation and that we must treat requests for national defense appropriations or budget authority liberally, whatever the impact on deficits.

Others feel that a low tax structure is the most important single value, whatever impact that may have on the deficit.

So some feel that we should get to lower deficits by striking reductions in spending. Some feel that we should reach it by increases in taxes. We are at this point far from a conclusion to that debate.

The distinguished Senator from Utah, who is the sponsor of this amendment, takes a principled approach toward the fiscal problems which face the country today. His budget proposal shows just how difficult it is to reconcile these conflicting values. As a matter of fact, it may show that, at least in the foreseeable future, it is impossible to meet several very high values and get to a balanced budget. When push comes to shove, it seems to me that the Senator from Utah is saying that while budget deficits are very important, while their reduction is a vital necessity, they are not important enough to increase revenues substantially or to raise taxes.

If my figures are correct, even at the end of the third year of this budget proposal with CBO projections of the economy, we will be faced with a budget deficit of $155 billion, a mind-boggling number. Based on our histories and even if we have a so-called period of very high growth, the deficit will barely go below $100 billion to some $98 billion. In addition to this subject is the question of the reality of proposed cuts in spending programs.

In that respect, Thomas Jefferson once became so upset by what he considered to be slanderous attacks upon him in the Federalist press that he suggested that the editors divide their newspapers into four plainly labeled sections: First, truth; second, probability; third, possibility; and fourth, fiction. The third and fourth categories, he said: should be for those readers who would rather have fiction for their money than the blank paper they would occupy.

So, too, in budgeting it seems to me our sad experience with possible savings in previous resolutions should alert us to the fact that some proposed savings are at best possibilities and some at worst plain fiction. The plain truth is that savings without mandatory reconciliation are likely to be lost in the appropriations process.

I suggest that we adopt Thomas Jefferson's suggestion for newspapers instead for our budget proposals. I suggest that we plainly label four sections of each proposal into: First, true savings which we can clearly count on being made after they are included in a budget resolution; second, probable savings which experience has shown that we have been capable of making in the past; third, possible savings which while conceivable are really not likely to occur on a 50-50 possibility; and fourth, fiction-proposed savings that any Senator knows by experience just are not going to happen, or have already taken place so that credit is improperly claimed in a budget resolution.

I would like to apply these four categories to the proposal which is now on the floor at the present time but I am willing, as a matter of fact, anxious, to have it applied to all proposals including the budget which I have already proposed and others which will come before us during the course of the next week.

The evolution of the proposal before us now is fascinating. It has gone through three, perhaps four, separate stages that I am aware of and perhaps others of which I am not aware.

The fourth revision is before us right now. It is stated to be simply a recalculation of No. 3, so I will label it 3-B.

I appreciate the forces which are at work for change when one tries to develop a budget proposal and which is a difficult process at best since I have tried several myself.

The first thing that meets the eye when considering this proposal is that it includes clear category 4 items. For example, this budget contains as a cost-saving item the social security savings previously enacted by Congress and already part of the law of the land. Clearly this at least invites misinterpretation that this proposal is more powerful than it in fact is. The enacted social security savings should be subtracted from the baseline deficit. In addition, the jobs bill and subsequent offsets also fall into category 4. The baseline is supposed to represent current policy and the jobs bill and the social security reform are now current policy. So adding these two items to the baseline will provide us a better picture of the true impact of this amendment rather than including them as savings which are to be accomplished by it.

A comparison of the three-plus evolutionary budget proposals reveals that the sponsors of this proposal are now willing to tolerate larger deficits than was the case a week or so ago. Building a budget is a sobering educational process. The 3-year total deficit suggested in the first version of this amendment was $428 billion. The second version's total had declined to $406 billion. Several of their original estimates of savings had upon further investigation proved not to save as much as had been expected, and other revisions were substituted for them. That is the second lesson in budgeting—one's hopes for savings are always too optimistic at the beginning.

The second version of this budget made up for these reductions by reintroducing into the budget process that hoary old standby—management savings—or as the fiscal year 1983 budget resolution called it, management initiatives. Now our recent experience has demonstrated, if it has taught us anything, that management initiatives are clearly no better than a category 3—a possibility and probably a category 4, a fiction. I was pleased to discover that in version 3-B of this budget proposal—the one that is in front of us today—management initiatives have been reduced from $10 billion to $2 billion which in my opinion is $8 billion less a fiction. Unfortunately, the 3-year deficit for the current proposal version 3-B, is also $88 billion higher at $494 billion than was the second version.

So much for the antecedents of this budget proposal. Clearly the sponsors of this proposal know a great deal about the facts of life of budgeting in a short time. They know, as all of us do, that the current budget problems are not amenable to quick, easy solutions.

Let us consider the individual items that are now contained in this amendment to deal with the threatened $200 billion-plus deficits which face us over the next 3 years.

This amendment allows for the real growth in defense of 7.5 percent for next year, 7 percent for 1985, and 6 percent for 1986, which is not much in the way of savings there, in fact less than the resolution passed by the Senate Budget Committee, but clearly these elements, these estimates are in the realm of possibility. Let us put them in category 2, a probability if we should adopt this amendment and the consequent resolution.

There are good reasons, however, why we should not pay this much for defense.

The analysis prepared by the Senate Budget Committee staff demonstrates that essential programs can be carried out at the 5.3-percent rate of increase provided for in the committee resolution. Every point added above that figure simply serves to delay the Defense Department's need to make the hard choices it must make about spending priorities, strategy, methods of contracting, and so forth. By increasing the number of programs undertaken, by increasing the amount of our investment, and by placing at risk the fragile consensus which exists for the strengthening of our defenses, a delay in the day of reckoning for the Defense Department simply serves to increase the adverse consequences to our national security when those decisions inevitably are made.

The second item in this proposal is a nonsocial security entitlement freeze. The sponsors' definition of a freeze is to hold entitlement spending constant in real terms and to allow the total to rise only with the rate of inflation. This clearly would imply cuts in the expected rate of spending for medicare several times greater than that enacted in the social security package. What that would entail includes an increase in medicare premiums, copayments, and reduced levels of hospital reimbursements at the very least. The required changes in medicare in the proposal are substantially those recommended by the President, and I have, I regret to say, not found a great deal of enthusiasm among my colleagues for that proposal.

Furthermore, holding the rate of growth of entitlements to the rate of inflation makes no particular sense. The rate of growth in this area is controlled by the rate of growth of the eligible population, that is to say, the number of new persons who each year become entitled times the rate of growth of the inflator, which in some cases is the cost-of-living index. This amendment would result in real cuts in entitlement spending per person entitled if the rate of growth of newly entitled people exceeded the rate of inflation. This may or may not be the will of Congress. Certainly some more up-front way of dealing with entitlement spending which provides more predictable consequences of legislative action would be preferable. I would suggest that the entitlement section of this amendment rates no better than a category 3 in Jefferson's lexicon.

Perhaps, since the proposal of the Senator from Utah is unclear to me and my staff on what is intended, the Senator at some time during the course of this debate will give us more details of his medicare proposal.

The largest item on the amendment in terms of savings is the proposed freeze in nondefense discretionary spending. The proposal is to freeze spending in this category at current levels. This part of the proposal has a familiar ring. I included it in my own budget. But we should be very clear about what is entailed if we accept such a proposition. Discretionary spending has in the past already been severely cut. It would entail nothing less than another round of cuts. We have done this in the past and probably could do it again if the situation warranted—let us give it a category 2—a probability if we accepted this budget proposal, but we should be forewarned by what happened to the savings contained in last year's resolution when it came around to the appropriations process many of the unreconciled savings were lost.

We can, I feel, lump together the next two items contained in this proposal, as dissimilar as they are, for I feel the probabilities of Congress accepting a 3-year pay freeze for Federal employees and a freeze of the target prices for farm price supports to be of the same magnitude—a real longshot. Let us put them both in category 3 and grant that a possibility exists, but little more than a possibility.

I would also place the expected offsetting receipts and the user fee package in the same doubtful category. In the former the framers of this proposal have placed the $2 billion in management initiatives and the acceptance of the President's proposal to raise the contributions of both employer and employee toward civil service retirement. As needed as reform of civil service retirement is—and it is—does anyone see this Congress squarely facing up to that issue? The Presiding Officer will remember that in the Senate we failed to face up even to the very modest proposals in that respect included in the social security reform package and were saved only by the conference committee with the House.

The user fee proposal, as laudable as it is, does not face up to reality. Congress has had mixed success in enacting user fee legislation. This proposal requires that we increase user fees roughly 40 percent over current levels and eliminate subsidies for a number of programs such as patents and trademarks, postal services, tax rulings, and so forth. That seems to me unlikely whatever its merits.

Finally, this amendment suggests that we repeal much of the current tax deduction for health insurance costs. I believe that there is much to recommend in such a change over and above the revenue that it will bring into the Treasury. Such a repeal would not doubt stimulate market forces and competition in the health care industry and do much to reduce the horrendous rate of growth in health care costs. I hope that the Finance Committee would look closely at this measure no matter what the ultimate budget that we in the Senate adopt—but at best this savings is a No. 2.

Let us now recapitulate the results of our truth in budgeting proposal: Of the nine actual deficit reduction measures contained in this budget proposal, none are found in category 1, three

were placed in category 2 as probable if we adopt this budget and the rest were placed in category 3 as possibilities only. It should be noted that perhaps some of those in category 3 really belong in category 4.

The conclusion is inescapable: This amendment is unrealistic. If we did adopt it, Congress would not enact its provisions. The budget resolution and the budget process is not a magic chain that can bind Congress against its will. We have seen time and time again over the last 2 years that when the budget resolution gets in the way of congressional will, it is the budget resolution that gives way. For that reason, if no other, the resolution we are fashioning on this floor is superior to the substitute under consideration now.

I must emphasize once again that this resolution, though it may be denominated a balanced budget resolution, can scarcely get us to a deficit of $100 billion 3 years from now even if we have a higher growth rate in the economy than we are willing to predict as of this day in May 1983.

But that analysis is not the most important reason for my unwillingness and inability to accept this amendment. In fact, it may be necessary, if we are to control the fiscal policy of the Federal Government, for Congress to adopt a budget that at this moment looks unrealistic. The Congress in its actions does follow the will of the people. If a majority of the people require us to deal effectively with the huge budget deficits facing us, I am sure that we will do so.

I am equally certain that the American people will not rally behind this amendment for the simple reason that it is basically unfair. If we are to reduce the hugh deficits in order to insure the continued fall in interest rates and the continuation of the recovery, it will require budget deficit reductions even greater than proposed in this amendment. Such reductions in the size of future deficits will require substantial sacrifices by the American people.

If these sacrifices are to be accepted by the American people, they must view these sacrifices as fairly shared among all groups and classes of our society. This proposal is basically unfair because it asks the poor, the elderly, the farmer, the Government worker, the student, the railroad and Federal retiree, and the working class American to pay their share, but it does not ask the businessman or the upper middle class or the defense contractor to share in the burden. Indeed those best able to sacrifice are not asked to give at all. No. If all are to benefit, all should share in the sacrifice.

In closing, let me say to the sponsors of this amendment I regret that I cannot support their efforts. There is much that is good in this proposal. In fact, much of it bears a close resemblance to the one I proposed a few months back except for the recognition of a need for revenues fairness. But, so much water has gone under the bridge since then, that I am afraid that I believe that this amendment like mine, would be if it were to be proposed, simply out of touch with reality.

Nevertheless, I do not consider this a wasted effort, exactly as I do not consider mine to have been a wasted effort. Both played a valuable part in educating our colleagues and the public about the difficulties that this country faces in controlling the huge budget deficits that we face this year, next year, and as far in the future as we can see.

Mr. CHILES. Mr. President, I yield myself such time as I might need.

I want to say to the distinguished Senator from Washington, I certainly enjoyed his remarks. I am afraid if Jefferson was here though he might have to add one more category to take in the change, he was talking about being misquoted I believe at the time, and maybe there needs to be a category 5 that he would have to put in about his quotes in the way they were used but it is a delightful addition of Jefferson and perhaps it was brought up to date in a modern lexicon which he could use.

Mr. President, I want to take just a moment tonight on two subjects: One is the high-growth option that we are seeing proposed in this particular amendment. We see that every time that facts kind of push economic policy into a corner we see a high-growth option being talked about, and one of the things the Budget Committee has attempted to do this year, and I am delighted to see that under the chairmanship of Senator DOMENICI of New Mexico, is to use the CBO figures and to use what they say are their midline figures or what are sort of reasonable figures, not the low side or the high side but what their best judgment is should be the figures in the middle. It is always tempting to try to take different growth figures because they make the budgets look better and if we wanted to use high growth we ought to have apples and apples in order to compare these things, if we wanted to use high-growth figures that figures that came out of the committee, the budget deficits that came out of the committee, would look greatly better.

They would look more in the line like we could talk about ourselves as being $138 billion in 1984, declining to $37 billion in 1988. That would be reducing it down to where we would be roughly about less than 1 percent of GNP. That would sound so good to the markets, that would sound so good to the public, sound so good to the taxpayers. Only one problem with it, it is not credible. Only problem with it is we have time after time fed to the public overoptimistic figures. And not simply this President. President Carter did that. He attempted to use more optimistic figures; President Ford did that; Nixon did that before him. It is always easier to sort of juggle the growth figures, or what you say the assumptions are going to be, to make your picture look rosy and it does not always turn out to be that rosy.

So I think we would be much better off here if we were using apples and apples. In that we are working from a budget resolution that uses the CBO figures, if you look at those figures you see that the deficits that we are talking about in this amendment would be a $175 billion deficit in 1984. That is $12 billion more than the committee deficit; $161 billion in 1985, again over the committee; $152 in 1986; $160 billion in 1987; $158 billion in 1988, as compared to the committee resolution of $124 billion.

This new package that we have been waiting on so many days—first it was going to be presented in the Budget Committee. At that time, I heard it was called the chamber of commerce balanced budget amendment. And it was spoken about for days in the Budget Committee. And we were waiting on the chamber of commerce balanced budget amendment. Now, lo and behold, we find this budget and it is not a balanced budget amendment. No, sir, Mr. President, when you look at these kinds of deficits, it is considerably higher than the committee deficit. The committee deficit is way below this all the way across.

So why is it here? I guess it is here to see that you are not going to have any new taxes. I guess it is here to see that there is not going to be any new revenues. So the balance-the-budget amendment becomes the protect-all-tax-cuts amendment to see that you have no new revenue.

And the distinguished Senator from Utah has made much of his argument about the taxes and what has occurred in taxes and how taxes continue to grow. But it is interesting, if you will just kind of look at the chart that we have in the back here, we see that tax reductions from 1982 to 1988 following the path that we have right now, we have $860 billion in tax cuts over those years and we would have defense spending increases of $285 billion, nondefense spending cuts—not this tremendous growth that we keep talking about, but cuts—of $387 billion off of what the baseline would be.

So the net change in the deficit that is due to policy action and that is due to tax cut action is $757 billion. So $757 billion of our deficit is because of our tax cuts. And this amendment that we thought was going to be the

balanced budget amendment is now going to kind of take care of those tax cuts and also, Mr. President, take care of that deficit figure. Because what it really takes care of is seeing that the deficit figure is going to be higher than we are going to have on that chart because we are adding now to the deficit by this proposal or it is going to add over what the Senate Budget Committee had put out.

It seems kind of strange to me that we would see a proposal that actually comes out and adds to the deficit and hear that that proposal is somehow going to help this economy. What I see as the problem our economy is having today is, very simply, interest rates. The recovery that we are having today is because of a tax increase that was passed by the Republican side of this aisle 1 year ago that added the taxes. From that tax increase, there was a slight change in monetary policy and interest rates came down and the recovery started.

Well, that recovery, I think, will continue as long as those interest rates stay down. But I do not think those interest rates are going to stay down in the face of larger deficits. I fear the President's plan because it has larger deficits. I fear the committee plan, to tell you the truth, because the deficits are too large in that. But they do come down to 2.6 percent of the GNP and they would be over $20 billion even in the last year and across the total years over $100 billion less than this plan that was labeled the so-called balance-the-budget plan.

It seems to me that if we have any attempt at recovery, it is going to have to be on the basis that we are having projections that have the deficits coming down; that we are going to want those money managers to look at the budget or the work that we do and see that in the outyears, in 1986, in 1987, and 1988, that we have budgets that are declining and that are coming down.

I do not see that when I look at this plan. I see deficits that get down to $152 billion under the CBO figures in 1986. They go back to $160 billion in 1987. They go to $158 billion in 1988. It looks like to me you have got a nice level $160 billion deficit going out. And I do not know that is going to help turn this recovery around.

I say to my friend from Utah that with his high growth figures then he gets his deficit down to $71 billion, but if you wanted to use those same figures on the committee deficit, we get ours down to $37 billion. But we decided that that would not be credible, it would not be reasonable, it would not be something that we could get the money managers to buy, because they have learned to kind of look and see whether you are phonying up the figures, whether you are taking advantage of your assumptions, and that they would not buy those.

So, Mr. President, I hope that tomorrow, when we get a chance to vote on this, we would see that it has been through phase 3(a) or 3(b). As the distinguished Senator from Washington says, it needs to go through a couple of more phases. It needs to get something done to it to bring it back toward the balance-the-budget amendment that we thought it was going to be to start with, if we are going to have any opportunity to say that this is a proposal that will help in the fight that we have.

I think that when we just recognize that this really adds to our deficits rather than takes away, that of course it adds to the probability that this recovery, that we all hope is starting now, will not continue, will not be strong, and will not be able to get our unemployment down and get this country back to work and get the kind of recovery that we all desperately must have.

Mr. DOMENICI. Mr. President, might I inquire now of the distinguished sponsor of the measure if my understanding is correct that he would not now want to debate the matter any longer but, presuming we could get a unanimous-consent agreement later, we would set it aside and debate it further tomorrow.

Mr. HATCH. With the understanding that it would be satisfactory to the Senator from Pennsylvania so that he may present his amendment but that we will resume on my amendment, I take it, at 10:30 in the morning. I understand that the vote on the amendment of the distinguished Senator from Pennsylvania would come up after this one, although I would not have any qualms if the vote on his amendment came up before mine, either way.

Mr. DOMENICI. I thank the Senator.

Mr. President, I ask unanimous consent that the pending amendment of the distinguished junior Senator from Utah be temporarily laid aside and that we proceed now to take up an amendment to be offered by the distinguished Senator from Pennsylvania, Senator SPECTER; that it be debated this evening; that the Hatch amendment become the pending business when we return to the resolution in the morning; and that there be 1 hour, equally divided, to debate the Hatch amendment, to be followed by the disposition of the Hatch amendment, to be then followed by the disposition of the Specter amendment.

Mr. SPECTER. Will the distinguished chairman yield?

Mr. DOMENICI. I yield.

Mr. SPECTER. In the unanimous-consent agreement propounded by the majority leader, at my suggestion he had agreed that there be 15 minutes of debate on the Specter amendment before a rollcall vote.

Mr. DOMENICI. I add that to my request.

Mr. CHILES. Reserving the right to object, I would have no objection to laying aside Senator HATCH's amendment to take up Senator SPECTER's amendment. I need to get some clearance before I can say that we are locking the Hatch amendment tomorrow into 1 hour. I think it is pretty good but I would need a little time on that.

Mr. DOMENICI. I wonder if we want to have a quorum call while the Senator does that.

Mr. CHILES. If you want to take half of that and lay it aside.

Mr. DOMENICI. Let us do that much. I ask unanimous consent that the Hatch amendment be temporarily laid aside and that we now proceed to the consideration of the Specter amendment.

The PRESIDING OFFICER. Is there objection? Hearing none——

Mr. SPECTER. If the Budget Committee chairman will yield, I would add the additional proviso that there is not expected to be a vote on my amendment this evening, but at the conclusion of debate tonight, we will return to the Hatch amendment for whatever time it takes to complete action thereon, and upon completing action on the Hatch amendment, we will return to the Specter amendment for 15 minutes of debate, equally divided, before a vote on the Specter amendment.

Mr. DOMENICI. I might say to my good friend from Pennsylvania that I had just heard from Senator CHILES that he had not cleared all of that. I have no doubt that we will clear it soon. Therefore, I wanted to set this amendment aside with the Senator from Pennsylvania proceeding, hoping that very, very shortly, we would be able to add the remaining part of it. I can assure the Senator we will not vote tonight or vote until we have given him time tomorrow. We will have time on the bill to do that.

Mr. SPECTER. I thank the Senator.

Mr. DOMENICI. Will the Chair rule on my unanimous-consent request to temporarily set aside the Hatch amendment and proceed with the junior Senator from Pennsylvania?

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

AMENDMENT NO. 1228

(Purpose: To add additional funds for law enforcement and the construction of prisons)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER) proposes an amendment numbered 1228.

Mr. SPECTER. 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 3, line 13, increase the figure by $700,000,000.

On page 3, line 19, increase the figure by $100,000,000.

On page 3, line 20, increase the figure by $300,000,000.

On page 3, line 21, increase the figure by $300,000,000.

On page 4, line 1, increase the figure by $100,000,000.

On page 4, line 2, increase the figure by $300,000,000.

On page 4, line 3, increase the figure by $300,000,000.

On page 4, line 7, increase the figure by $100,000,000.

On page 4, line 8, increase the figure by $400,000,000.

On page 4, line 9, increase the figure by $700,000,000.

On page 4, line 14, increase the figure by $100,000,000.

On page 4, line 15, increase the figure by $300,000,000.

On page 4, line 16, increase the figure by $300,000,000.

On page 22, line 19, increase the figure by $700,000,000.

On page 22, line 20, increase the figure by $100,000,000.

On page 22, line 25, increase the figure by $300,000,000.

On page 23, line 5, increase the figure by $300,000,000.

Mr. SPECTER. Mr. President, I am offering an amendment to the budget resolution to allocate a total of $650 million for the construction and operation of Federal prisons for violent offenders sentenced under State habitual criminal statutes. I propose that $100 million be expended in fiscal 1984, $300 million in fiscal year 1985, and the balance, or $300 million, to be expended in 1986. I urge support of this measure, a measure which would begin to redress the principal cause of the breakdown in the American criminal justice system: The lack of adequate prison space for dangerous convicts.

In the 97th Congress, I introduced Senate bill 1689 to authorize the Federal prisons to use available space to incarcerate State inmates sentenced to life imprisonment as habitual offenders, without cost to the States.

At that time, Federal maximum security prisons had excess capacity. That is no longer true. Reducing the highest violent crime rate in the world surely requires that upon a third or fourth conviction for a major felony that a violent offender be removed from society and incarcerated.

Although in some 44 States statutes provide for life sentences, or at least greatly increased sentences in cases involving habitual offenders, those statutes are seldom used, primarily because of already overcrowed State prisons.

Because of the overriding importance of this problem, I reintroduced S. 1689 in the 98th Congress, now designated Senate bill 58. This amendment would start to provide the funds necessary to carry out this program.

Federal financial assistance, in my judgment, is essential to solving the problem. The States alone simply do not have sufficient resources for the kind of rapid construction program that is needed. Building one secure prison cell costs in the range of $50,000 to $70,000. Obviously, operating costs are also significant.

In August 1981, the Attorney General's Violent Crime Task Force reported its recommendation that the Federal Government provide $500 million per year to the States for prison construction, noting: "Almost all States are in a crisis situation." In fact, 39 States were then under court order to lessen overcrowding, or were involved in litigation that could lead to such orders.

In February 1982, the National Governors' Association Criminal Justice and Public Protection Committee called prison construction the No. 1 criminal justice priority, concluding: "States and localities must have adequate prison and jail space to confine offenders who are deemed to be a serious risk to the public."

Today the problem is much worse and even more money is needed than the $500 million suggested by the task force in 1981.

On April 24, 1983, the National Institute of Justice reported that the national prison population had increased by a record 42,915 in 1982, to a record high of 412,303.

Mr. President, the statistics on overcrowding of prisons are appalling.

At this point I ask unanimous consent that a factsheet be printed in the RECORD with the following statistics culled from the Bureau of Justice Statistics Bulletin, entitled "Prisoners in 1982," published in April 1983.

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

STATE PRISON OVERCROWDING

At the end of 1982, there were 412,303 inmates in state and federal prisons. Since 1970, the total population has more than doubled—from about 200,000 to more than 400,000. The vast majority of the 412,303 inmates are in state prisons.

During 1982, the combined population rose 42,915, the highest annual increase in any year since such statistics became available in 1925. The precentage increase from 1981-1982 was 11.6%, the largest for any year, except the 12.2% increase from 1980-1981.

Despite extensive construction programs in many states, the growth in population has greatly exceeded the growth in capacity. Consequently, in most states, prisons are severely overcrowded. For example, Pennsylvania is confining 10,400 inmates in facilities with a "rated capacity" of 8,630, according to testimony from its prison Director.

As of the end of 1982, 31 states were operating under court orders to remedy overcrowding. Another 9 states were involved in litigation that could lead to such orders. To comply with these orders, emergency release mechanisms were adopted by Iowa and Michigan in 1981, and by Connecticut, Georgia, Ohio and Oklahoma in 1982.

Provision was made for "intensively supervised" probation for offenders who in the past would have been incarcerated in Georgia, New York, Ohio and Texas. In addition, to relieve state prison overcrowding, 17 states shifted 8,217 inmates to county jails. These local facilities are often unsuitable from the standpoint of security for inmates convicted of violent or serious offenses and in addition are often overcrowded themselves.

During 1982 prison populations increased in 47 states and the District of Columbia. The largest increases occurred in the 5 largest prison systems—California, Texas, Florida, Ohio and New York. The largest percentage increases, ranging from 20-28%, however, were experienced in North Dakota, Alaska, Delaware, New Mexico, and Oklahoma.

There are indications that overcrowding will become even worse. In the last few years, 37 states have passed mandatory sentencing laws. Many have also adopted determinate sentencing. In addition, many states have adopted new parole policies that raise the requirements for parole, or limited to the discretion of the parole board, estending the time actually served, and in 10 states the paroling authority has been eliminated.

In addition, 43% of the prisoners are being housed in facilities built before 1925 and 70% in facilities that do not meet federal standards for square footage of cells, according to the Attorney General's Violent Crime Task Force Report (August, 1981, p. 77). States had begun construction by 1980 of more than 60 institutions or additions costing in excess of $700 million and between July 1979 and July 1980 had opened 23 new institutions at a cost of over $100 million (Id., at 76).

Source: Except where otherwise noted, all statistics are from the Bureau of Justice Statistics Bulletin, "Prisoners in 1982," April 1983.

Mr. SPECTER. Mr. President, at a time when crime is an overwhelming problem in this country, when it is universally recognized that the critical component of violent crime is the repeat offender, when repeat offenders commit approximately 17 percent of all robberies and burglaries, when repeat offenders commit as many as two, three, or more robberies and burglaries in one 24-hour period, it is absurd that there are not sufficient prisons to hold such repeat offenders once they are convicted.

Last year we appropriated some $240 billion for national defense, at a time when fatalities from foreign enemies was zero, and at the same time some 23,000 Americans were murdered on the streets of this country. We have turned our back on solving the prob-

lem of violent crime in any significant way.

In submitting this amendment to the budget resolution, I am well aware of the fact that the allocation of these funds would not, without appropriate authorization, accomplish the objective which I seek. But I believe that it is vitally important that we begin the task of providing appropriate Federal funding for the problem of violent crime in this country.

On March 23, I introduced a comprehensive bill which would attack violent crime in the United States by appropriating 1 percent of our national budget for that purpose, or in the range of $10 billion a year for the next 10 years. In introducing that bill, I realized that it would require a long-range effort to secure the kind of public backing necessary to obtain such extensive funding, but I believe that it must be undertaken.

In offering this amendment today, I do so in an attempt to focus attention on this problem, to urge my colleagues in this body to take this small step forward with $650 million, and to thereby indicate a Senate awareness of the extent of the problem, to take a vital step in providing jail space for career criminals, and to provide the incentive for State court judges to sentence career criminals under habitual offender statutes to life imprisonments or enhanced sentences.

In preliminary discussions on this bill with the distinguished chairman of the Committee on the Budget, he informed me that, as much as he favored the principle of funding for such an important objective, budget constraints precluded his support for this amendment. He suggested that I introduce authorizing legislation and that he would be glad to cosponsor it. It was at that juncture, after he had made the offer, that I informed him that I had already introduced authorizing legislation in the form of Senate bill 58, and obtained his agreement to cosponsor that legislation.

Similarly, I discussed this legislation with the distinguished ranking minority member of the Budget Committee, the senior Senator from Florida (Mr. CHILES), who informed me that he could not agree to or cosponsor an add-on at this time, because of the steps he had already taken for additional funding for the criminal justice system. When inquiries were made about funding within the existing budget system, it was determined that some $27 million were available for renovations, and that there was no funding available for any prison construction.

Mr. CHILES. Will the Senator yield on that point?

Mr. SPECTER. I do yield.

Mr. CHILES. Mr. President, I had been informed—and I did not want to misinform the Senator—but I have been informed that that was correct, what was in the bill itself. I do want to point out to the Senator from Pennsylvania that there are $80 million in the jobs bill for rehabilitation, or it could be used for construction. So there was a number there.

The other thing I point out to him is that much of the increase, $600 million of the increase, that I added on is in function 750. So it is, because we cannot line-item in the Budget Committee what happens to this money, in the wisdom of the Committee on Appropriations, that money or part of it could be used for prison construction, just as I was trying to use it to upgrade other law enforcement agencies.

Mr. SPECTER. I thank the distinguished Senator from Florida for that addition. I intend to press within the Judiciary Committee, which has the authorizing function, to see if we cannot use some of the money for prison construction.

In addition, there is in the budget, as I understand it, $100 million for justice assistance, which could conceivably go through the States for prison construction, as well as other purposes. All of the funds we have been talking about up until the present time are so minimal as to not really begin this very important project.

Mr. President, that is the essence of the case as I see it. As I understand it, there will be 15 minutes equally divided before there is a rollcall vote. At this time, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, with the time to be charged equally against the parties.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The majority leader is recognized.

UNANIMOUS- CONSENT AGREEMENT

Mr. BAKER. Mr. President, earlier, I described a unanimous-consent agreement which I did not ask the Chair to put. It has now been reduced to writing with one modification. I have shown it to the minority leader and to the managers. I should like to state the request now for the consideration of the minority leader and the managers and other Senators.

I ask unanimous consent that tomorrow, Wednesday, May 4, when the Senate resumes consideration of Senate Concurrent Resolution 27, the question recur on the amendment No. 1227, offered by the Senator from Utah (Mr. HATCH), with the time on the amendment limited to 60 minutes, to be equally divided and controlled in the usual form; that upon the disposition of the Hatch amendment, the Senate resume the consideration of the amendment No. 1228 of the Senator from Pennsylvania (Mr. SPECTER), with the time to be limited to 15 minutes, to be equally divided and controlled in the usual form; and that, following the disposition of the Specter amendment, the Senate proceed to the amendment to be offered by the Senator from Louisiana (Mr. JOHNSTON): Provided that all provisions of the Budget Act regarding floor consideration of the aforementioned amendments shall remain in full force and effect.

Before the Chair puts the request, Mr. President, the effect of this would be to provide for the orderly disposition of the Hatch amendment, the Specter amendment, and a Johnston amendment as I have described it. It does not deal with the Baucus amendment which we dealt with earlier, and it is anticipated that tomorrow there may be a further request in respect to a Baucus amendment or amendments. It is also anticipated that the two managers may be able to arrange for us a further list of amendments approximately interlacing Republican and Democractic opportunities to provide amendments. That, of course, is not binding, but it is the hope of this Senator that that can be done to the maximum extent. It would contemplate that we would finish action on the Specter amendment tonight with the exception of 15 minutes of debate tomorrow. That is the effect of the request, and I now put that request.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I will not object, but for the record may I say that it is the hope—and the majority leader has alluded to it already—that we can, upon the disposition of the amendment by Mr. JOHNSTON, sequence two amendments by Mr. BAUCUS back to back. That cannot be agreed to tonight, but it is our hope that overnight the majority leader and the manager on the other side will be able to touch the appropriate bases so as to allow Mr. BAUCUS to call two amendments up back to back. It might even be that the other side of the aisle would want to intersperse an amend-

ment between Mr. JOHNSTON and Mr. BAUCUS, but at some point, hopefully fairly early tomorrow, Mr. BAUCUS will have the opportunity to call up those amendments back to back. I do not object.

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

Mr. BAKER. Mr. President, I wonder if the Senator from Pennsylvania and the managers wish to continue the debate on this amendment or if they are prepared to go out?

Mr. DOMENICI. Mr. President, I have no more than 3 or 4 minutes. I would be delighted to use those 3 or 4 minutes to explain my reasons for opposing the amendment. While I am very laudatory of its goals and purposes, I must oppose it. But I would do that tomorrow during the 15 minutes since 7½ minutes would be for the opposition. Therefore, I have nothing to say this evening.

Mr. BAKER. Very well.

Mr. President, may I inquire of the minority leader and the distinguished minority manager of the resolution if they have any further need to debate the matter tonight? Otherwise, I am prepared to ask the Senate to stand in recess until tomorrow.

Mr. CHILES. Mr. President, that suits me.

Mr. BAKER. Very well.

Mr. President, I have been reminded that earlier I suggested that we might provide by order for the Senate to resume consideration of the pending resolution at 10:30 tomorrow. If the minority leader will not object, I am going to add to that request.

ORDER FOR ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF SENATE CONCURRENT RESOLUTION 27 TOMORROW

Mr. BAKER. I now ask unanimous consent, Mr. President, that after the recognition of the two leaders under the standing order there be a period for the transaction of routine morning business to extend not past 10:30 a.m. in which Senators may speak for not more than 2 minutes each; that at 10:30 a.m. the Senate resume consideration of the pending resolution, Senate Concurrent Resolution 27.

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

EXECUTIVE CALENDAR

Mr. BAKER, Mr. President, I say to the minority leader that I am prepared to ask the Senate to go into executive session for the purpose of considering certain nominations on today's Executive Calendar. I am referring specifically to Calendar Order No. 109 under the heading "Navy" at the bottom of page 3, all of those nominations on page 4, and the nominations on page 5. Is the minority leader prepared to clear all or any part of those nominations as just described for action at this time by unanimous consent?

Mr. BYRD. Mr. President, there is no objection on this side.

Mr. BAKER. I thank the Senator.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of that, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

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

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE NAVY

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 admiral

Vice Adm. Steven A. White, 569-34-1856/1120, U.S. Navy.

CORPORATION FOR PUBLIC BROADCASTING

Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 1, 1984.

DEPARTMENT OF EDUCATION

Donald Moncrief Muchmore, of California, to be a Member of the National Museum Services Board for a term expiring December 6, 1987.

NATIONAL COUNCIL ON THE HUMANITIES

Charles Ray Ritcheson, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1986.

DEPARTMENT OF STATE

Helene A. von Damm, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Austria.

DEPARTMENT OF TRANSPORTATION

James H. Burnley IV, of North Carolina, to be General Counsel of the Department of Transportation.

DEPARTMENT OF JUSTICE

Edward S. G. Dennis, Jr., of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for the term of 4 years.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

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

FISHERY AGREEMENT BETWEEN THE UNITED STATES AND POLAND—MESSAGE FROM THE PRESIDENT—PM 46

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which, pursuant to Public Law 94-265, was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and Poland, signed at Washington on August 2, 1976 until July 1, 1984. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201(c) of the Act.

Several U.S. fishing interests have urged prompt consideration of this agreement. In view of the July 1 expiration date of the current agreement, I therefore urge that the Congress give favorable consideration to this extension at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *May 3, 1983.*

FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE SOVIET UNION—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which, pursuant to Public Law 94-265, was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265;

16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and the Soviet Union, signed at Washington on November 26, 1976, until July 1, 1984. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201(c) of the Act.

Several U.S. fishing interests have urged prompt consideration of this agreement. In view of the July 1 expiration date of the current agreement, I therefore urge that the Congress give favorable consideration to this extension at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *May 3, 1983.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 2:16 p.m., a message from the House of Representatives delivered by Mr. Berry, one of it reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2600. An act to dedicate the Golden Gate National Recreation Area to Congressman Phillip Burton.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 106: A resolution to commemorate the 10th anniversay of the U.S. Product Safety Commission by designating the week of May 8, 1983, through May 14, 1983, as "National Product Safety Week."

S.J. Res. 66: A joint resolution to authorize and request the President to designate May 6, 1983, as "National Nurse Recognition Day."

S.J. Res. 67: A joint resolution to designate the week of September 25, 1983, through October 1, 1983, as "National Respiratory Therapy Week."

S.J. Res. 68: A joint resolution to authorize and request the President to designate July 16, 1983, as "National Atomic Veterans' Day."

S.J. Res. 83: A bill to recognize Senior Center Week during Senior Citizen Month as proclaimed by the President.

S. Con. Res. 14: A concurrent resolution in commemoration of the bicentennial of the birth of Simon Bolivar, hero of the independence of the Americas.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Joel M. Flaum, of Illinois, to be U.S. Circuit Judge for the Seventh Circuit;

Richardo H. Hinojosa, of Texas, to be U.S. District Judge for the Southern District of Texas;

Alfred S. Regnery, of Virginia, to be Administrator of the Office of Juvenile Justice and Delinquency Prevention;

Rudolph W. Giuliani, of New York, to be U.S. Attorney for the Southern District of New York for the term of 4 years.

By Mr. ROTH, from the Committee on Governmental Affairs:

Mary F. Wieseman, of Maryland, to be Inspector General, Small Business Administration.

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. SYMMS (for himself and Mr. MCCLURE):

S. 1193. A bill to amend the Internal Revenue Code of 1954 to treat certain heating of phosphate rock as mining for purposes of percentage depletion; to the Committee on Finance.

By Mr. DANFORTH:

S. 1194. A bill to amend the Internal Revenue Code of 1954 to encourage the contribution of scientific equipment to elementary and secondary schools and institutions of higher education and to foster university research and scientific training; to the Committee on Finance.

By Mr. BENTSEN (for himself and Mr. CHAFEE):

S. 1195. A bill to amend the Internal Revenue Code of 1954 to promote the contribution of scientific equipment to elementary and secondary schools and universities and to foster university research and scientific training; to the Committee on Finance.

By Mr. DECONCINI:

S. 1196. A bill to confer jurisdiction on the United States Claims Court with respect to certain claims of the Navajo Indian Tribe; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 1197. A bill to admit certain passenger vessels to the coastwise trade; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI:

S.J. Res. 91. Joint resolution designating May 3, 1983, as "Polish Constitution Day"; to the Committee on the Judiciary.

By Mrs. HAWKINS:

S.J. Res. 92. Joint resolution designating the week beginning May 8, 1983, as "Municipal Clerk's Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 1193. A bill to amend the Internal Revenue Code of 1954 to treat certain heating of phosphate rock as mining for purposes of percentage depletion; to the Committee on Finance.

PHOSPHATE INDUSTRY

Mr. SYMMS. Mr. President, the legislation that I am introducing today will correct an error contained in Revenue Ruling 74-519 that is detrimental to the phosphate industry.

Briefly, the phosphate ore that the phosphate industry mines in States other than Florida contains more impurities than the ores commonly mined in Florida, where 80 percent of the U.S. phosphate production currently takes place. Unlike Florida ores, the higher levels of impurities in the ores found in Idaho, Montana, Wyoming, Utah, and North Carolina require a decarbonization step as part of the mining process of concentrating the ore to bring it to shipping grade and form. Decarbonization involves the application of heat to remove organic hydrocarbon impurities and free water from the phosphate ore before it can be used for subsequent manufacture, primarily into phosphate fertilizers.

Under section 613 of the Internal Revenue Code, decarbonization is properly a mining process for which percentage depletion should be applicable. Unfortunately, in Revenue Ruling 74-519, the IRS misunderstood the nature of this process and concluded that decarbonization is not a mining process, which has the effect of disallowing the tax deductions for percentage depletion on such process. The IRS concluded that this heat process was not a concentrating process, but a thermal process, which is a nonmining step.

This conclusion is incorrect. While substantial amounts of impurities are removed, the physical and chemical identity of the phosphate mineral remains unchanged by decarbonization. Moreover, decarbonization is undertaken to produce phosphate rock that is equivalent to that produced in Florida where this step is unnecessary.

In fact, decarbonization is a concentrating—mining—process which is defined, in pertinent part, in the Treasury regulations as:

> . . . the process of eliminating substantial amounts of the impurities or foreign matter associated with the ores or minerals in their natural state . . . without changing the physical or chemical identities of the ores or minerals." 26 CFR 1.613.4(f)(3)(i).

As a concentrating process, percentage depletion should be applicable to the decarbonization of phosphate ore. Correction of the IRS' interpretation would protect American agricultural interests by assuring the domestic production of adequate levels of phosphate rock, as well as promoting the development of this vital resource in States such as Idaho, Montana, Wyoming, North Carolina, and Utah. Moreover, correction is clearly consistent with the intent of Congress expressed in the Internal Revenue Code, and with the Treasury regulations issued in implementation of the Code provisions.

Mr. President, I would like to request that the contents of the bill be printed as follows, and that a more technical explanation of the issue be included in the RECORD as well.

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

S. 1193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (4) of section 613(c) of the Internal Revenue Code of 1954 (relating to treatment processes considered as mining) is amended—

(1) by redesignating subparagraph (I) as subparagraph (J),

(2) by striking out "and" at the end of subparagraph (H), and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of phosphate rock, heating to any temperature below 850 degrees Celsius, and".

(b) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

I. PREFACE

A. Internal Revenue Service position

The Internal Revenue Service has misconstrued the process of decarbonization of phosphate ore and treats it as a non-mining, thermal action process. In actuality, it is a concentration process and, accordingly, is a mining process for purposes of calculating percentage depletion.

B. Decarbonization of phosphate

Decarbonization of phosphate ore is conducted to eliminate substantial amounts of impurities associated with certain varieties of the ore in its natural state. This process is a concentration process which makes no chemical change in the ore and does not make a final, finished product, but rather concentrates the raw material so that it is usable for the subsequent manufacture into finished products. As such, decarbonization is simply a concentration process required to bring the ore to shipping grade and form.

II. PHOSPHATE ROCK MINING IN THE UNITED STATES

A. In general

Phosphate rock is mined principally in Florida, North Carolina, and in the Western states of Idaho, Montana, Wyoming and Utah. In 1980, 54.4 million metric tons of phosphate rock were produced in the United States. Of this total, Florida produced 80 percent; North Carolina, 7 percent; the Western states, 10 percent; and Tennessee, 3 percent.[1]

In Florida and North Carolina, phosphate rock is found in sedimentary deposits. The overburden and the ore, known locally as matrix, is consolidated material and is mined by the open pit method. The overburden is stripped and the matrix is extracted from the ground by large draglines. After extraction from the ground, the matrix is slurried with water and pumped, usually three to five miles, to a beneficiation plant where various concentrating steps are performed.

In the Western states, the phosphate rock is found in hard rock as well as in sedimentary deposits. Mining is also by the open pit method. The overburden and the ore are drilled and blasted with explosives to loosen them. Scrapers and trucks remove the overburden and extract the ore. The ore is then transported by trucks or railcars to a beneficiation plant where concentrating takes place. Because of the nature of the Western deposits, crushing and grinding of the ore often precede the concentrating steps.

The mining processes used to concentrate a specific phosphate ore deposit to bring it to shipping grade and form are dependent upon the impurities or gangue material in the particular ore body and upon the intended use of the resulting concentrated rock. In the United States, approximately 26 percent of all phosphate rock is exported. Of the rock used domestically, 84 percent is used to produce phosphoric acid by the wet process method, the acid in turn being used to produce chemical fertilizers. Another 4 percent is used directly in the production of fertilizers. The production of elemental phosphorus uses 10 percent of the phosphate rock and 1 percent is defluorinated for use in the production of animal feed.[2]

The principal phosphate mineral in the United States is fluorapatite, which is found with various gangue materials such as clays, silica, carbonates and hydrocarbons. The concentration of the ore to remove these impurities typically includes one or more of the following beneficiation processes: (1) scrubbing, washing, and size classification either mechanically or hydraulically to remove clays and coarse trash, (2) both anionic and cationic flotation to remove silica sand and/or carbonates, and (3) decarbonization to remove organic hydrocarbon material.

The degree of concentration of the phosphate content varies from step to step through the process as a result of the degree of impurity removal. It is also a function of the actual impurity levels, which vary significantly from one ore deposit to another. For example, the washing, scrubbing and classification steps are generally a series of sizing operations. Each one of these operations may increase the phosphate level by 5 to 18 percent, but in total generally increases the concentration on the order of 25 to 50 percent. Likewise, flotation is commonly conducted in a multi-step process, the first step of which may concentrate phosphate values by 40 to 70 percent, and the last by 8 to 10 percent or less. The decarbonization of the ore typically concentrates the phosphate level by 7 to 9 percent and is always the last concentrating step because it also drys the product for shipping. Any one or more of these mining treatment processes, as well as sintering or nodulizing and drying, may be necessary to reach a product of commercially acceptable shipping grade and form.

The phosphate ores in Florida typically require only the washing and flotation concentrating steps. The rock which requires only washing is called pebble product, while the phosphate product requiring both washing and flotation is called concentrate. While organic hydrocarbon material is present in both of these products, it is sufficiently low in content so that the decarbonizing concentrating process is not required to bring the Florida product to shipping grade and form. However, the organic hydrocarbon content of North Carolina and Western ores is sufficiently high that further concentration is necessary to bring the product to shipping grade and form, particularly for the manufacture of wet-process acid.

While washing, flotation, sintering or nodulizing, and drying have been allowed as mining processes under Section 613(c) of the Code and Section 1.613-4(f) of the Income Tax Regulations, the decarbonizing concentrating process has been incorrectly disallowed in Revenue Ruling 74-519. Apparently, this was due to a misunderstanding of the nature of this process.

The most economical method of removing the organic hydrocarbon impurities in phosphate ore is through a heat treatment process. This method has the added advantage that free water is also removed simultaneously, thereby eliminating a separate drying step. Such a drying process is considered as a mining process for purposes of percentage depletion. While decarbonization is a heat treatment process, it is neither a thermal action process as described in § 1.613-4(g)(6)(viii) of the Regulations, nor a calcination process as described in § 1.613-4(g)(6)(i) of the Regulations. At all times, the operating temperature is maintained at significantly lower levels than in thermal action treatment or in calcining. Moreover, the resultant decarbonization of phosphate rock does not alter the physical or chemical identity of the fluoropatite mineral.

B. Background and specific application of Internal Revenue Code provisions

1. Background

a. Prior to 1971

Phosphate was added, along with trona, to the list of minerals qualifying for percentage depletion in 1947.[3] The decarbonization of phosphate was considered a part of mining as an ordinary treatment process normally applied by mine owners or operators to obtain a marketable mineral product. In 1960, the term mining was changed to include treatment processes considered as mining.[4] During the hearings of the 1960 Act, the Treasury Department spokesman stated that the decarbonation of trona would be treated as a treatment process considered as mining.[5] The Treasury Department in keeping with its statement and the Code treated the decarbonation of trona and the decarbonization of phosphate as mining processes.

b. Trona

In 1971, the Treasury Department announced, in connection with finalizing regulations dealing with the 1960 amendments, that the decarbonation of trona would no longer be considered a mining process for percentage depletion purposes. The Treasury action resulted in Congressional consideration of the classification of decarbonation of trona.

In 1974, Congress found that decarbonation of trona eliminated impurities (water and carbon dioxide) and was merely a concentration process.[6] Additionally, Congress amended section 613(c)(4)(E) of the Code specifically to provide that decarbonation of trona is a mining process (and thereby completely end any disputes with the Internal Revenue Service.)[7] The statutory modifica-

[1] Mineral Industry Surveys, Phosphate Rock 1980, U.S. Department of Interior, Bureau of Mines.

[2] Ibid.

[3] Section 15(b) of Termination of Wartime Provisions Act, Pub. L. No. 80-384, 61 Stat. 917 (1947); (Int. Rev. Code 1939, § 114(b)(4)).

[4] Public Debt and Tax Rate Extension Act of 1960, Pub. L. No. 86-564, § 613:1 (1980).

[5] "Mineral Treatment Processes for Percentage Depletion: Hearings Before the Committee on Ways and Means," 86th Cong., 1st Sess. 47 (1959).

[6] S. Rep. No. 1059, 94th Cong., 2d. Sess. 6231 (1974).

[7] Pub. L. No. 93-499, 88 Stat. 1549 (1974).

tion should not have been necessary in view of the Congressional finding that decarbonation of trona is a concentration process, *i.e.*, the amendment to the Code was unnecessary because section 613(c)(4)(C) already provided that "in the case of * * * minerals which are customarily sold in the form of a crude mineral product—concentrating" is a treatment process considered as mining for purposes of calculating percentage depletion. Thus, the 1974 amendment served the sole purpose of forcing the Treasury, immediately, to accept that decarbonation of trona is a concentration process and accordingly a mining process. Obviously, legislative consideration would have been unnecessary if the Treasury had continued to maintain the correct construction of the statute as it had from 1960 to 1970.

2. Application of Internal Revenue Code to Phosphate

In order to apply properly the Code, one must first understand the process for the decarbonization of phosphate. The development of ores containing higher levels of hydrocarbon impurities than found in Florida ores requires decarbonization. The process removes organic or carbonaceous materials from the rock by the application of heat because other beneficiation processes which remove other impurities are not sufficient to remove these materials. The process only removes the impurities and makes no chemical change in the phosphate rock. Without this process, the phosphate rock is not in shipping grade and form.

Section 613(c)(4)(C) of the Code provides that, in the case of an ore (such as phosphate) which is customarily sold in the form of a crude mineral product [8], sorting and concentrating are mining processes. Section 1.613-4(f)(3)(i) of the Regulations provides: "as used in section 613(c)(4)(C) * * * the terms 'sorting' and 'concentrating' mean the process of eliminating substantial amounts of the impurities or foreign matter associated with the ores or minerals in their natural state, * * * *without changing the physical or chemical identities of the ores or minerals.*" [9] [Emphasis added]

This definition precisely describes the decarbonization of phosphate ore, whereby substantial impurities are removed from phosphate ore without changing the physical or chemical identities of the phosphate rock. The Code and Regulations are clear and one would assume there could be no questions as to it being a mining process. However, as was the case with trona, the Internal Revenue Service has maintained an incorrect position.

3. Current Internal Revenue Service Position on Phosphate

The 1971 change of position by the Treasury with respect to the decarbonation of trona raised questions regarding decarbonization of phosphate. In 1972, the Service issued Revenue Ruling 72-473,[10] which determined whether certain treatment processes applied to extracted phosphate rock are mining processes for purposes of computing percentage depletion. It correctly held that the calcining of phosphate rock to produce defluorinated phosphate rock for use in manufacturing food additives in not a mining process. As the ruling points out, calcining of phosphate rock to eliminate flourine chemically alters the rock and is, accordingly, a calcining or manufacturing process.

In 1974, the Internal Revenue Service issued Revenue Ruling 74-519 [11] holding that the burning of carbonaceous material contained in phosphate rock is thermal action and therefore not mining for purposes of computation of percentage depletion. This ruling is based on the proposition that the decarbonization of phosphate takes place after all mining and concentration processes have been completed and is necessary to subsequent manufacturing processes. The Service's conclusion that this was a thermal action process is factually incorrect.

4. Internal Revenue Service Position Is Incorrect

There is no justification for the conclusions reached in Rev. Rul. 74-519. The Ruling properly states the definition of "concentrating", but arbitrarily fails to apply or even discuss it. Inappropriately, the Ruling attempts to define decarbonization of phosphate as "thermal action" which is defined in § 1.613-4(g)(6)(viii) of the Regulations as: "processes which involve the application of artificial heat to ores or minerals such as, for example, the burning of bricks, the coking of coal, the expansion or popping of perlite, the exfoliation of vermiculite, the heat treatment of garnet, and the hearing of shale, clay or slate to produce lightweight aggregates. The term does not include drying to remove free water." [12]

Clearly the enumerated examples are not processes to remove impurities. They are rather processes applied to minerals (where the impurities have already been removed) in order to obtain an end product. For example, as applied in the above definition, the burning or firing of bricks is part of a manufacturing process in which the raw materials are first crushed, mixed, ground, tempered and formed, dried and then fired. During the firing process, mechanically and chemically combined water is driven off and iron, sulfur, and organic impurities are oxidized. The desired mineral transformations and volume changes are a part of the manufacturing process to produce bricks for particular uses and are not a concentration process. In the coking of coal, the thermal action is used to convert low volatile hydrocarbons to elemental carbon. In both the expansion or popping of perlite and the exfoliation of vermiculite, the thermal action on the mined and concentrated mineral serves to vaporize both the combined and entrapped water. This rapid vaporization shatters the mineral form, resulting in its desired physical change, but effects no mineral concentration. The thermal treatment of garnet improves its abrasive qualities, not through improving its inherent hardness, but by removing minute amounts of surface impurities, which, if not removed, interfere with its later processing to give proper adhesion for bonding. Also in the pyro-processing of shale, clay, or slate to produce lightweight aggregate, the purpose of the thermal action is not to concentrate the mineral, but to reduce its density for use in manufacturing low density brick or other construction materials. Clearly these are not processes to remove impurities. They are rather processes applied to minerals from which the gangue impurities have already been removed in order to obtain an end product. It should thus be equally clear that Reg. § 1.613-4(g)(6)(viii) is not applicable to the particular application of heat to phosphate.

The Ruling also refers to "refining" which is defined by § 1.613-4(g)(6)(iii) of the Regulation as: "processes * * * used to eliminate impurities or foreign matter from smeltered or partially processed metallic and nonmetallic ores and minerals, as, for example, the refining of blister copper. In general, a refining process is designated to achieve a high degree of purity by removing relatively small amounts of impurities or foreign matter from smeltered or partially processed ores or minerals." [13]

The foregoing definition does not apply to decarbonization of phosphate. The phosphate rock has not been smeltered or partially processed; it has only undergone mining processes. Decarbonization, like other beneficiation processes, is required as a mining process in order to obtain a raw material which can be used in the manufacture of wet-process acid. Decarbonization is required as a mining process in order to obtain a raw material in shipping grade and form.

In similar manner, the term "calcination" was initially intended to cover the processing of limestone (calcium carbonate) through roasting (volatilization of the chemically combined carbon dioxide) to produce lime (calcium oxide). Limestone is typically mined in a comparatively pure form. Chemical grade limestone contains only small amounts of impurities such as iron, magnesium and clay minerals and little or no concentration is needed prior to its thermal refining to produce lime.

The equipment and heat flow technology used in the limestone to lime process have become known as "calciners" and "calcining", respectively. The utilization of this type of equipment or technology to the heat treatment of other ores has sometimes led to the inappropriate use of these terms as a classification matter when similar equipment is used without a consequent chemical change. This is particularly true with respect to phosphate rock. The term calcining has frequently been used to describe both the process of defluorinating phosphate rock and the process of decarbonization of phosphate ore. The term is correctly used in the former case as heat is used to effect a chemical change, i.e., the volatilization of fluorine from the phosphate mineral, fluorapatite. It is incorrectly used in the latter case, where concentration of the ore takes place by volatization of the organic hydrocarbon impurities and no physical or chemical change of the phosphate mineral occurs.

Thermal action and calcining have correctly been disallowed as part of the mining process since they change the chemical nature of the mineral processed, and are applied after all mining concentration processes have been completed. The heat treatment of phosphate ore to decarbonize, however, does not affect the phosphate mineral form. Rather, it merely concentrates the ore to shipping grade and form.

Both nodulizing and sintering of phosphate ore are allowed as mining processes for the purpose of calculating percentage depletion. Nodulizing and sintering are high temperature (2000-2500 degrees F) processes conducted to produce a phosphate raw material suitable for feed to an electric fur-

[8] Phosphate is clearly such a mineral with the Code meaning and under § 1.613-4(f)(3)(iv).

[9] The same definition is contained in Rev. Proc. 78-19, 1978-2 C.B. 491, Sec. 5.09.

[10] 1972-2 C.B. 284.

[11] 1974-2 C.B. 182.

[12] The same definition is contained in Rev. Proc. 78-19, 1978-2 C.B. 491, Sec. 5.61.

[13] The same definition is contained in Rev. Proc. 78-19, 1978-2 C.B. 491, Sec. 5.45.

nace for elemental phosphorus production. In these processes, the ore is concentrated by removal of volatile and combustible impurities which are not tolerable for efficient operation of the furnace. Both physical and chemical changes occur in the ore: the physical change is the fusing and melting that occurs at high temperature, while the chemical change is the decomposition of the impurities present, such as calcium carbonate, and the expulsion of fluorine from the fluorapatite, resulting in the formation of tricalcium phosphate and lime. In addition, the same hydrocarbons that are eliminated in the phosphate decarbonization process are also removed. Nodulizing and sintering are thus concentration processes which also fuse the phosphate rock to produce a more efficient furnace feed. The physical change that occurs significantly increases the size of the phosphate particles by fusing them together.

The decarbonization of phosphate rock is analagous in its concentration effect to sintering, but it is even clearer that it is a mining process, since it is deliberately conducted at lower temperatures (1200-1430 degrees F) to avoid alteration of the apatite mineral. In particular, fusing or changes in chemical composition are avoided. Consequently there is no chemical or physical transformation of the fluorapatite in the decarbonization process.

The decarbonation of trona is also allowed as a mining process for calculating percentage depletion. In processing trona ore into soda ash, decarbonation is a necessary concentration and chemical treatment process. Decarbonation of trona is a thermal process in which the sodium bicarbonate content of the trona mineral is decomposed to sodium carbonate with the concurrent volatilization of carbon dioxide and moisture. The decarbonated trona ore is further concentrated in subsequent processing to remove other impurities. The decarbonation step is analagous to decarbonization of phosphate ore in that it is necessary to produce a product of shipping grade and form, but it is not analagous in that the process of decarbonation effects a chemical change by the decomposition of the ore to sodium carbonate and carbon dioxide in a reaction similar to the calcining of limestone in which the latter is decomposed to lime and carbon dioxide. As opposed to high temperature treatment to effect a chemical change, the major desired constituent in phosphate ore, fluorapatite, remains unchanged both chemically and physically during its decarbonization.

III. SUMMARY

Phosphate ores contain many impurities which must be removed by various mining processes before the product is in shipping grade and form. Eighty percent of the ore produced in the United States only needs to be washed and floated in order to be concentrated sufficiently for use in wet-process phosphoric acid production or as electric furnace feed. If the phosphate product from these concentration steps is too fine, it must be sintered or nodulized before it can be used as electric furnace feed. Phosphate ore mined in the Western states and in North Carolina, however, must undergo the further concentrating step of decarbonization before it can be used in wet-process phosphoric acid production. The phosphate mineral undergoes no physical or chemical change in this process. The sintering or nodulizing of Western and North Carolina ores concentrates these ores through decarbonization while simultaneously, the phosphate mineral is undergoing physical and chemical changes necessary to provide a product suitable for feed to an electric furnace. All phosphate ore mined in Tennessee is used in electric furnaces for elemental phosphorus production and therefore undergoes the decarbonization process during sintering or nodulizing.

It is apparent that the disallowance of decarbonization of phosphate ores as a mining process has been due to a misunderstanding of the nature of the process. In the past, it has mistakenly been assumed to be a disallowed process such as calcining, thermal action, or refining. In fact, decarbonization of phosphate ore is a concentration process which uses heat, but which does not change the physical or chemical nature of the phosphate mineral.

It is difficult to understand why the Internal Revenue Service has attempted to stretch definitions that are clearly not intended to apply to the process of decarbonization of phosphate ore. This is particularly true where the definition of "concentrating" is clearly applicable to the decarbonization process. As in the case with trona, the Internal Revenue Service has mistakenly determined to disallow decarbonization of phosphate as a mining process, despite a clear statute and regulations.

However, since the Internal Revenue Service apparently would like legislative direction on this matter, I am hopeful that my colleagues will join me in proceeding with corrective legislation.

By Mr. DANFORTH:

S. 1194. A bill to amend the Internal Revenue Code of 1954 to encourage the contribution of scientific equipment to elementary and secondary schools and institutions of higher education and to foster university research and scientific training; to the Committee on Finance.

TECHNOLOGY EDUCATION ASSISTANCE AND DEVELOPMENT ACT OF 1983

● Mr. DANFORTH. Mr. President, for some time now we have been talking on this floor about the serious decline in the quality of education in this country, particularly science and math education. There have been numerous bills introduced in the last two Congresses, several by me, with the purpose of addressing this problem. So far, none of this proposed legislation has made any progress in the Senate.

On Tuesday of last week, the National Commission on Excellence in Education released its report, "A Nation at Risk," on the problems facing our educational system. Not surprisingly, this report concludes that we are in serious trouble. What is the cause of the decline in educational achievements? The commission cites several factors, including lack of emphasis on basic courses, the lowering of expectations and standards, too much vacation time and the lack of qualified teachers, coupled with underpayment of those teachers who are qualified. The commission calls the shortage of adequately trained math and science teachers "particularly severe."

Mr. President, what are the consequences to our country and its citizens of inadequate education in math and science? I believe that the very future of our economy and our position in the world are at stake. To quote the commission once again:

> Our once unchallenged preeminence in commerce, industry, science and technological innovation is being overtaken by competitors throughout the world * * * what was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments.

If we are to maintain our leadership in the world, if we hope to continue to offer the highest standard of living in the world, we must reverse that trend. A strong economy depends on our ability to achieve real growth in national income, without falling prey to destructive inflationary spirals. To do so, we must achieve real increases in productivity. One of the major steps in realizing productivity growth is to provide the country's most valuable resources—our students—with every opportunity to acquire the knowledge and develop the skills that will lead to the development of new technologies, on which we depend for productivity growth.

Mr. President, our country's performance in technology education over the last 20 years provides little to cheer about. Japan, with less than half the population of the United States, graduates more electrical engineers than we do. Japan, West Germany, and the Soviet Union have all devoted more resources, as a percentage of GNP, to research and development in the past 20 years than the United States, and have all experienced much higher rates of growth in productivity—466 percent for Japan, for example, compared to 69 percent for the United States.

The shortages in qualified teachers and facilities for math and science education are acute. In 1981, 38 States reported shortages of chemistry teachers; 43 States reported shortages of mathematics teachers; and 42 States reported shortages of physics teachers. Through the 1970's, the average number of new science teachers produced by our colleges dropped by 64 percent; new math teachers dropped by 78 percent. The appalling result is that half of all new science and math teachers hired by high schools are unqualified to teach their subjects.

These factors can be traced to the inability of our institutions of higher education to provide education to students who want to enter these fields. For example, there are now approximately 2,000 vacancies in higher education engineering faculties. Similar shortages exist for mathematics and other science disciplines as well. It is not so much a question of not having enough interested students. Rather, it is the inability of our schools to provide for the "hordes"—in the words of the Wall Street Journal—who want to

become computer scientists, engineers, and mathematicians.

It is not just a shortage of faculty that prevents our universities from producing adequate numbers of science and math graduates. The lack of up-to-date equipment on which to learn and do research is also a desperate problem. A recent article in the Washington Post, on the discovery in Europe of the elusive "W" particle, noted that, as we have allowed the advancement of the instrumentation of our universities to decline, the most talented researchers, including Americans, have gone to Europe to do their work.

In addition to the problems we face in training sufficient numbers of mathematicians, scientists, and engineers to form an adequate supply from which to draw teachers of math and science, our elementary and secondary schools are unable to provide access to the latest in technology for their students. The commission's report recommends requiring computer science courses for every student before they graduate from high school. Only by developing in the students of today the ability to adapt to and utilize the rapidly expanding and changing presence of computers will we, as a country, be able to compete successfully in the world market of tomorrow. Yet budget restraints prevent our schools from acquiring this kind of equipment.

Mr. President, I am today introducing a bill which is aimed at alleviating these problems by encouraging a partnership between the Federal Government and private industry to provide funding and equipment to colleges, universities, secondary, and elementary schools.

This bill, for which I have a technical description to place in the RECORD, has two basic parts. The first part of the bill is designed to encourage the contribution of scientific equipment to schools for use in direct student or teacher education. Such contributions are encouraged by allowing them to be treated the same as contributions of scientific equipment to colleges and universities for use in research and experimentation under current law. This provision would apply, in the case of contributions to precollege education, to contributions of computers, educational software, ancillary computer equipment, and repair and maintenance services.

In the case of institutions of higher education, the provisions would apply to contributions of any scientific or technical equipment or apparatus—including, of course, computers and related equipment—which are used for the direct education of students or faculty, research, or research training, in mathematics, the physical or biological/biomedical sciences, computer science or engineering.

The second part of the bill deals with an expansion of the R&D credit for basic research performed by colleges and universities which is funded by corporations. Under this provision, any amounts paid to universities or other qualified organizations for basic research would not be included in the taxpayer's base-year research for purposes of determining whether the taxpayer has increased its R&D activity. In addition, this part of the bill makes amounts paid by corporations to fund faculty salaries, scholarships, or loans in the sciences, math, or engineering qualify as contract research expenses for purposes of the R&D credit.

Mr. President, the Commission's report calls for the Federal Government to support improvements in these and other areas, but calls for this assistance to be provided with a minimum of administrative burden and intrusiveness. My bill, though in the works long before the Commission released its report, is designed specifically with that in mind.

By encouraging this assistance through Government/industry partnerships, the bill accomplishes two objectives: First, it provides our schools with many times the benefits in dollar value that a direct expenditure of the same amount of Federal funds would provide, and second, it does so with virtually no additional bureaucracy.

Mr. President, this bill will address an extremely important need faced by our country's education system. It is supported by the Association of American Universities, the Association of State Universities & Land Grant Colleges, the National Association of Independent Colleges & Universities, the National Association of Secondary School Principals—the largest group of school administrators in the country—the National Association of Elementary School Principals, and the American Electronics Association, which has over 2,000 members involved in all aspects of the electronics industry.

Mr. President, I ask unanimous consent that the text of the bill and the technical description of the bill be printed in the RECORD.

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

S. 1194

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Education Assistance and Development Act of 1983".

SEC. 2. DEDUCTION FOR CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY FOR USE IN TECHNOLOGY EDUCATION DEVELOPMENT.

The Internal Revenue Code of 1954 is hereby amended by striking paragraph (4) of subsection (e) of section 170, and is further amended by adding to part VI of subchapter B of chapter 1, as a new section 174A, the following:

"SEC. 174A. CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY USED FOR EDUCATION AND RESEARCH.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction any qualified education or research contribution (as defined in subsection (b)), which is made within the taxable year.

"(b) QUALIFIED EDUCATION OR RESEARCH CONTRIBUTION.—For purposes of this section, the term 'qualified education or research contribution' means a transfer, made without consideration, by a corporation of—

"(1) in the case of a transfer to an educational organization which is described in section 170(b)(1)(A)(ii) and that is an institution of higher education (as defined in section 3304(f), (or to an association, substantially all of whose members are educational organizations described in section 170(b)(1)(A)(ii) that are institutions of higher education) qualified scientific property or qualified services;

"(2) in the case of a transfer—

"(A) to an educational organization that (i) is described in section 170(b)(1)(A)(ii) and (ii) is not an institution of higher education (as defined in section 3304(f)),

"(B) to a school operated as an activity of an organization described in section 501(c)(3) and exempt from income tax under section 501(a), if such school (i) normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on, and (ii) is not an institution of higher education (as defined in section 3304(f)), or

"(C) to a museum, library or correctional institution which is exempt from income tax under section 501(a) and which (i) is operated by section 170(c)(1) governmental unit, or (ii) is operated as an activity of a section 501(c)(3) organization,

qualified computer equipment property or qualified services.

"(c) QUALIFIED CONTRIBUTIONS.—

"(1) QUALIFIED COMPUTER EQUIPMENT PROPERTY.—For purposes of this section, 'qualified computer equipment property' means personal property described in paragraph (1) of section 1221, which is transferred to an organization described in subsection (b)(2), but only if—

"(A) such transfer is made through the governing body of the recipient,

"(B) such transfer is of computer equipment property which, for purposes of this section, means any of the following:

"(i) a data processor which—

"(I) is suitable for educational use,

"(II) will support at least 3 computer languages,

"(III) has a random access memory with a capacity for at least 16,000 bytes, expandable to at least 48,000 bytes, and

"(IV) is accompanied by a screen for visual display of data;

"(ii) ancillary computer equipment which is transferred for use in connection with a data processor described in clause (i) which is contributed by the taxpayer or which is already owned by the recipient. For this purpose, ancillary computer equipment shall mean a display screen, a printer, or a disc drive;

"(iii) any installation equipment or replacement parts for equipment described in clauses (i) or (ii); or

"(iv) computer software which is suitable for use in instructional applications in the educational environment in which the data processor is to be used,

"(C) such transfer of computer equipment is accompanied by the same warranty or warranties normally provided by the taxpayer in connection with a sale of equipment of the same kind,

"(D) in the case of the transfer of property described in subparagraph (B)(i), (ii), or (iii), such transfer is of property which is assembled by the taxpayer, and the taxpayer is regularly engaged in the business of assembling and selling or leasing computer equipment of the same kind as such property,

"(E) such transfer is made—

"(i) not later than 6 months after the date upon which the assembly of the property is substantially completed, and

"(ii) during the 5-year period beginning on the effective date of this Act,

"(F) such transfer is made pursuant to a written plan under which there will be diversity in the distribution of the taxpayer's contributions of qualified computer equipment property on a geographical basis and on the basis of the relative economic status of the students of the recipients,

"(G) the original use of the computer equipment is by the recipient,

"(H) substantially all of the use of the transferred property by the recipient will be at its institution(s) directly in the education of students or teachers in the United States,

"(I) the transferred property is not retransferred by the recipient in exchange for money, other property, or services, during the ACRS life of the property,

"(J) the taxpayer receives from the governing body of the recipient a written statement, executed under penalties of perjury, representing that the use and disposition of the property by the recipient will be in accordance with the provisions of subparagraphs (H) and (I); further, in the case of a transfer of software described in subsection (c)(1)(B)(iv), the statement must represent that such software is compatible with data processors owned by the recipient and that it is suitable for use in educational programs of the recipient; in the case of transfers of ancillary computer equipment, the statement must represent that such equipment is compatible with data processors contributed by the taxpayer or already owned by the recipient.

"(K) the taxpayer, at no cost to the recipient or its employees, provides sufficient orientation to one or more individuals employed by the recipient, to make at least one such individual per data processor transferred by the taxpayer, proficient in the operation of the property in the direct education of students or teachers. Such orientation program shall—

"(i) be conducted by employees of the taxpayer or by any other competent person authorized by the taxpayer pursuant to an agreement between the taxpayer and such person,

"(ii) be provided at a location that is determined pursuant to an agreement between the taxpayer and the recipient.

The determination of what is 'sufficient orientation' for purposes of this subparagraph shall be pursuant to an agreement between the taxpayer and the recipient; however, except in the circumstances described below, the orientation program must provide at least three hours of orientation per data processor transferred. This minimum shall not apply where, at the determination of the governing body of the recipient, employees of the recipient have knowledge of an experience with the transferred property sufficient to justify less that three hours orientation per data processor. In such case, the statement required under subsection (c)(1)(J) shall include a representation that such lesser amount is sufficient.

"(2) QUALIFIED SCIENTIFIC PROPERTY.—For purposes of this section, the term 'qualified scientific property' shall mean computer software or tangible personal property that is described in paragraph (1) of section 1221 or that is property used in the taxpayer's trade business (as defined in section 1231(b)) and which is transferred (either directly or through the clearinghouse for used scientific property) to an organization described in subsection (b)(1), but only if—

"(A) such transfer is made through the governing body of the recipient,

"(B) such property is scientific or technical equipment or apparatus, or replacement parts therefor, substantially all of the use of which by the recipient is for direct education of students or faculty, for research and experimentation (within the meaning of section 174), or for research training, in the United States, in mathematics, the physical or biological/biomedical sciences, engineering, computer science, or the following categories of vocational education:

"(i) Computer and information services,

"(ii) Science technology

"(iii) Engineering and engineering-related technologies, or

"(iv) Precision production—drafting and precision metalwork,

"(C) such transfer is made—

"(i) in the case of personal property described in paragraph (1) of section 1221, not later than 6 months after the date upon which the assembly of the property is substantially completed, or

"(ii) in the case of tangible personal property used in a taxpayer's trade or business (as defined in section 1231 (b)), not more than 3 years after the property is first placed in service,

"(D) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, such transfer is of property which is assembled by the taxpayer, and the taxpayer is regularly engaged in the business of assembling and selling or leasing scientific or technical equipment or apparatus of the same kind as such property,

"(E) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, in original use of such property is by the recipient,

"(F) the transferred property is not retransferred by the recipient in exchange for money, other property, or services during the ACRS life of the property,

"(G) the taxpayer receives from the governing body of the recipient a written statement, executed under penalties of perjury, representing that the use and disposition of the property by the recipient will be in accordance with the provisions of subparagraphs (B) and (F),

"(H) the retail value of a single unit of the property transferred equals or exceeds $500 (except in the case of computer software, which must have a retail value of at least $250 per unit, or in the case of replacement parts).

"(I) such transferred property is accompanied by the same warranty or warranties normally provided by the manufacturer in connection with a sale of the equipment or apparatus transferred, and

"(J) in the case of a transfer of property that is used in the taxpayer's trade or business (as defined in section 1231(b)), the property is functional and useable in the condition in which it is transferred for the purposes described in subsection (c)(2)(B), without the necessity of any repair, reconditioning, or other investment by the recipient, and the statement required under subsection (c)(2)(G) also represents that the property meets this requirement.

"(3) QUALIFIED SERVICES.—For purposes of this section, the term 'qualified service' shall mean any standard contract between the taxpayer and any recipient described in subsection (b)(1) or (b)(2), in connection with any transfer of qualified computer equipment property or qualified scientific property, for maintenance, repair, reconditioning, or any other similar services normally made available by the taxpayer to its customers in connection with the sale or lease of property of the same kind.

"(d) AMOUNT OF ALLOWABLE DEDUCTION.—The amount of the deduction allowable under subsection (a) shall be—

"(1) in the case of tangible personal property that is described in paragraph (1) of section 1221, the fair market value of the property, limited to the lesser of (A) the sum of the taxpayer's basis in the property and one-half of the amount of gain which would not have been long-term capital gain if the property had been sold by the taxpayer at its fair market value (determined at the time of such transfer), or (B) twice the taxpayer's basis in the property;

"(2) in the case of tangible personal property that is used in the taxpayer's trade or business (as defined in section 1231(b)), 150 percent of the taxpayer's basis in the property (without regard to adjustments under section 1016(a);

"(3) in the case of qualified services, the lesser of (i) the fair market value of such services (as determined by the amount normally paid by customers of the taxpayers for such services) or (ii) 150 percent of the direct cost of the taxpayer in providing such services;

"(4) in the case of orientation provided pursuant to subsection (c)(1)(K), the direct cost incurred by the taxpayer in providing such orientation shall be included in the basis of qualified computer equipment property for purposes of the deduction allowable under paragraph (1) of this subsection; and

"(5) in the case of computer software—

"(A) which has been purchased by the taxpayer prior to the transfer, the fair market value (determined at the time of such transfer),

"(B) which has been developed by the taxpayer, one-half of the fair market value (determined at the time of such transfer).

"(e) LIMITATIONS ON ALLOWABLE DEDUCTION.—The deduction otherwise allowable under subsection (a) of this section—

"(1) shall not exceed, for any taxable year, 10 percent of the taxpayer's taxable income computed without regard to—

"(A) any deduction under this section,

"(B) section 170,

"(C) part VIII of subchapter B (except section 248),

"(D) any net operating loss carryback to the taxable year under section 172, and

"(E) any capital loss carryback to the taxable year under section 1212(a)(1),

less the taxpayer's total deductions under section 170(a) for the taxable year. Amounts exceeding this limitation may be carried for-

ward in the same manner as a deduction under section 170.

"(2) shall not be allowed in the case of a contribution of otherwise qualified computer equipment property or qualified scientific property (excluding property used in the taxpayer's trade or business), where the taxpayer's total qualified education or research contributions of such property under this section in the taxable year, as determined on a product-by-product basis, exceed 20 percent of the number of units of such product sold by the taxpayer in the ordinary course of its business in that taxable year.

"(f) DEFINITIONS.—For purposes of this section—

"(1) the term 'substantially all' shall mean at least 80 percent;

"(2) the term 'corporation' shall not include—

"(A) an electing small business corporation (as defined in section 1371(b),

"(B) a personal holding company (as defined in section 542), or

"(C) a service organization (as defined in section 414(m)(3).

"(3) the term 'clearinghouse for used scientific property' shall mean a clearinghouse to be established and administered by the National Technical Information Service of the Department of Commerce. This clearinghouse will accept from corporations the description of used scientific property which is qualified scientific property and which the corporations wishes to contribute under this section. The clearinghouse shall publish this information, not less frequently than once per month, in the Federal Register, for the purpose of assisting qualifying recipients (described in subsection (b)(1)) of such equipment in identifying potential sources of equipment which is needed by the recipients for the purposes described in subsection (c)(2)(B).

"Where qualifying used scientific equipment is so listed with the clearinghouse not more than three years after it is first placed in service, if it is transferred to a qualifying recipient by the taxpayer as a result of having listed the equpment with the clearinghouse, not more than six months after so listing, the property shall be deemed to have met the requirement of subsection (c)(2)(C)(ii).".

SEC. 3. EXPANSION OF CREDIT FOR UNIVERSITY RESEARCH AND RELATED ACTIVITIES.

Subsection (e) of section 44F of the Internal Revenue Code of 1954 is amended to read as follows:

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH OR EDUCATION EXPENDITURES BY COLLEGES, UNIVERSITIES, AND CERTAIN RESEARCH ORGANIZATIONS.—

"(1) IN GENERAL.—65 percent of any amount paid or incurred in any taxable year by a corporation to any qualified organization for basic research or scientific education to be performed by such organization shall be treated as contract research expenses paid or incurred in carrying on a trade or business of the taxpayer in that taxable year (without regard to the provisions of subsection (b)(3)(B)). The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written agreement between the corporation and the qualified organization.

"(2) NOT INCLUDED IN BASE YEAR EXPENSES.—For purposes of determining the amount of the credit allowed under this section for any taxable year, any amount treated as contract research expenses under subsection (e)(1) shall not be included in the computation of base period research expenses under subsection (a)(2).

"(3) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)),

"(B) any other organization which—

"(i) is described in section 501(c)(3) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation, or

"(C) any organization which—

"(i) is described in section 501(c) (3) or (6) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to promote scientific research or scientific education by qualified organizations (within the meaning of subsection (e)(3)(A) or (B)) pursuant to written research agreements, and

"(iii) expends on a current basis substantially all of its funds through grants or contracts for basic research or scientific education by a qualified organization (within the meaning of subsection (e)(3) (A) or (B)).

"(4) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, except that such term shall not include—

"(A) basic research conducted outside of the United States, and

"(B) basic research in the social sciences or humanities.

"(5) SCIENTIFIC EDUCATION.—The term 'scientific education' means the education of students and faculty at an institution described in paragraph (3)(A) in mathematics, engineering, computer science and the physical and biological/biomedical sciences.

"(6) LIMITATION ON SCIENTIFIC EDUCATION AMOUNTS.—Any amount paid or incurred by a corporation for scientific education in any taxable year shall be treated as contract research expenses only to the extent—

"(A) such amounts are used by the recipient—

"(i) for the payment of wages (within the meaning of section 3401(a)) to any individual directly engaged in providing such scientific education or

"(ii) to fund scholarships or loans for students attending such qualified organization (within the meaning of paragraph (3)(A)) who possess a bachelor's degree or its equivalent and are engaged in post-graduate study in mathematics, the physical or biological/biomedical sciences, engineering, or computer science;

"(B) amounts described in clause (i) are paid pursuant to a written agreement between the corporation and the recipient which obligates the corporation to render a like or greater amount to the recipient in each of not less than 3 consecutive taxable years; and

"(C) such amounts exceed an amount equal to the average of amounts paid by the taxpayer to all institutions of higher education (described in paragraph (3)(A)), for which a deduction is allowable under section 170 and which are not designated by the taxpayer to be used for the purposes described in subsection (e)(6)(A)(i) or (ii), during the three taxable years immediately preceeding the taxable year.

"(7) SPECIAL RULES FOR GRANTS TO CERTAIN RESEARCH FUNDS.—

"(A) IN GENERAL.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term 'qualified fund' means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i);

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (3)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTIONS.—

"(i) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(8) CERTAIN CORPORATIONS NOT ELIGIBLE.—For purposes of this subsection, the term 'corporation' shall not include—

"(A) an electing small business corporation (as defined in section 1371(b)),

"(B) a personal holding company (as defined in section 542), and

"(C) a service organization (as defined in section 414(m) (3)).".

SEC. 4. CLARIFICATION OF EXCLUSION FROM GROSS INCOME OF SCHOLARSHIPS, GRANTS, AND LOAN FORGIVENESS.

The Internal Revenue Code of 1954 is hereby amended by adding to part III of subchapter B of chapter I as a new section 117A the following:

"SEC. 117A. SCHOLARSHIPS, FELLOWSHIP GRANTS, AND STUDENT LOAN FORGIVENESS RECEIVED BY CERTAIN GRADUATE SCIENCE STUDENTS.

"(a) GENERAL RULE.—In the case of a qualified individual, gross income does not include—

"(1) any amount received—

"(A) as a scholarship,

"(B) as a fellowship grant, or

"(C) as qualified student loan forgiveness,

including the value of contributed services and accomodations; and

"(2) any amount received to cover expenses for—

"(A) travel,

"(B) research,

"(C) clerical help, or

"(D) equipment

which are incidental to such a scholarship or to a fellowship grant, but only to the extent that the amount is so expended by the recipient.

"(b) QUALIFIED INDIVIDUAL.—For the purposes of this section, the term 'qualified individual' shall mean a student who is attending a qualified educational organization, who possesses a bachelor's degree or its equivalent, and who is enagaged in post-graduate study as a degree candidate in mathematics, engineering, computer science, or the physical or biological/biomedical sciences.

"(c) QUALIFIED EDUCATIONAL ORGANIZATION.—For purposes of this section, the

term 'qualified educational organizational' shall mean an educational institution which—

"(1) is described in section 170(b)(1)(A)(ii),

"(2) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate,

"(3) is legally authorized within such State to provide a program of education beyond high school, and

"(4) provides an educational program for which it awards a bachelor's or higher degree.

"(d) QUALIFIED STUDENT LOAN FORGIVENESS.—For purposes of this section, the term 'qualified student loan forgiveness' shall mean the foregiveness of a loan received by a qualified individual (as defined in subsection (b)) for the purpose of financing his post-graduate course of study in mathematics, engineering, or the physical or biological sciences, but only to the extent that—

"(1) the amount represented by the loan was so expended, and

"(2) such student is required in a written loan agreement, as a condition of receiving such forgiveness of the loan, to perform teaching services for a qualified educational organization upon completion of his post-graduate course of study.

"(e) LIMITATION.—In the case of a qualified individual, subsection (a) shall not apply to that portion of any amount received which represents payment for teaching, research, or other services in the nature of part-time employment required as a condition to receiving the scholarship, the fellowship grant, or qualified student loan. If teaching, research, or other services are required of all candidates (whether or not recipients of scholarships or fellowship grants) for a particular degree at a qualified educational organization as a condition to receiving such degree, such teaching, research, or other services shall not be regarded as part-time employment within the meaning of this paragraph.

"(f) SCHOLARSHIPS, FELLOWSHIP GRANTS, AND QUALIFIED STUDENT LOAN FORGIVENESS NOT INCLUDABLE MERELY BECAUSE THERE IS A REQUIREMENT OF FUTURE SERVICE IN TEACHING OR RESEARCH.—

"(1) IN GENERAL.—If—

"(A) an amount received by a qualified individual would be excludable under subsections (a) and (e) as a scholarship, fellowship grant, or qualified student loan forgiveness but for the fact that such individual is required to perform teaching services for a qualified educational organization upon completion of his post-graduate course of study, and

"(B) the individual establishes that, in accordance with the terms of the scholarship, grant, or qualified student loan, such amount was used for qualified tuition and related expenses,

gross income shall not include such amount.

"(2) QUALIFIED TUITION AND RELATED EXPENSES DEFINED.—For purposes of this subsection, the term 'qualified tuition and related expenses' shall mean—

"(A) tuition and fees required for the enrollment or attendance of a qualified individual as a student at a qualified educational organization, and

"(B) fees, books, supplies, and equipment required for courses of instruction at a qualified educational organization.".

SEC. 5. EFFECTIVE DATE.

The amendments made by sections 2, 3, and 4 shall apply to taxable years beginning after the date of enactment of this Act.

TECHNOLOGY EDUCATION ASSISTANCE AND DEVELOPMENT ACT OF 1983, TECHNICAL DESCRIPTION

SUMMARY

Current law provisions governing the charitable contribution of items of inventory of a taxpayer generally limit the taxpayer's deduction to the taxpayer's basis in the property, regardless of the value of the property. Exceptions apply in limited cases, such as contributions of certain property for the care of the ill, or contributions of scientific equipment to universities for use in research.

In the case of donations of property which has been used in the taxpayer's trade or business (section 1231 property) current law requires the taxpayer to reduce its deduction for any depreciation recapture which would be recognized if the property were sold at a gain.

Under the bill, corporations would be encouraged to give specific types of property to qualifying organizations for educational use. Under new Internal Revenue Code section 174A, contributions of qualified computer equipment to pre-college schools and certain other organizations which use the equipment for educational purposes, would qualify for a deduction equal to the fair market value of the property, limited to the lesser of (1) the corporation's basis in the property plus 50% of its markup or (2) twice its basis in the property.

The same treatment would be available for contributions of scientific equipment to institutions of higher education for use in direct education or in research or research training in the fields of mathematics, engineering, computer science, the physical or biological/biomedical sciences, and certain vocational education programs.

This treatment is identical to the current law exceptions for donations of inventory noted above.

Further, the bill provides incentives for contributions of used scientific equipment to institutions of higher education for the uses described above. Under this provision, a corporation making a contribution of used property may take a deduction equal to 150% of the taxpayer's original basis in the property, less accumulated depreciation. Qualifying property would be scientific equipment which is not more than three years old when contributed, and which will not require the recipient to invest any funds in repair or reconditioning of the property in order to make it functional.

The second part of the bill amends the current law provisions governing the R&D credit for research activities which corporations contract with universities to perform.

First, the bill removes such amounts from the computation of base period research expenditures for purposes of the determination of whether the taxpayer has increased its research and experimentation activities. This removes the bias of current law which discourages contracting with universities of R&D activities, and has the purpose of increasing the funding of university-based research.

Second, the bill expands the definition of payments to universities which will be treated as contract research expenses for purposes of the R&D credit. Under these provisions, amounts paid to fund faculty salaries, or to fund scholarships, grants, or loans for graduate students in mathematics, engineering, or science would be treated as contract research expenses.

The third part of the bill clarifies the tax treatment of students receiving scholarships, grants, or loan forgiveness under this bill. A new code section, 117A, provides that such amounts will be excluded from income even if the student is required to provide teaching or research services as a condition for receiving the amount. In the case of loan forgiveness, the amount would be excluded from income only if the student is required to teach in an institution of higher education after completion of his graduate study.

The provisions of the bill will apply to taxable years beginning after the date of enactment.

DETAILED DESCRIPTION

Deduction for equipment donations

Under section 170(e) of current law, deduction for contributions of property which have a value in excess of the taxpayer's basis in the property must be reduced by the amount of gain which would be ordinary income if the property were sold. Thus, in the case of inventory, the taxpayer's deduction is reduced by the full amount of the value in excess of basis, so that the deduction is limited to basis. For example, if the maker of a microscope with a value of $800 and a basis of $200 gives the microscope to a college for its biology classes, the taxpayer is limited in its deduction to $200. In the case of property used in the taxpayer's trade or business (section 1231 property), the deduction must be reduced by the amount of the depreciation recapture which would be recognized if the property were sold.

Under section 170(e) (3) and (4), there are limited exceptions for contributions of inventory. Under section 170(e)(3), taxpayers may deduct the fair market value of inventory which is contributed to charitable organizations which use the property solely for the care of the ill, the needy, or infants. However, the fair market value deduction is limited to the lesser of (1) basis plus one-half of the taxpayer's markup on the property, or (2) twice basis.

Under section 170(e)(4), the same exception applies to contributions of scientific property to institutions of higher education for use in research or research training. Thus, in the example above, if the recipient used the microscope for research purposes, the taxpayer would be entitled to a deduction of $400 (the lesser of basis, $200, plus one-half of markup, $300, =$500, or twice basis, $400).

This bill adds a new Code section, 174A, which provides for the deduction for donations of scientific equipment to higher education and of computer equipment to pre-college education. Current law section 170(e)(4), described above, would be made a part of this new section, and the same treatment as applies under that provision would apply to the additional categories of equipment donations.

Computer Equipment for Pre-College Education.—The first category of equipment donations is for transfers of qualifying computer equipment to pre-college schools or to museums, libraries, or correctional institutions which use the equipment for educational purposes. Qualifying computer equipment is defined to include:

(1) Data processors which can support at least three computer languages, have RAM capacity of at least 16,000 bytes (and can be

expanded to at least 48,000) and which are accompanied by a display screen;

(2) Ancillary computer equipment, which includes display screens, printers, or disc drives which are compatible with data processors owned by the recipient (or transferred to the recipient in conjunction with the transfer of the ancillary equipment):

(3) Installation equipment or replacement parts;

(4) Educational software.

In addition, to qualify, the transfer of this property must meet the following requirements:

(1) It must be covered by the same warranty that the taxpayer would provide in the sale of such equipment;

(2) Except in the case of software, the property must be assembled by the taxpayer, who must be in the business of assembling and selling such equipment;

(3) The property must be transferred to the recipient not more than six months after it is assembled;

(4) The property must be new;

(5) The taxpayer must have a written plan for these transfers under which there will be diversity in the distribution of the equipment on a geographical basis and on the basis of the relative economic status of the students of the recipient;

(6) At least 80% of the use of the property must be in the direct education of students or teachers;

(7) The recipient may not dispose of the property in exchange for other property or services during the ACRS life of the property;

(8) The taxpayer must provide sufficient orientation to make at least one employee of the recipient per data processor transferred proficient in the operation of the equipment. This must be provided at no cost to the recipient or its employees;

(9) The transfer must be made through the governing body (e.g., school board) of the recipient;

(10) The governing body must provide a statement to the taxpayer, under penalties of perjury, representing that the property will be used and disposed of in accordance with requirements (6) and (7); in the case of software, the statement must represent that the softwear is compatible with data processors of the recipient and that it is suitable for the educational programs of the recipient; and, in the case of ancillary computer equipment, the statement must represent that it is compatible with data processors being transferred by the taxpayer or already owned by the recipient.

This provision will apply to transfers of qualified computer equipment during the 5-year period beginning on the date of enactment.

Scientific Equipment for Higher Education.—The second category of equipment donation which will qualify for the exception to the general rule limiting deductions to basis is for transfers of qualified scientific equipment to institutions of higher education. This provision applies to transfers of scientific or technical equipment (or replacement parts therefor) which is inventory of the taxpayer, or which is used in the taxpayer's trade or business (used scientific equipment).

In order to qualify, the transfer must meet the following requirements:

(1) In the case of new property, the property must be covered by the same warranty that the taxpayer would provide in the sale of such equipment;

(2) Except in the case of software or used scientific equipment, the equipment must be assembled by the taxpayer, who must be in the business of assembling and selling such equipment;

(3) In the case of inventory of the taxpayer, the equipment must be new and must be transferred to the recipient not more than six months after it is assembled; in the case of used scientific equipment, the equipment must be transferred not more than three years after the property is placed in service;

(4) At least 80% of the use of the equipment must be in direct education of students or faculty, or in research and experimentation (as defined under section 174) or research training, in mathematics, the physical or biological/biomedical sciences, engineering, computer science, or the following categories of vocational education: computer and information services; science technology; engineering and engineering-related technologies; precision production drafting; and precision metal work;

(5) The recipient may not dispose of the equipment in exchange for other property or services during the ACRS life of the property;

(6) The transfer must be made through the governing body (e.g., board of trustees) of the recipient;

(7) The governing body must provide a statement to the taxpayer, under penalties of perjury, representing that the equipment will be used and disposed of in accordance with requirements (4) and (5);

(8) The retail value of a single unit of the property must be at least $500 (except in the case of computer software which must have a retail value of at least $250, or in the case of replacement parts);

(9) In the case of used scientific equipment, the property must be functional and ready to use in the condition in which it is transferred, without the incurrence of any cost of the recipient for repairs or reconditioning.

In the case of transfers of qualified computer equipment property or qualified scientific property which is new inventory, qualified services may also be given. For this purpose, "qualified services" means any standard contract for maintenance, repairs, or similar services normally made available by the taxpayer to customers in connection with the sale of such property, which contract is transferred to the recipient in connection with the transfer of qualified property.

Amount of Deduction.—The amount of the deduction for qualifying transfers depends upon whether the property transferred is new inventory or used scientific equipment.

In the case of new inventory, the amount of the deduction allowed is the fair market value of the property, limited to the lesser of (1) the taxpayer's basis in the property plus one-half of the taxpayer's markup or (2) twice the taxpayer's basis. For example, assume the taxpayer contributes qualifying property with a basis of $400, and that the taxpayer's markup on the property is $600, so that the value of the property is $1,000. In this case, the allowable deduction is $700 which is the basis plus one-half of the markup ($400 plus $300), and which is less than twice basis ($800).

Where orientation is provided in connection with the transfer of qualified computer equipment property to pre-college schools, the direct cost incurred by the taxpayer in providing such orientation is included in the basis of the property for purposes of determining the allowable deduction.

In the case of used scientific equipment, the deduction allowed is 150 percent of the taxpayer's original cost in the equipment, reduced by the total depreciation deductions taken by the taxpayer in connection with the equipment. Under this provision, a taxpayer could deduct no more than 150 percent of its cost, taking into account both the deduction under this provision and depreciation deductions. Because the property must be transferred no later then three years after it is placed in service, in many cases there will be a partial recapture of the investment tax credit on the equipment. This provision eliminates disputes over the value of the used equipment, which can be very difficult in cases of used property.

In the case of qualified services, the allowable deduction is the lesser of (1) the fair market value of the services or (2) 150 percent of the taxpayer's direct costs incurred in providing the services.

Finally, in the case of computer software, the allowable deduction is, in the case of software purchased by the taxpayer prior to transfer, the fair market value of the software, and, in the case of software which is developed by the taxpayer, one-half the fair market value of the software.

Limitations on Deductions.—There are two limitations on deductions under this provision—one a percentage of the taxpayer's taxable income, the other a limit on the number of units of property which may qualify for the deduction.

First, the deduction allowable under the new section 174A may not exceed 10 percent of the taxpayer's taxable income, computed in the same manner as the limitation under section 170, and without regard to any deduction under this provision, less the taxpayer's total deductions under section 170. Amounts exceeding this limit may be carried forward in the same manner as a deduction under section 170.

Second, in the case of a transfer of qualifying computer equipment property or qualifying scientific property (excluding used scientific equipment), the taxpayer may take into account, for purposes of this provision, up to the number of units of property transferred equal to 20 percent of the number of units of the same type of property which the taxpayer sells in the ordinary course of its business during the taxable year. Thus, for example, if a taxpayer sells 500 units of a particular mass spectrometer during a taxable year, it may take into account no more than 100 of such spectrometers transferred to qualifying institutions of higher education during that taxable year, for purposes of this provision. This limitation prevents the transfer of property which the taxpayer is unable to sell from qualifying for the treatment of this provision.

Clearinghouse for Used Scientific Equipment.—Finally, in order to assist institutions of higher education locate potential sources of used scientific equipment which the school needs for qualifying uses, the National Technical Information Service of the Department of Commerce is to establish and administer a clearinghouse for used scientific equipment.

The clearinghouse will collect information from corporations about used scientific property which qualifies under this bill and which the corporation wishes to transfer to a qualifying institution of higher education. The clearinghouse will publish this information in the Federal Register, not less often than monthly, for the purpose of allowing qualified recipients of the equipment to identify sources of needed equipment.

If a taxpayer lists used scientific equipment with the clearinghouse not more than three years after the equipment was placed in service, and if it is transferred to a qualified recipient as a result of this listing not more than six months after it is so listed, the property will be treated as having been transferred not more than three years after being placed in service.

Expansion of R&D credit for university basic research and scientific education

Under current law, in order to qualify for the R&D credit, the taxpayer must increase its R&D expenditures over its base year research expenses. The base year research expense is the average of the taxpayer's qualified research expenses for the three years preceding the current year. Qualified research expenses include both research which the taxpayer performs on its own account and research for which it contracts (contract research). Included in contract research is 65 percent of amounts paid to universities to perform basic research.

Elimination of University R&D from Base Period Research.—Under current law, payments to universities for the performance of basic research is discouraged, since the inclusion of such payments in the base year research expense computation make it more difficult to qualify for the credit in subsequent years. This is compounded by the fact that payments to universities for basic research are much less likely to result in a return to the taxpayer, since, by definition, basic research is for the advancement of scientific knowledge, *not* having a specific commercial objective.

In order to remove this impediment, and thus encourage more payments to universities for basic research, this bill eliminates such payments from the computation of base period research expenses. This can be illustrated using an example comparing current law to the provisions of this bill.

	Current law	This bill
Third previous year:		
Nonuniversity R&D	$1,000	$1,000
University basic research	200	200
Second previous year:		
Nonuniversity R&D	1,200	1,200
University basic research	800	800
First previous year:		
Nonuniversity R&D	1,000	1,000
University basic research	1,000	1,000
Base period research expense	1,733	1,067
Current year R&D:		
Nonuniversity R&D	800	800
University basic research	1,200	1,200
Current year R&D subject to credit	267	933

Expansion of Credit to Scientific Education.—While current law allows 65 percent of payments for basic research to be treated as contract research expenses, this bill adds two additional categories of payments which will be so treated.

First, payments by taxpayers to fund faculty salaries in mathematics, engineering, computer science, or the physical or biological/biomedical sciences in higher education would qualify. However, in order to qualify, the taxpayer must be obligated under a binding agreement to make the same or greater payment for at least three consecutive years.

Second, contract research expense will include amounts paid to fund scholarships, grants, or loans to graduate students in those academic disciplines.

In order to qualify as contract research expenses for a year, the sum of the amounts paid by the taxpayer to fund faculty salaires, scholarships, grants, and loans under this provision, must exceed a base period contribution amount. The base period contribution amount is the average, for the preceding three taxable years, of all payments made by the taxpayer to institutions of higher education which qualify for a deduction under section 170, and which were not designated by the taxpayer to be used for faculty salaries or for graduate student scholarships, grants, or loans.

Expansion of Qualifying Research Organizations.—Current law allows payments to universities for basic research to be treated as contract research expenses, and also allows payments to certain other organizations to be so treated. In order to qualify, an organization must be described in section 501(c)(3), and be exempt from tax under section 501(a); it must be organized and operated primarily to conduct scientific research; and it must not be a private foundation.

This bill adds a new category of organization, payments to which will qualify as contract research expenses for purposes of the R&D credit. Under the bill, in order to qualify as such an organization, it must be described in section 501(c) (3) or (6) and be exempt from tax under section 501(a); it must be organized and operated primarily to promote scientific research or scientific education by universities of other organizations which qualify under current law; and, it must expend, on a current basis, substantially all of its funds, through grants or contracts for basic research or scientific education (within the meaning of new section 174A) by universities or other qualified research organizations described above.

Exclusion from gross income of certain scholarships, grants, or loan forgiveness

New section 117A is added to the Code to provide for the tax treatment of amounts received by graduate students in mathematics, the physical or biological/biomedical sciences, computer science, or engineering, in the form of scholarships, grants, or loan forgiveness. Such amounts will be excluded from the student's income, in the case of scholarships and grants, even though the student may be required to provide teaching or research services for the institution as a condition of receiving the amount. In the case of loan forgiveness, such amounts will be excluded from the student's income *only* if the student is required to provide teaching services to an institution of higher education as a condition of receiving the loan forgiveness.

Effective date

The amendments made by the bill apply to taxable years beginning after the date of enactment.●

By Mr. BENTSEN (for himself and Mr. CHAFEE):

S. 1195. A bill to amend the Internal Revenue Code of 1954 to promote the contribution of scientific equipment to elementary and secondary schools and universities and to foster university research and scientific training; to the Committee on Finance.

HIGH TECHNOLOGY RESEARCH AND EDUCATIONAL DEVELOPMENT ACT OF 1983

● Mr. BENTSEN. Mr. President, I am introducing legislation with Senator CHAFEE which is designed to halt our Nation's slide in basic research and development. Our bill, the High Technology Research and Education Development Act, provides enhanced incentives for the private sector to take a number of steps to boost basic R&D expenditures, to ease the shortage of scarce engineering professors at our colleges and universities, and to boost the quantity and quality of equipment being used for teaching purposes there and in vocational schools.

This legislation has been developed with the close cooperation of the American Electronics Association, the American Association of Universities, and the American Vocational Association. They share with me a vital concern with our grim R&D picture and a desire to see the Federal Government help rather than hinder an expansion in our Nation's commitment to research and development and in her technical base.

THE ROLE OF R&D

A substantial body of literature exists providing justification for Federal intervention to stimulate R&D spending. Prof. Kenneth Arrow, for example, has noted that capital markets discourage invention by forcing inventors to bear unwarranted risks. Yet, the role of R&D itself in enhancing the ability of our society to provide a rewarding and bountiful life is frequently overlooked. It plays that role in two major ways.

R&D AND JOBS

First, R&D has a fundamental influence on the process of job creation. For example, from 1972 to 1978, the value of all U.S. manufacturing shipments rose at an annual average rate of 3.2 percent. Forty-four SIC four-digit industries grew at a rate at least twice as high, however, and the marketing of new products was critical to that above average performance in over 75 percent of these high-growth industries. Indeed, the creation and capture of foreign markets, in particular, by such industries as computers and semiconductor equipment was critical in this growth process.

The capture of foreign markets and the establishment of new product lines and the jobs they create arise directly and explicitly from R&D expenditures. Some argue that technology transfer from abroad is a shortcut to the development of new products—that R&D spending itself is inefficient. But such technology transfer is only a short-term alternative to R&D spending. Purchasers of foreign technology will always be behind the learning curve for new technologies and products and subject to abrupt loss of markets as their more innovative foreign competitors introduce new or more efficient products. That fundamental reality explains the market shift over the past 15 years, for example, in which the Japanese Government has pursued policies to move

that notion from clever imitator to innovator.

R&D AND PRODUCTIVITY

The second fundamental impact of R&D is to boost productivity—to enhance a nation's ability to produce more bountifully while providing greater leisure time to its citizens. That influence was acknowledged in 1981 by Congress when it enhanced the stimulus provided in our tax laws to encourage private sector R&D spending. Along with incentives for additional saving and investment, an enhanced tax credit for such R&D was the centerpiece of steps provided in the Economic Recovery and Tax Act to boost national productivity.

The beneficial impact of R&D spending on productivity directly influences a nation's ability to achieve full employment without inflation. My colleagues here are familiar with the so-called Phillip's curve tradeoff between unemployment and inflation. The economic principle portrayed by this curve is that macroeconomic fiscal or monetary policies designed to remedy either unemployment or inflation invariably magnifies the other. It was fashionable several years ago to argue that this Phillip's curve tradeoff was dead. But the experience of the last several years has shown that these wishful pronouncements were premature—that the tradeoff is alive and well. Indeed, over 10 million unemployed Americans are mute testimony to that curve's continued validity. R&D activity—by boosting productivity—is one key and effective way to break that curve—to avoid the economic policy tradeoff between inflation and unemployment.

In fact, substantial R&D spending may well be the most efficient way for any nation to simultaneously achieve low unemployment and low inflation.

There is abundant evidence showing that our decline in productivity growth over the last decade has paralleled our declining pattern of national R&D spending. For example, annual U.S. productivity growth averaged about 3 percent from 1948 to 1973, but fell to a scant 0.8 of 1 percent thereafter. Total U.S. R&D spending in real inflation-adjusted dollars peaked in 1968 before declining through 1976. Since then, it has exceeded the 1968 level, but the long leadtime for most R&D activity means that we face years still of relatively poor productivity.

A more comprehensive measure of U.S. R&D activity is R&D spending as a share of GNP. Those data are discouraging, as well. The most recent data are for 1981 when R&D spending stood at 2.39 percent of GNP—a level below that attained during the 1960's and early 1970's. In fact, from 1964 to 1978, the share of our GNP being devoted to R&D plunged fairly steadily to 2.24 percent from almost 3 percent, and that share has recovered very little since then.

NATIONAL AND INTERNATIONAL R&D TRENDS

These data suggest that a strong link exists between productivity and R&D spending. But it reveals, as well, the dismaying trend in national R&D spending generally. For example, as a share of GNP, R&D outlays have risen slightly since 1978. Yet, we are still devoting some 20 percent less to R&D today as a share of GNP than we did in the 1960's.

At the same time, our foreign competitors, led by Japan and West Germany have stepped up their own R&D efforts. In West Germany, R&D spending as a share of GNP in the 1970's rose some 15 percent above the rate maintained in the 1960's. For some years in the 1970's, in fact, their share of GNP devoted to R&D spending exceeded our own. The Japanese pattern has been even more pronounced. In recent years, their share of GNP devoted to R&D has been fully one-third above the levels they maintained during the 1960's. Their commitment has grown while ours has shrunk.

Due to our heavy Federal defense and space R&D efforts, even these international data on national R&D spending give a rosier perspective than is warranted. A comparison of purely civilian R&D spending trends here and in Japan and West Germany should ring alarm bells all across Washington. Every year since 1968, West Germany has devoted a larger share of its GNP to civilian R&D than has our Nation. In fact, that R&D gap has grown enormously, with Germany now spending 2.15 percent of its GNP on civilian R&D in 1980, compared to only 1.66 percent of our own GNP during 1980, excluding capital expenditures. This gap was not always present. Indeed, in the early 1960's, civilian R&D as a share of GNP here exceeded that share in Germany. Yet, while civilian R&D in West Germany as a share of GNP almost doubled over the past two decades, it rose a scant 33 percent here.

The rise in Japanese civilian R&D as a share of GNP over that period has not been as dramatic as West Germany's record. But it too stands at close to 2 percent of that island nation's GNP—almost one-quarter greater than our own level of 1.66 percent of GNP devoted to civilian R&D.

Our lagging civilian R&D spending is offset to some extent by spillover from the robust Federal space and defense R&D program. But that spillover can scarcely be expected to close the civilian R&D gap between ourselves and Japan or West Germany. And offsetting any such spillover impact is the efficiency with which at least Japan appears to apply her R&D dollars. Both Japan and the European Community (EC) have long favored a rationalization of R&D efforts between civilian firms to avoid wasteful duplication of effort. And Japan has become a pronounced world leader in encouraging collusion between erstwhile competitors on especially long term R&D projects—projects with a high risk of failure but with commensurately high benefits if they yield technological advances which evolve into major new industries of the future. The EC is seemingly seeking to adopt that approach, as well, with its new $300 million to $1 billion R&D effort in microelectronics and automation, featuring collaboration between international competitors.

Both the EC and Japan utilize an extensive array of tax incentives to spur private R&D. And they provide other assistance as well which critically enhances the ability of their firms to innovate effectively. Trade barriers have commonly been adopted, especially by Japan, to force technology transfers by U.S. firms eager to gain footholds in the robust Japanese market. And while such transfers have occurred only as a last resort in many cases, they have occasionally involved the sacrifice of proprietary information with potentially harmful long term affects on the international competitive situation of the U.S. firms. In addition, both Japan and the EC have aggressively promoted technical education at a time when engineering schools here face great difficulty in recruiting and keeping faculty and modernizing equipment used in the classroom.

A CIVILIAN BASIC R&D PROMOTION PROGRAM

Federal funds have been and must continue to be a significant source of funding for civilian R&D. But the paperwork requirements associated with Federal funding, its inflexible focus on traditional areas of research, its year-to-year fluctuations in funding availability, its compartmentalization, and a heavy reliance on peer review may discourage as much truly innovative R&D as it encourages. To insure that our Nation can continue to remain at the forefront of technological change and the jobs it creates, civilian R&D efforts here should more closely match those abroad. Specifically, we should seek to stimulate sufficient private sector civilian R&D that it compares favorably with the relative commitment in our major trading competitors of Japan and West Germany—a level comparable to about 2 percent of GNP.

An increased R&D commitment is necessary, but particular focus must be given to basic R&D rather than applied R&D. Basic research is risky, expensive, and can take years to generate a payoff. Soaring interest rates, lagging profits, and poor sales have hit especially hard at civilian basic research. U.S. industry, for example,

now spends only 3.6 percent of every research dollar on basic R&D, down from 7 percent in the mid-1960's. University R&D has been a major casualty of our declining focus on civilian basic R&D because 60 percent of all basic R&D is done at universities. Industry today is the source of a scant 3 percent of scientific funding at universities, down from 11 percent in the 1950's. As a result, less than 15 percent of all R&D is done at universities now, compared to 20 percent in Japan which has a commenserately much higher priority on basic R&D.

The R&D tax credit changes enacted in 1981 were a start toward reversing our sagging focus on basic R&D. But it has proven to be an inadequate stimulus, bound up too heavily in caveats and redtape. IBM, for example, testified last year that the strings associated with the 1981 tax law changes were such that they provided no special incentive to seek out the collaboration of universities. And Dr. Paul Grey, president of MIT, reported last spring that his school was negotiating only one research agreement as a consequence of the R&D tax credit provisions added in 1981.

To insure that basic R&D research receives the boost it needs, I believe we need to further build on the 1981 changes.

EXPLANATION OF LEGISLATION

The Bentsen-Chafee High Technology Research and Education Development Act will enhance our national R&D effort in two broad ways. First, it will encourage greater participation and collaboration on R&D projects by private firms with universities. Our colleges and universities are the entities most concerned with basic R&D—the type of fundamental R&D which is risky but necessary to insure that our Nation continues to achieve scientific breakthroughs and maintain its technological superiority. Our international competitors are increasingly focusing their national resources on basic R&D, and I believe we must answer these challenges by encouraging greater basic R&D here involving the private sector and public education.

The second way our legislation will enhance our national R&D effort is by improving our technical education base. The specific components of our bill are outlined in the attached factsheet. In brief, this legislation has four major components:

1. FACULTY SHORTAGES

I introduced S. 2474, the Scientific Research and Education Act, last year specifically to address our engineering faculty shortage. That legislation and provisions of the legislation being introduced today are similar in intent: to substantially increase the number of engineers being graduated by our some 280 engineering schools.

Such an increase is necessary to enhance our Nation's technological base. Let me quote the remarks on this point which I made less than 1 year ago in introducing S. 2474:

My colleagues are aware of the giant strides made by Japan in carving out markets abroad at our expense. Less well understood are the complex forces at work responsible for their success. Price competitiveness is one facet. But increasingly, our international marketers are encountering Japanese items which are at least as advanced technically and qualitatively as those made anywhere else in the world. Indeed, in some technical product lines, Japanese technology is the cutting edge.

This technological expertise has not been developed by accident. It is the explicit result of an aggressive Japanese national policy to upgrade their society's technical base by stressing engineering undergraduate education—a policy which sees Japan, with only half our population, produce substantially more electrical engineers, for example, than we do. Dr. F. Karl Willenbrock, who is Cecil H. Green, Professor of Engineering at Dallas' Southern Methodist University, testified before the Joint Economic Committee last year on behalf of the American Electronics Association. He noted that Japan produces 163 engineering graduates per million population and the Soviets 260 per million, while we produce only 63 per million, down even from the 88 per million rate scored here as recently as 1970. As a result, Japan graduates 4,000 more bachelor degree electronic engineers annually than we do. The number and quality of engineers we produce will have a major and long-term impact on our Nation's ability to conduct R&D, to retain world markets, and, above all, to boost productivity. In turn, it will have a dramatic impact on the growth in real per capita income and efforts to trim unemployment while holding inflation and interest rates down. And, in light of our need to strengthen the defense sector, the urgency to ensure that adequate numbers of engineers are being graduated from our some 280 engineering colleges has never been greater.

The private sector reflects this urgency. Private employers, for example, contend they will need as many has 50,000 new computer and electrical engineers in 1985 alone while only some 15,000 are graduated annually now. The American Electronics Association has projected a demand for 199,000 new electrical and computer science engineers over the 1980-85 period—almost three times higher than the number which will be graduated in that same period. Including the impact of retirements and deaths, well over 35,000 engineering slots will go unfilled each year through 1985 in this Nation. Our engineering schools would need to triple enrollment overnight to meet this demand—a very unlikely event and one which would scarcely dent the 6:1 lead enjoyed by the Soviets today in the number of college graduates majoring in technical areas.

These demand shortfall projections are enormous. Yet, the surge in R&D in these fields and in the number of firms able to carve out market shares and new products suggest that these estimates may prove accurate or even be low. Hewlett-Packard, for example, derived three-quarters of its sales in 1980 from products not even available five years earlier. And the pace of competition is quickening daily.

The rising demand and salaries of engineers has sparked a resurgence in student interest in engineering. It is the second most favored career choice now of high school seniors. Undergraduate engineering enrollment is rising 7 to 8 percent a year and doubled during the 1970's, placing substantial pressure on both engineering faculty and teaching equipment. Yet, despite the anticipated decline in overall college enrollements as the baby boom enters their twenties, engineering schools have not even been able to keep pace with surging student demand. Indeed, at least 10 percent, or 2,000, engineering faculty slots sit empty nationwide according to the American Electronics Association, with computer-related faculty vacancies as high as 50 percent at some universities.

The cause of these faculty shortages is straightforward. Engineering colleges and universities cannot successfully compete for graduate engineers with private industry. They are last in the salary sweepstakes and are falling further behind each academic year. Ten years ago, for example, about one-half of the new Stanford University engineering Ph. D.'s chose teaching. Last year, a scant 24 percent did.

The result of limited faculty is a winnowing process among engineering school applicants not unlike that with our medical schools. Georgia Tech can accept only 1,700 of the 7,000 applications it receives. Students must score in the very high 97th percentile on entrance exams to gain admission to the University of Illinois engineering program at Champaign-Urbana. An incredible 20 percent of all undergraduates at the University of California (San Diego) are engineering students now, and economics writer Robert Samuelson reported recently that due to overcrowding, some students can only get computer time there in the wee hours of the morning. San Jose State has 1,000 students holding in other curricula waiting like birds of prey for an engineering school slot to open up.

Engineering schools do not have the flexibility to meet this surging demand for two reasons: (1) difficulty in stretching tight budgets to meet the soaring salaries being offered graduate-level engineers when total college enrollment is declining and tenured faculty in other disciplines must be retained; and (2) difficulty in providing adequate equipment for the training of growing student engineer populations.

Filling the curent faculty gap is an immediate requirement. But a longer term solution is needed, as well. Engineering faculty are drawn from the national pool of specialists with engineering graduate degrees. That pool has been shrinking noticeably as promising engineering bachelor graduates from every engineering school increasingly flock to high paying industry jobs. Data from the American Association of Engineering Societies, for example, show that the number of master degrees awarded in electrical engineering was down 12 percent in 1980 compared to 1970. The number of Ph.D. degrees in that field was off an incredible 40 percent.

Even these alarming numbers underestimate the decline, however. U.S. engineering schools have truly become world universities. In 1980, over 46 percent of their engineering graduate students were foreign students, many of whom will not work or teach here upon graduation. An unbelievable 66 percent of the Ph.D.'s awarded in electrical engineering during 1980 were to foreign students. These students are certainly welcomed here, particularly since their school spaces are not sought by our own college

graduates. Yet, many will or must return home abroad upon graduation, further depleting our national stock of engineers qualified to teach.

The University of California at Davis evaluated the impact of the grim engineering graduate student picture in light of expanding engineering school enrollments. Their study concluded that a net shortage of about 500 faculty slots a year will exist throughout this entire decade. Adding the current faculty shortage of 2,000 slots means a net minimum engineering faculty shortage in the 1980's of some 6,000 to 7,000 highly trained men and women—comparable to one-third of our Nation's existing engineering faculty pool.

Private industry is reacting to the shortage of graduate engineering students. The U.S. Semiconductor Industry Association, for example, is budgeting up to $6 million this year, and perhaps double that next year, for university engineering research and assistance to graduate students. Despite such efforts, the engineering faculty shortage will become worse. Bounties are being offered now by firms for the referral of possible engineering employees even though we are in the midst of our most severe postwar recession with industry operating at less than 71 percent of capacity. And it takes little imagination to picture the drain from our engineering faculties and graduate classes which will accompany any return to robust economic growth and the looming defense buildup.

Mr. President, since I presented these introductory remarks last year, additional evidence has come to light regarding our engineering faculty shortage. Last year, Iowa State had 24 engineering faculty vacancies out of 275 slots. The University of Rhode Island was short 12 slots out of a total of 71. The University of Minnesota's engineering school was seeking to fill 20 slots out of a faculty of 174. Oregon State was looking without success to fill nine engineering faculty slots to round out an 88-person faculty. The University of Colorado was short 15 faculty positions out of a budgeted 157. And Penn State had 30 empty engineering slots out of 248.

Our colleges and universities have not stood helplessly by as these faculty shortages have grown. Indeed, well over one-half have initiated devices over the last year to pay their engineering faculty more than faculty in other disciplines. But these steps will not fill vacancies. At best, they will only stem the drain and prevent them growing even larger.

To help fill these critical faculty vacancies, the Bentsen-Chafee bill makes payments by firms to supplement faculty and graduate student salaries in engineering and other technical areas eligible for the R&D tax credit.

2. R&D FUNDING

The current R&D tax credit should be enhanced to increase the lure of basic R&D spending by private firms in collaboration with universities and other nonprofit research entities. Research grants to universities must compete with the bewildering variety of other legitimate corporate needs, from new capital investment to inventory to advertising. Yet, because basic university R&D can have substantial social effects on productivity and employment, research grants from private firms and collaborative university/private sector efforts should be further encouraged. Our legislation will do that by: First, altering the current R&D tax credit applicable to research and the new education grants to universities by eliminating the tax credit's so-called rolling base, and, second, by broadening the credit to cover grants which are made to private nonprofit organizations conducting basic R&D.

3. DONATION OF EQUIPMENT AND COMPUTERS FOR TEACHING PURPOSES

The third component of our legislation deals with technical equipment used to teach technical vocational education subjects: math, computer science, engineering, and other scientific subjects. The engineers being turned out by our colleges and universities are no better than the equipment used in their training. And the age of that equipment is a public scandal. Indeed, a recent survey by the Wall Street Journal of equipment used for teaching at our engineering schools found most of it to be 20 or 30 years old, actually predating the integrated circuit era.

Outdated equipment is the norm across the education spectrum, in fact, from vocational high schools to community colleges to 4 year colleges, universities, and graduate schools. The shortage of contemporary equipment for use in the classroom is especially alarming at our engineering schools. A survey by the American Electronics Association found that merely replacing existing outdated equipment at such schools would cost hundreds of millions of dollars. Some examples:

The University of Colorado needs $4 million to update existing equipment at its Boulder, Denver, and Colorado Springs campuses.

The University of Kansas needs $1.5 million to upgrade existing teaching equipment.

Penn State needs $8.25 million to renovate its current teaching equipment.

The University of Minnesota needs $2.75 million to modernize existing equipment.

The University of Idaho needs $2 million to replace existing equipment.

The University of Wyoming needs $3.3 million to update existing teaching equipment.

Iowa State needs $5.1 million over the next five years to upgrade existing equipment.

The University of Rhode Island needs $1 million to replace outdated equipment.

Oregon State needs $750,000 to replace aging equipment, while Portland State needs $1.35 million to modernize teaching equipment.

These outlays to replace existing outdated equipment used to teach engineering and computer science courses are enormous. But they are only the tip of the iceberg. Equipment needed to accommodate the expansion of engineering school enrollments to meet rising student demand are astronomical. Iowa State's engineering school alone, for example, estimates that it will need $22.1 million in new equipment just for their expanded electrical engineering, mechanical engineering, and computer science curriculums.

The need for new vocational education equipment in our secondary and community colleges is even worse. Yet, equipment budgets there and at our engineering schools are woefully inadequate. The University of Kansas' engineering school, for example, has an annual capital budget of a scant $52,000. The University of Iowa's equipment purchase budget is but $40,000 annually.

The grim state of equipment in our vocational school curriculums and postsecondary schools is not a new problem. As I noted last year in introducing my Scientific and Technical Equipment Act:

The results of a survey by the American Vocational Association in the spring of 1981 reveals in stark detail the dated status of equipment used in our vocational training and education entities. Some 227 schools participated in the survey. Over half were not using computer-assisted design or manufacturing technology in their curriculums at all. Almost 20 percent had no fiber optics technology available for students. And 74 percent had not acquired robotic or laser technology equipment. In the technical area generally, 44 percent of their tools and equipment were over 10 years old. In the technical and industrial curriculums, 52 percent of the tools and equipment were over 10 years old.

In light of the budget crunch at State and local levels, the poor state of teaching equipment in our vocational education programs, community colleges, and colleges and universities will not soon be remedied. Yet, the dismal state of that equipment seriously undermines the quality of technical education being received by student paraprofessionals and engineering students across the board in our education system.

Our bill seeks to close this education equipment gap. It will provide fabricators of technical equipment with a charitable tax deduction for scientific and technical equipment, computer software and equipment replacement parts donated to first, secondary school vocational education programs of a technical nature, second, 1- and 2-year postsecondary schools, and third, to all 4-year colleges and universities. To insure that only contemporary equipment will be donated to such schools, donations must be no more than 3 years old. And recipients of donated equipment must certify that the equipment is being used in order for donors to be eligible for the charitable tax deduction. The donated equipment must be used for student instruction

or for the instruction of faculty. My legislation will provide comparable treatment for service contracts, and for equipment needed to service technical equipment, as well, when donated to eligible institutions.

The need to provide contemporary high technology equipment for our vocational education schools and colleges is matched by the need to build a strong computer literacy base in our youths. For that reason, the bill also provides computer fabricators with an incentive tax deduction for donations to elementary and secondary schools. This provision is similar in intent to the so-called Apple bill introduced last year by my good colleague, Senator DANFORTH.

This provision provides for tax deductions based on the cost of providing ancillary equipment for donated computers, for software, and for the servicing of such equipment, as well. Since most schools typically do not have trained computer experts on their faculty, all computer donations must be accompanied by orientation services. Donors of computers must insure that at least one faculty member is proficient in the use of the donated hardware at no cost to the recipient school.

4. GRADUATE STUDENT ASSISTANCE

To enhance the impact of grants to boost graduate student incomes made under the act, the bill contains a provision to exclude such grants from student gross incomes. Such exclusion will be permitted whether the grants are in the form of scholarships, direct grants or loan forgiveness received by graduate students in math, engineering, and the physical and biological sciences, where the student is required to perform future teaching services at his or her college.

Mr. President, I have a fact sheet covering the many details of the legislation and I ask for unanimous consent for that factsheet and for the bill itself to appear at this point in my remarks.

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

FACTSHEET—THE HIGH TECHNOLOGY RESEARCH AND EDUCATIONAL DEVELOPMENT ACT OF 1983

SUMMARY

A. ENHANCED EQUIPMENT DONATION DEDUCTION

The Act provides an enhanced deduction to corporate contributors of:

(1) Computer equipment, software, and related orientation, maintenance and repair services, given to elementary and secondary schools for use in education;

(2) Scientific and technical equipment and apparatus and computer software, given to colleges, universities, junior colleges and vocational schools for use in education, research, and research training.

B. EXPANSION OF CURRENT R&D CREDIT FOR UNIVERSITY BASIC RESEARCH TO INCLUDE SCIENTIFIC EDUCATION

(1) Makes eligible for the credit amounts paid for scientific education used to fund faculty salaries of scholarships and loans to graduate students in the sciences.

(2) Eliminates from the corporate taxpayer's base year research expenses for R&D credit purposes any amounts paid to universities or other qualified organizations for basic research or scientific education.

I. ENHANCED EQUIPMENT DONATION DEDUCTION (SECTION 2 OF THE ACT)

A. Qualified contribution of computer equipment to elementary and secondary schools

(1) Eligible equipment

New data processor with screen,

New ancillary equipment for use in connection with a compatible data processor of the school: display screen, printer, disc drive, computer software suitable for educational applications, any necessary installation equipment, and replacement parts.

(2) Eligible services

Maintenance, repair, reconditioning, or similar services normally offered by the contributor in connection with the sale or lease of such computer equipment or software.

Orientation services which must be provided as a condition of the deduction, without cost to the school or teachers, in accordance with an agreement between the contributor and the school, to one or more teachers so as to make at least one teacher per data processor proficient in the use of the donated computer equipment. Such training may be provided by the contributor's employees or by another competent person under an agreement with the contributor. Such training costs are included in the basis of the donated property for deduction purposes.

B. Qualified contribution of scientific equipment to colleges, universities, junior colleges, and vocational schools

(1) Eligible equipment

Scientific or technical equipment or apparatus that is newly manufactured or has been used in the taxpayer's business for 3 years or less;

Computer software developed or purchased by the contributor;

Installation equipment and replacement parts.

(2) Eligible uses

Direct education of students and faculty, research, or research training, in the United States in mathematics, engineering, computer science and applications, the physical or biological sciences, and in comparable courses at vocational education entities.

(3) Eligible services

Maintenance, repair, reconditioning, or similar services ordinarily provided by the contributor in a commercial sale or lease of such property.

C. Amount of the allowable deduction

(1) New scientific equipment and computer hardware

Fair market value, limited to the lesser of (A) the sum of basis plus one-half of the ordinary income gain that would have been realized by the contributor had the new inventory property instead been sold or (B) twice basis.

(2) Used scientific equipment

150 percent of original cost less accumulated depreciation.

(3) Computer software

Purchased by taxpayer prior to contribution: Fair market value.

Developed by taxpayer: One-half of fair market value.

(4) Maintenance and repair services

Lesser of (A) fair market value of such services (as determined by the amount normally paid by customers for such services) or (B) 150 percent of the costs of the taxpayer in providing such services.

II. EXPANDED R&D CREDIT FOR UNIVERSITY BASIC RESEARCH TO INCLUDE SCIENTIFIC EDUCATION (SECTION 3 OF THE ACT)

A. Expansion of credit to include faculty salaries and scholarships and loans to graduate students in the sciences

65 percent of corporate payments to universities and other qualified organizations for (a) "scientific education" to fund faculty salaries in colleges and vocational schools and scholarships and loans to graduate students in mathematics, engineering, or the physical or biological sciences, and for (b) university basic research, are eligible for the R&D credit.

Corporate payments for faculty salaries must be made pursuant to a 3-year commitment by the contributor.

B. Elimination of payments for qualified basic research and scientific education from base period research expenses

Corporate payments to a university or other qualified organization for basic research or scientific education are not included in the contributor's base period research expenses for purposes of computing the incremental R&D credit for subsequent taxable years.

C. Additional qualified organization

Adds to the list of qualified organizations to whom corporate payments for basic research and scientific education are eligible for the R&D credit any organization exempt under section 501(c)(6) or section 501(c)(3) and operated primarily to promote basic scientific research or scientific education via grants to or contracts with universities.

CLARIFICATION OF THE EXCLUSION FROM INCOME OF SCHOLARSHIPS, GRANTS, AND LOAN FORGIVENESS RECEIVED BY GRADUATE STUDENTS UNDER THE EXPANDED R&D CREDIT (SECTION 4 OF THE ACT)

Clarifies that amounts received in the form of scholarships, grants, and loan forgiveness, by a graduate student in the physical biological sciences, mathematics, or engineering under the expanded R&D credit for university basic research and scientific education are excluded from such student's gross income, where he or she is required to perform future teaching services for the university or college as a condition of receiving such scholarships, grants, or loan forgiveness.

EFFECTIVE DATE OF THE BILL (SECTION 5 OF THE ACT)

The amendments made by the Act are to apply to taxable years beginning after the date of enactment.

S. 1195

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "High Technology Research and Educational Development Act of 1983".

SEC. 2. DEDUCTION FOR CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY FOR USE IN HIGH TECHNOLOGY EDUCATION.

The Internal Revenue Code of 1954 is hereby amended by striking paragraph (4) of subsection (e) of section 170 and is further amended by adding to part VI of subchapter B of chapter I as a new section 174A the following:

"SEC. 174A. CONTRIBUTIONS OF SCIENTIFIC AND TECHNICAL PROPERTY USED FOR EDUCATION AND RESEARCH.—

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction any qualified education or research transfer (as defined in subsection (b)), which is made within the taxable year.

"(b) QUALIFIED EDUCATION OR RESEARCH TRANSFER.—For purposes of this section, the term 'education or research transfer' means a transfer without consideration by a corporation of—

"(1) qualified scientific property or qualified services to an educational organization that is described in section 170(b)(1)(A)(ii) and that is an institution of higher education (as defined in section 3304(f)), a secondary school offering vocational education programs, or an area vocational school (as defined in Public Law 94-482);

"(2) qualified computer equipment property or qualified services to an educational organization that (i) is described in section 170(b)(1)(A)(ii) and (ii) is not an institution of higher education (as defined in section 3304(f)); or

"(3) qualified computer equipment property or qualified services to a school operated as an activity of an organization described in section 501(c)(3) and exempt from income tax under section 501(a) if such school (i) normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on, and (ii) is not an institution of higher education (as defined in section 3304(f)).

"(c) QUALIFIED PROPERTY.—

"(1) QUALIFIED COMPUTER EQUIPMENT PROPERTY.—For purposes of this section, 'qualified computer equipment property' means tangible personal property described in paragraph (1) of section 1221 which is transferred to an educational organization described in subsection (b)(2) or a school described in subsection (b)(3), but only if——

"(A) such transfer is made through the governing body of the qualified educational organization or school,

"(B) such transfer is of computer equipment which, for purposes of this section, means any of the following:

"(i) a data processor which—

"(I) is suitable for educational use,

"(II) will support at least 3 computer languages,

"(III) has a random access memory with a capacity for at least 16,000 bytes, expandable to at least 48,000 bytes, and

"(IV) is accompanied by a screen for visual display of the data,

"(ii) ancillary computer equipment transferred for use in connection with a data processor described in clause (i) which is contributed by the taxpayer or which already is owned by the recipient, but only upon a written finding by the governing body of the recipient that such ancillary computer equipment is compatible with data processors which the recipient holds. For this purpose ancillary computer equipment shall mean a display screen, a printer, a disc drive, and computer software which is suitable for use in instructional applications in the educational environment in which the data processor is to be used;

"(iii) any installation equipment or replacement parts for equipment described in clauses (i) or (ii).

"(C) such transfer of computer equipment is accompanied by the same warranty or warranties normally provided by the manufacturer in connection with a sale of the equipment contributed,

"(D) in the case of property other than computer software, such transfer is of property at least 50 percent of which is assembled by the taxpayer, and the taxpayer is regularly engaged in the business of assembling and selling computer equipment of the same kind as such property.

"(E) such transfer is made—

"(i) not later than 6 months after the date upon which the assembly of the property is substantially completed, and

"(ii) during the 5-year period beginning on the effective date of this Act,

"(F) such transfer is made pursuant to a written plan of the taxpayer under which there will be no undue concentration of the taxpayer's transfers of qualified property either on a geographical basis or upon the basis of the relative economic status of the students of the recipients,

"(G) the original use of the computer equipment is by the recipient educational organization or school,

"(H) substantially all of the use of the transferred property by the recipient will be at its institution(s) directly in the education of students in the United States,

"(I) the transferred property is not retransferred by the recipient in exchange for money, other property, or services,

"(J) the taxpayer receives from the governing body of the recipient of the transferred property a written statement executed under penalties of perjury representing that the use and disposition of the property by the recipient will be in accordance with the provisions of clauses (H) and (I),

"(K) except in the case of property described in subparagraph (1)(B)(iii) of this subsection, the value of the property transferred exceeds $250, and

"(L) the taxpayer, at no cost to the recipient or its participating teachers, provides sufficient orientation, as determined by an agreement between the taxpayer and the recipient, to one or more teachers employed by recipient to make at least one teacher per data processor proficient in the operation and use of the transferred property in the direct education of student. Such program shall—

"(i) be conducted by employees of the taxpayer or by any other competent person authorized by the taxpayer pursuant to an agreement between the taxpayer and such person, and

"(ii) be provided at a location as determined pursuant to the agreement between the taxpayer and the recipient.

"(2) QUALIFIED SCIENTIFIC PROPERTY.—For purposes of this section the term 'qualified scientific property' shall mean computer software and tangible personal property that is described in paragraph (1) of section 1221 or that is property used in the taxpayer's trade or business (as defined in section 1231(b)) and which is transferred to an educational organization described in subsection (b)(1), but only if—

"(A) such transfer is made through the governing body of the qualified educational organization,

"(B) such property is scientific or technical equipment, or other property, apparatus, or replacement parts therefor, substantially all of the use of which by the recipient is for direct education of students or faculty, for research and experimentation (within the meaning of section 174), or for research training, in the United States in the physical, computer and biological sciences or technologies, engineering and engineering technologies, mathematics and electronic and automated industrial, medical and agricultural equipment and instrumentation operation,

"(C) such transfer is made—

"(i) in the case of tangible personal property described in paragraph (1) of section 1221, not later than 6 months after the date upon which the assembly of the property is substantially completed, or

"(ii) in the case of tangible personal property used in a taxpayer's trade or business (as defined in section 1231(b)), not more than 3 years after the property is first placed in service by the taxpayer,

"(D) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, such transfer is of property at least 50 percent of which is assembled by the taxpayer, and the taxpayer is regularly engaged in the business of assembling and selling scientific or technical equipment or apparatus of the same kind as such property,

"(E) in the case of a transfer of tangible personal property that is described in paragraph (1) of section 1221, the original use of such property is by the recipient educational organization,

"(F) the transferred property is not retransferred by the recipient educational organization within 5 years of the date of the original transfer to recipient in exchange for money, other property, or services,

"(G) the taxpayer receives from the governing body of the recipient educational organization a written statement executed under penalties of perjury representing that the use and disposition of the property by the recipient will be in accordance with the provisions of subparagraphs (B) and (F),

"(H) except in the case of property that is computer software or replacement parts (within the meaning of subparagraph (2)(B)), the value of the property transferred exceeds $250,

"(I) such transferred property is accompanied by the same warranty or warranties normally provided by the manufacturer in connection with a sale of the equipment or apparatus transferred and

"(J) in the case of a transfer of property that is used in the taxpayer's trade or business (as defined in section 1231(b)), the property is functional and usable in the condition in which it is transferred for the purpose of direct education of students or faculty, research or experimentation, or research training without the necessity of any repair, reconditioning, or other investment by the recipient educational organization, and the taxpayer and the recipient so agree in writing.

"(3) QUALIFIED SERVICES.—For purposes of this section, the term 'qualified services' shall mean any standard contract between the taxpayer and any qualified recipient (within the meaning of subsection (b)(1), (b)(2), or (b)(3) of this section) in connection with any transfer of qualified computer equipment property or qualified scientific

property for maintenance, repair, reconditioning, or any other similar services normally made available by the taxpayer to its customers in connection with the sale or lease of such property.

"(e) AMOUNT OF ALLOWABLE DEDUCTION.—The amount of the deduction allowable under subsection (a) shall be—

"(1) in the case of tangible personal property that is described in paragraph (1) of section 1221, fair market value, limited to the lesser of (A) the sum of basis and one-half of the amount of gain which would not have been long-term capital gain if the property transferred had been sold by the taxpayer at its fair market value (determined at the time of such transfer), or (B) twice the basis of such property;

"(2) in the case of tangible personal property that is used in the taxpayer's trade or business (as defined in section 1231(b)), 150 percent of basis (without regard to adjustments under section 1016) less any adjustments under section 1016(a);

"(3) in the case of qualified services the lesser of (i) the fair market value of such services (as determined by the amount normally paid by customers for such services) or (ii) 150 percent of the costs of the taxpayer in providing such services;

"(4) in the case of computer software—

"(A) which has been purchased by the taxpayer prior to the transfer, fair market value (determined at the time of

"(B) which has been developed by the taxpayer, one-half of fair market value (determined at the time of such transfer);

In the case of training services provided pursuant to subsection (c)(1)(L), the costs incurred by the taxpayer in providing such services shall be included in the basis of the qualified computer equipment property for purposes of computation of the deduction allowable under subparagraph (1) of this subsection.

"(f) LIMITATIONS ON ALLOWABLE DEDUCTION.—The deduction otherwise allowable under subsection (a) of this section—

"(1) shall not exceed for any taxable year 10 percent of the taxpayer's taxable income computed without regard to—

"(A) section 170,

"(B) part VIII of subchapter B (except section 248),

"(C) any net operating loss carryback to the taxable year under section 172, and

"(D) any capital loss carryback to the taxable year under section 1212(a)(1),

less the taxpayer's total deductions under section 170(a) for the taxable year. Amounts exceeding this limitation may be carried forward in the same manner as a deduction under section 170.

"(2) shall not be allowed in the case of a transfer of otherwise qualified computer equipment property or qualified scientific property, where the taxpayer's total qualified education or research transfers of such property in the taxable year, as determined on a product-by-product basis, exceed 20 percent of the number of units of such product sold by the taxpayer in the ordinary course of its business in that taxable year.

"(g) DEFINITIONS.—For purposes of this section—

"(1) the term 'substantially all' shall mean at least 80 percent;

"(2) the term 'corporation' shall not include—

"(i) an electing small business corporation (as defined in section 1371(b)),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a service organization (as defined in section 414(m)(3)).".

SEC. 3. EXPANSION OF CREDIT FOR UNIVERSITY RESEARCH AND RELATED ACTIVITIES.

Subsection (e) of section 44F of the Internal Revenue Code of 1954 is amended to read as follows:

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH OR EDUCATION EXPENDITURES BY COLLEGES, UNIVERSITIES AND CERTAIN RESEARCH ORGANIZATIONS.—

"(1) IN GENERAL.—65 percent of any amount paid or incurred in any taxable year by a corporation to any qualified organization for basic research or scienfific education to be performed by such organization shall be treated as contract research expenses paid or incurred in carrying on any trade or business of the taxpayer in that taxable year (without regard to the provisions of subsection (b)(3)(B)). The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written agreement between the corporation and the qualified organization.

"(2) NOT INCLUDED IN BASE YEAR EXPENSES.—For purposes of determining the amount of the credit allowed under this section for any taxable year, any amount treated as contract research expenses under subsection (a)(1) shall not be included in the qualified research expenses for any year in the base period.

"(3) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304 (f)) or an area vocational education school (as defined in Public Law 94-482),

"(B) any other organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a),

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation, or

"(C) any organization which—

"(i) is described in section 501(c)(6) or 501(c)(3) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to promote scientific research or scientific education by qualified organizations (within the meaning of subsection (e)(3) of this section) pursuant to written agreements, and

"(iii) expends on a current basis substantially all of its funds through grants or contracts for basic research or scientific education by a qualified organization (within the meaning of subsection (e)(3) of this section.

"(4) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, except that such term shall not include—

"(A) basic research conducted outside of the United States, and

"(B) basic research in the social sciences or humanities.

"(5) SCIENTIFIC EDUCATION.—The term "scientific education" means the education of students and faculty at an institution described in paragraph (3)(A) in engineering or engineering technologies, the physical, biological and computer sciences or technologies, mathematics, and electronic and automated medical, industrial and agricultural equipment and instrumentation operation.

"(6) LIMITATION ON SCIENTIFIC EDUCATION AMOUNTS.—Any amount paid or incurred by a corporation for scientific education in any taxable year shall be treated as contract research expenses only to the extent such amounts are used by the recipient—

"(A) for the payment of wages (within the meaning of section 3401(a)) to any individual directly engaged in providing such scientific education or

"(B) to fund scholarships and loans for students attending such qualified organization (within the meaning of paragraph (e)(A)) who possess a bachelor's degree or its equivalent and are engaged in post-graduate study in mathematics, computer science and applications, engineering, or the physical or biological sciences; and

Provided, however, That the amounts described in subparagraph (A) are paid or incurred pursuant to a written agreement between the corporation or qualified organization (within the meaning of subsection (e)(3)) and the recipient which obligates the corporation or qualified organization to render a like amount to the recipient in each of not less than 3 consecutive taxable years.

"(7) SPECIAL RULES FOR GRANTS TO CERTAIN RESEARCH FUNDS.—

"(A) IN GENERAL.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term "qualified fund" means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i);

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (3)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTION.—

"(i) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940), relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(8) CERTAIN CORPORATIONS NOT ELIGIBLE.—For purposes of this subsection, the term 'corporation' shall not include—

"(A) an electing small business corporation (as defined in section 1371(b)),

"(B) a personal holding company (as defined in section 542), and

"(C) a service organization (as defined in section 414(m)(3)).".

SEC. 4. CLARIFICATION OF EXCLUSION FROM GROSS INCOME OF SCHOLARSHIPS, GRANTS, AND LOAN FORGIVENESS.

The Internal Revenue Code of 1954 is hereby amended by adding to part III of subchapter B of chapter I as a new section 117A the following:

"SEC. 117A. SCHOLARSHIPS, FELLOWSHIP GRANTS, AND STUDENT LOAN FORGIVENESS RECEIVED BY CERTAIN GRADUATE SCIENCE STUDENTS.—

"(a) GENERAL RULE.—In the case of a qualified individual, gross income does not include—

"(1) any amount received—

"(A) as a scholarship,

"(B) as a fellowship grant, or

"(C) as qualified student loan forgiveness,

including the value of contributed services and accommodations; and

"(2) any amount received to cover expenses for—

"(A) travel,

"(B) research,

"(C) clerical help, or

"(D) equipment

which are incidental to such a scholarship or to a fellowship grant, but only to the extent that the amount is so expended by the recipient.

"(b) QUALIFIED INDIVIDUAL.—For the purposes of this section, the term 'qualified individual' shall mean a student who is attending a qualified educational organization, who possesses a bachelor's degree or its equivalent, and who is engaged in postgraduate study as a degree candidate in mathematics, computer science and applications engineering, or the physical or biological sciences;

"(c) QUALIFIED EDUCATIONAL ORGANIZATION.—For purposes of this section, the term 'qualified education organization' shall mean an educational institution which—

"(1) is described in section 170(b)(1)(A)(ii),

"(2) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate,

"(3) is legally authorized within such State to provide a program of education beyond high school, and

"(4) provides an educational program for which it awards a bachelor's or higher degree.

"(d) QUALIFIED STUDENT LOAN FORGIVENESS.—For purposes of this section, the term 'qualified student loan forgiveness' shall mean the forgiveness of a loan received by a qualified individual (as defined in subsection (b)) for the purpose of financing his postgraduate course of study in mathematics, computer science and application engineering, or the physical or biological sciences, but only to the extent that—

"(1) the amount represented by the loan was so expended, and

"(2) such student is required in a written loan agreement, as a condition of receiving such forgiveness of the loan, to perform teaching services for a qualified educational organization upon completion of his postgraduate course of study.

"(e) LIMITATION.—In the case of a qualified individual, subsection (a) shall not apply to that portion of any amount received which represents payment for teaching, research, or other services in the nature of part-time employment required as a condition to receiving the scholarship, the fellowship grant, or qualified student loan. If teaching, research, or other services are required of all candidates (whether or not recipients of scholarships or fellowship grants) for a particular degree at a qualified educational organizational organization as a condition to receiving such degree, such teaching, research, or other services shall not be regarded as part-time employment within the meaning of this paragraph.

"(f) SCHOLARSHIPS, FELLOWSHIP GRANTS, AND QUALIFIED STUDENT LOAN FORGIVENESS NOT INCLUDABLE MERELY BECAUSE THERE IS A REQUIREMENT OF FUTURE SERVICE IN TEACHING OR RESEARCH.—

"(1) IN GENERAL.—If—

"(A) an amount received by a qualified individual would be excludable under subsections (a) and (e) as a scholarship, fellowship grant, or qualified student loan forgiveness but for the fact that such individual is required to perform teaching services for a qualified educational organization upon completion of his post-graduate course of study, and

"(B) the individual establishes that, in accordance with the terms of the scholarship, grant, or qualified student loan, such amount was used for qualified tuition and related expenses,

gross income shall not include such amount.

"(2) QUALIFIED TUITION AND RELATED EXPENSES DEFINED.—For purposes of this subsection, the term 'qualified tuition and related expenses' shall mean—

"(A) tuition and fees required for the enrollment or attendance of a qualified individual as a student at a qualified educational organization, and

"(B) fees, books, supplies, and equipment required for courses of instruction at a qualified educational organization.".

SEC. 5. EFFECTIVE DATE.

The amendments made by sections 2, 3, and 4 shall apply to taxable years beginning after the date of enactment of this Act.●

By Mr. DECONCINI:

S. 1196. A bill to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe; to the Committee on the Judiciary.

NAVAJO INDIAN TRIBE CLAIMS

● Mr. DECONCINI. Mr. President, the proposed legislation that I am introducing will require the U.S. Court of Claims to hear the merits of a group of claims against the United States filed in 1950 by the Navajo Tribe. These claims were filed pursuant to the Indian Claims Commission Act of 1946, alleging that the United States breached its legal and treaty obligations, as well as its general responsibility to deal fairly and honorably with the Navajo Tribe. The Navajo claims include allegations of mismanagement of tribal resources and specific breaches of the treaty. Jurisdiction over the claims was accepted when they were filed in 1950, reaffirmed by the Indian Claims Commission in 1975, and at the trial level of the Court of Claims in 1978, following their transfer to that court under Public Law 95-69. Ultimately, the claims were dismissed on a further appeal by the Government, without reaching trial on the merits, when the Court of Claims in May 1979 decided on purely technical grounds that its jurisdiction was barred.

The technical dismissal was based on the purported withdrawal in 1969 of seven claims by a former claims attorney for the tribe. Even if the withdrawal occurred, its validity is questionable because neither the Navajo Tribal Council nor the Secretary of the Interior approved it, which was a requirement in the claims attorney contract.

The Indian Claims Commission in 1975 permitted the seven claims to be put back in the petition by the present claims counsel because the factual allegations "which were the substance of those claims" had never been withdrawn. After the case was transferred to the Court of Claims, the trial judge to whom it was referred upheld the action by the Commission.

However, on June 13, 1979, the Court of Claims overturned the two previous decisions and held that the tribe was bound by its former counsel's "voluntary dismissal" of the seven claims 10 years previously.

The primary purpose of the Indian Claims Commission Act was to provide a forum where old claims by Indian tribes could be heard on their merits without regard to technical legal restrictions or jurisdiction. The Department of the Interior in recommending passage of the act urged that if those claims were ever to be put to rest, the act must confer jurisdiction broad enough to avoid the "lack of finality attending dismissal of a case by the Court of Claims on technical legal grounds without consideration of the claim on its merit." The Department therefore urged passage of the act to "overcome the defect in the present system under which many of the claims of the Indians are precluded from a hearing on the merits, on technical legal grounds, even though the claims may be such as would challenge the conscience of a Court of Equity."

The Navajo Tribe was forced to wait nearly 100 years to present its claims to the Indian Claims Commission for a fair hearing. Now after 30 years of litigation, a fair hearing on a group of those claims has been denied. This bill merely carries out the intent of the Indian Claims Commission Act by insuring that these duly filed claims, like those of other Indian tribes, will have the hearing contemplated by the act.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

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

S. 1196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 2401 and 2501 of title 28, United States Code, or section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), or any other provision of law, jurisdiction is hereby conferred upon the United States Claims Court to hear, determine, and render judgment on the claims of the Navajo Indian Tribe against the United States which (a) arose before August 13, 1946, (b) were timely presented under section 2 of the Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a), (c) were withdrawn without required approval by the Tribe and the Secretary of the Interior, and (d) were held by the Court of Claims in *Navajo Tribe*

of Indians v. *United States*, Docket No. 69, on June 13, 1979, to have been voluntarily dismissed by the Tribe before being considered or decided on their merits, and which are no longer pending before the United States Claims Court and have not been previously determined on the merits by the United States Court of Claims. Such claims must be filed within six months after this Act shall have become law.●

By Mr. STEVENS:

S. 1197. A bill to admit certain passenger vessels to the coastwise trade; to the Committee on Commerce, Science, and Transportation.

STATUS OF CERTAIN PASSENGER VESSELS

Mr. STEVENS. Mr. President, today I am introducing a bill which would admit certain passenger vessels to the coastwise trade. The passenger cruise vessels the *Cunard Princess* and *Cunard Countess* currently operate under a Bahamian flag and British flag, respectively, and would be reflagged in the United States and owned and operated by Cruise America Line, Inc., a U.S. corporation.

Mr. President, I believe this could prove to be an important first step in revitalizing a domestic industry for large passenger cruise vessels which has fallen completely to the domain of foreign-flagged vessels. We currently have over 80 large passenger vessel operating, principally between U.S. mainland and Alaska and foreign ports, none of which are U.S. flagged. The United States has been unable to maintain a passenger carriage fleet due to the prohibitive cost of building such vessels in a U.S. shipyard.

There is now pending before the Secretary of Defense a request to grant a waiver for these vessels to enter the domestic trade. I hope that Secretary Weinberger will grant the waiver soon, and my action today is intended to focus on the need for the waiver. In the event that an administrative waiver is not forthcoming, we will take up the Cunard line request in the Merchant Marine Subcommittee. Action is needed in the near future to address the continuing decline of the U.S.-flag passenger fleet. This legislation is one step in the right direction to address that need.

Mr. President, there are many reasons why it is important to rebuild this U.S.-flag service. They include creating jobs for sea and shore personnel, generating approximately $80 million annually per vessel in indirect services, development of the U.S. tourism industry, and further strenghtening sealift capacity under the U.S. flag operable in times of a national emergency as auxiliary troop transports or hospital ships, all at no cost to the Government.

This legislation would simply enable these vessels to operate in the coastwise trade under the U.S. flag, and no special privileges will be granted these vessels. Several restrictions will apply following passage of this bill. The vessels will be limited to carriage of passengers solely, while including their accompanying baggage and personal property. The ownership requirements that exist in the U.S. law will be maintained, which means that the vessel will conform to the U.S. ownership standards of the Jones Act. All overhaul and maintenance work will be performed in U.S. shipyards. In short, these vessels would comply with all U.S. requirements with respect to safety, ownership, and crewing.

Mr. President, the 1.5 million passengers that embark on foreign passenger vessels each year from U.S. ports to foreign destinations will, after enactment of this legislation, have the option of seeing their own country's flag on a cruise ship.

For the above reasons, I urge all my colleagues to join me today in support of this legislation and work toward its enactment.

By Mr. MURKOWSKI:

S.J. Res. 91. Joint resolution designating May 3, 1983, as "Polish Constitution Day"; to the Committee on the Judiciary.

POLISH CONSTITUTION DAY

Mr. MURKOWSKI. Mr. President, today I am introducing a joint resolution establishing May 3 as "Polish Constitution Day," in commemoration of the promulgation of the Polish Constitution of 1791. A companion resolution has been introduced in the House by California Congressman PANETTA.

Mr. President, 1791 was a year that saw so many events of historical significance that I cannot begin to describe them here. France and the United States were in the throes of revolutionary changes; Austria, Prussia, and Russia were engaged in a war with Turkey; Polish patriots took advantage of their enemies' preoccupation elsewhere to seize their national independence from the Russian bear.

From late 1790 through the early part of 1791 they held secret meetings with King Stanislaus Augustus to draft a constitution. On the night of May 3, it was presented to a Diet packed with people who shouted their acceptance.

That constitution did away with the old medieval system of government and replaced it with a modern parliamentary system based on the principles and practices of the English, French, and American forms of government. King Stanislaus Augustus and his fellow patriots were deeply moved by the ideal of egalitarianism that flowered in the French and American revolutions. Their constitution gave judicial autonomy to the bourgeoisie, legal protection to the peasants for the first time, and allowed the slow process of breaking down the economic and social barriers between the classes which is essential for democracy to begin.

Implementation of the principles of this constitution would have brought Poland out of the "Dark Ages" and made it strong enough to assure independence. But a strong independent Poland was unacceptable to Russia, just as it is unacceptable to Russia now. In 1793, the Russians invaded Poland and in 3 months the Polish Army under Josef Poniatowski and Tadeusz Kosciuszko was defeated. In September 1793, Poland was partitioned—for the second time—between Prussia and Russia.

The Russians did not invade Poland in 1981—they did not have to because the threat of Soviet troops massed on the border reminded the Poles only too painfully of past Russian intervention.

When the constitution was approved by the Polish people in 1791, Edmund Burke, the great British statesman, said, "Humanity must rejoice and glory when it considers the change in Poland."

Humanity can only bewail the recurrent oppression of the Polish people by their Russian neighbors and their own Communist minority.

It is to commemorate the courage that the Polish people demonstrated 200 years ago that I introduce this legislation today. Let it serve to underscore not just the continuous aggression of the Russians but also the constance of the Polish people in their struggle for freedom.

By Mrs. HAWKINS:

S.J. Res. 92. Joint resolution designating the week beginning May 8, 1983, as "Municipal Clerk's Week"; to the Committee on the Judiciary.

MUNICIPAL CLERK'S WEEK

● Mrs. HAWKINS. Mr. President, today I am introducing a joint resolution designating the week of May 8, 1983, as "Municipal Clerk's Week."

For centuries, city clerks have been indispensable participants in local governments across the world. Even the cities of ancient Greece each had a city secretary who read aloud official documents. Records indicate that the city clerk was an established figure in York, England, in the 1300's. In this country, one of the first elected officials was the city clerk in New York City, N.Y., in the 1630's.

During the life of this Nation, town and municipal clerks have been responsible for many essential local government operations. A list of their duties includes the care and custody of private property records, the recording of births, deaths, and legal documents, town finances, licensing, as well as the registration of voters.

Municipal clerks continue to be the backbone of local government. Some municipal clerks' responsibilities have

grown tenfold as their cities have expanded beyond all expectations. This is the case in Florida where our urban population grew by 48 percent between 1970 and 1980. Yet, whether a municipal clerk is serving the community of Tavistock, N.Y.—population 12 people—or New York City, N.Y.—population 3 million, the quality of work done by these dedicated public servants is consistently excellent.

The International Institute of Municipal Clerks is the professional association for 6,500 city, village, town, and township clerks in the United States, Canada, and several other countries. Its members hail from places as far away as the North Pole, Alaska, and Hobart, Tasmania, Australia. This group strongly supports passage of this resolution.

While "Municipal Clerk's Week" has been recognized annually by many State and local governments, it has not been recognized on the national level. It is time that we make this observance to call attention to the historical importance of municipal clerks to our democratic form of government. I ask all my colleagues to assist me in this effort.●

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. SPECTER, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 58, a bill to authorize incarceration in Federal prisons of convicts sentenced to life imprisonment under the habitual criminal statute of a State.

S. 212

At the request of Mr. PRESSLER, the name of the Senator fron New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 230

At the request of Mr. HEINZ, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 230, a bill to amend the Tariff Schedules of the United States to establish equal and equitable classification and duty rates for various cordage products of virtually identical characteristics.

S. 444

At the request of Mr. DURENBERGER, the name of the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 444, a bill to provide that registration and polling places for Federal elections be accessible to handicapped and elderly individuals, and for other purposes.

S. 480

At the request of Mr. PRESSLER, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 480, a bill relating to the transfer of civil land remote-sensing space satellite systems and meteorological satellite systems to the private sector.

S. 689

At the request of Mr. HEINZ, the names of the Senator from Massachusetts (Mr. TSONGAS) and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 689, a bill entitled the "Natural Gas Policy Act Amendments of 1983."

S. 869

At the request of Mr. HEINZ, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Iowa (Mr. GRASSLEY), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 869, a bill to amend the Export-Import Bank Act of 1945.

S. 872

At the request of Mr. HOLLINGS, the name of the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 872, a bill to establish an ocean and coastal resources management fund from which coastal States shall receive grants, and for other purposes.

S. 888

At the request of Mr. DURENBERGER, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 888, a bill entitled "The Economic Equity Act."

S. 1061

At the request of Mr. DOLE, the name of the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1061, a bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of bonds that are guaranteed by certain Federal agencies.

S. 1063

At the request of Mr. DECONCINI, the names of the Senator from Utah (Mr. GARN), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 1063, a bill to exclude from gross income any discharge of a mortgage debt on a principal residence occurring in 1982, and for other purposes.

SENATE JOINT RESOLUTION 3

At the request of Mr. HATCH, the name of the Senator from Louisiana (Mr. LONG) was withdrawn as a cosponsor of Senate Joint Resolution 3, a joint resolution to amend the Constitution to establish legislative authority in Congress and the States with respect to abortion.

SENATE JOINT RESOLUTION 23

At the request of Mr. DECONCINI, the name of the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Joint Resolution 23, a joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve.

SENATE JOINT RESOLUTION 39

At the request of Mr. BOREN, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of Senate Joint Resolution 39, a joint resolution proposing an amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges.

SENATE JOINT RESOLUTION 81

At the request of Mr. HEINZ, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of Senate Joint Resolution 81, a joint resolution to authorize and request the President to designate October 16, 1983, as "World Food Day."

SENATE CONCURRENT RESOLUTION 24

At the request of Mrs. HAWKINS, the names of the Senator from Rhode Island (Mr. PELL), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Concurrent Resolution 24, a concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1983 as Older Americans Month.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. HOLLINGS, the name of the Senator from Florida (Mr. CHILES) was added as a cosponsor of Senate Concurrent Resolution 29, a concurrent resolution to provide that it is the sense of the Congress that the national policy of the United States be that the Federal Government contribute to the support of education in the United States.

SENATE RESOLUTION 72

At the request of Mr. HEINZ, the name of the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of Senate Resolution 72, a resolution to assure Israel's security, to oppose advance arms sales to Jordan, and to further peace in the Middle East.

SENATE RESOLUTION 100

At the request of Mr. WALLOP, the names of the Senator from North Carolina (Mr. EAST) and the Senator from Nevada (Mr. HECHT) were added as cosponsors of Senate Resolution 100, a resolution relating to the building of weapons for deployment in space.

SENATE RESOLUTION 118

At the request of Mr. HOLLINGS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Resolution 118, a resolution to express the sense of the Senate in support of continued integrity of the National Oceanic and Atmospheric Administration.

SENATE RESOLUTION 119

At the request of Mr. D'AMATO, the names of the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of Senate Resolution 119, a resolution expressing the sense of the Senate that the United States should proceed with the sale and delivery of F-16 aircraft to Israel.

AMENDMENTS SUBMITTED

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1984

HATCH AMENDMENT NO. 1227

Mr. HATCH proposed an amendment to the concurrent resolution (S. Con. Res. 27) revising the congressional budget for the U.S. Government for the fiscal year 1983 and setting forth the congressional budget for the U.S. Government for the fiscal years 1984, 1985, and 1986, as follows:

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

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

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

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

Fiscal year 1983: $604,500,000;
Fiscal year 1984: $675,600,000;
Fiscal year 1985: $753,300,000;
Fiscal year 1986: $817,400,000.

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

Fiscal year 1983: $874,630,000,000;
Fiscal year 1984: $886,203,000,000;
Fiscal year 1985: $953,034,000,000;
Fiscal year 1986: $1,015,694,000,000.

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

Fiscal year 1983: $805,490,000,000;
Fiscal year 1984: $825,783,000,000;
Fiscal year 1985: $870,044,000,000;
Fiscal year 1986: $917,944,000,000.

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

Fiscal year 1983: $200,990,000,000;
Fiscal year 1984: $149,183,000,000;
Fiscal year 1985: $117,544,000,000;
Fiscal year 1986: $100,544,000,000.

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

Fiscal year 1983: $1,380,890,013,000;
Fiscal year 1984: $1,576,364,000,000;
Fiscal year 1985: $1,762,164,000,000;
Fiscal year 1986: $1,944,713,000,000;

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

Fiscal year 1983: $90,690,013,000;
Fiscal year 1984: $195,473,987,000;
Fiscal year 1985: $185,800,000,000;
Fiscal year 1986: $182,549,000,000.

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

Fiscal year 1983:
(A) New direct loan obligations, $55,400,000,000;
(B) New loan guarantee commitments, $94,500,000,000.

Fiscal year 1984:
(A) New direct loan obligations, $48,200,000,000;
(B) New loan guarantee commitments, $94,500,000,000.

Fiscal year 1985:
(A) New direct loan obligations, $48,100,000,000;
(B) New loan guarantee commitments, $97,400,000,000.

Fiscal year 1986:
(A) New direct loan obligations, $48,700,000,000;
(B) New loan guarantee commitments, $101,000,000,000.

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

(1) National Defense (050):
(A) New budget authority, $243,900,000,000;
(B) Outlays, $214,200,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $274,900,000,000;
(B) Outlays, $243,200,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

Fiscal year 1985:
(A) New budget authority, $310,000,000,000;
(B) Outlays, $276,100,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $346,400,000,000;
(B) Outlays, $308,000,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1983:
(A) New budget authority, $24,070,000,000;
(B) Outlays, $11,270,000,000;
(C) New direct loan obligations, $11,700,000,000;
(D) New loan guarantee commitments, $9,200,000,000.

Fiscal year 1984:
(A) New budget authority, $15,570,000,000;
(B) Outlays, $11,200,000,000;
(C) New direct loan obligations, $11,200,000,000;
(D) New loan guarantee commitments, $10,300,000,000.

Fiscal year 1985:
(A) New budget authority, $16,230,000,000;
(B) Outlays, $11,530,000,000;
(C) New direct loan obligations, $11,500,000,000;
(D) New loan guarantee commitments, $10,300,000,000.

Fiscal year 1986:
(A) New budget authority, $14,660,000,000;
(B) Outlays, $11,450,000,000;
(C) New direct loan obligations, $11,600,000,000;
(D) New loan guarantee commitments, $10,300,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $7,890,000,000;
(B) Outlays, $7,690,000,000;
(C) New direct loan obligations, $200,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $8,060,000,000;
(B) Outlays, $7,940,000,000;
(C) New direct loan obligations, $37,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1985:
(A) New budget authority, $7,830,000,000;
(B) Outlays, $7,830,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $7,060,000,000;
(B) Outlays, $7,220,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1983:
(A) New budget authority, $3,880,000,000;
(B) Outlays, $4,330,000,000;
(C) New direct loan obligations, $13,100,000,000;
(D) New loan guarantee commitments, $200,000,000.

Fiscal year 1984:
(A) New budget authority, $3,220,000,000;
(B) Outlays, $3,900,000,000;
(C) New direct loan obligations, $13,900,000,000;
(D) New loan guarantee commitments, $200,000,000.

Fiscal year 1985:
(A) New budget authority, $3,650,000,000;
(B) Outlays, $2,790,000,000;
(C) New direct loan obligations, $14,300,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $2,390,000,000;
(B) Outlays, $2,450,000,000;
(C) New direct loan obligations, $14,450,000,000;
(D) New loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New budget authority, $12,220,000,000;
(B) Outlays, $12,310,000,000;
(C) New direct loan obligations, $100,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $9,350,000,000;
(B) Outlays, $10,580,000,000;
(C) New direct loan obligations, $27,000,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1985:
(A) New budget authority, $9,630,000,000;
(B) Outlays, $10,360,000,000;
(C) New direct loan obligations, $27,000,000;
(D) New loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $9,330,000,000;
(B) Outlays, $9,850,000,000;
(C) New direct loan obligations, $27,000,000;
(D) New loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1983:
(A) New budget authority, $24,180,000,000;
(B) Outlays, $23,970,000,000;
(C) New direct loan obligations, $18,600,000,000;

(D) New loan guarantee commitments, $5,500,000,000.
Fiscal year 1984:
(A) New budget authority, $10,900,000,000;
(B) Outlays, $10,820,000,000;
(C) New direct loan obligations, $12,100,000,000;
(D) New loan guarantee commitments, $3,800,000,000.
Fiscal year 1985:
(A) New budget authority, $12,580,000,000;
(B) Outlays $10,480,000,000;
(C) New direct loan obligations, $11,700,000,000;
(D) New loan guarantee commitments, $3,800,000,000.
Fiscal year 1986:
(A) New budget authority, $11,070,000,000;
(B) Outlays, $11,000,000,000;
(C) New direct loan obligations, $12,200,000,000;
(D) New loan guarantee commitments, $3,800,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $5,300,000,000;
(B) Outlays, $3,340,000,000;
(C) New direct loan obligations, $6,500,000,000;
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1984:
(A) New budget authority, $7,289,000,000;
(B) Outlays, −$31,000,000;
(C) New direct loan obligations, $6,400,000,000;
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1985:
(A) New budget authority, $5,164,000,000;
(B) Outlays, −$924,000,000;
(C) New direct loan obligations, $6,300,000,000;
(D) New loan guarantee commitments, $48,700,000,000.
Fiscal year 1986:
(A) New budget authority, $4,065,000,000;
(B) Outlays, −$1,465,000,000;
(C) New direct loan obligations, $6,300,000,000;
(D) New loan guarantee commitments, $48,700,000,000.
(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $26,860,000,000;
(B) Outlays, $22,040,000,000;
(C) New direct loan obligations, $200,000,000;
(D) New loan guarantee commitments, $1,100,000,000.
Fiscal year 1984:
(A) New budget authority, $27,280,000;
(B) Outlays, $25,090,000,000;
(C) New direct loan obligations, $100,000,000;
(D) New loan guarantee commitments, $600,000,000.
Fiscal year 1985:
(A) New budget authority, $27,930,000,000;
(B) Outlays, $25,760,000,000;
(C) New direct loan obligations, $100,000,000;
(D) New loan guarantee commitments, $400,000,000.
Fiscal year 1986:
(A) New budget authority, $28,680,000,000;
(B) Outlays, $26,830,000,000;
(C) New direct loan obligations, $100,000,000;
(D) New loan guarantee commitments, $300,000,000.
(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $8,630,000,000;
(B) Outlays, $7,810,000,000;
(C) New direct loan obligations, $2,100,000,000;
(D) New loan guarantee commitments, $500,000,000.
Fiscal year 1984:
(A) New budget authority, $6,080,000,000;
(B) Outlays, $8,000,000,000;
(C) New direct loan obligations, $1,700,000,000;
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1985:
(A) New budget authority, $6,940,000,000;
(B) Outlays, $8,320,000,000;
(C) New direct loan obligations, $1,800,000,000;
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $7,440,000,000;
(C) New direct loan obligations, $1,800,000,000;
(D) New loan guarantee commitments, $400,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $27,570,000,000;
(B) Outlays, $27,060,000,000;
(C) New direct loan obligations, $600,000,000;
(D) New loan guarantee commitments, $6,500,000,000.
Fiscal year 1984:
(A) New budget authority, $25,980,000,000;
(B) Outlays, $25,630,000,000;
(C) New direct loan obligations, $700,000,000;
(D) New loan guarantee commitments, $6,600,000,000.
Fiscal year 1985:
(A) New budget authority, $24,980,000,000;
(B) Outlays, $25,070,000,000;
(C) New direct loan obligations, $700,000,000;
(D) New loan guarantee commitments, $6,600,000,000.
Fiscal year 1986:
(A) New budget authority, $24,720,000,000;
(B) Outlays, $24,830,000,000;
(C) New direct loan obligations, $800,000,000;
(D) New loan guarantee commitments, $6,600,000,000.
(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $25,050,000,000;
(B) Outlays, $29,550,000,000;
(C) New direct loan obligations, $47,000,000;
(D) New loan guarantee commitments, $200,000,000.
Fiscal year 1984:
(A) New budget authority, $30,670,000,000;
(B) Outlays, $31,210,000,000;
(C) New direct loan obligations, $29,000,000;
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1985:
(A) New budget authority, $33,150,000,000;
(B) Outlays, $33,370,000,000;
(C) New direct loan obligations, $28,000,000;
(D) New loan guarantee commitments, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $35,210,000,000;
(B) Outlays, $35,240,000,000;
(C) New direct loan obligations, $28,000,000;
(D) New loan guarantee commitments, $300,000,000.
(12) Medical Insurance (570):
Fiscal year 1983:
(A) New budget authority, $46,210,000,000;
(B) Outlays, $53,120,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $63,064,000,000;
(B) Outlays, $59,304,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $70,650,000,000;
(B) Outlays, $66,340,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $84,269,000,000;
(B) Outlays, $74,909,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $121,420,000,000;
(B) Outlays, $108,930,000,000;
(C) New direct loan obligations $1,000,000,000;
(D) New loan guarantee commitments, $14,600,000,000.
Fiscal year 1984:
(A) New budget authority, $110,670,000,000;
(B) Outlays, $97,270,000,000;
(C) New direct loan obligations $1,000,000,000;
(D) New loan guarantee commitments, $14,700,000,000.
Fiscal year 1985:
(A) New budget authority, $113,740,000,000;
(B) Outlays, $97,390,000,000;
(C) New direct loan obligations $800,000,000;
(D) New loan guarantee commitments, $16,500,000,000.
Fiscal year 1986:
(A) New budget authority, $122,430,000,000;
(B) Outlays, $99,440,000,000;
(C) New direct loan obligations $500,000,000;
(D) New loan guarantee commitments, $18,100,000,000.
(14) Social Security (650):
Fiscal year 1983:
(A) New budget authority, $184,570,000,000;
(B) Outlays, $167,270,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $177,740,000,000;
(B) Outlays, $175,570,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $199,170,000,000;
(B) Outlays, $186,610,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $217,380,000,000;
(B) Outlays, $199,310,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
(A) New budget authority, $24,930,000,000;
(B) Outlays, $24,530,000,000;

(C) New direct loan obligations, $1,000,000,000;
(D) New loan guarantee commitments, $8,000,000,000.
Fiscal year 1984:
(A) New budget authority, $25,860,000,000;
(B) Outlays, $25,390,000,000;
(C) New direct loan obligations, $800,000,000;
(D) New loan guarantee commitments, $9,000,000,000.
Fiscal year 1985:
(A) New budget authority, $26,320,000,000;
(B) Outlays, $25,860,000,000;
(C) New direct loan obligations, $600,000,000;
(D) New loan guarantee commitments, $10,500,000,000.
Fiscal year 1986:
(A) New budget authority, $26,910,000,000;
(B) Outlays, $26,400,000,000;
(C) New direct loan obligations, $700,000,000;
(D) New loan guarantee commitments, $12,500,000,000.
(16) Administration and Justice (750):
Fiscal year 1983:
(A) New budget authority, $5,180,000,000;
(B) Outlays, $5,120,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,780,000,000;
(B) Outlays, $4,900,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $4,910,000,000;
(B) Outlays, $4,920,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $4,860,000,000;
(B) Outlays, $4,900,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1983:
(A) New budget authority, $5,640,000,000;
(B) Outlays, $5,700,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,490,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $5,800,000,000;
(B) Outlays, $5,550,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,770,000,000;
(B) Outlays, $5,560,000,000;
(C) New direct loan obligations. $0;
(D) New loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,420,000,000;
(C) New direct loan obligations, $300,000,000;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $7,050,000,000;
(B) Outlays, $7,000,000,000;
(C) New direct loan obligations, $300,000,000;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $7,030,000,000;
(B) Outlays, $6,990,000,000;
(C) New direct loan obligations, $300,000,000;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $4,760,000,000;
(B) Outlays, $5,360,000,000;
(C) New direct loan obligations, $300,000,000;
(D) New loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1983:
(A) New budget authority, $88,160,000,000;
(B) Outlays, $88,160,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $91,680,000,000;
(B) Outlays, $91,680,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $88,010,000,000;
(B) Outlays, $88,010,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $84,760,000,000;
(B) Outlays, $84,760,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1983:
(A) New budget authority, $790,000,000;
(B) Outlays, $900,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $860,000,000;
(B) Outlays, $940,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, $2,150,000,000;
(B) Outlays, $2,130,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $2,210,000,000;
(B) Outlays, $2,210,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, −$18,230,000,000;
(B) Outlays, −$18,230,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$20,300,000,000;
(B) Outlays, −$20,300,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1985:
(A) New budget authority, −$122,830,000,000;
(B) Outlays, −$22,830,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$27,440,000,000;
(B) Outlays, −$27,440,000,000;
(C) New direct loan obligations, $0;
(D) New loan guarantee commitments, $0.

RECONCILIATION

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

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays as follows: $1,587,000,000 in budget authority and $1,579,000,000 in outlays in fiscal year 1984; $2,328,000,000 in budget authority and $2,328,000,000 in outlays in fiscal year 1985; and $3,129,000,000 budget authority and $3,129,000,000 in outlays in fiscal year 1986.

(c) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1984; $700,000,000 in budget authority and $700,000,000 in outlays in fiscal year 1985; and $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1986.

(d) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1984; $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1985; and $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1986.

(e)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $2,681,000,000 in fiscal year 1984; to reduce outlays by $4,478,000,000 in fiscal year 1985; and to reduce outlays by $10,031,000,000 in fiscal year 1986.

(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $2,600,000,000 in fiscal year 1984; $4,800,000,000 in fiscal year 1985; and $9,400,000,000 in fiscal year 1986.

(f) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays as follows: $41,000,000 in budget authority and $3,000,000 in outlays in fiscal year 1984; and $51,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1985; and $51,000,000 in budget authority and $9,000,000 in outlays in fiscal year 1986.

(g)(1) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $741,000,000 in budget authority and $741,000,000 in outlays in fiscal year 1984; and $1,006,000,000 in budget authority and $1,006,000,000 in outlays in fiscal year 1985; and $855,000,000 in budget authority and $855,000,000 in outlays in fiscal year 1986.

(2) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $482,000,000 in fiscal year 1984; to reduce budget authority by $3,000,000 and $1,020,000,000 in outlays in fiscal year 1985; and to reduce budget authority by $3,000,000 and outlays by $2,113,000,000 in fiscal year 1986.

(3) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce revenues as follows: $1,200,000,000 if fiscal year 1984; $2,500,000,000 in fiscal year 1985; and $2,500,000,000 in fiscal year 1986.

(h) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $167,000,000 and outlays by $147,000,000 in fiscal year 1984; to reduce budget authority by $330,000,000 and outlays by $310,000,000 in fiscal year 1985; to reduce budget authority by $281,000,000 and outlays by $271,000,000 in fiscal year 1986.

(i) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $221,000,000 and outlays by $220,000,000 in fiscal year 1984; to reduce budget authority by $238,000,000 and outlays by $237,000,000 in fiscal year 1985; and to reduce budget authority by $243,000,000 and outlays by $240,000,000 in fiscal year 1986.

HOUSE COMMITTEES

(j) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays as follows: $1,587,000,000 in budget authority and $1,579,000,000 in outlays in fiscal year 1984; $2,328,000,000 in budget authority and $2,328,000,000 in outlays in fiscal year 1985; and $3,129,000,000 in budget authority and $3,129,000,000; in outlays in fiscal year 1986.

(k) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays as follows; $167,000,000 in budget authority and $147,000,000 in outlays in fiscal year 1984; $330,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1985; $281,000,000 in budget authority and $271,000,000 in outlays in fiscal year 1986.

(l) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $169,000,000 in fiscal year 1984; to reduce outlays by $701,000,000 in fiscal year 1985; and to reduce outlays by $533,000,000 in fiscal year 1986.

(m) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $41,000,000 and outlays by $3,000,000 in fiscal year 1984; to reduce budget authority by $51,000,000 and outlays by $8,000,000 in fiscal year 1985; to reduce budget authority by $51,000,000 and outlays by $9,000,000 in fiscal year 1986.

(n) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1984; $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1985; and $600,000,000 in budget authority and $600,000,000 in outlays in fiscal year 1986.

(o)(1) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays as follows: $741,000,000 in budget authority and $741,000,000 in outlays in fiscal year 1984; $1,006,000,000 in budget authority and $1,006,000,000 in outlays in fiscal year 1985; $855,000,000 in budget authority and $855,000,000 in outlays in fiscal year 1986.

(2) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined by section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $491,000,000 and outlays by $615,000,000 in fiscal year 1984; to reduce budget authority by $787,000,000 and outlays by $1,217,000,000 in fiscal year 1985; and to reduce budget authority by $1,045,000,000 and outlays by $2,655,000,000 in fiscal year 1986.

(3) The House Committee on Post Office and Civil Service shall report changes in laws sufficient to increase revenues as follows: $1,200,000,000 in fiscal year 1984; $2,500,000,000 in fiscal year 1985; and $2,500,000,000 in fiscal year 1986.

(p) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1984; $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1985; and $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1986.

(q) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1985; and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1986.

(r) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $2,379,000,000 in fiscal year 1984; to reduce outlays by $3,580,000,000 in fiscal year 1985; and to reduce outlays by $8,956,000,000 in fiscal year 1986.

(s) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $221,000,000 and outlays by $220,000,000 in fiscal year 1984; to reduce budget authority by $238,000,000 and outlays by $237,000,000 in fiscal year 1985; and to reduce budget authority by $243,000,000 and outlays by $240,000,000 in fiscal year 1986.

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

SPECTER AMENDMENT NO. 1228

Mr. SPECTER proposed an amendment to the concurrent resolution, Senate Congressional Resolution 27, supra, as follows:

On page 3, line 13, increase the figure by $700,000,000.

On page 3, line 19, increase the figure by $100,000,000.

On page 3, line 20, increase the figure by $300,000,000.

On page 3, line 21, increase the figure by $300,000,000.

On page 4, line 1, increase the figure by $100,000,000.

On page 4, line 2, increase the figure by $300,000,000.

On page 4, line 3, increase the figure by $300,000,000.

On page 4, line 7, increase the figure by $100,000,000.

On page 4, line 8, increase the figure by $400,000,000.

On page 4, line 9, increase the figure by $700,000,000.

On page 4, line 14, increase the figure by $100,000,000.

On page 4, line 15, increase the figure by $300,000,000.

On page 4, line 16, increase the figure by $300,000,000.

On page 22, line 19, increase the figure by $700,000,000.

On page 22, line 20, increase the figure by $100,000,000.

On page 22, line 25, increase the figure by $300,000,000.

On page 23, line 5, increase the figure by $300,000,000.

NOTICES OF HEARINGS

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor will hold a hearing on June 28, 1983, at 9:30 a.m., in room SD-430 of the Dirksen Senate Office Building to discuss S. 1173, the Federal Mine Safety and Health Amendments of 1983. Persons desiring to testify should submit written requests to Hon. DON NICKLES, chairman, Subcommittee on Labor, Washington, D.C. 20510. Requests to testify must be submitted no later than June 7, 1983. If you have questions concerning the hearing, please contact Steve South at 224-5754.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, May 4, at 2 p.m., to hold a hearing on the reauthorization of the Legal Services Corporation.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Mineral Resources, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Friday, May 6, at 10 a.m., to hold an oversight hearing on the strategic petroleum reserve—to review financing mechanisms, interim storage, fill capacity, et al.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON INFORMATION MANAGEMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Information Management of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Friday, May 6, at 10 a.m., to hold an oversight hearing on the oversight of the paperwork reduction of 1980.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, May 10, at 2 p.m., to hold a hearing to consider transferring authorization for the Catalog of Federal Domestic Assistance.

The PRESIDING OFFICER. Without objection it is so ordered.

ADDITIONAL STATEMENTS

A BRITISH VIEW OF THE BANK BAILOUT

● Mr. HUMPHREY. Mr. President, a recent edition of the Financial Times of London contained an editorial discussing the roles played by central banks and commercial banks in making loans to foreign borrowers, loans which we in Congress and being asked to prop up by expanding the resources of the International Monetary Fund.

The Times editorial emphasizes two important points which I would like to bring to the attention of my colleagues. The first is that, in conjunction with appropriate actions on the part of central bankers, it would be economically healthy to force bankers to give honest treatment to their bad foreign loans. Second, it is pointed out that actions taken by central bankers to encourage still greater foreign lending by commercial banks can only lead to economic instability and depression of the financial markets.

Mr. President, the Senate Banking Committee has already marked up IMF bailout legislation, and the House Banking Committee will do so today. Before this ill-conceived and faulty piece of legislation arrives on the Senate floor, I ask my colleagues to reject the notion of bailing out the IMF and the banks, thereby forcing the banks to do what any profit-seeking enterprise must when a poor decision is made, and supporting a sustained economic recovery here at home which we can share with our trading partners the world over.

I ask that the Times article appear in the RECORD.

The article follows:

[From Financial Times, Apr. 26, 1983]

TWO WAYS WITH BANK CLAIMS

The International banking lifeboat, a combined operation of central banks, the Bank for International Settlements and the IMF was launched last summer to be greeted with general applause and relief; but as it wallows towards the last quarter of its first year of operation, there are growing signs of dissent even among the lifeboat crew.

Recently Dr. Fritz Leutwiler, head of the Swiss national bank and chairman of the BIS board, expressed his disquiet at the activities of some of his fellow central bankers—a very rare event in this normally most discreet of clubs. He singled out as imprudent the pressure being brought on commercial banks to renew and extend their international interbank lines.

This week the belated publication in England of the full text of a memorandum to the Senate banking committee of a distinguished group led by Dr. Karl Brunner makes a more general assault on banking baleouts. Arguing that bad loans mean losses which ought to fall on those whose judgment was at fault, the report takes a robust attitude to defaults; they should be survivable. Central banks should limit their intervention to vigorous lender-of-last-resort support for banks suffering a loss of deposits, and avoid arranging unrealistic reschedulings or refinancing of questionable loans at taxpayers' expense.

As if to illustrate this thesis, the news of the proposed takeover of Seafirst by BankAmerica Corporation has emerged on the day of publication of the Brunner memorandum. Seafirst's troubles arose from its unwise support of the wildly inflated lending operations of the Penn Square bank in energy development. The Federal Reserve allowed Penn Square to fail, and provided no protection for its interbank depositors. Seafirst was kept afloat by its lenders of last resort, but the management went, and now the shareholders are offered less than book value.

This approach meets the Brunner criteria perfectly; it has been non-inflationary, and has cost the U.S. taxpayer nothing. Bank depositors, except in the interbank market, have been fully protected throughout, but bankers have learned a sharp lesson in prudence. Alert prudence is a better way of keeping credit growth in check than high interest rates, and this and similar episodes

should help to reduce rates. A fall in rates, in turn, is easily the most effective way of turning other questionable loans into sound and serviceable ones.

By contrast, a general effort to reschedule all existing loans, sound and unsound, in many ways actually hampers the recovery which would equally help to solve the problem. Banking spreads rise to cover enhanced risk, and banks must bid for larger deposits to finance the inevitable growth of loans to borrowers who cannot find the interest on their debts. The expansion of bank balances tends to be reflected in unruly money supply figures, arousing fears of future inflation and adding to the pressure for high rates. Finally, large government borrowings to finance IMF expansion will in due course depress the bond market.

When it is stated in these terms, the case for severity—or at least for a fairly harsh realism—looks unanswerable. Unfortunately, though, it is easier to preach such realism for the Euromarkets than to put it into practice. Sovereign borrowers can hardly be forced into bankruptcy like a failing commercial enterprise, leaving the assets available for new management; this is a political as well as a banking question. Lender-of-last resort facilities can also be difficult to provide where the central bank concerned had to borrow foreign currency to support its own banks.

However, there are steps which could sensibly be taken towards greater realism. Other central banks could more energetically follow the example of the U.S. Comptroller of the Currency in insisting on adequate and uniform provision in bank balance sheets against questionable loans. Such a writing-down of inflated values might reduce the resistance of the banks to proposals for the radical reconstruction of some irrecoverable short-term debt into medium-term loans, to be sold on where possible in the bond market.

Dr. Leutwiler also has a sound point: the interbank market proved to be an engine of illusion, in which depositing banks foresaw no difficulty in calling their money in, while lending banks assumed that they could always refinance short loans which were rolled over into long ones. This market certainly needs no official approval and underwriting. And as Mr. Stanislas Yassunkovich argues in a current article, commercial banks should have no long-term role in sovereign lending, where they have no effective sanctions. The guiding principle for central bank operations should surely be that the aim is not to revive the Euroloan market as we knew it, but to cut it down to size in an orderly way.●

SENATOR BILL BRADLEY

● Mr. KENNEDY. Mr. President, throughout his life, BILL BRADLEY has excelled in virtually all he has done. In his college days, BILL was both a superb athlete and an exceptional student.

BILL's academic excellence was rewarded with the highest honor that a student athlete can be awarded—a Rhodes scholarship. And it is only fitting that his excellence on the basketball court while a member of the New York Knicks should now be rewarded by the highest honor attainable in that profession—induction into the Naismith Memorial Basketball Hall of Fame.

Ira Berkow wrote of BILL BRADLEY and his career in the NBA in last Sunday's New York Times, May 1, 1983. The story revealed BILL's sense of humor and perspective, and his deep caring for others. He compares working with his colleagues in the Senate to his years with his teammates in the NBA. Of course, someday we will have to persuade BILL to tell us who is the Bill Russell of the Senate, or the Wilt Chamberlain. I recommend the article to my colleagues, and I request that it be printed in the RECORD.

Congratulations, BILL. We are honored to serve with you in the U.S. Senate. Your contribution to our country will be as exceptional as your achievements in basketball.

The article follows:

[From the New York Times, May 1, 1983]

BRADLEY USES OLD LESSONS IN NEW ARENA

(By Ira Berkow)

In Senator Bill Bradley's large new white office with high ceilings and high windows, there is an echo. "Listen," he says. And the sound of the word is faintly reheard.

The Democratic United States Senator from New Jersey is standing near the center of the room, a yellow pencil behind his ear, a blue lightweight suit casually worn, his vaulted left eyebrow raised, and he laughs in his throaty manner at the sound. That, too, reverberates lightly.

There are others echoes in the room, these silent. They depict what the Senator, with characteristic irony, refers to as his "past life."

A desk plaque, a kind of inside joke, reads "Senator Bill Bradley," then right below it "Former New York Knick."

And on the floor against the wall—he has been in this office in the Hart Building for only a month, so papers and photographs are piled around the room awaiting shelves and carpenters—can be seen, amid pictures of sober civilian scenes, two enlarged black-and-white photos of him in a Knicks basketball jersey and shorts.

One picture shows him racing across the basketball court, arms pumping in triumph, just after the Knicks had beaten Los Angeles to win the 1970 National Basketball Association championship.

In the other photo he has leaped into the broad arms of Willis Reed, the former Knick center. Bradley, his legs wrapped around Reed's waist, is facing the camera and his mouth is open with a yelp of glee. The Knicks had just won the 1973 N.B.A. title.

Senator Bradley walks behind his desk and eases his 6-foot-5-inch body into a plain, hardback chair.

"A back injury from my playing days—I couldn't take sitting in a big leather chair for long," he explains. He smiles. "That's the way it is with us old jocks."

Senator Bradley was named recently to the Naismith Memorial Basketball Hall of Fame. The Senator, along with Dave DeBusschere, the other starting forward on the Knicks' two championship teams, his former roommate and still a close friend, will be among six men inducted tomorrow into the hall at Springfield, Mass.

"I think I'm a Senator today as much because I had the experience of playing professional basketball for 10 years on the road in America as for any other college experience or for anything I studied," he said.

Senator Bradley, by his own estimation, had grown up relatively sheltered in Crystal City, Mo., a suburb of St. Louis.

The only child of Warren Bradley, a well-to-do banker, and Susan Crowe Bradley, a former junior high school teacher, Bill Bradley enrolled at Princeton, became an all-America basketball player, was a starter on the United States Olympic championship team in 1964, then a Rhodes Scholar at Oxford in England, played for the Knicks from 1967 to 1977, and, at age 35, won election to the Senate in 1978. Now 39—he will be 40 on July 28—he is one of the youngest Senators and, by most accounts, one of the most capable on Capitol Hill. "I played with a team—the Knicks—at a time when the people on it were not only great basketball players, but good people," he said, "so the experience for me was remarkable, living and traveling with them 100 days of the year and getting to know them." Blacks and whites, men from all over the country, from a variety of backgrounds. DeBusschere from working-class family in Detroit; Reed a black from the rural south; Walt Frazier a black from Atlanta. Earl Monroe was a black from Philadelphia, and Phil Jackson a white man from Montana.

"I remember one night when I had been in the Senate for only about four or five months," said Senator Bradley. "It was about 11 o'clock and the Senate was still in session. I was sitting around the Democratic cloak room, which is just off the Senate floor, and a lot of Senators were there.

"I looked around and saw one guy joking, another guy was quiet, another one was talking. And it occurred to me that this wasn't a lot different from the Knicks' locker room, in that it really was a matter of people getting along together in a small space, each of whom has his own individual agendas but who must subsume that individual agenda in a broader, more general context—if they're actually going to get anything accomplished.

"That process still fascinates me—how to get people with different backgrounds, different experiences, different personal agendas to agree on a shared goal and work toward it."

As a professional, he had a career average of 12.4 points per game and made one midseason all-star team, but he was the ultimate role player. Never the most gifted athlete—most of the N.B.A. players could run faster and jump higher—he understood that he needed constant motion to frustrate his defender, he developed an uncanny ability to get open for a shot off a screen, and he was deadly with a jump shot. If need be, he might hold another player's jersey or step on his toe, when the referee's vision was blocked.

It was suggested that he was the least talented, grabbiest and smartest player in the N.B.A., and each of those explained the other.

"None of that's true," Senator Bradley said with a laugh.

"A reporter called me after I had been named for the Hall of Fame and asked me what I thought had been my contributions to the game," he said. "I had never prior to that question ever thought that I had made a contribution to the game, not like somebody who breaks the DNA code or makes a contribution to medicine.

"I think my whole orientation was to view myself only as a part of a larger whole, which was the team. And while you always

looked at individual stats, you didn't really pay that much attention to them.

"But of course I was flattered and pleased that an honor like this would happen to me. And I'm especially glad to go in with DeBusschere. I figured that for six years I walked behind him and carried his bag, I might as well walk behind him and carry his bag into the Hall of Fame."

But playing well wasn't the only thing. Winning was essential.

"Certainly winning is important," the Senator said. "If you didn't win, you wouldn't have proved anything by the way you played. It was winning by playing the way you did that was the key. In amateur sports you could take a lot of satisfaction from your efforts. You could tell a grade school or high school student—as I tell my daughter, Theresa Anne, who's 6—'Go out and play and do something just as well as you possibly can, as well as your ability will allow, and then be satisfied with your performance, regardless of whether you won or lost.'

"But not in professional sports, because the nature of it, the reason you're playing is to win. Now, there were other levels of the game for me, obviously, in addition to winning—such as playing in a certain manner." He meant the humanness of the experience; not only knowing where your teammate was going to go to be open for a pass, but being congenial to even discussing personal problems with him off the court.

"But winning justifies your success," he said. "Some people justify their success if they don't win by their individual achievements. I didn't."

But is there not an overemphasis on winning in America that has influenced it greatly?

"Some of that has been exaggerated," he said. "There is a flip side to winning, of course, and that's losing.

"And part of personal growth is being able to deal with that. Losing has a flavor, a taste all its own. And in some sense it is as much responsible for the personal growth component in sport as is winning. And simply because you emphasize winning doesn't mean that you don't have a healthy respect for the personal growth potential in losing, and coping with that."

Bradley, too, "lost." With Princeton in 1965, he went to the semifinals of the National Collegiate Athletic Association and lost to Michigan. He struggled in his rookie year with the Knicks—the highest-paid player in the game at the time—and made bad plays at the end of several games that contributed to Knick losses. And he was disappointed in not winning four straight championships with the Knicks. He thought they might have.

"I still think that sports are overwhelmingly positive," he said. "I think that elements such as commercialism and overemphasis in certain segments has become like many of the areas of our life. And the problems associated with those areas are part of sports as well. But I think that still the dominant motive for playing and the dominant experience of the game is positive.

"And the motive is to excel, and the experience provides the range from discipline to dedication to community to what else that it always had when you are with the right group of people at the right time.

"And I always said that I think sports as a model for other things—as a metaphor—is limited. That's why I have to be pushed by a writer to even draw a parallel to my own experiences. But the parallel I've chosen to draw is a very personal one. Not what sports means for America, but what sports meant for me, and how that related to what I do now.

"The practice really did establish habits for me that carry over into what I do now.

"I work very hard now." He often puts in 16 to 18 hours of work. "And I work because I want to be the best Senator I can be. In a way it's like when I started practicing basketball four or five hours a day when I was 13. I wanted to be the very best basketball player I could be."

The Senator no longer plays basketball. "I just don't have the time," he said. He also has said that much of the fun would be gone for him when he would want to make a move he once made, and now could not. "I haven't really shot since 1977, when I walked off the court in Detroit in Cobo Arena. An odd thing is, the last shot I took was a jump shot which I hit from the left base line. It was kind of symmetry because that was the first jump shot against the same team, the first shot I took as a pro in 1967. So 10 years later, the same team, the same shot.

"The only time I touch a ball now is when I'm visiting a high school and someone throws me a ball and says, 'shoot.' Sometimes I'll be campaigning for a Democratic candidate and we'll have a meeting in the high school. We may be discussing the military budget or the health of the economy and it never makes the local news. But if a free-throw shooting contest is arranged, that's always covered. So the candidates want me to do that, and so I do. That's the extent to which I do any playing at all."

Bradley has recently lost about 30 pounds. He now weighs 212, about three pounds fewer than when he played with the Knicks.

"Basically, I lost the weight by not eating," he said. He was once an aficionado of junk foods. "I try to jog a few times a week for about 30 minutes a time. Or I'll ride an exercise bicycle. My athletic experience now is no different from about 80 million other Americans who are in sports to try to flatten their stomachs and widen their arteries."

His interest in pro basketball remains, but on a sedentary level.

"I watch the playoffs when they get down to the end," he said. "It's then that you really see the psychology of the game. You see the team that has gotten to know each other will do in a period of stress. And more times than not that team will win over the team that has really not been through the pressure cooker."

It was mentioned that Larry Bird of the Celtics plays in a manner reminiscent of Bradley.

"The most distinguishing characteristics of Bird, " he said, "is that he always moves and the ball doesn't stay in his hands very long. And obviously those are the two things I can identify with as a player."

For the most part, Bradley has downplayed his participation in sports, though he says he remains very proud of it. "But I wanted to prove myself in a different field—in the Senate—and I had to prove myself by the standards of the institution." So he refused to rely on his celebrity status from basketball as a crutch.

"But I am still often referred to in newspaper stories, as 'Senator Bill Bradley, the former New York Knick.' I laugh about that, but I have the feeling it will be with me the rest of my life."

Senator Bradley, like some intensely hard-working people, uses humor as a release—at times, a zany sense of humor.

Once, when he was with the Knicks, he went to a party dressed in a priest's frock, and supposedly heard confessions.

He was also known for his unconcerned sartorial style of dress. Walt Frazier remembers Bradley's raincoat, for example. When it wasn't raining, he would roll it into a ball and carry it under his arm.

He was also known as "Dollar Bill," because of his frugality. Rumor had it that he had kept first dollar he ever made.

He seemed to enjoy the ribbing and attention of the other players in regard to his unusual habits. It made the boy from the suburbs feel a part of the team.

It was mentioned to him that when he played on the all-star team, he had said to Pistol Pete Maravich "to do something crazy when you get in the game."

"Did I say 'crazy'?'" asked Bradley. "Maybe I did. Or maybe I said, 'Do something different.'

"You can't take yourself too seriously. And that episode illustrates that not only did I feel that as a player, I feel that in this job. You have to have a sense of humor about who you are and what you do. You maintain a personal stability that way. It relieves tension, to recognize that you can't always do everything, and that you do the best you can for as long as you can. And recognizing that you alone are not responsible for things happening on the court, or in the Senate. Ultimately, it's the recognition that the institution goes on. When you see yourself that way, it's hard to take yourself too seriously—though you can take what you're doing seriously."

Looking at the photo of him jumping into Reed's arms, he was asked if he has had such a moment of elation since.

"That's a feeling that's never been duplicated," he said. "It's a clear-cut victory, sometimes that rarely happens in life. We had established ourselves as the best in the world. But it's like anything. It lasts about 24 hours. But the moment is intense."

What's the closest he has come to it since?

"Haven't."

He thought for a moment. "Afterward you experience a whole range of satisfactions and achievements and series of accomplishments," he said. "The point is, the moment depicted in that photo was a peak in that narrow category of experience—basketball. Then life goes on." ●

THE GENOCIDE OF ARMENIANS

● Mr. HELMS. Mr. President, it is fitting that the Senate recognize the fate of the 1.5 million Armenians who died in the first genocide of the 20th century—and in recognition of the leading role played by the United States in attempting to prevent this tragedy and in leading the humanitarian relief effort for those who survived. I join my colleagues and the Armenian-American community in commemorating the 68th anniversary of the Armenian genocide.

The records of the world contain abundant information about this dark chapter in human history. The book, "Mt. Ararat," by Elgin Groseclose, a distinguished citizen of Washington, D.C., who died early this month, has acquainted millions of Americans with this event.

The U.S. Archives are replete with material documenting the massacres and documenting this Nation's diplomatic and aid programs. On July 16, 1915, the U.S. Ambassador to the Ottoman Empire, Henry Morgenthau, stated in a telegram to the Secretary of State, "Deportation of and excesses against peaceful Armenians is increasing and from harrowing reports of eye witnesses it appears that a campaign of race extermination is in progress under a pretext of reprisal against rebellion."

The Archives also demonstrate that the American people, through an organization known as Near East Relief chartered by an act of Congress, contributed some $113 million between 1915 and 1930 to aid the Armenian genocide survivors. In addition, 132,000 orphans became foster children of the American people and owe their lives to this effort.

Mr. President, we pause to remember this crime against humanity in hopes that there will be no reoccurrence. In spite of the fact that we have seen other genocides—the attempted extermination of the Jews under Hitler's totalitarian regime, and the murder of millions of Cambodians under the Communist regime there—the outrage against these and the Armenian genocide may help prevent another in the future.●

SENATOR JENNINGS RANDOLPH

● Mr. HEINZ. Mr. President, as many of my Senate colleagues know only too well, we will soon mark the end of an era as we bid farewell to a close friend and devoted statesman, JENNINGS RANDOLPH. A recent Pittsburgh Post-Gazette article highlighted his illustrious career of public service, and I believe that it would serve us well to read and reflect upon this man who has given so much to his colleagues, his constituents, and his country.

I ask that the text of the article entitled "Randolph: Going Strong at 81" be printed in the RECORD.

The article follows:

[From the Pittsburgh Post-Gazette, Apr. 22, 1983]

RANDOLPH: GOING STRONG AT 81

(By Frank M. Matthews)

U.S. Sen. Jennings Randolph, the West Virginia Democrat who was in the first class of New Dealers in Congress in 1933, plans to retire when his present term expires at the end of 1984. But Randolph says he won't go out with a whimper.

"You still will be hearing from me. I'll be around," he said during a recent stopover at Greater Pittsburgh International Airport. At 81, the indefatigable air traveler and raconteur was en route to speaking appearances in Ohio and Michigan.

Randolph, who lives in Elkins, W.Va., has spent congressional time under nine presidents. He was in the House from 1933 until the end of 1946, when he was the victim of a Democratic massacre at the polls. In the 1958 election, he made a comeback in the Senate as the successor to the late Sen. Matthew M. Neely and has been re-elected without interruption ever since.

His elections have spanned half a century, and he is the oldest member around in terms of service. Only two members of the 98th Congress are chronologically older: Sen. John Stennis, D-Miss., who will be 82 in August, and U.S. Rep. Claude Pepper, D-Fla., who is 82.

Randolph is the sole survivor in Congress of the traumatic First Hundred Days of the administration of Franklin D. Roosevelt.

"The president at that time was sworn in on the 4th of March, and the House of Representatives came in on the 9th of March. He had the vision of what must be done; he used unorthodox methods, but he never destroyed orthodox institutions. He was reviled for what he was doing."

On March 9, Randolph recalled, Roosevelt laid out for Congress a program for immediate action to deal with the Depression. "We passed the Emergency Banking Act, not a vote against it in the House of Representatives; a vote of 73 to 7 in the Senate. Four years later, in 1936, [Roosevelt] traveled across West Virginia by train, from Parkersburg to Harpers Ferry, speaking from the rear platform, and he read a letter from the secretary of the treasury. It said in essence: 'Mr. President, there has not been a bank failure in this nation in 12 months. This is the first time this has ever happened, in 55 years.'

"Was he an enemy of the financial structure of this country? He was the savior, this Democratic president. He couldn't walk, but he put America on its feet.

"Roosevelt often called in members of Congress to talk to them during those First Hundred Days.

"That night there were seven of us in the group. It was rainy and cold and dreary. We were escorted to the second floor of the White House. A huge wood fire crackled in the grate; the president sat behind a massive desk. He rolled himself up closer to shake hands as we walked by.

"One of our number—after the president had talked we had asked questions—said, 'Mr. President, I am for your programs but you're trying to do too much. You are talking about a hundred days with all of that legislation down the road. I don't think the American people can digest this in the allotted time. I feel your program in part will fail.'

"He didn't answer at once. But in about five minutes he removed his pince nez and said, 'By acting now we will assuredly make mistakes, but if we do not act now I am afraid just a little later we will not have the opportunity to make the mistakes.'

"Now you might wonder, as we sit here today, why he was right," Randolph said. "You must remember that in 1932 there were not the two parties. There was the Democratic ticket, and the Republican ticket, and alongside these two there was the Communist Party of America, with Earl Browder for president. He received more than 1.1 million votes. The people who voted for him, they were not Communists. They were desperate and they were groping, so the promises he made had an appeal."

These days, Randolph is the ranking minority member of the Committee on Environment and Public Works and a member of its subcommittee on transportation. But for 14 years he was chairman when it was the Committee on Public Works—the key pork barrel committee—and a committed believer in delivering money for projects in various states, as long as their senators voted shares to West Virginia.

Randolph also is a member of the Committee on Labor and Human Resources and its subcommittees on education, labor, and arts and humanities. Finally, he is on the Committee on Veterans Affairs.

It was Randolph who first proposed 18-year-old voting in the House in 1942 and finally got the constitutional amendment in 1971, one of the accomplishments in Congress of which he is most proud.

Randolph is vice chairman of the Senate Steel Caucus and a member of the coal, export, tourism and wood energy caucuses. Over the years he has been recognized with honorary degrees from 20 colleges and universities, including the University of Pittsburgh and West Virginia University.

An annual speaker at the Amen Corner dinner here, he will address this year's gathering Tuesday at the William Penn Hotel.

So why give up this power, and affection in which he revels, in a courtly sort of way? Well, he says, it would not be right to run for another six-year term which he would begin at the age of 83. Too, he was appalled by the cost of campaigning in 1978, when he had professional help for the first time and spent $684,605 in comparison to a campaign cost of $133,670 in 1972. In the latter election, he scraped through with a majority of less than 5,000 over Republican Arch A. Moore in a vote in which Randolph's age had become a factor.

Born in Salem, W.Va., about 20 miles from Clarksburg, Randolph came naturally to politics. In the late 1880s his grandfather was the first mayor of the town.

"His first act was to fine himself. His horse got out of the mud and got onto the planked street and that was a $2 fine," Randolph recounted. "He was a member of the state Legislature, also. And he was chairman of the board of trustees of Salem College for 16 years, having been the principal among several founders.

While at Salem College, Randolph was a reporter for the Clarksburg Telegram, where he was the only Democrat on an otherwise Republican staff. It was in Clarksburg in 1924 that Randolph got his first insight into the shifts of power in politics that shape the destiny of man and party.

He waited through 103 ballots with John W. Davis, a native of Clarksburg, former ambassador to Great Britain and adviser to President Wilson, before the Democratic National Convention in New York finally nominated Davis for president. Davis was defeated soundly by Republican Calvin Coolidge. Randolph moved in 1926 to Elkins, the county seat of Randolph County—a coincidence of names, he says—to teach public speaking and journalism as well as to direct athletics at Davis and Elkins College.

There, Randolph found himself in a West Virginia seat of political clout. Henry Gassaway Davis (not related to John W. Davis) and Stephen Benton Elkins, the founders of Davis and Elkins, were politicians as well as men of wealth: Davis, a Democrat who in 1904 was his party's candidate for vice president, and Elkins, a Republican. They were partners in business and both were U.S. senators.

There is a town named for the Gassaway family in Braxton County, a Davis in Tucker County, and a town named for the Henry family just over the border in Western Maryland. Elkins, of course, derives from the Elkins family.

"Now here is an interesting story," Randolph said. "Henry Gassaway Davis had a

daughter, a beautiful young woman whose name was Hallie, a beautiful dowager after she grew to womanhood.

"So, she was the daughter of a United States senator. She married Stephen B. Elkins, who was much younger than Davis, and thereby became the wife of a U.S. Senator.

"After marrying Elkins, one of their three sons, Davis Elkins, was serving in World War I and was elected to the U.S. Senate. Now, she was the only woman in the history of this country who was the daughter of a U.S. senator, the wife of a U.S. senator and the mother of a U.S. senator."

"Wonderful people come out of those hills and hollers, achieving people."●

INDIANAPOLIS NATIONAL CHESS CHAMPIONS

● Mr. QUAYLE. Mr. President, I should like to congratulate a group of Indianapolis national chess champions and share with my colleagues an article that appeared in the May 2, 1983, Indianapolis Star.

These dozen elementary school chess champions have brought a great distinction to themselves, their school and the city of Indianapolis.

I ask that an article in this connection be printed in the RECORD.

The article follows:

P.S. 27 WINS U.S. CHESS TITLE

A dozen chess masters from Indianapolis Public School 27 return from Memphis, Tenn., today with a National Elementary School Chess Championship under their collective belts.

The chess team won the tournament Sunday afternoon by defeating the defending national champions from New York by a half point.

Team coach and fifth grade teacher Bob Cotter telephoned principal John L. Patterson late Sunday evening with the good news.

"I imagine we'll have something," an elated Patterson said when asked if a celebration is planned for the school at 545 E. 19th St.

Mayor William H. Hudnut, who played team member Thomas Petty Wednesday and lost after a 40-minute match, said he was equally pleased with the team's success.

"I'm just as proud as I can be of these kids. I think it is a wonderful achievement for them and a great thing for Indianapolis."

On April 9 in Terre Haute, the team won the state chess championship for elementary schools—the team's first in its three-year history—and one more step on the road to Memphis and the national tournament.

For the team's coach it was a return to the tournament. He took a team from a closed grade school to the national championship several years back and that team placed 16th, Patterson said.

Cotter came to School 27 in September 1980 and from a group of 9-year-old boys he built a championship team almost "from scratch."

Cotter and co-coach Len Wallace planned to pay the $1,500 in expenses for the trip themselves but the Indianapolis Recorder and Citizens Forum agreed to pay for the trip following a column by The Star's Tom Keating.●

68TH ANNIVERSARY OF THE ARMENIAN GENOCIDE

● Mr. GLENN. Mr. President, 68 years ago, in the shadow of Mount Ararat, one of the greatest, most tragic injustices in all of recorded history took place. In what has been called the death warrant to a whole race, 1½ million innocent Armenians—men, women, and children—were put to death. They had committed no crime. They were struck down only for their longstanding resolve to live as free Armenians, embracing Christian beliefs. Even today, there are still many who do not know of 1915—and they must be told, so that it may never be repeated.

History displays many tragedies—the Armenian genocide, Stalin's cruel purges, the Nazi death camps, Pol Pot's systematic murders—yet, these examples of inhumanity are too often expelled from our memories. If they happened once, they may happen again. Thus, they must be held up as a warning for future generations, for world leaders yet unborn.

In 1915, the United States played an important role in attempting to halt this tragedy and in aiding the helpless victims. In this decade, we must now encourage Americans with an Armenian ancestry to involve themselves with, and be heard in, the councils of government. We must remind all Americans, our allies, the entire free world, and those who stand outside the Western tradition of democracy, of the 68-year-old nightmare. Churchill once said: "The whole history of the world is summed up in the fact that, when nations are strong they are not always just." That, we know all too well, is true. Strong nations can be unjust. Yet, Churchill also believed in the ultimate strength of justness, of principled values, of human rights. Human rights are given a chance to flourish when they are inspired by principled leadership; recognizing universal human rights is the prerequisite for helping combat unjustness around the world. But as we embrace the sacred value of human rights, we also must remember its abuses.

I join those around the world who honored Armenian Martyrs Day on April 27.●

SENATOR BILL BRADLEY INDUCTED INTO BASKETBALL HALL OF FAME

● Mr. LAUTENBERG. Mr. President, I take this opportunity to inform the Senate of an honor accorded to one of our colleagues, my fellow Senator from New Jersey.

BILL BRADLEY on Monday was inducted into the Basketball Hall of Fame in Springfield, Mass.

The record books note that BILL BRADLEY played 10 years in the National Basketball Association, and averaged 12.4 points a game. The fans know he was the moving force that helped shape league championships in 1969 and 1973 for the New York Knicks.

At the induction ceremony, in front of friends and family, BILL BRADLEY's remarks were demonstrative of his unselfish outlook toward achievement, whether within sports or outside of sports. He noted:

. . . only if you pull together can you succeed; only if you realize that who scores isn't important, but who wins is, and how they win is most important of all.

I ask that a news article from the Newark Star-Ledger be printed in the RECORD.

The article follows:

BRADLEY AND DEBUSSCHERE TEAM ANEW AS HALL OF FAMERS

(By Robert Cohen)

SPRINGFIELD, MASS.—Sen. Bill Bradley (D-N.J.), former New York Knicks teammate Dave DeBusschere and four others were inducted into the Basketball Hall of Fame yesterday.

Bradley, a two-time All-America at Princeton University and 10-year veteran of the National Basketball Association (NBA), attributed his success as a professional athlete to long hours of practice and teamwork.

"The key was we all agreed to work hard and depend on each other," said Bradley, referring to his days with the Knicks. "Individual achievement was maximized if the team succeeded. That was the key to our championships."

Bradley, accompanied by his wife, his mother and a number of close friends, said he was proud of his basketball days and what he accomplished.

The New Jersey senator said he was most proud if his contribution "reaffirmed the old truth that only if you pull together can you succeed; only if you realize that who scores isn't important, but who wins is, and how they win is most important of all."

DeBusschere said the 1970 and 1973 New York Knick's championships were "precious moments." Now the executive vice president of the Knicks, DeBusschere said he vividly remembers how the team "ignited the city."

In addition to Bradley and DeBusschere, the Hall of Fame inducted Jack Twyman, who played for the Cincinnati Royals; Dean Smith, a long-time basketball coach at the University of North Carolina; the late Lou Wilke, the former president of the Amateur Athletic Association; and the late Lloyd Leith, a widely respected basketball referee for more than 25 years.

Smith, who has compiled a 77 percent winning percentage as a college coach, said he was extremely pleased to be inducted with "team-oriented" players like Bradley, DeBusschere and Twyman. He also thanked the lettermen who played for him and made the honor possible.

During his Princeton days, Bradley was the star of a team that finished third in the National Collegiate Athletic Association tournament in 1965. The same year he was named college player of the year by the National Association of Basketball Coaches and he received the Amateur Athletic Association's Sullivan Award as the outstanding athlete.

In 1964, Bradley was a member of the U.S. basketball team that won the Olympic gold medal in Tokyo.

After two years as a Rhodes Scholar in England, Bradley joined the New York Knicks and averaged 12.4 points per game during his 10-year career.

During those years, he played small forward, was known as the ultimate role player and made an art of crisp passes and constant movement on the court. His natural talents were complemented by hard work and almost an academic knowledge of his opponents' strengths and weaknesses.

Yesterday's events included a luncheon, a ceremony where the plaques of the inductees were unveiled and a dinner in honor of the Hall-of-Famers.

Bradley's plaque was dedicated by another former pro teammate, Jerry Lucas, while former Knick great Willis Reed made the presentation to DeBusschere.●

THE FUTURE OF AMERICAN FINANCIAL SERVICES INSTITUTIONS

● Mr. GARN. Mr. President, since the American Assembly was established by Dwight D. Eisenhower in 1950 as an affiliate of Columbia University, 64 assemblies have been conducted on issues of vital public interest.

The Sixty-Fourth American Assembly was held last month at Arden House, Harriman, N.Y., on the issue of "The Future of American Financial Services Institutions."

While I was not a participant in either the assembly discussions or the drafting of its recommendations, I did have the opportunity to address the assembly.

The timing and subject of this American Assembly complements hearings now underway in the Banking Committee on "the condition and structure of, and competition within, the financial services industry."

In an opening statement at the beginning of these hearings, I noted that continuing changes in the configuration of the financial services industry call for careful review and analysis, with a view toward determining what legislative changes, if any, the Congress should be considering.

The Sixty-Fourth American Assembly made an important contribution to this review and analysis.

So that my fellow colleagues in the Senate may have the benefit of this contribution, I ask that the "Final Report of the Sixty-Fourth American Assembly" be printed in the RECORD along with a preface by William H. Sullivan, president of the American Assembly.

The material follows:

FINAL REPORT OF THE SIXTY-FOURTH AMERICAN ASSEMBLY

At the close of their discussions the participants in the Sixty-fourth American Assembly, on *The Future of American Financial Services Institutions*, at Arden House, Harriman, New York, April 7-10, 1983, reviewed as a group the following statement. This statement represents general agreement; however, no one was asked to sign it. Furthermore, it should not be assumed that every participant subscribes to every recommendation.

PREAMBLE

The proposals contained in this report should be viewed as goals of public policy. The participants have not attempted to draft a legislative and regulatory program which, *in toto*, could or should be implemented immediately. Although it is important to initiate changes as soon as possible, it is obvious that a package of reforms of this magnitude will require time so that an orderly transition can be achieved.

Types of financial services and the way they are provided have changed considerably over the past several years. Even greater changes are likely to occur in the near future. Several factors are responsible for this development. Among the most important are a dramatically expanded demand for a diversity of financial services to meet changing customer needs and the increasingly competitive spirit among financial service suppliers fueled by high market interest rates and the increasing use of cost-reducing technology, which has lowered transactions costs and permitted new definitions of convenience other than proximity. These factors have resulted in an influx of new suppliers and changes in the operations of the present suppliers.

Historically, legislation encouraged, and depression-era legislation in particular furthered, a high degree of specialization in the provision of financial services—thrift institutions made mortgages and took in savings; commercial banks made commercial and consumer loans and mortgages, accepted demand deposits, took in savings, and provided fiduciary services; broker-dealers underwrote and brokered corporate and municipal securities and provided investment advice; insurance companies underwrote insurance and made mortgages and long-term investments in corporations; mutual funds offered pooled equity accounts; credit unions accepted savings and made consumer loan; finance companies, retail stores, and manufacturers advanced consumer credit. Each tended to offer separate and distinct products and services through different networks with individual salespeople dealing personally with customers. Interest payments were prohibited on transaction deposits and were limited by regulation on commercial bank savings deposits.

As market interest rates increased above the ceilings, enterprises not subject to the ceilings attracted customers' funds. Money market mutual funds grew rapidly. Brokerage firms developed money management accounts that have many of the characteristics of demand deposits except that they provide interest, and thrift institutions developed negotiable order of withdrawal (NOW) accounts. Thus, the distinctions among the institutions and the products offered increasingly blurred under the pressure of new suppliers, technology, and changed consumer demands. Now many financial services are sold by nationwide advertising and handled electronically.

Given these environmental and institutional changes, many restrictions designed for a different era are no longer serving their original purposes; indeed, in some cases they prevent financial institutions from serving the public as well as would be possible without them. It is time for these restrictive and inconsistent laws and regulations to be changed where appropriate, to eliminate those premised on purposes no longer applicable, and to update those premised on purposes that continue to be important. The changes we suggest are based on the following assessment of the goals of regulating financial services.

GOALS OF REGULATION

1. Both individuals and organizations must have access to an efficient and innovative supply of financial services to enhance domestic productivity and international competitiveness. This goal is best achieved by permitting full and vigorous competition among suppliers of financial services to achieve the broadest range of services at the lowest possible price.

2. The integrity and stability of the overall system of financial intermediation must be assured. While individual institutions may fail, the safety of deposits must be protected. Deposit insurance is an integral means of preventing losses to depositors and an impairment of public confidence in the financial system. Since deposit insurance shifts the cost of failures to the insurers and healthy institutions, the insurers have reason to be concerned with the way insured depository institutions are managed.

3. Preventing excessive concentrations of power within financial markets is a continuing objective. This can be accomplished by consistent enforcement of existing antitrust laws and ease of entry of new competitors.

4. Equitable treatment of consumers and financial institutions is another goal of regulation. Individuals should not be treated unfairly, and they should have access to competitive financial service suppliers and adequate information to make informed decisions among competing financial products. Measures to ensure fair treatment of customers should be cost-effective in their application, and suppliers of financial services should be regulated and taxed equitably.

Considering these goals, we make the following policy recommendations.

RECOMMENDATIONS

Entry into the market for and limits on the provision of financial services

1. Institutions that accept governmentally insured deposits should not be able to provide directly, or through affiliates, services other than financial services and services closely related thereto. Conversely, institutions that provide nonfinancially related services or products, directly or through affiliates, should not be able to own or control institutions that accept governmentally insured deposits.

2. There should be no restrictions on which other firms can offer financial services to the public, except for reasonable standards of capital, competency, and probity. A governmental or regulatory determination of "needs and convenience" should not be an entry-limiting consideration.

3. In particular, the restrictions requiring the separation of commercial banking and investment banking contained in the Glass-Steagall Act should be replaced with appropriate provisions addressing the problems of undue concentration of power and conflicts of interest in all financial services and for the fair and equitable access to all financial markets.

4. Interstate and intrastate branching and, except as required by Recommendation 1, holding company affiliation by depository institutions should not be restricted. These institutions should not be legally prohibited by federal or state laws from conducting business and establishing offices wherever

the institutions believe there is public demand. (A minority of the participants disagreed with this recommendation.)

5. Governmentally insured institutions may invest in whatever assets they deem appropriate, including passive investments in debt and equities, subject only to reasonable regulation to protect the deposit insurance agencies.

Deposit insurance

6. Government insurance, approved private insurance, or some combination thereof, should be required for demand transaction accounts that are not fully backed by liquid assets and for savings and time deposits. (A minority of the participants would not require deposit insurance.) Such insurance should cover each type of deposit up to an established level. The insurer should have the right to protect its interest by such means as examining and supervising the institution, requiring it to maintain a specified amount of capital, and being assured that it does not employ incompetent or dishonest managers. This supervision should extend to all related interests of the institutions to the extent necessary to protect the insurer from loss, and may include the requirement that specialized activities be conducted in specialized subsidiaries. The supervisory authority should rest only in the insurer. The authority of the government agency would include the right to close the institution before the insured deposits were impaired, regardless of the source of the institution's charter.

7. Market-type disciplines should be made part of the deposit insurance system. The rate charged for deposit insurance preferably should vary with the risk imposed on the insurer. In addition, the federal insurer may require private coinsurance and/or additional capital as a means of reducing its risk.

Failures of and mergers among financial institutions

8. Like all other businesses, financial institutions should be permitted to fail. Depositors are protected by deposit insurance; the risk of failure should be borne by the shareholders, uninsured depositors, other creditors, and the managers of the institutions.

9. The antitrust laws should be applied to financial institutions as they are applied to other enterprises. Antitrust matters should not be within the province of the financial regulators.

10. There should be no restrictions on mergers among thrift institutions and commercial banks in their own or in other communities, within or across state lines, other than for considerations of antitrust and safety and soundness.

11. Depository institutions should be chartered, but not supervised, by federal and state authorities, as they now are. A choice among several chartering agencies is desirable from the standpoint of the public.

12. Supervision and regulation should be according to types of financial products or along other functional lines. For example, securities underwriting, as well as dealing and brokerage, should be subject to common statutes and a common regulator, as should money management and investment advisory activities, whether conducted in trust, agency, or pooled forms.

13. Regulation of diversified entities by the various regulators should be harmonized to reduce overlapping jurisdictions and the number of regulators to which any given institution is subject.

The regulatory role of the Federal Reserve

14. A comprehensive and efficient payment system can best be produced by competition between private entities and the Federal Reserve. The Federal Reserve's prices for these services should not be subsidized by its other activities.

15. Reserves may not be required for the conduct of monetary policy. However, if reserves continue to be mandatory, interest should be paid on them. With this reduction of an implicit tax, other aspects of the taxation of depository institutions should be reviewed to assure that the net effect on them is equitable with respect to other suppliers of similar services.

16. The Federal Reserve should not be directly involved in the supervision of depository institutions, except as necessary to protect its ability to conduct monetary policy and act as lender of last resort. (A minority of the participants believed that the Federal Reserve should not have any direct supervisory authority.)

Controls on interest rates paid and charged

17. There should be no ceilings or other restrictions on the interest rates or other terms of deposits. In particular, the prohibition of interest payments on corporate and individual demand deposits and Regulation Q restrictions on savings and time deposits should be repealed and rescinded.

18. Usury laws should be repealed. They restrict the availability of credit for all in times of high interest rates and to the less affluent in other times.

Disclosure and consumer protection

19. The provision of financial services in a deregulated environment requires sufficiently clear and adequate disclosure that allows all customers to make reasonable decisions.

20. The financial reports of institutions providing financial services should reflect their present financial conditions, taking into account yields, maturities, and asset qualities, so that an assessment can be made of the adequacy of their capital and the risk they present to the public.

21. All consumer protection legislation should be reviewed on a cost-benefit basis to ensure that it does not indirectly adversely affect consumers to a greater extent than it benefits them. Also, the government should regulate in this area by providing general rules, not be mandating detailed procedures. The government should encourage such processes as arbitration by which consumers may pursue adequate protection without recourse to litigation.●

BARCLAY WARBURTON'S "TALL SHIPS" LEGACY

● Mr. PELL. Mr. President, I would like to share with my colleagues the sad news of the death of Barclay Warburton—a man whose legacy to the Nation includes the unforgettable sight of Tall Ships parading en masse through our harbors.

The seagoing community of the world has lost an inspiring leader and experienced sailor and my home State of Rhode Island has lost a citizen with a national reputation and worldwide experience. He brought luster and distinction to our area.

It was he who founded the American Sail Training Association with its emphasis on developing the character, intelligence, and sailing potential of young people by giving them experience before the mast.

It was his vision and hard work that led to the 1976 Bicentennial Tall Ships visit and, subsequently, to the return of the Tall Ships to Newport, R.I., last summer—visits that made the term "Tall Ships" part of our Nation's vocabulary.

Some of the attraction of these ships and the lure of deep water sailing is captured in the opening verse of John Masefield's "Sea Fever."

I must go down to the seas again, to the lonely sea and the sky,
And all I ask is a tall ship and a star to steer her by;
And the wheel's kick and the wind's song and the white sail's shaking
And a gray mist on the sea's face and a gray dawn breaking.

That poem captures some of the sea fever that we all shared during the visits of the Tall Ships and recaptures some of the beauty.

Barclay Warburton, however, brought the Nation more than the unforgettable vision of these majestic sailing ships. He brought sailors from many nations together to share both the challenge of deepwater sailing and the love of the sea.

He owned and sailed the hermaphrodite brig *Black Pearl*, which he recently donated to the American Sail Training Association. His stepfather was William K. Vanderbilt, who sailed around the world on the yacht *Alva*, and his stepfather's brother, Harold, defended the America's Cup three times during the 1930's

As a young man, Barclay Warburton learned to love Newport, "the city by the sea." He returned there in 1967 and opened the Black Pearl restaurant. Within less than a decade of his return, he brought the Tall Ships to Newport.

Newport, R.I., and the Nation all owe him a debt of thanks for his vision and his hard work. The legacy he left extends beyond our memories of majestic sailing ships and will continue as long as men of good will join to share the joy of deepwater sailing.

He was a dear friend to many of us in Rhode Island and I know that I express my own, my wife's, and my community's sympathy to his family at his death.

Mr. President, at this point I ask that his obituary from the Providence Journal of May 3, 1983, be printed in the RECORD.

The obituary follows:

[From the Providence (R.I.) Journal, May 3, 1983]

BARCLAY WARBURTON; FOUNDED AMERICAN SAIL TRAINING ASSOCIATION

NEWPORT.—Barclay H. Warburton III, 61, of 35 Green St., whose founding of the American Sail Training Association brought Tall Ships enjoyment to millions, died Sunday at home.

Mr. Warburton, a popular restaurateur and yachtsman, sailed his hermaphrodite brig Black Pearl across the Altantic to participate in the 1972 International Sail Training Races which took the ships from Cowes, England, to Kiel, Germany, in honor of that year's Munich Olympiad.

The experience convinced him of the need for an American group similar to the international one headquartered in Great Britian which had organized the races since 1956. When he returned to Newport, he founded the American Sail Training Association, which produced the 1976 bicentennial Tall Ships visits, as well as last summer's return of the Tall Ships to Newport. His yacht, the Black Pearl, was recently donated to the ASTA.

Mr. Warburton was born on Feb. 5, 1922, to Barclay Warburton Jr. and Rosamond (Lancaster) Warburton. His great grandfather was John Wanamaker, who founded the Philadelphia store of that name. His grandfather was an Army major who commanded the Philadelphia City troop that stormed San Juan Hill in the Spanish-American War in Cuba.

Mr. Warburton's father was a lieutenant colonel in the Army Air Service during World War I, and later, an aviation enthusiast.

Mr. Warburton graduated from St. Mark's School, Southboro, Mass., in 1938 and then went to the Pennsylvania Schoolships Training program and the Merchant Marine Academy at King's Point, N.Y., from which he graduated in 1942. He then received a Naval Reserve commission and was on active duty in World War II in the Pacific Theater.

After the war, he entered Harvard, and graduated with a degree in political science. From 1947 to 1959, he operated a 200-acre dairy farm in Ispwich, Mass., as a pioneer organic farming project. He also served in the Massachusetts legislature between 1954 and 1960.

In 1949, Mr. Warburton married Margarett McKean Reed of Beverly Farms, Mass., the daughter of John Quincy Adams Shaw McKean and Margarett Sargent. Their five children include Barclay H. Warburton IV of Washington, D.C., Margarett Rosamond Warburton of Los Angeles, Miranda Warburton of Pullman, Wash., Rosemary Warburton Hardisty and Peter Lancaster Warburton, both of Newport.

In 1967, Mr. Warburton returned to Newport, a city he had long loved, and which he knew as a young man. His stepfather was William K. Vanderbilt, who sailed around the world on his yacht Alva. William's brother Harold, defended the America's Cup three times during the 1930s.

Mr. Warburton opened the Black Pearl restaurant in 1967, and became active in sail training. In 1970, he married Lore Maria Faught.

Other survivors include a stepdaughter, Elan Faught, and five grandchildren.

A memorial service will be Friday at Trinity Church where Mr. Warburton was a parishioner.

Early Saturday morning his ashes will be taken aboard the Black Pearl and scattered at sea.●

STRENGTH AND PREPAREDNESS—FOR PEACE AND FREEDOM

● Mr. HATCH. Mr. President, today I should like to bring to the attention of the Senate a speech, "Strength and preparedness—For Peace and Freedom," given by the Honorable Joseph Verner Reed, our Ambassador to the Kingdom of Morocco. This speech was given onboard America's newest warship, the U.S.S. *Carl Vinson*, near the city of Casablanca. It is my feeling that all Americans can benefit from the inspiration and direction that Ambassador Reed has given in this address.

For months, this body has heard many differing views concerning what our Nation's posture should be in regard to national defense. I feel that it would be appropriate for the Senate to consider and review the views of Ambassador Reed, especially at this time when we are preparing to make important decisions concerning our national defense, which will affect our generation and those yet to come.

The speech follows:

SPEECH OF HON. JOSEPH VERNER REED

It is a great honor, as President Reagan's envoy to the Kingdom of Morocco, to welcome America's newest and most powerful warship, the USS Carl Vinson, on her maiden voyage to America's oldest friend, the Kingdom of Morocco, and this great city of Casablanca.

On March 15, 1980, America named a warship for a living American for the first time: Congressman Carl Vinson. Before he retired in 1964, he had served thirty-two years as Chairman of a Congressional Committee and for over fifty years in the House of Representatives, both longer than any other person.

Mr. Vinson was guided throughout his full half century of devoted public service by an unswerving belief that the first responsibility of a Government is defense. I am proud to associate myself with that creed.

Fleet Admiral William Leahy said that President Roosevelt and Representative Vinson did more than any others to develop a two-ocean navy and provide America with the readiness for essential naval operations on several fronts simultaneously during World War II.

The Kingdom of Morocco, at the gateway to the Mediterranean, has two great coasts: the Mediterranean Sea and the Atlantic Ocean. America's two other largest aircraft carriers, the USS Nimitz and the USS Dwight D. Eisenhower, together, with four powerful guided missile cruisers, including the USS Texas, visited Tangier on the north coast of Morocco last year. It was the greatest concentration of nuclear powered warships in the history of the world. Now the Vinson and the Texas are visiting the Atlantic coast of Morocco, symbolizing America's equal interest in this most strategic region of world real estate.

President Reagan has had long and detailed discussions with His Majesty King Hassan II in the United States on matters of common concern. As a result, and as a clear demonstration of America's resolve to be at the side of this Nation, President Reagan personally directed that the USS Carl Vinson make its first visit outside the United States to the Kingdom of Morocco.

America and Morocco seek a just and lasting peace in the Middle East, and both great nations are making major and tireless efforts to achieve that goal. Closer at hand, we praise the progress that His Majesty has made toward the peaceful resolution of events in the Western Sahara. His creative foresight, courage, his comprehensive understanding of regional questions and recent meaningful consultations with the leadership of Morocco's largest neighbor, Algeria, have already shown positive and fruitful results. The strengthening of understanding and mutual respect and cooperation among the three great nations of the Maghreb: the Kingdom of Morocco, Algeria, and Tunisia, free from the interference, intrigue, and infamy emanating from an aggressor which has experienced the deadly sting of America's Navy, will be a welcome blessing.

This city of Casablanca, the second largest metropolis in Africa and the industrial, commercial, and banking center of this great and ancient land, is very familiar to Americans. During World War II on November 8, 1942, 34,000 Americans (of the 3rd and 9th Infantry and the Second Armored Divisions) came ashore in this area, led by General George Patton under the overall command of General Dwight Eisenhower, to launch the famous "Operation Torch" that would light the long, tortuous, tumultuous march to victory in Europe. That victory, which began on these very shores at the cost of one thousand brave Americans, over forces which sought to extinguish liberty, is very much in my mind today.

Then as now, it is certainly true that vigilance and preparedness are necessary as the first line of defense against any aggression. One would have to be very naive, indeed, to believe that peace and freedom can be sustained solely on blind trust in the good intentions of others. Peace and freedom are expensive, and the development, maintenance, and exercise of quality defense systems and the dedicated commitment of all members of our valiant armed forces are essential.

In many parts of the world these days, there has been a tendency by some to become mesmerized by well-meaning, but misdirected, thinking. The theme is that unilateral disarmament, letting down our guard, trusting to the goodwill of potential adversaries with so—called "freeze" proposals, will ease tensions and ensure a safe future. Experience has shown, time and again, such thinking to be sad folly. Appeasement and apathy stimulate greedy aggressors.

President Reagan has very recently stressed that we are determined to achieve real arms control with "reliable agreements that will stand the test of time—that should seek significant reductions on both sides . . . that are equal and balanced . . . (and) . . . effectively verifiable . . . as a vital part of a broad policy to stengthen peace and stability."

In some quarters there seems to be almost a paralysis of will, a weakening of determination. Some say it is because America has never suffered a foreign war on its shores, and does not comprehend the terror, but, we have been witnesses to history.

Our brave military have defended freedom all over this globe. The call for withdrawal from reality is sometimes heard from some quarters in western Europe, a region that has certainly seen too much suffering from aggression. Must we re-learn hard lessons every other generation?

Just think about the past events following World War II—the conflict, aggrandizement, domination, cruelty, and misery unleashed by one large country which has smothered freedom in so many lands, and crushed any attempt to break out from under that dark shroud of tyranny and op-

pression. I say that those who do not learn from history—will live to suffer for it. Surely it is only those who are prepared to defend themselves who can contribute to reducing the risk of conflict.

Some nations only understand strength, as they dominate their own people, by the heavy hand of brutality and even consignment to internal exile or mental hospitals on the premise that dissent is insanity. Aggressive Marxism-Leninism sees timidity and weakness as a signal: a failure of resolve—and the apparent underlying disarray—as an invitation to interfere—a blank check for conquest. A determined defense is a deterrent to such temptation.

I have given much thought to the dilemma. I believe those who call for the phasing down of America's long-range defense preparedness or withdrawal from the responsibility to cooperate in the sound development of a credible defense in combined, harmonious and mutual cooperation with our allies and friends, engage in self-delusion.

I am convinced that the continued upgrading and modernization of our defensive capabilities are essential to match those already in existence in the hands of a potential adversary. It is the right course. We have a responsibility to future generations. Freedom—our destiny—depends on our correct and deliberate decisions concerning defense.

We must shake off this paralysis of will—and harden our resolve. We must not be taken in by the lies and efforts at disharmony and disinformation spread by others.

They work hard at spreading what President Reagan has recently called "The focus of evil in the modern world"—around the clock. The radio of our principal adversary has thirty-seven up-to-date five hundred kilowatt transmitters available, broadcasting in eighty-two languages, while the Voice of America has but six of similar power to send America's reliable message of freedom in forty-eight languages to those who thirst for the truth. Yet, no matter in how many languages, or how many kilowatt power units blare at the weary ears of the world from the radio of the enemies of freedom, it can never drown out the cry for liberty, whether in a tortured Afghanistan or a tragic Poland.

President Reagan reminded us of a sage and irrefutable statement by our first President, George Washington: ". . . To be prepared for war is the most effectual means of preserving peace."

President Reagan then stressed that, "It is precisely because we are committed to peace that we have a moral obligation to ensure Amrica's defense credibility." This beautiful, powerful, and awesome aircraft carrier, the U.S.S. Carl Vinson, is a crowning example of that credibility.●

OPENING OF HONDA'S AUTO PLANT IN MARYSVILLE, OHIO

● Mr. GLENN. Mr. President, I want to extend my congratulations to the management and workers of American Honda on the official opening of their new auto production facility in Marysville, Ohio. Honda has been one of my corporate constitutents since 1979, when they opened their motorcycle production plant in Marysville.

Honda's auto plant is a welcome addition to Ohio's manufacturing base. It represents an investment of $250 million, will provide employment for 2,000 American workers, and will be a customer for products from 43 American suppliers. More importantly, this investment represents a good faith commitment by Honda to the principles of reciprocal trade and investment. It recognizes the productivity of American workers and the quality of American products. It demonstrates that foreign companies can best enjoy the advantages of our open market by investing, producing, and hiring in the United States.

I commend Honda for its commitment to the principles of fair trade and investment and congratulate the workers and community of Marysville for their efforts in attracting Honda's investment to Ohio.●

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 10 a.m. After the recognition of the two leaders under the standing order, there will be a period for the transaction of routine morning business in which Senators may speak for not more than 2 minutes each and to extend not past 10:30 a.m.

At 10:30 a.m., the Senate will resume consideration of the pending business, which is Senate Concurrent Resolution 27. At that time, Mr. President, the Senate will resume consideration of amendment No. 1227 offered by the Senator from Utah (Mr. HATCH) on which there will be a further time limitation of 60 minutes to be equally divided and controlled in the usual form. On the disposition of the Hatch amendment, the Senate will resume consideration of the amendment of the Senator from Pennsylvania (Mr. SPECTER) on which there will be further debate of 15 minutes to be equally divided and controlled in the usual form.

Following the disposition of the Specter amendment, the Senate will proceed to the consideration of an amendment to be offered by the Senator from Louisiana (Mr. JOHNSTON) provided that all of the provisions of the Budget Act regarding floor consideration of the aforementioned amendments shall remain in full force and effect.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, if no Senator is seeking recognition—and I see the minority leader on the floor indicating by the nod of his head that he does not see anyone—I move in accordance with the order previously entered that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and, at 6:27 p.m., the Senate recessed until Wednesday May 4, 1983, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 3, 1983:

DEPARTMENT OF EDUCATION

Donald Moncrief Muchmore, of California, to be a member of the National Museum Services Board for a term expiring December 6, 1987.

CORPORATION FOR PUBLIC BROADCASTING

Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 1, 1984.

NATIONAL COUNCIL ON THE HUMANITIES

Charles Ray Ritcheson, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1986.

DEPARTMENT OF STATE

Helene A. von Damm, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Austria.

DEPARTMENT OF TRANSPORTATION

James H. Burnley IV, of North Carolina, to be General Counsel of the Department of Transportation.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF JUSTICE

Edward S. G. Dennis, Jr., of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for the term of 4 years.

IN THE NAVY

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 admiral

Vice Adm. Steven A. White, [redacted] 1120, U.S. Navy.

HOUSE OF REPRESENTATIVES—*Tuesday, May 3, 1983*

The House met at 12 o'clock noon.

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

O God, You have blessed us as a people and as a nation and we have known the bounty of harvest and the richness of freedom. As we have received these gifts, our lives have been made whole by the many spiritual blessings that You freely made available to us. Help us to use these gifts—of prayer and intercession, of good deeds and acts of charity, of reconciliation and peace—in ways that strengthen us and those in our community and world. 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 a bill of the following title, in which the concurrence of the House is requested:

S. 974. An act to amend chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), to improve the quality and efficiency of the military justice system, to revise the laws concerning review of courts-martial, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the Private Calendar.

MARSHA D. CHRISTOPHER

The Clerk called the bill (H.R. 723) for the relief of Marsha D. Christopher.

There being no objection, the Clerk read the bill, as follows:

H.R. 723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 8131 and 8132 of title 5, United States Code, shall not apply with respect to injuries incurred by Marsha D. Christopher of Romulus, Michigan, as a result of an attack by a dog on August 9, 1979, while Marsha D. Christopher was performing her duties as a letter carrier for the United States Postal Service.

SEC. 2. (a) The Secretary of the Treasury shall pay, out of any funds in the Treasury not otherwise appropriated, to Marsha D. Christopher, an amount equal to the sum of—

(1) any amount of compensation for the injuries referred to in the first section of this Act, refunded, under section 8132 of title 5, United States Code, to the United States by Marsha D. Christopher, or on her behalf, before the date of the enactment of this Act; and

(2) any amount of reduction in compensation payable to Marsha D. Christopher under chapter 81 of title 5, United States Code, for the injuries referred to in the first section of this Act, made under section 8132 of such title before the date of the enactment of this Act.

(b) It shall be unlawful for any amount of the payment referred to in subsection (a) to be paid to, delivered to, or received by any agent of attorney in consideration for services rendered in connection with such payment. Any person who violates this subsection shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES A. FERGUSON

The Clerk called the bill (H.R. 726) for the relief of James A. Ferguson.

There being no objection, the Clerk read the bill, as follows:

H.R. 726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That James A. Ferguson of San Antonio, Texas, is relieved of all liability to the United States in the amount of $1,912.16 which represents the amount claimed to be overpaid to him when, because he was misinformed by the United States Air Force concerning the limitation on federally compensable moving expenditures contained in the last sentence of section 5724(b) of title 5, United States Code, he expended sums from his travel advance in excess of that limitation to cover the costs of commercially transporting his mobile home to his new permanent duty station in 1978.

SEC. 2. (a) The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to James A. Ferguson an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section.

(b) No more than 10 per centum of the amount appropriated in subsection (a) shall be paid to or received by any agent or attorney on account of services rendered in connection with the liability dealt with in this Act. Any person violating the provisions of this subsection shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RONALD GOLDSTOCK AND AUGUSTUS M. STATHAM

The Clerk called the bill (H.R. 730) for the relief of Ronald Goldstock and Augustus M. Statham.

There being no objection, the Clerk read the bill, as follows:

H.R. 730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ronald Goldstock of Larchmont, New York, a former employee of the Department of Labor, the sum of $6,176.05 in full settlement of all his claims against the United States for certain expenses he incurred at the time of his relocation in 1979 from Ithaca, New York to Washington, District of Columbia; the expenses, which failed to qualify for reimbursement, were incurred in good-faith reliance on assurances by the Department of Labor that his real estate expenses and the expenses of his dependents were authorized at Government expense.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Augustus M. Statham of Great Falls, Virginia, an employee of the Department of Labor, the sum of $11,725.95 in full settlement of all his claims against the United States for certain expenses he incurred at the time of his relocation in 1979 from San Francisco, California to Washington, District of Columbia; these expenses were incurred in good-faith reliance on the assurances of Department of Labor officials that such relocation costs were reimbursable by the Government.

SEC. 2. No part of the amount appropriated in this subsection (a) or (b) of the first section of this Act in excess of 10 per centum thereof shall be directly or indirectly paid to or received by any agent or attorney in connection with the claims referred to in the first section of the Act, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of this section shall be considered a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREGORY B. DYMOND, SAMUEL K. GIBBONS, JACK C. KEAN, JAMES D. NICHOLS, AND ROY A. REDMOND

The Clerk called the bill (H.R. 732) for the relief of Gregory B. Dymond, Samuel K. Gibbons, Jack C. Kean, James D. Nichols, and Roy A. Redmond.

There being no objection, the Clerk read the bill, as follows:

☐ 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.

H.R. 732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Gregory B. Dymond of Gladstone, Missouri, is relieved of all liability for repayment to the United States of the sum of $8,832.70 plus accrued interest which represents the amount that Mr. Dymond is indebted to the Department of Labor for payments received for travel and relocation expenses arising from his relocation from Fenton, Missouri, to accept employment with the Department of Labor in Kansas City, Missouri.

(b) Samuel K. Gibbons of Walnut Creek, California, is relieved of all liability for repayment to the United States of the sum of $2,165 plus accrued for indebtedness to the Department of Labor with represents the amount that Mr. Gibbons is indebted to the Department of Labor for payments received for relocation and travel expenses arising from his relocation from Saint Louis, Missouri, to accept employment with the Department of Labor in Kansas City, Missouri.

(c) Jack C. Kean of Garland, Texas, is relieved of all liability for repayment to the United States of the sum of $7,929.06 plus accrued interest which represents the amount that Mr. Kean is indebted to the Department of Labor for payment received for travel and relocation expenses arising from his relocation from Saint Louis, Missouri, to accept employment with the Department of Labor in Dallas, Texas.

(d) James. D. Nichols of Manassas, Virginia, is relieved of all liability for repayment to the United States of the sum of $8,082.13 plus accrued interest which represents the amount that Mr. Nichols is indebted to the Department of Labor for payments received for travel and relocation expenses arising from his relocation from Saint Louis, Missouri, to accept employment with the Department of Labor in Denver, Colorado.

(e) Roy A. Redmond of Manassas, Virginia, is relieved of all liability for repayment to the United States of the sum of $6,025.79 plus accrued interest which represents the amount that Mr. Redmond is indebted to the Department of Labor for payments received for expenses arising from his relocation from Virginia Beach, Virginia, to accept employment with the Department of Labor in Philadelphia, Pennsylvania.

These expenses, which failed to qualify for reimbursement, were incurred in good-faith reliance on assurances of the Department of Labor that the travel and relocation expenses of these presons and those of their dependents were authorized at Government expense.

SEC. 2. In addition to the relief provided in subsection (b) of the previous section of this Act, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Samuel K. Gibbons the sum of $4,015.15 in full settlement of all his claims against the United States for certain real estate, travel, and relocation expenses he and and his family incurred at the time of his relocation in 1979 from Saint Louis, Missouri, to Kansas City, Missouri; these expenses were incurred in good-faith reliance on assurances of the Department of Labor that travel and relocation expense for himself and his family were authorized at Government expense.

SEC. 3. No part of the amount appropriated in section 2 of this act in excess of 10 per centum thereof shall be directly paid to or received by any agent or attorney in connection with the claims referred to in section 2 of this Act, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of this section shall be considered a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

AMENDMENT OFFERED BY MR. BOUCHER

Mr. BOUCHER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOUCHER: On page 2, line 7, insert "interest" following "accrued".

The SPEAKER. The question is on the amendment offered by the gentleman from Virginia (Mr. BOUCHER).

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEPHEN C. RUKS

The Clerk called the bill (H.R. 745) for the relief of Stephen C. Ruks.

There being no objection, the Clerk read the bill, as follows:

H.R. 745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Transportation shall pay, out of any money available for such purpose, the sum of $9,700 to Stephen C. Ruks of Cordova, Alaska, a member of the Alaska Civil Air Patrol, for damage to his airplane incurred while engaged in a rescue mission which he undertook on behalf of the Coast Guard. Acceptance of such sum by Stephen C. Ruks shall constitute full satisfaction of all claims against the United States by Stephen C. Ruks arising out of the incident described in the preceding sentence.

SEC. 2. No amount in excess of 10 per centum of the sum appropriated by the first section of this Act shall be paid to or received by any agent or attorney in consideration for services rendered in connection with the claim described in such section. Any violation of this section shall be a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APOLONIO P. TUMAMAO AND OTHERS

The Clerk called the bill (H.R. 1750) for the relief of Apolonio P. Tumamao and others.

There being no objection, the Clerk read the bill, as follows:

H.R. 1750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following-named persons is relieved of all liability to repay the United States and is entitled to a refund of the amount which appears beside his name:

	Indebtedness
Apolonio P. Tumamao	$1,137.50
Milton M. Ikawa	2,032.50
Malcolm B. Shin	2,032.50
Mamerto A. Garma	1,938.00
John B. MacKinnon	2,028.75
Kenneth A. Grigsby	2,032.50

The amounts represent overpayments of per diem allowances as a result of administrative failures by officials of the United States Government in implementing a regulatory change in the per diem rate in the case of the above-named civilian employees of the Department of the Navy who were performing extended temporary duty training assignments during the period May 1977 to January 1980. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount of payments made pursuant to this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING SECRETARY OF COMMERCE TO SETTLE CERTAIN CLAIMS FOR DAMAGES RELATING TO RESPONSIBILITY OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Clerk called the bill (H.R. 594) to amend section 1 of the Act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration is responsible.

There being no objection, the Clerk read the bill, as follows:

H.R. 594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of June 5, 1920, as amended (41 Stat. 929, as amended; 33 U.S.C. 853), is further amended to read as follows: "The Secretary of Commerce is authorized to consider, ascertain, adjust, and determine all claims for damages, where the amount of the claim does not exceed $2,500, occasioned, subsequent to June 5, 1920, by acts for which the National Oceanic and Atmospheric Administration is responsible.".

● Mr. SAM B. HALL, JR. Mr. Speaker, the purpose of the proposed legislation is to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration is responsible.

The bill, H.R. 594, was introduced as recommended by the Department of Commerce in a communication to the Congress dated July 6, 1977, and is identical to the bill H.R. 234, in the

96th Congress, which was the subject of a favorable report by the Department to the committee dated June 9, 1980. In the 97th Congress an identical bill, H.R. 1029 was favorably reported and passed the House.

Under existing law, the Secretary of Commerce has the authority, under 33 U.S.C. 853, to settle claims up to $500 arising by reason of acts for which the National Ocean Survey, an agency of the National Oceanic and Atmospheric Administration of the Department of Commerce shall be found to be responsible. This authority does not extend to a negligent or wrongful act or omission of a Government employee acting within the scope of his employment which would already be covered under the Federal Tort Claims Act (28 U.S.C. 2671-80). The purpose of H.R. 594 is twofold: First, it would make clear that 33 U.S.C. 853 is applicable to all NOAA activities not merely to those of the National Ocean Survey. Second, it would increase the maximum dollar amount for authorized settlements from $500 to $2,500.

The bill, in increasing the dollar amount for authorized settlements from $500 to $2,500 will provide the authority to settle claims arising from the many diversified scientific endeavors and experiments of that Administration. As it pointed out in the material submitted to the committee by the Department, the settlements can be made where the claim arose from damage clearly caused by activities of the National Oceanic and Atmospheric Administration and the Government has a moral obligation to compensate the injury even though there may be an absence of negligence. The examples of such activities as described in the report of the Department of Commerce include weather instrument operations such as the radiosonde. This is a plastic-cased instrument weighting about 3 pounds that is sent into the atmosphere by balloon which, after reaching 5 or 6 miles in altitude, is returned to the ground by parachute. In most instances, the instrument reaches the surface without incident, and many of them are recovered. As a free-falling object, however, there is a possibility that the instrument could frighten domestic animals, or have other effects such as colliding with vehicles.

It was also pointed out that during marine surveys, coastal hydrographic ships operate in areas where fishing occurs and, despite precautions, fishing nets, lobster pots, or other fishing gear may be damaged.

The National Earth Satellite Service of NOAA has command and data acquisition stations at Gilmore Creek, Alaska, and Wallops Island, Va. The launching of satellites for atmospheric observations from these stations is accomplished in collaboration with the National Aeronautics and Space Administration (NASA). However, NOAA personnel, facilities, and equipment are involved. Satellite launchings always have the potential for damaging their operational sites and contiguous area.

In addition to the foregoing, there may be damage to private property by triangulation and survey field parties. Most of the work of such parties involves using privately owned land to which access is obtained by established procedures. A site may be used for several months and it is possible that damage could be done to the land and its appurtenances.

The committee recognizes that the existing language in section 853 of title 33 of the United States Code presently providing for the settlement of claims up to $500 has performed a valuable function over the years since enactment in 1920 to provide compensation to persons injured from activities similar to those outlined above. The increase of that authority to the amount of $2,500 is a realistic increase in view of current costs which can be expected in the event of damage claims. Further, the activities of the National Oceanic and Atmospheric Administration as outlined in this report and in the material appended to the report submitted by the Department, are of a unique nature and would give rise to claims which could be settled expeditiously under the authority provided in this bill.

It is recommended that the bill be considered favorably.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING RESPONSIBILITY FOR FURNISHING CERTIFIED COPIES OF MILLER ACT PAYMENT BONDS

The Clerk called the bill (H.R. 596) to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given.

There being no objection, the Clerk read the bill, as follows:

H.R. 596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 3 of the Act of August 24, 1935 (49 Stat. 794; 40 U.S.C. 270c), as amended by the Act of August 4, 1959 (73 Stat. 279; 40 U.S.C. 270c), is amended by striking out "Comptroller General" and inserting in lieu thereof "department secretary or agency head of the contracting agency." The second sentence of section 3 of the Act is amended by striking out "Comptroller General" and inserting in lieu thereof "department secretary or agency head of the contracting agency."

● Mr. SAM B. HALL, JR. Mr. Speaker, the purpose of the proposed legislation is to amend section 3 of the Miller Act to provide that the department secretary or agency head of a contracting agency is to have the responsibility for providing certified copies of bonds required under that act.

The bill, H.R. 596, was introduced as recommended by the Comptroller General to the Committee on the Judiciary in a letter dated April 22, 1978.

As was stated in the recommendation of the Comptroller General, the Miller Act establishes performance and payment bonding requirements for most Federal construction contracts. Section 3 of the act requires the Comptroller General to furnish a certified copy of a bond and the contract for which it was given to any person who submits an affidavit that: First, he has supplied labor or materials for the construction, alteration, or repair of any public buildings or public work of the United States, and payment therefor has not been made; or; that, second, he is being sued on a bond.

Prior to an amendment in 1959, the Comptroller General had the responsibility for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commenced to run. In 1959, the act was amended to eliminate this function on the part of the Comptroller General. The amendment, which was made on August 4, 1959, by Public Law 86-135, provided that suit must be commenced within 1 year after the date on which the last labor was performed or material was supplied by the person initiating the law suit.

The amendment provided for in this bill would relieve the Comptroller General of the duty of furnishing certified copies of bonds and contracts. This was a function which actually was related to the duties of the Comptroller General prior to 1959 when the General Accounting Office was required to determine and certify the final settlement date of contracts. Since the General Accounting Office is presently not so involved, it must obtain the copies of the original bonds and contracts from the contracting department or agency when a subcontractor or materialman requests certified copies of these documents under the law. The committee agrees that a more logical and expeditious way of handling such requests would be to require that the agency that awards the contracts should supply the copy of the bond and the contract. As recommended by the Comptroller General, this merely requires that the words "department secretary or agency head of the contracting agency" be substituted for "Comptroller General" in the first and second sentences of section 3 of the Miller Act.

The committee agrees that the change recommended by the Comptroller General should be made to the Miller Act and recommends that the bill be considered favorably.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYSON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on H.R. 594 and H.R. 596, the two bills just passed.

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

There was no objection.

PROVIDING FOR MEMBERSHIP OF COMMANDANT OF THE MARINE CORPS IN THE ARMED FORCES POLICY COUNCIL

The Clerk called the bill (H.R. 1692) to amend section 171 of title 10, United States Code, to provide that the Commandant of the Marine Corps shall be a member of the Armed Forces Policy Council.

There being no objection, the Clerk read the bill, as follows:

H.R. 1692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 171(a) of title 10, United States Code, relating to the membership of the Armed Forces Policy Council, is amended—

(1) by striking out "and" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; and"; and

(3) by adding after clause (10) the following new clause:

"(11) the Commandant of the Marine Corps.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT ON TODAY, TOMORROW, AND THURSDAY OF THIS WEEK DURING PROCEEDINGS UNDER THE 5-MINUTE RULE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit today, May 3; tomorrow, May 4; and Thursday, May 5, during proceedings of the House under the 5-minute rule.

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

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, we have been advised that the House will be debating what has been described as the most important vote that we will ever cast during our service in the Congress, that is, the nuclear freeze resolution tomorrow and perhaps on Thursday, and I am wondering why the gentleman from Kentucky is attempting to take the members of the Committee on the Judiciary away from this most important debate, as has been explained to us by Members on his side of the aisle?

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

Mr. SENSENBRENNER. I am delighted to yield to my friend, the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I thank my friend, the gentleman from Wisconsin, for yielding.

Let me say that I would leave it for other Members on my side to array in priority the votes we might cast in this Congress. I can only speak to the bill before the Committee on the Judiciary, of which the gentleman from Wisconsin is a distinguished member, and that bill has been the subject of quite considerable attention on the part of the full committee and the subcommittee for the better part of the last 2½ years. It is a bill which has been materially improved since the last time. It is a bill which, because of the budget deadline, contains certain budget authorizations, and it should be heard and should be reported to the floor by May 15.

I would on that basis suggest that if the committee were permitted to work and some Members would be attending the debate here on the floor and coming back in a sort of a circular process, I think we could accomplish the best of all worlds, which is to have a bill reported and at the same time to have the Members aware of what is happening here on the freeze issue.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, is the gentleman from Kentucky telling us that his priorities are a little bit different than the priorities of those Members on his side who have advised us that the freeze vote is the most important vote we will ever cast?

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

Mr. SENSENBRENNER. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I thank my friend for yielding.

I think I said something to the effect that each gentleman and gentlewoman in the House makes certain priorities, and in my case, because we have a very limited and dwindling time between now and May 15, during which we have to move the immigration bill, for my part, I find my duty requires me to be in the position of being the floor manager from the committee of the bill.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, I guess that the gentleman from Kentucky has got his window of vulnerability, to use the nuclear arms language, and because of my great respect for him, I withdraw my reservation of objection.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman.

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

Mr. CONYERS. Mr. Speaker, reserving the right to object, might I ask the gentleman from Kentucky, what is there in this bill that precludes it from being taken up in the regular order of business in the Committee on the Judiciary between now and May 15?

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

Mr. CONYERS. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I think the regular order does consider taking up our bill, and I think, therefore, since it is an active part of the agenda before our committee, it would be in the spirit of the regular order to take it up, and so I simply at this point make the request.

Mr. CONYERS. Mr. Speaker, let me ask the gentleman, why can we not meet when the House is not in session?

Mr. MAZZOLI. Well, of course, the gentleman from Kentucky has had experience in being on the floor at 1 o'clock in the morning on this very bill, so I would be the first one to tell the gentleman that my work habits and sleep habits could conform to new circadian rhythms such that I can be here at any time. But I believe that most Members of the House feel that when their workday stretches after a reasonable period at night, it makes it difficult for them to concentrate.

Mr. CONYERS. Mr. Speaker, if the gentleman will yield, he will recall that I was the gentleman who objected to its being brought up in the middle of the might. Maybe the gentleman did, too. But I am not suggesting that we have to stay up until the middle of the night on the Judiciary Committee to work the bill through the process of the full committee.

So, Mr. Speaker, for that reason, I am very sorry to tell the gentleman that I am going to object, and I do object.

Mr. MAZZOLI. Mr. Speaker, I think the gentleman would understand that——

Mr. CONYERS. Regular order, Mr. Speaker.

Mr. MAZZOLI. Mr. Speaker, I did not ask——

Mr. CONYERS. Regular order, Mr. Speaker.

The SPEAKER. The Chair has heard an objection.

There not being 10 objections, the request is granted.

PERMISSION FOR PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO SIT TODAY DURING PROCEEDINGS OF THE HOUSE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence be permitted to sit during the proceedings of the House on today, May 3, 1983.

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

The Chair hears none.

The Chair recognizes the gentleman from Florida (Mr. PEPPER).

Mr. FISH. Mr. Speaker, may I have the attention of the Chair?

The SPEAKER. The Chair is well aware of the fact that the gentleman from New York (Mr. FISH) did not rise at the proper time, but apparently one of the minority floor staff was attempting to get his attention. In view of that, the Chair will ask that the request by the gentleman from Massachusetts (Mr. BOLAND) be restated, if he is still on the floor.

In view of the fact that the gentleman from Massachusetts (Mr. BOLAND) is not on the floor, the Chair cannot restate the question.

The Chair sees that the gentleman from Massachusetts (Mr. BOLAND) is now here and will ask the gentleman to restate his request.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence be permitted to sit this afternoon, on May 3, 1983.

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

Mr. FISH. Mr. Speaker, reserving the right to object, I take this time only for the purpose of asking the chairman of the committee if this has been cleared with minority members of the committee?

Mr. BOLAND. Mr. Speaker, if the gentleman will yield, the minority leader is here, and this has been cleared by the minority members of the Permanent Select Committee Intelligence. Yes, it has been cleared.

Mr. FISH. Mr. Speaker, I thank the gentleman from Massachusetts, and I withdraw my reservation of objection.

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

There was no objection.

REPORT ON RESOLUTION PROVIDING ADDITIONAL PROCEDURES DURING CONSIDERATION OF HOUSE JOINT RESOLUTION 13, CALLING FOR A MUTUAL AND VERIFIABLE FREEZE ON AND REDUCTIONS IN NUCLEAR WEAPONS

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-78) on the resolution (H. Res. 179) providing additional procedures during the consideration of the joint resolution (H.J. Res. 13) calling for a mutual and verifiable freeze on and reductions in nuclear weapons, which was referred to the House Calendar and ordered to be printed.

PRESIDENT REAGAN SHOULD TELL NRA ABOUT "COP KILLER BULLETS"

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

Mr. BIAGGI. Mr. Speaker, this Friday, President Reagan will be speaking to the National Rifle Association. Coming just 8 days before the start of National Police Week, it would be a most opportune occasion for President Reagan to address an issue of special concern to both police and the NRA—banning the so-called cop killer bullets that can penetrate the bulletproof vests worn by police.

President Reagan has already proposed a mandatory 5-year prison sentence for criminals who use cop killer bullets. The Justice Department has said they will push for a ban on these bullets once they complete a study on the issue later this summer.

Long considered a friend of police, the NRA has chosen to actively oppose the effort to ban cop killer bullets—an effort designed solely to save police lives. Not only are they the lone dissenter to this commonsense proposal, but the bullets that would be banned are not used for legitimate purposes.

As one who was wounded 10 times during my 23 years as a New York City police officer, I have joined leading police officials in urging the NRA to reconsider their stance. I hope President Reagan will do the same on Friday.

NATIONAL AGRICULTURAL RESEARCH FAIR

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

Mr. DE LA GARZA. Mr. Speaker, recently, the ranking minority member of the Agriculture Committee, Congressman EDWARD MADIGAN, and I sent a letter to each of our colleagues in the Congress inviting them to attend the National Agricultural Research Fair to be held in the Cannon caucus room tomorrow afternoon and evening.

The fair is the first national exhibition to display some of the more outstanding research projects currently being conducted by scientists in the U.S. Department of Agriculture and the various State agricultural experiment stations.

Recent exciting advancements in agricultural research include the cloning of trees to speed their growth and yield, controlling reproduction in swine—called planned piggyhood—to provide more pigs per sow, fewer reproductive problems and improved pork production efficiency, and multicropping on the same land to provide more food for the consumer while enhancing the income of the farmer. Agricultural scientists will be present at the fair to discuss their research efforts in these areas in addition to those involving genetic engineering of plants, remote sensing and land use, biotechnology, integrated pest management, soil erosion, human nutrition, water use efficiency and a variety of other research projects.

The congressional reception for the fair begins at 5:30 p.m., tomorrow in the Cannon caucus room and I want to invite you again to stop by and review the research exhibits and sample some of the many fine domestic wines and cheeses being provided by a number of the States. I am sure you will be impressed with the quality of the research on display.

□ 1215

SAGE ADVICE TO THE CONGRESS

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

Mr. ALEXANDER. Mr. Speaker, since the President addressed the Nation last week before a joint session of Congress assembled, great leaders have come forth with sage advice to the Congress and to the American people. Among them are former Ambassador Larry Pezzullo, who served as Ambassador to Nicaragua during the 1980 revolution and former Ambassador to the Organization of American States, Sol Linowitz. In "America at the Crossroads," a recent report of the Inter-American Dialog, also known as the Linowitz Commission, we are told, "Authoritarian regimes which impose harsh discipline upon their people lose their legitimacy and ultimately their authority."

The Commission sets forth principles for moderation that can easily be followed by this Congress in the formulation of foreign policy toward Latin America.

Mr. Speaker, it seems to me the time is ripe to adopt a peace plan in Latin America which would include a hemispheric conference which could lead to a ceased fire, a cessation of arms shipments and an international peace force—followed by hemispheric reform and an economic development plan that would raise the hopes of the Latin American peoples.

Tomorrow I will take a special order to discuss my proposal for a five-point peace plan.

A TRIBUTE TO GEORGE BALANCHINE, CHOREOGRAPHER

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

Mr. DOWNEY of New York. Mr. Speaker, I would like to take this opportunity to pay tribute to the greatest mentor and foremost choreographer of the 20th century, George Balanchine, who died earlier this week at the age of 79. While this diverse genius will truly be missed, the curtains will continue to rise and the audiences will continue to applaud the legacy of ballets, operas, films, and musicals created by this master.

It is hard to think of anyone who has had such a tremendous impact on such a wide variety of artistic disciplines. There are few people who have not been touched by the beauty of his works ranging from the "Nutcracker Suite" through "Slaughter on Tenth Avenue."

Because he believed that art is not just form but an ideal, Balanchine bridged the gap between popular and classical genres. Indeed his collaborators have included composers such as Igor Stravinsky, George Gershwin, and Cole Porter.

But even more than a master of dance, Balanchine was a spokesman and diplomat for all the arts. It is Balanchine who taught us to consider alternative perspectives on life by having us "see the music and hear the dance." I hope that these lessons on art and life will continue to make audiences think and feel for years to come.

AN UNNECESSARY WITHHOLDING SCHEME

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

Mr. D'AMOURS. Mr. Speaker, I would like to alert my colleagues to the fact that it is now time to face reality with regard to the unwanted and unnecessary attempt to impose a withholding scheme on interest and dividends earnings. More than 300 Members of this body are on record as being opposed to this unwanted, unnecessary scheme. There is only one way that we can repeal it before it goes into effect July 1 and that is to sign discharge petition No. 1, which is pending at the desk.

I would like to call the attention of those people who are on record as opposed to this scheme to the fact that by signing this discharge petition No. 1, we can bring about a timely vote on the question.

The Senate has already voted 91 to 5 for repeal. This House has not yet been given an opportunity to do so, and without going the discharge route, which we tried very much to avoid and we hoped we could avoid, we cannot bring this matter to a vote in the House until it is too late.

So again I would like to ask you to join the Members who have already signed the discharge petition. We are going to get it out soon. I would like to ask you to get on record on the discharge petition to see to it that we can vote in a timely manner on this terribly unnecessary withholding scheme.

URGING QUICK ACTION ON BILL TO ESTABLISH OCEAN AND COASTAL RESOURCES MANAGEMENT AND DEVELOPMENT FUND

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

Mr. CARPER. Mr. Speaker, I would like to take this opportunity to urge my colleagues to move quickly and adopt H.R. 5, a bill to establish an ocean and coastal resources management and development fund. This legislation is vital not only for Delaware's maritime community, but for coastal regions throughout the country.

I am proud, Mr. Speaker, of the quick action taken on this bill by my colleagues on the Merchant Marine and Fisheries Committee. Chairman JONES, in particular, should be congratulated for assiduously guiding this legislation through our committee, where it was overwhelmingly adopted last week.

It should be emphasized that this bill is virtually identical to legislation passed a year ago by this body. Briefly, it would establish a block grant program to fund various coastal and ocean resource activities from a percentage of Outer Continental Shelf oil and gas revenues.

In my judgment, one of the best features of the bill is its commitment of 10 to 20 percent of this new source of funding to the sea grant program. Sea grant is a good program that has enormously benefited my State and our Nation. Passage of H.R. 5 will properly reassert Congress intent to support rational development of our ocean and coastal resources.

A TRIBUTE TO THE LATE HONORABLE KATHERINE ST. GEORGE

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

Mr. GILMAN. Mr. Speaker, it is my sad duty to inform the House of the passing away, late yesterday, of our distinguished former colleague and my good friend, the gentlewoman from New York, Mrs. Katherine St. George.

Congresswoman St. George's distinguished career in this body, as a Representative of New York's 28th Congressional District, extended over an 18-year period, from her initial election in 1946 through her retirement in 1964. During that lengthy tenure, Mrs. St. George gained a well-earned reputation for her dedication, for her industriousness, and her politicial competence.

Congresswoman St. George served on the House Post Office and Civil Service Committee, the Armed Services Committee, and as the Speaker has pointed out, she was the first woman in history to serve as a member of the House Rules Committee.

Mrs. St. George was also the first woman to be designated as a parliamentarian at a Republican National Convention, serving in that capacity in 1956.

Incidentally, this dedicated Republican legislator happened to be the first cousin of the late President, Franklin Delano Roosevelt.

Mrs. St. George was a staunch advocate of human rights and worked throughout the 1950's and 1960's as the major sponsor of an equal rights amendment to the Constitution. Although ERA did not pass Congress until after she left us, she is credited with being the first to convince this body to take ERA seriously. It was through her efforts that the first hearings were held on ERA and she is credited with laying the foundation for the eventual passage of that amendment by this House.

Mr. Speaker, I ask my colleagues to join with me in paying tribute to one of the truly great Members of the House and one of the outstanding women of the 20th century, former Congresswoman Katherine St. George.

I will be attending the funeral services for Mrs. St. George at St. Mary's Episcopal Church in Tuxedo Park, N.Y., at noon on Friday, May 6, and I invite my colleagues to accompany me.

Mr. O'NEILL. Will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the distinguished Speaker.

Mr. O'NEILL. I had the pleasure of serving for many years on the Rules Committee with Katherine St. George. She was, indeed, a beautiful, able, and

talented person. She was a very dear friend through the years.

My wife, Millie, and I express our sympathy to the family.

Mr. GILMAN. I thank the Speaker for his kind remarks.

NATIONAL AGRICULTURAL RESEARCH FAIR

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

Mr. MADIGAN. Mr. Speaker, I rise to join my chairman, E (KIKA) DE LA GARZA, in inviting each Member of the House to attend the first National Agricultural Research Fair ever to be conducted in our country. A special viewing of the fair and reception for Members will take place tomorrow evening from 5:30 p.m. to 8 p.m. in the caucus room, Cannon House Office Building.

The 25 research projects to be exhibited from over 30 States at the fair tomorrow represent only a small sample of the innovative work in progress at our State agricultural experiment stations and our Federal agricultural research facilities. I believe, however, you will find the exhibits exciting and well worth your time. Particularly, I believe, our urban and suburban colleagues will gain new knowledge about American agriculture and why we all need to support food, fiber, and forest products research. Moreover, I also believe the Members who do not represent farm districts will find it rewarding to know that low-income consumers benefit most from agricultural research of the type to be shown at this fair.

Finally, I also want to urge our colleagues to encourage their personal staff persons to visit the fair during the public showing from 1 p.m. to 4 p.m. tomorrow in the caucus room.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. KILDEE) laid before the House the following communication from the Clerk of the House of Representatives:

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, I have the honor to transmit a sealed envelope received from The White House at 3:00 p.m. on Monday, May 2, 1983 and said to contain a message from the President wherein he transmits an International Fishery agreement between the U.S.A. and the German Democratic Republic.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE GERMAN DEMOCRATIC REPUBLIC—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 89-57)

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

(For message, see proceedings of the Senate of yesterday, Monday, May 2, 1983, at page 10613.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken today after debate has been concluded on all motions to suspend the rules.

FEDERAL DEPOSIT INSURANCE ACT AMENDMENTS

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1011) to amend the Federal Deposit Insurance Act to provide for the issuance of income capital certificates.

The Clerk read as follows:

S. 1011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 13(i)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1823(i)(1)(D)) is amended by adding at the end thereof the following: "Issuance of net worth certificates in accordance with this subsection shall not constitute a default under the terms of any debt obligations subordinated to the claims of general creditors which were outstanding when such net worth certificates were issued.".

(b) The amendment made by subsection (a) shall be deemed to have taken effect on the date of enactment of the Garn-St Germain Depository Institutions Act of 1982.

The SPEAKER pro tempore. Is a second demanded?

Mr. WYLIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

□ 1230

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before the House today is basically a technical change in the Net Worth Certificate Act—title II of the Garn/St Germain Act. That title authorized the Federal Deposit Insurance Corporation to establish a program to buttress the net worth or capital of qualifying insured banks, especially mutual savings banks which have experienced severe erosion of their net worth as a result of the recession. If an institution qualifies for the program, the FDIC would purchase net worth certificates from the institution. However, when the agency makes such a purchase it must have preferential standing in the event of a liquidation with respect to any outstanding subordinated debt. An unanticipated problem has arisen in the administration of this program. There are a few institutions which have outstanding subordinated debt which is held by a large number of individuals and that debt cannot be subordinate to any other obligation. In order to assure that these institutions receive the assistance they need in a timely fashion, this bill would amend the Net Worth Certificate Act to provide that issuance of net worth certificates by a qualifying institution would not constitute a default under the terms of any outstanding subordinated debt issue. This change in no way changes the requirement that FDIC must have priority over outstanding subordinated debt issues. As you know, this bill originated in the Senate and was passed by voice vote. In that regard, I would like to have placed in the RECORD at this point a letter from the Honorable MARK O. HATFIELD, the senior Senator from the State of Oregon, requesting our favorable consideration of this bill.

WASHINGTON, D.C.,
April 22, 1983.

Hon. FERNAND J. ST GERMAIN,
Chairman, House Banking, Finance and Urban Affairs Committee, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As you may know, on April 15, the Senate passed S. 1011 by unanimous consent, and the measure is now pending in the House of Representatives. This legislation, sponsored by Senator Packwood and myself, is extremely important to the banking industry and its depositors in the State of Orgeon.

The legislation ensures that the FDIC will have priority over subordinated debentures that are outstanding when the federal government issues net worth capital assistance certificates. Because the legislation is consistent with the intent of the Net Worth Assistance Act and because of its importance

to a competitive banking community in Oregon, I wanted to convey personally to you the significance of this legislation. I hope that you will be able to support the expedited consideration of S. 1011 on the suspension calendar of the House of Representatives.

Kind regards.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

Mr. Speaker, I now yield such time as he may consume to the distinguished gentleman from Oregon (Mr. AUCOIN), who also has been very assiduous in the pursuit of this legislation.

Mr. AUCOIN. Mr. Speaker, I rise in support of the legislation and I would like at this time to express my appreciation to the distinguished chairman of the Banking Committee and the ranking minority member for giving this measure their prompt and favorable consideration. There is a final point of clarification on which I would like to elicit the opinion of the distinguished chairman of the House Banking Committee. As you know, subsection (b) of this legislation provides for an effective date which coincides with the original enactment date of the Garn/St German Act. I understand this subsection will permit affected institutions to receive net worth certificates for the quarter ending December 31, 1982, and thereby be treated the same as other institutions which have been able to participate in the program since the FDIC began implementing it. Does the gentleman share my view of how this subsection should be interpreted?

Mr. ST GERMAIN. The gentleman is correct.

Mr. AUCOIN. Mr. Speaker, I appreciate the gentleman's help and the expeditious manner in which he has brought this legislation to the House.

Mr. WYLIE. Mr. Speaker, I will yield myself 2 minutes.

Mr. Speaker, I rise in support of S. 1011, which represents a minor amendment to the Garn-St Germain Act of 1982. It remedies an unanticipated problem which has arisen since the enactment of this bill and is designed to enable a few thrift institutions to receive assistance from the FDIC retroactive to the date of enactment of the Garn-St Germain bill which was October 15, 1982.

As matters stand now, a loan debenture provision entered into before passage of the Garn-St. Germain Act would preclude these institutions from receiving assistance without violating the provisions of the Garn-St. Germain Act which requires the FDIC to have priority over other creditors.

This bill will give the management of these institutions the same opportunity to preserve their institutions that other thrift institutions, savings banks, and others have under the capital assistance provisions of the Garn-St Germain bill as administered by the FDIC.

It is my understanding that the restoration of the health of these institutions will redound to the benefit of the debtholders as well.

Therefore, the action we are taking today should not be construed as a precedent for the sacrifice of the interests of debtholders in the furtherance of Federal policy.

I am glad to work with the chairman of the full committee, the gentleman from Rhode Island (Mr. ST GERMAIN), the gentleman from Oregon (Mr. AUCOIN), and the gentleman from Oregon (Mr. SMITH), in bringing this bill to the House floor today for passage, and I do indeed urge its passage.

Mr. Speaker, I now yield 5 minutes to the gentleman from New York (Mr. WORTLEY).

Mr. WORTLEY. Mr. Speaker, when I first came to Congress, a seasoned veteran of many legislative battles gave me some very good advice. He said that the two words designed to chill the heart of any conscientious legislator are "technical corrections."

The previous Congress devoted a great deal of time and attention to the very real problems confronting the Nation's thrift industry. In so doing, various avenues of assistance and nonassistance were explored. A consensus was reached eventually—the Nation's thrifts were worth saving. The enactment of the Depository Institutions Act of 1982 gave the industry the tools it needs to see it through some difficult times. I supported the concept then and I support it now.

Buried deep within title II of that act is a provision dealing with the issuance of income capital certificates and subordinated debentures. For those who were not Members of the 97th Congress, income capital certificates are paper transfers designed to bring up the net worth of troubled institutions to a specified level. Income capital certificates do not become real money unless an institution receiving such help goes into receivership.

I know that this provision is in the law because I offered an amendment stating that the U.S. Government comes ahead of stockholders, subordinated debt holders, and secured creditors should a financial institution receiving Federal assistance in the form of net worth guarantees fail.

Before too many eyes start to glaze over, I will explain why I feel it is necessary for me to speak out on what most Members must consider to be an arcane subject.

If one reads the debate in the other body on S. 1011, one might come away with the impression that the Garn-St Germain Depository Institutions Act of 1982 is inherently flawed. Supporters of this legislation believe that the bill is a necessary response to some unintended effects of language on income capital certificates and subordinated debt. I do not agree with that thesis.

Supporters of this legislation have told us that there are several institutions around the country that would be eligible for income capital certificates except that they have outstanding debt instruments that contain a clause stating that the holders of these instruments shall be paid ahead of everyone else should the worst occur.

The existing law precludes the FDIC from granting these savings banks income capital certificates. Yet the institutions seeking a change in the law made a commitment to their debt holders freely and clearly several years ago. That commitment has turned out to be most inconvenient for institutions seeking Federal assistance. Thus, they have petitioned Congress to have it overturned.

The troubled institutions contend that if they do not receive the certificates, their net worth will be eroded further and their chances for survival as independent entities are diminished.

The bill we are discussing manages to handle the debenture issue in a most artful way. It retains the FDIC's primacy in the case of default. I applaud that aspect of the legislation because I believe it is good public policy to protect the insurance fund's integrity. Unfortunately, there are tradeoffs. It is this aspect of the legislation that I would like to call to my colleagues' attention.

In order to preserve the FDIC's position, the bill provides for Federal preemption of the automatic default clause written into the outstanding subordinated debentures. While the bill is intended to remedy what some believe to be an unintended consequence of existing law, a precedent is likely to be established.

People who now hold bonds with subordinated debt clauses may find that their bonds are being unloaded from trading portfolios. It is unlikely that the securities industry as a whole will be hurt by such a change in the law but bondholders could be in for an unpleasant surprise.

We talk a lot about accountability in this body. Accountability is a virtue much admired in the abstract. We exhort its practice by one and all but what we are considering now would actually make financial institutions a little less accountable to their debt holders.

Institutions currently seeking net worth certificates must contact their debenture holders and inform them that their interests will be subordinated in order to obtain net worth certificates. It appears, however, that the way in which this bill is written, that step can be disregarded.

Mr. Speaker, I will not belabor the point. This bill is not as simple as it seems. As such, I would be remiss if I did not bring a few of the legislation's more interesting features to my colleagues' attention.

Mr. ST GERMAIN. Mr. Speaker, will my colleague yield to me?

Mr. WORTLEY. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I would just say to the gentleman I certainly appreciate his concerns. But I want the gentleman to know that this Member and his staff also went over all of these concerns.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. WORTLEY) has expired.

Mr. ST GERMAIN. Mr. Speaker, I yield the gentleman from New York 2 additional minutes.

Mr. WORTLEY. I yield to the gentleman.

Mr. ST GERMAIN. I might say to the gentleman that I weighed the equities and I appreciate the fact the gentleman is stating his concern but is doing it in a moderate fashion because it could well be in the near future or the far future the gentleman will have some type of problem within the grand State of New York that also will require a little assistance.

I want to assure the gentleman that I will remember his compassion today at the time that he approaches me for assistance for somebody in the State of New York.

Mr. WORTLEY. The gentleman's point is well taken.

I have more faith in the Garn-St Germain Act perhaps than the chairman has. But I hate to see us nickel and dime it to death.

Mr. ST GERMAIN. I appreciate that faith. But I would say to the gentleman I have found over the years that it is virtually impossible when we legislate to be able to foresee everything hyphen, semicolon, dash, and exclamation point.

So, again, with gratitude for the gentleman's faith in this legislation. I am the first to admit that we will probably find some other flaws in it as we go along as well.

Mr. WORTLEY. I thank the gentleman. I am sure he will be understanding and sympathetic to my banks in New York if they have a capital problem.

Mr. ST GERMAIN. That is the message that I am trying to give the gentleman.

Mr. WORTLEY. I thank the chairman.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from New York for his contribution. He has had a very, very active and strong interest in this subject and I believe the gentleman is to be commended for making the issue clear as far as the record is concerned here today.

Mr. Speaker, I now yield 3 minutes to the gentleman from Oregon (Mr. ROBERT F. SMITH).

Mr. ROBERT F. SMITH. Mr. Speaker, I am very grateful to the distinguished chairman as well as the ranking minority member from the State of Ohio, as well as the gentleman from Oregon, Mr. AUCOIN, for all of their assistance in this effort and in achieving an agreement early on on a very technical change to the Garn-St Germain Depository Insurance Act.

I want to join with the chairman and all of those who have spoken in favor of this legislation today.

As the distinguished chairman has so accurately advised as to the specifics of the problem within the last year's bill, I would simply add my support for the approval of this legislation. It is imperative, I think, that we insure: First, that intended financial institutions can benefit from the provisions in last year's legislation; and second, that when the Federal Goverment comes to the aid of any institutions through the Federal Deposit Insurance Corporation, the Federal Government does have priority over other creditors.

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This legislation will insure each of those intended actions and we hope they will be achieved. So, I therefore support my colleagues in this legislation and just add one thing, Mr. Speaker, to the discussion. The gentleman from New York (Mr. WORTLEY), is concerned about the bondholders with respect to this legislation and I suggest the very purpose in passing this amendment is for those creditors of those institutions that may be assisted in surviving. So this is, in fact, assisting the bondholders of these institutions. That is its purpose.

Mr. Speaker, I would like to take this opportunity to summarize the need for the technical legislation we are considering as S. 1011.

The Federal Deposit Insurance Act of 1982 (Public Law 320) initiated a program which authorizes the FSLIC and FDIC to provide capital assistance to qualified institutions—federally insured savings and loan associations, mutual savings banks, or commercial banks—through the purchase of income capital certificates (ICC's). In exchange for an ICC, the FSLIC or FDIC provides a promissory note to the qualified institution. The note is treated as an asset by the participating institution. The act forbids providing capital assistance after September 30, 1984. The intent of the act is to bolster the net worth of these thrift insitutions, enabling them to remain competitive and recover from the impact of high interest rates and inflation.

The act assigned priority to repayment of ICC's over other debt obligations in the event of liquidation or reorganization. An unanticipated problem resulted from this requirement because some thrift institutions had previously issued debt obligations to certain creditors, preventing the institutions from granting creditor priority to anyone—including FDIC and FSLIC—other than those holding the debt obligations.

This bill insures that if the Federal Government assists these institutions it has priority over other creditors. Also, because this program already has been in effect for two quarters, this legislation is retroactive to the date of enactment of the previous legislation.

It is imperative that the House approve this technical legislation to: First, insure that intended financial institutions are eligible to participate as recipients of net worth capital assistance; and, second, insure that intended financial institutions can benefit from the provisions in the Garn-St Germain Depository Institutions Act.

Timely consideration of this bill is critical. We must act promptly in order for the net worth assistance to be truly effective for banks now unable to qualify.

I urge my colleagues to act favorably on this technical legislation.

Mr. ST GERMAIN. Will the gentleman yield?

Mr. ROBERT F. SMITH. I yield to the gentleman.

Mr. ST GERMAIN. I thank the gentleman.

Very definitely, the gentleman's point is well taken. The Garn-St Germain Act also provides, actually it was in the legislation originally that went from the House to the Senate, it provides that the insuring corporation has to assure itself of the fact that this assistance, capital assistance, you know, will mean survival for the institution. We are not just throwing this money around. The whole purpose of it is for the institution to survive. And with the experience the insuring agency had in the past few years, there is no doubt in my mind that the agency is not about to assist even with this amendment, unless it is convinced that the institution is going to survive.

Absent that, as the gentleman so well states, were the institution not to get this assistance, the institution not to survive, query: What percentage of those bonds would be repaid to the bondholders? So I think this is exercising compassion and concern for both sides of the issue.

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

Mr. ROBERT F. SMITH. I yield to the gentleman.

Mr. WORTLEY. I thank the gentleman.

In the interest of establishing some legislative history——

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. WYLIE. Mr. Speaker, I yield 1 additional minute to the gentleman from Oregon.

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

Mr. ROBERT F. SMITH. I yield to the gentleman.

Mr. WORTLEY. I thank the gentleman.

In the interest of establishing a legislative history on this, is it your understanding that the Federal preemption that takes place in this new amendment, will the preemption of subordinated debt be valid only in the case where an FDIC or an FLIC loan is involved?

Mr. ROBERT F. SMITH. Yes.

Mr. WORTLEY. I do not want to upset the entire bond market in this country.

Mr. ROBERT F. SMITH. I agree that is exactly the case.

Mr. WORTLEY. Only where a regulatory agency is providing an infusion certificate.

Mr. ROBERT F. SMITH. Only when a regulatory agency is providing what is in this case called a net worth certificate.

Mr. WORTLEY. I thank the gentleman for yielding.

Mr. ROBERT F. SMITH. Mr. Speaker, will the gentleman yield further.

Mr. WYLIE. Mr. Speaker, I yield 1 more minute to the gentleman from Oregon.

Mr. ROBERT F. SMITH. I thank the gentleman.

Mr. Speaker, I appreciate the chairman's emphasis of this point.

May I interject in the RECORD as well, a letter from the FDIC dated May 3 to Mr. Jim Butera, National Association of Mutual Savings Banks. It is only one sentence. It says, "Dear Mr. Butera: In conjunction with our telephone conversation of this date, this is to confirm that as a practical matter only two mutual savings banks would be eligible for assistance under the provisions of S. 1011, 98th Congress."

I would like to submit that in the RECORD:

FEDERAL DEPOSIT
INSURANCE CORPORATION,
Washington, D.C., May 3, 1983.

Mr. JIM BUTERA,
National Association of Mutual Savings Banks, Washington, D.C.

DEAR MR. BUTERA: In conjunction with our telephone conversation of this date, this is to confirm that as a practical matter only two mutual savings banks would be eligible for assistance under the provisions of S. 1011, 98th Congress.

Sincerely,

GRAHAM T. NORTHUP,
Director.

Mr. WYLIE. Mr. Speaker, I yield myself 1 additional minute. I thank the gentleman from Oregon for his contribution. The chairman commended the gentleman from Oregon (Mr. AUCOIN) for his assiduousness. May I suggest that the gentleman from Oregon (Mr. ROBERT F. SMITH) has also been persistent and determined on this issue. And we compliment the two of them for their efforts.

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

Mr. WYLIE. I yield to the gentleman.

Mr. AUCOIN. I appreciate the gentleman yielding.

Mr. Speaker, I wanted to state how appreciative I am of the hard work on the part of my new colleague from the State of Oregon who has worked very strongly, on a bipartisan basis to get this through.

I want to repeat my thanks to both the minority member and chairman of this committee. For the 6 years that I served on the committee, they were helpful, we always managed to work in concert to get things done and are helpful again today.

So, for the whole of the Oregon delegation, I thank the gentleman.

Mr. WYLIE. Thank you. On that happy note, I have no further requests for time and I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Speaker, I yield myself 2 additional minutes.

I would ask the gentleman from Oregon, what is the State flower? Is it a rose?

Mr. AUCOIN. I think it is the Oregon grape, as a matter of fact.

Mr. ST GERMAIN. I just want to say that Mr. WYLIE, our ranking minority Member and I, are going to arrange to have a basketful of grapes sent to both the two gentlemen from Oregon for their efforts on this legislation.

Mr. Speaker, I have no further requests for time.

Mr. ROBERT F. SMITH. Mr. Speaker, will the chairman yield?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. ROBERT F. SMITH. And in return for those kind words, Mr. Chairman, we will send you our State bird.

Mr. ST GERMAIN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the Senate bill, S. 1011.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, S. 1011, was passed.

A motion to reconsider was laid on the table.

TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT AMENDMENTS

Mr. SIMON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2307) to amend the Tribally Controlled Community College Assistance Act of 1978, and for other purpose.

The Clerk read as follows:

H.R. 2307

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

SECTION 1. The matter preceding title I of the Tribally Controlled Community College Assistance Act of 1978 (92 Stat. 1325) (hereafter in this Act referred to as the "Act") is amended—

(1) by striking out "DEFINITIONS" and inserting in lieu thereof the following:

"DEFINITIONS

"SEC. 2. (a) For purposes of this Act, the term—";

(2) by striking out "and is eligible to receive services from the Secretary of the Interior" in paragraph (1);

(3) by inserting before the semicolon at the end of paragraph (5) thereof the following: "and the reference to Secretary in clause (5)(A) of such section shall be deemed to refer to the Secretary of the Interior"; and

(4) by striking out paragraph (7) and inserting in lieu thereof the following:

"(7) 'Indian student count' means a number equal to the total number of Indian students enrolled in each tribally controlled community college, determined in a manner consistent with subsection (b) of this section on the basis of the quotient of the sum of the credit hours of all Indian students so enrolled, divided by twelve.

"(b) For the purpose of determining the Indian student count pursuant to paragraph (7) of subsection (a), such number shall be calculated on the basis of the registrations of Indian students as in effect at the conclusion of the third week of each academic term. Credits earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term. Indian students earning credits in any continuing education program of a tribally controlled community college shall be included in determining the sum of all credit hours. For such purposes, credits earned in a continuing education program shall be converted to a credit-hour basis in accordance with the tribally controlled community college's system for providing credit for participation in such program.".

SEC. 2. Section 101 of the Act is amended by inserting immediately before the period at the end thereof the following: ", and to allow for the improvement and expansion of the physical resources of such institutions".

SEC. 3. (a) Section 102 of the Act is amended—

(1) by striking out "is authorized to" in subsection (a) and inserting in lieu thereof "shall, subject to appropriations,"; and

(2) by striking out "to defray the expense of activities related to education programs for Indian students" in subsection (b) and inserting in lieu thereof "to defray, at the determination of the tribally controlled community college, expenditures for academic, educational, and administrative pur-

poses and for the operation and maintenance of the college".

(b) Section 106(a) of the Act is amended by inserting after the second sentence the following new sentence: "Such application shall include a description of recordkeeping procedures for the expenditure of funds received under this Act which will allow the Secretary to audit and monitor programs conducted with such funds.".

SEC. 4. (a) The Act is amended—

(1) by redesignating sections 104 through 114 as sections 105 through 115, respectively; and

(2) by inserting after section 103 the following new section:

"PLANNING GRANTS

"SEC. 104. (a) The Secretary shall establish a program in accordance with this section to make grants to tribes and tribal entities to conduct planning activities for the purpose of developing proposals for the establishment of tribally controlled community colleges, or to determine the need and potential for the establishment of such colleges.

"(b) The Secretary shall establish, by regulation, procedures for the submission and review of applications for grants under this section.

"(c) From the amount appropriated to carry out this title for any fiscal year (exclusive of sums appropriated for section 105), the Secretary shall reserve (and expend) an amount necessary to make grants to five applicants under this section of not more than $15,000 each, or an amount necessary to make grants in that amount to each of the approved applicants, if less than five apply and are approved.".

(b) The Act is further amended—

(1) by striking out "section 106" in section 106 (as redesignated by subsection (a)(1)) and inserting in lieu thereof "section 107";

(2) by striking out "section 105" in section 107 (as so redesignated) and inserting in lieu thereof "section 106"; and

(3) by striking out "section 106(a)" in section 111 (as so redesignated) and inserting in lieu thereof "section 107(a)".

SEC. 5. Section 105 of the Act (as redesignated by section 4(a)(1)) is amended—

(1) by inserting "from a tribally controlled community college which is receiving funds under section 108" after "upon request" in the first sentence thereof; and

(2) by striking out "to tribally controlled community colleges" in such sentence.

SEC. 6. (a) Section 106 of the Act (as redesignated by section 4(a)(1) of this Act) is amended—

(1) by striking out "FEASIBILITY" in the heading of such section and inserting in lieu thereof "ELIGIBILITY";

(2) by striking out "feasibility" each place it appears in such section and inserting in lieu thereof "eligibility";

(3) by striking out "Assistant Secretary of Education of the Department of Health, Education, and Welfare" in subsection (a) and inserting in lieu thereof "Secretary of Education";

(4) by inserting at the end of subsection (b) the following new sentence: "Such a positive determination shall be effective for the fiscal year succeeding the fiscal year in which such determination is made."; and

(5) by striking out "10 per centum" in subsection (c)(2) and inserting in lieu thereof "5 per centum".

(b) Section 107 of the Act (as redesignated by section 4(a)(1) of this Act) is amended—

(1) by striking out "feasibility" in subsection (a) and inserting in lieu thereof "eligibility", and

(2) by striking out "Assistant Secretary of Education of the Department of Health, Education, and Welfare" in subsection (b) and inserting in lieu thereof "Secretary of Education".

SEC. 7. Section 108(a) of the Act (as redesignated by section 4(a)(1) of this Act) is amended to read as follows:

"SEC. 108. (a) Except as provided in section 111, the Secretary shall, subject to appropriations, grant for each academic year to each tribally controlled community college having an application approved by him an amount equal to the product of—

"(1) the Indian student count at such college during such academic year, as determined by the Secretary in accordance with section 2(a)(7) of this Act; and

"(2)(A) $4,000 for fiscal year 1983,

"(B) $4,000 for fiscal year 1984,

"(C) $5,025 for fiscal year 1985,

"(D) $5,415 for fiscal year 1986, and

"(E) $5,820 for fiscal year 1987,

except that no grant shall exceed the total cost of the education program provided by such college.".

SEC. 8. Section 109 of the Act (as redesignated by section 4(a)(1) of this Act) is amended—

(1) by inserting "(a)" immediately after the section designation; and

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

"(b)(1) The amount of any grant for which tribally controlled community colleges are eligible under section 108 shall not be altered because of funds allocated to any such colleges from funds appropriated under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13).

"(2) No tribally controlled community college shall be denied funds appropriated under such Act of November 2, 1921, because of the funds it receives under this Act.

"(c) For the purposes of section 312(2)(A)(i) and 322(a)(2)(A)(i) of the Higher Education Act of 1965, any Indian student who receives a student assistance grant from the Bureau of Indian Affairs for postsecondary education shall be deemed to have received such assistance under subpart 1 of part A of title IV of such Act.".

SEC. 9. (a) Section 110 of the Act (as redesignated by section 4(a)(1) of this Act) is amended to read as follows:

"APPROPRIATION AUTHORIZATION

"SEC. 110. (a)(1) There is authorized to be appropriated, for carrying out section 105, $3,200,000 for each of the fiscal years 1985, 1986, and 1987.

"(2) There is authorized to be appropriated for carrying out section 107, $30,000,000 for each of such fiscal years.

"(3) There are authorized to be appropriated such sums as may be necessary to carry out sections 112(b) and 113 for each of such fiscal years.

"(b)(1) For the purpose of affording adequate notice of funding available under this Act, amounts appropriated in an appropriation Act for any fiscal year to carry out this Act shall become available for obligation on July 1 of that fiscal year and shall remain available until September 30 of the succeeding fiscal year.

"(2) In order to effect a transition to the forward funding method of timing appropriation action described in paragraph (1), there are authorized to be appropriated, in an appropriation Act or Acts for the same fiscal year, two separate appropriations to carry out this Act, the first of which shall not be subject to paragraph (1).".

SEC. 10. Section 111 of the Act (as redesignated by section 4(a)(1) of this Act) is amended by redesignating subsection (b) as subsection (c) and by striking out subsection (a) and inserting in lieu thereof the following:

"SEC. 111. (a)(1) If the sums appropriated for any fiscal year pursuant to section 110(a)(2) for grants under section 107 are not sufficient to pay in full the total amount which approved applicants are eligible to receive under such section for such fiscal year—

"(A) the Secretary shall first allocate to each such applicant which received funds under section 107 for the preceding fiscal year an amount equal to the product of (i) the per capita payment for the preceding fiscal year, and (ii) such applicant's Indian student count for the current fiscal year;

"(B) the Secretary shall next allocate an amount equal to the product described in subparagraph (A) to applicants who did not receive funds under such section for the preceding fiscal year, in the order in which such applicants have qualified for assistance in accordance with such section, and no amount shall be allocated to a later qualified applicant until each earlier qualified applicant is allocated an amount equal to such product; and

"(C) if additional funds remain after making the allocations required by subparagraphs (A) and (B) the Secretary shall allocate such funds by ratably increasing the amounts of the grant determined under such subparagraphs.

"(2) For purposes of paragraph (1) of this subsection, the term 'per capita payment' for any fiscal year shall be determined by dividing the amount available for grants to tribally controlled community colleges under section 107 for such fiscal year by the sum of the Indian student counts of such colleges for such fiscal year. The Secretary shall, on the basis of the most satisfactory data available, compute the Indian student count for any fiscal year for which such count was not used for the purpose of making allocations under this title.

"(b)(1) If the sums appropriated for any fiscal year for grants under section 107 are not sufficient to pay in full the total amount of the grants determined pursuant to subsection (a)(1)(A) the amount which applicants described in such subsection are eligible to receive under section 107 for such fiscal year shall be ratably reduced.

"(2) If any additional funds become available for making payments under section 107 for any fiscal year to which subsection (a) or paragraph (1) of this subsection applies, such additional amounts shall be allocated by first increasing grants reduced under paragraph (1) of this subsection on the same basis as they were reduced and by then allocating the remainder in accordance with subsection (a). Sums appropriated in excess of the amount necessary to pay in full the total amounts for which applicants are eligible under section 107 shall be allocated by ratably increasing such total amounts.

"(3) References in this subsection and subsection (a) to section 107 shall, with respect to fiscal year 1982, be deemed to refer to section 106 as in effect at the beginning of such fiscal year.".

SEC. 11. Section 112 of the Act (as redesignated by section 4(a)(1) of this Act) is amended to read as follows:

"REPORT ON FACILITIES

"SEC. 112. (a) The Administrator of General Services shall provide for the conduct of a study of facilities available for use by tribally controlled community colleges. Such study shall consider the condition of currently existing Bureau of Indian Affairs facilities which are vacant or underutilized and shall consider available alternatives for renovation, alteration, repair, and reconstruction of such facilities (including renovation, alteration, repair, and reconstruction necessary to bring such facilities into compliance with local building codes). Such study shall also identify the need for new construction. A report on the results of such study shall be submitted to the Congress not later than September 30, 1984. Such report shall also include an identification of property (1) on which structurally sound buildings suitable for use as educational facilities are located, and (2) which is available for use by tribally controlled community colleges under section 202(a)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(a)(2)) and under the Act of August 6, 1956 (70 Stat. 1057; 25 U.S.C. 443a).

"(b) The Administrator of General Services, in consultation with the Bureau of Indian Affairs, shall initiate a program to conduct necessary renovations, alterations, repairs, and reconstruction identified pursuant to subsection (a) of this section.

"(c) For the purposes of this section, the term 'reconstruction' has the meaning provided in the first sentence of subparagraph (B) of section 742(2) of the Higher Education Act of 1965 (20 U.S.C. 1132e-1(2)(B)).".

SEC. 12. Section 113 of the Act (as redesignated by section 4(a)(1) of this Act) is amended to read as follows:

"CONSTRUCTION OF NEW FACILITIES

"SEC. 113. (a) With respect to any tribally controlled community college for which the report of the Administrator of General Services under section 112(a) of this Act identifies a need for new construction, the Secretary shall, subject to appropriations and on the basis of an application submitted in accordance with such requirements as the Secretary may prescribe by regulation, provide grants for such construction in accordance with this section.

"(b) In order to be eligible for a grant under this section, a tribally controlled community college (1) must be a current recipient of grants under section 105 or 107, and (2) must be accredited by a nationally recognized accrediting agency listed by the Secretary of Education pursuant to the last sentence of section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), except that such requirement may be waived if the Secretary determines that there is a reasonable expectation that such college will be fully accredited within eighteen months. In any case where such a waiver is granted, grants under this section shall be available only for planning and development of proposals for construction.

"(c)(1) Except as provided in paragraph (2), grants for construction under this section shall not exceed 80 per centum of the cost of such construction, except that no tribally controlled community college shall be required to expend more than $400,000 in fulfillment of the remaining 20 per centum. For the purpose of providing its required portion of the cost of such construction, a tribally controlled community college may use funds provided under the Act of November 2, 1921 (25 U.S.C. 13), popularly referred to as the Snyder Act.

"(2) The Secretary may waive, in whole or in part, the requirements of paragraph (1) in the case of any tribally controlled community college which demonstrates that neither such college nor the tribal government with which it is affiliated have sufficent resources to comply with such requirements. The Secretary shall base a decision on whether to grant such a waiver solely on the basis of the following factors: (A) tribal population; (B) potential student population; (C) the rate of unemployment among tribal members; (D) tribal financial resources; and (E) other factors alleged by the college to have a bearing on the availability of resources for compliance with the requirements of paragaph (1) and which may include the educational attainment of tribal members.

"(d) If, within twenty years after completion of construction of a facility which has been constructed in whole or in part with a grant made available under this section—

"(1) the applicant ceases or fails to be a public or nonprofit institution,

"(2) the facility ceases to be used by the applicant as an academic facility, unless the Secretary determines that there is good cause for releasing the institution from this obligation, and

"(3) the tribe with which the applicant is affiliated fails to use the facility for a public purpose approved by the tribal government in furtherance of the general welfare of the community served by the tribal government,

the United States shall be entitled to recover from such applicant (or its successor in title or possession) an amount which bears the same ratio to the value of the facility at the time as the amount of the grant under this section bore to the cost of the facility constructed with the aid of such grant. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is located.

"(e) No construction assisted with funds under this section shall be used for religious worship or a sectarian activity or for a school or department of divinity.

"(f) For the purposes of this section, the Secretary shall have the authority granted to the Secretary of Education pursuant to section 732(b) of the Higher Education Act of 1965 (20 U.S.C. 1132d-l) with respect to construction under title VII of such Act.

"(g) For the purposes of this section—

"(1) the term 'construction' includes reconstruction or renovation (as such terms are defined in the first sentence of subparagraph (B) of section 742(2) of the Higher Education Act of 1965 (20 U.S.C. 1132e-1(2)(B))); and

"(2) the term 'academic facilities' has the meaning provided such term under section 742(1) of the Higher Education Act of 1965 (20 U.S.C. 1132e-l(1)).".

SEC. 13. The Act is further amended by adding at the end thereof the following new title:

"TITLE III—TRIBALLY CONTROLLED COMMUNITY COLLEGE ENDOWMENT PROGRAM

"PURPOSE

"SEC. 301. It is the purpose of this title to provide grants for the encouragement of endowment funds for the operation and improvement of tribally controlled community colleges.

"ESTABLISHMENT OF PROGRAM; PROGRAM AGREEMENTS

"SEC. 302. (a) From the amount appropriated pursuant to section 306, the Secretary shall establish a program of making endowment grants to tribally controlled community colleges which are current recipients of assistance under section 107 of this Act or under section 3 of the Navajo Community College Act. No such college shall be ineligible for such a grant for a fiscal year by reason of the receipt of such a grant for a preceding fiscal year.

"(b) No grant for the establishment of an endowment fund by a tribally controlled community college shall be made unless such college enters into an agreement with the Secretary which—

"(1) provides for the establishment and maintenance of a trust fund at a federally insured banking or savings institution;

"(2) provides for the deposit in such trust fund of—

"(A) any Federal capital contributions made from funds appropriated under section 306;

"(B) a capital contribution by such college in an amount equal to the amount of each Federal capital contribution; and

"(C) any earnings of the funds so deposited;

"(3) provides that such funds will be deposited in such a manner as to insure the accumulation of interest thereon at a rate not less than that generally available for similar funds deposited at the same banking or savings institution for the same period or periods of time;

"(4) provides that, if at any time such college withdraws any capital contribution made by that college, an equal amount of Federal capital contribution shall be withdrawn and returned to the Secretary for reallocation to other colleges;

"(5) provides that no part of the net earnings of such trust fund will inure to the benefit of any private person; and

"(6) includes such other provisions as may be necessary to protect the financial interest of the United States and promote the purpose of this title and as are agreed to by the Secretary and the college, including a description of recordkeeping procedures for the expenditure of accumulated interest which will allow the Secretary to audit and monitor programs and activities conducted with such interest.

"USE OF FUNDS

"SEC. 303. Interest deposited, pursuant to section 302(b)(2)(C), in the trust fund of any tribally controlled community college may be periodically withdrawn and used, at the discretion of such college, to defray any expenses associated with the operation of such college, including expense of operations and maintenance, administration, academic and support personnel, community and student services programs, and technical assistance.

"COMPLIANCE WITH MATCHING REQUIREMENT

"SEC. 304. For the purpose of complying with the contribution requirement of section 302(b)(2)(B), a tribally controlled community college may use funds which are available from any private or tribal source.

"ALLOCATION OF FUNDS

"SEC. 305. (a) From the amount appropriated pursuant to section 306, the Secretary shall allocate to each tribally controlled community college which is eligible for an endowment grant under this title an amount for a Federal capital contribution equal to the amount which such college demonstrates has been placed within the control of, or irrevocably committed to the use of, the college and is available for depos-

it as a capital contribution of that college in accordance with section 302(b)(2)(B), except that the maximum amount which may be so allocated to any such college for any fiscal year shall not exceed $350,000.

"(b) If for any fiscal year the amount appropriated pursuant to section 306 is not sufficient to allocate to each tribally controlled community college an amount equal to the amount demonstrated by such college pursuant to subsection (a), then the amount of the allocation to each such college shall be ratably reduced.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 306. (a) There is authorized to be appropriated $5,000,000 for each of the fiscal years 1985, 1986, and 1987 to carry out this title.

"(b) Any funds appropriated pursuant to subsection (a) are authorized to remain available until expended.".

SEC. 14. Section 5(a)(1) of the Navajo Community College Act is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1984".

SEC. 15. In promulgating any regulations to implement the amendments made by this Act, the Secretary of the Interior shall consult with tribally controlled community colleges.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. SIMON) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. ERLENBORN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the bill which reauthorizes the assistance to the tribally controlled colleges of this Nation, colleges that are making progress, that should be encouraged to strengthen themselves.

We are in a little bit of an unusual situation here, real candidly. This is a bill that was reported out of committee by unanimous vote.

This is a bill that was vetoed by the President in the waning hours of the last session or just following the last session, on which he had two principal objections. One was that we included language of a trust responsibility regarding education and the second was the legislative veto provision. So, in order to get a bill passed I took out those two provisions, thinking then there would be no difficulty. And I had no contact from anyone, to my knowledge, in the administration indicating concern with the bill from that point on.

I learned last night that the administration says it is opposed to the bill.

I hope, despite that opposition—it will carry. Incidentally, that opposition is based on a false premise. It is opposition which says that this bill "mandates" certain construction to take place. That is simply not the case. It permits it if the GSA recommends it, and the Appropriations Committee approves it. And that is the sum and substance of it.

I cannot imagine a bill that is less controversial and less innocuous and more substantial in helping a group of people to whom we ought to be indebted in this Nation, to whom we owe a special debt for our heritage and I would hope we would go ahead.

It is virtually identical to a bill that is probably going to be approved today in the other body with one minor technical difference between the two.

Mr. Speaker, that is basically the story. We have the communities and the colleges moving in the right direction. They are frequently not well financed. They need what little support they receive from the Federal Government.

We are in this measure not asking for a higher authorization level except for the "such sums" provision on construction and the small amount that would be permitted under the endowment provision.

At the present time 4 of the 18 colleges funded under this program are fully accredited and 10 are candidates for accreditation, 4 are in the precandidacy stage. We are talking about Americans who frankly need the kind of assistance we can provide, not a dole but with some assistance for opportunity in the field of education. That is what we are doing. I think it is noncontroversial enough that I hope it receives overwhelming support and then I hope the administration can take another look at it and I hope it will support it. I thank the Speaker. I reserve the balance of my time.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 2307, a bill to reauthorize the Tribally Controlled Community College Assistance Act.

This reauthorization would also provide for two new programs of grants to Indian community colleges beginning in fiscal year 1985. One new program would allow Federal grants of up to $1.6 million to eligible schools to be used for construction or renovation of college facilities. The authorization for this program is open-ended. Conceivably, all 18 Indian community colleges could receive grants for construction, resulting in a fairly significant expenditure of Federal funds.

The other new program established by H.R. 2307 is a program of endowment grants to Indian community colleges. Each college could receive up to $350,000 of Federal funds per year to create an endowment. Not only do I oppose the expenditure of $5 million for this program, but I also oppose the designation of a class of colleges to be the beneficiaries of a federally financed endowment fund. In addition, endowments have traditionally been the responsibility of the private sector, and the Federal Government should not become involved in this area.

The Office of Management and Budget has stated its opposition to these provisions in H.R. 2307. I urge my colleagues not to pass this reauthorization which would double Federal expenditures for Indian community colleges and lead to a higher deficit.

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

Mr. SIMON. I yield 1 minute to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I commend the gentleman from Illinois on the hard work he and his subcommittee and full committee have done on this issue. I know of no sector in our society more needy for educational assistance of the kind provided in this legislation. I am delighted that you are taking the leadership here in renewing this law. I strongly support it.

Mr. SIMON. I thank my colleague from Arizona. I would like to respond very briefly to a couple of statements by my colleague from Illinois for whom I have great respect.

□ 1300

First, on the construction end of things there is no specific amount, there is no mandate, there is a GSA study that is taking place right now, and we are simply saying if the GSA study says some things ought to be done, then the Appropriations Committee could act. We are not locking the Appropriations Committee so that they cannot act.

Second, on the endowment provision. There is no secret that these colleagues are in very shaky status financially. And so this provides that there would be a small amount available, $350,000, if it is approved by the Appropriations Committee, to be matched by private donations. So that we put these colleges, not in good shape, but help them a little bit.

The alternative to this kind of assistance is keeping people on the dole. If you like welfare, then absolutely vote against this bill. If you want to keep Indians on welfare, defeat this bill. If you want to help them move in the right direction, then this bill ought to be passed.

Then finally, my distinguished opponent on this matter refers to a doubling of the costs. There is no doubling of the costs. We are talking about the identical authorization with the exception of such sums under construction and the small amount on the endowment.

I might expect some criticism that we are being too parsimonious, but not that we are spending money wildly.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico (Mr. RICHARDSON).

Mr. RICHARDSON. Mr. Speaker, first of all, I want to commend the

gentleman from Illinois (Mr. SIMON) for his leadership on this bill.

Mr. Speaker, I rise in support of H.R. 2307, a bill to amend and extend the Tribally Controlled Community College Act of 1978. I am priviledged to represent the Navajo Nation, the largest Indian nation in the United States. The Navajo Nation numbers 150,000, stretches over an area the size of the State of West Virginia, and represents the finest attributes of self-help and educational aspiration to be found among any group in the United States.

Beginning with tribal funds in 1969, the Navajos founded the first tribally controlled community college and secured separate authorizing legislation for it in 1971. Working with little more than determination and the will of their people, the Navajos built their institution into a fully accredited college program serving the entire community. This aspect of reaching out to meet the educational, vocational, and human needs of all its people is particularly important on the Navajo reservation, where geographic isolation and high unemployment are critical factors.

Navajo Community College serves as a source of hope and a pool of resources for the entire Four Corners area. H.R. 2307 will guarantee that it continues to meet its full promise in the future.

Again, Mr. Speaker, I wish to commend my colleague from Illinois (Mr. SIMON) for his landmark piece of legislation.

Mr. SIMON. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN. Mr. Speaker, as a cosponsor of the Tribally Controlled Community Colleges Act of 1983, I rise in strong support of the bill.

The bill reauthorizes and strengthens the existing law, which has given birth to some 18 Indians community colleges and which enjoys wide support in both Congress and in Indian communities. A reauthorization bill cleared both the House and the Senate late in the 97th Congress, only to be vetoed by the President on dubious grounds.

The current reauthorization bill deletes the major sections to which the President objected. However, it still retains the needed framework and funding levels to insure that the Indian community colleges can keep serving isolated Indian reservations in North Dakota and several other States.

In only 10 years, all four Indian community colleges serving North Dakota reservations—Turtle Mountain Community College, Standing Rock Community College, Little Hoop Community College, and Fort Berthold Community College—have made outstanding academic progress and achieved candidacy status for accreditation. Many Indian high school graduates never would have received college training without these growing institutions.

Not only have the schools achieved success, but so have their graduates. The unemployment rate on Indian reservations runs as high as 90 percent. But strikingly, the employment rate of Indian community college graduates remains about 85 percent.

In fact, President Gerald "Carty" Monette of Turtle Mountain has testified that 100 percent of its graduates through 1981 have full-time jobs. Many have professional or skilled positions in business, education, and government—the best alternative to welfare dependency we could hope for.

Similarly, Standing Rock's President, Wayne Stein, recently testified before the House Appropriations Committee about the high success rate of tribal college graduates in 4-year, non-Indian higher education institutions. Mr. Stein indicated that a recent university study showed that the overall dropout rate for Indian students at such schools is about 90 percent. Yet remarkably, there is an 80 percent completion rate at 4-year schools for graduates of 2-year tribal colleges.

Tribal colleges have also made impressive contributions to the preservation of Indian culture and enrichment of reservation life. The colleges have played a leading role in the teaching of tribal languages and worked closely with tribal governments on economic planning and development.

In sum, the Indian community colleges in North Dakota have demonstrated that, through the Tribally Controlled Community Colleges Act, Congress has made some wise investments in Indian education, cultural preservation, and economic growth. So I strongly believe that we should continue this trust commitment by passing the reauthorization act today. It is a wise investment for Indian people and our Nation as well.

Mr. SIMON. Mr. Speaker, I yield 4 minutes to the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. Mr. Speaker, of all Americans, Indians have the lowest level of education and the highest unemployment rate—now as high as 80-90 percent on some Indian reservations. Despite years of scant attention to their education needs, the mechanisms have finally been put in place to begin a turning toward decent education of Indian people.

Indian student dropout rates finally are decreasing, the numbers of Indian youth attending college and secondary educational facilities have increased; the numbers of Indian teachers and lawyers have increased; schools are beginning to meet the needs of Indian children. The dawn is coming. We are awakening the talents and potential of an entire race of stifled Americans. The task is not completed. It is not time to stop those efforts.

H.R. 2307 reauthorizes the Tribally Controlled Community College Assistance Act and makes important adjustments which will lend stability to this successful educational effort. Let me spend just a few minutes to share with you the success of this act.

Since the inception of Public Law 95-471, there have been 1,231 graduates of tribally controlled community colleges. If we add the expected 600 graduates this spring we have a total of 1,831 graduates of these colleges by the end of this school year.

Studies have shown that for those Indian students who complete a 2-year program at tribally controlled community colleges and transfer to 4-year academic programs, there is an 85-percent completion rate. This is a statistic of which we can be proud.

In Montana, we now have five tribal colleges. In the first district, which I represent, there is the Salish and Kootenai Community College at the Flathead Reservation, and the Blackfeet Community College at the Blackfeet Reservation. At the Salish-Kootenai College there have been 82 graduates to date, with another 35 who will graduate this spring for a total of 117. One of their graduates is now the director of the tribal forestry program; another is assistant director of the Job Corps center at Flathead. The Blackfeet Community College has graduated 269 students, with 70 more expected to receive degrees or certificates this spring for a total of 339. One of the graduates is currently the director of the developmentally disabled program at the Blackfeet College, and an approximate 95 percent of the graduates of the Blackfeet Community College are employed or continuing their education.

We need to accommodate the success of these colleges. H.R. 2307 does this. The important amendments to Public Law 95-471 have already been explained. I urge my colleagues to support this important legislation so that these successful educational efforts for American Indian students may continue.

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

Mr. WILLIAMS of Montana. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I rise in support of H.R. 2307, the tribally controlled community college amendments.

This bill reauthorizes the Tribally Controlled Community Colleges Assistance Act of 1978 through fiscal year 1987. In addition, the bill provides:

First, simplification of the student count for purposes of the funding formula;

Second, authorization for renovation of unused facilities and construction as needs and availability are identified by a General Services Administration study, with a 25-percent match of funds by the tribe or college;

Third, an endowment program to assist the colleges to establish a firm financial base. Endowment grants must be matched dollar for dollar by the college or tribe; and

Fourth, an orderly process for including new schools as they become eligible, to halt the erosion of support funds to existing schools, and to avoid disruption and instability in the ongoing programs of these schools.

Much praise goes to Congressman SIMON, chairman of the Postsecondary Education Subcommittee, for his hard work in developing this legislation, and to Congressman KILDEE and Congressman PAT WILLIAMS who have lent their strong support and their expertise in this effort.

The tribally controlled community college assistance program was initiated in 1978 with Public Law 95-471, and currently supports the operation of 18 community colleges for Native Americans. This program has shown outstanding results over the short period of time the program has been in operation. Studies in the early seventies indicated a dismal future for Indian students seeking postsecondary education at traditional, non-Indian colleges and universities.

A 1977 study by the General Accounting Office indicated that almost 90 percent of Indian students who entered college as freshmen dropped out before graduating. Culture shock, family obligations, travel distance and expense, poor institutional counselling, and many other factors contributed to the failure of the traditional institutions to serve the educational needs of Native Americans.

Public Law 95-471 was enacted to assist Indian tribes to take control of their educational future, to develop programs and institutions responsive to the needs of their reservation communities. Geographic proximity, realistic curriculum development, responsiveness to cultural and employment realities on reservations have become the hallmark of these young developing institutions.

The colleges supported by the tribally controlled college assistance program have made a strong beginning toward turning the disastrous statistics of the early seventies around. Testimony received by the subcommittee on postsecondary education indicates a strong beginning and a brighter future for higher education for Native Americans.

Four of these tribally controlled colleges are now fully accredited. Another expects full accreditation shortly. All of the other colleges are progressing toward accreditation.

Now is the time to move forward with this effort. This has been a lean and efficient program. In fiscal year 1983, an appropriation of $10,239,000 supports 2,887 full-time equivalent students at 18 tribally controlled colleges. This amount includes technical assistance and feasibility studies. Three more Indian tribes are looking into the possibility of developing colleges on their reservations.

Similar legislation was passed by the House and Senate last year but the President failed to sign it into law. In drafting this bill, H.R. 2307, the cosponsors and the Education and Labor Committee have made every effort to meet the objections of the administration without sacrificing the provisions absolutely necessary if continued growth and progress are to be encouraged in this program. We have deleted the language referring to the Federal Government's trust responsibility as it relates to education for Indian students. We delete this reference at the behest of the administration, in an effort to be cooperative. However, this change in language in no way indicates a change in the position of the Education and Labor Committee:

> Education is and continues to be a trust responsibility of the Federal Government toward Indian students. Programs legislated by the Congress must continue to be administered according to the highest standard of care. When it comes to education of Indian students, the highest standard of care should be the minimum requirement.

In addition, we have deleted the provision which would have placed this program within the authority of section 431(d) of the General Education Provisions Act, which authorizes congressional review of education regulations. Again, we have made this change in an effort to accommodate the objections of the administration. This is in no way a retreat from our position that Congress has the right to disapprove regulations, if authorized by legislation.

The official report of the Department of the Interior, Bureau of Indian Affairs on the tribally controlled community college program, dated April 6, 1983, makes the following statement:

> The need for stable funding levels, the need for the support of Federal and tribal governments, and the need for improved physical facilities reported in prior years continue to be major concerns of tribal colleges.

Late Friday, a communication was received indicating objection to another provision—facilities improvement and construction provision. It made vague reference that other objections may be voiced in the future. Sadly, this is the type of action we have come to expect on educational issues. We must move forward now to reauthorize this valuable, successful, and efficient program. We have done our best to cooperate with the requirements of the administration now we must do our best to meet the educational needs of our native American citizens.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just reiterate that this is a reauthorization of the existing authority for the Tribally Controlled Community College Act and to emphasize that the authorization is not expiring and I know of no one who is objecting to a reauthorization, except for the fact that the bill before us does authorize two new spending programs that will add substantially many millions of dollars to the total authorization.

It is because of that that the administration has expressed their opposition to the bill, not to the underlying extension of the authorization of the act.

And I hope that the body today in voting on the bill would vote not to pass this under suspension and then maybe the differences can be worked out.

Mr. SIMON. Mr. Speaker, I would hope we would approve this. This is a modest bill. I think our colleague from North Dakota put it well when he said this is an investment.

We have the opportunity time after time here of deciding whether we are going to keep people on welfare or whether we are going to give them an opportunity to lift themselves.

There is no ethnic group in our society that has a higher dropout rate, I regret; a lower rate of people attending colleges than the native Americans.

And here we say, "Let's give them a chance," and reauthorize and the only two things that have been added to a reauthorization at the present level are the construction thing that will follow the GSA study where we simply say, "such sums," and we leave it up to the Appropriations Committee. If the GSA comes in and says there are some needs that have to be met, we do not bind the hands of the Appropriations Committee in any way. And the very modest endowment provision is added, so that these schools can get on their feet in a more solid way.

I hope this body overwhelmingly approves this piece of legislation.

Mr. RUDD. Mr. Speaker, the one aspect of this bill I would like to address is the reauthorization of the Navajo Community College Act of 1971. I support the extension of the 1971 law, so that we may continue the community college programs offered by our Nation's largest native Indian tribe.

The concept of a community college for the Navajo Indians goes back to the late sixties when the tribe made use of an unoccupied high school in Many Farms, Ariz., as a makeshift

campus. While conducting classes with borrowed facilities, the college, and its many supporters throughout our State, convinced Congress to pass the Navajo Community College Act in 1971.

The original act provided for construction grants plus an annual sum for operation and maintenance of the college. Shortly thereafter, groundbreaking ceremonies were held at the college's centrally located site at Tsaile, Ariz., where today there sits a $20,000,000 facility which represents this tribes major link to higher education in our country.

Navajo community college is a 2-year college, similar to other community colleges in its regional orientation with the nearby Indian community, which graduates students with associate of arts and associate of science degrees. Many of the short-term students learn special skills and training to go directly into the job market, others have received their diplomas and moved on to universities.

As a tribally owned college, tribal leaders are able to run their own institution, address their own needs, and provide the type of training which fits into regional economies and cultural aspirations of the Navajo people. As a fully accredited community college on the 16,000-square-mile Navajo Reservation, its role in helping this tribe help itself, and provide for its own future, can only benefit the goal of self-determination for our Nation's native peoples.

The authors of the legislation before us today included, as an addition to the changes asked for in the tribally controlled community college assistance programs, a simple extension of the ongoing programs created in the Navajo Community College Act, for fiscal years 1984-87, with the annual grants to be subject to the appropriation process. This act was last authorized in 1978 through 1982, and I am pleased that the committee took the effort to include this extension in the bill today.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. SIMON) that the House suspend the rules and pass the bill, H.R. 2307, as amended.

The question was taken.

Mr. ERLENBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

DECLARING SUPPORT OF U.S. GOVERNMENT FOR U.S. SOCCER FEDERATION

Mr. FLORIO. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 219), declaring the support of the U.S. Government for efforts of the U.S. Soccer Federation to bring the World Cup to the United States in 1986, designating the Secretary of Commerce as the official representative of the U.S. Government to the Federation Internationale de Football Association, and for other purposes, as amended.

The Clerk read as follows:

H.J. RES. 219

Joint resolution declaring the support of the United States Government for efforts of the United States Soccer Federation to bring the World Cup to the United States in 1986, designating the Secretary of Commerce as the official representative of the United States Government to the Federation Internationale de Football Association, and for other purposes

Whereas the direct involvement and support of the government of the host country is essential to the successful organization of the World Cup;

Whereas bringing the World Cup to the United States would serve as a tremendous impetus to national and international tourism;

Whereas the United States is already capable of meeting all the requirements imposed on a host country;

Whereas hosting the World Cup would encourage the continued development of professional soccer and ensure the growth of soccer at all levels in the United States;

Whereas soccer is the world's most popular sport; and

Whereas the World Cup is the most popular professional sporting event in the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Government declares its support for the efforts of the United States Soccer Federation to bring the World Cup to the United States in 1986, and encourages the Federation Internationale de Football Association to visit the United States and actively consider the United States' application to host the World Cup.

SEC. 2. The Secretary of Commerce is designated as the official representative of the United States Government in any discussions with the Federation Internationale de Football Association, with the authority to delegate that responsibility to the Under Secretary of Commerce for Travel and Tourism.

The SPEAKER pro tempore. Is a second demanded?

Mr. LENT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. FLORIO) will be recognized for 20 minutes, and the gentleman from New York (Mr. LENT) will be recognized for 20 minutes.

□ 1315

The Chair recognizes the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution declares the support of the U.S. Government for the efforts of the U.S. Soccer Federation (USSF) to have the United States chosen as the host country for the 1986 World Cup Soccer Championship. It encourages the international governing body of the World Cup, the Federation Internationale de Football Association (FIFA), to visit the United States and actively consider the U.S. application to host the World Cup. It also designates the Secretary of Commerce as the official representative of the United States in any discussions with FIFA. Under the resolution, the Secretary has the authority to delegate his responsibility as representative to the Under Secretary of Commerce for Travel and Tourism.

On April 7, 1983, the Subcommittee on Commerce, Transportation, and Tourism conducted a hearing on the resolution, receiving testimony from international soccer players and representatives of the USSF and the North American Soccer League. As the hearing record demonstrates, the United States is ready, in terms of both its facilities and its soccer players, to host the World Cup.

The World Cup is the world's most popular professional sporting event. If the United States is chosen as the host country, the U.S. tourism industry is expected to benefit. It is estimated that between 100,000 and 200,000 foreign tourists will visit this country for the World Cup games. Spending by these foreign visitors will greatly stimulate the tourism industries of at least 12 U.S. cities, the sites of the first round of games.

In addition, hosting the World Cup is expected to give an enormous boost to U.S. professional soccer. The publicity about the World Cup will focus the attention of U.S. sports fans on Team America, a soccer team formed to play in the World Cup comprised exclusively of U.S. citizens. This increased visibility of U.S. soccer should generate support for it at the professional level.

President Reagan has already indicated his support for the efforts to host the World Cup. These efforts are also being supported by former Secretaries of State Kissinger and Vance.

This resolution will provide an important additional indication that the United States is serious in its efforts to host the World Cup, and therefore, will greatly enhance the chances for the success of those efforts. I urge the Members of the House to support it.

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

Mr. FLORIO. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman's yielding.

Mr. Speaker, did I hear the word "football" mentioned with regard to the World Cup?

Mr. FLORIO. The international organization is regarded as a football association. It really has not anything to do with football, as we know it.

Mr. KEMP. I would appreciate that distinction being made. For those of us who have a love for football, with due respect for soccer, it is important that the American people know that this is not football, that it is soccer.

I wanted to ask the gentleman how much it would cost to promote the World Cup being held in the United States.

Mr. FLORIO. The gentleman's point is a very important one, and the answer is that it will not cost anything, that what this signifies is our interest in having these facilities, these games, conducted here, and what we are holding ourselves out to do is to deal with visa waivers and other customs problems, all of those types of things that are normally associated with any foreign event being conducted. We are clearly qualified to do those things because, as the gentleman undoubtedly knows, the 1984 International Olympics are going to be conducted in this Nation. So there is no cost associated with this resolution.

Mr. KEMP. Before I make my 11-year-old son mad at me for giving the impression that I may be against it, let me announce that I am for holding the cup in the United States.

Mr. FLORIO. The Members of the House are relieved.

Mr. KEMP. I think the benefits would be quite extensive.

But I want to make sure, as a very, very old football player, that we do nothing that would show support by the Government for one sport as opposed to the other, because as far as I am concerned—I say this with some tongue in cheek—football is football; soccer is soccer. Soccer does not have a quarterback; only football has a quarterback.

And I was deeply upset when I heard read from this body the idea that we were going to support—what is it?—the Internationale de Football Association (FIFA). I wish they would change their name and stop confusing all of those young boys and maybe some young girls who think of football as football, and they think that the Super Bowl is the world's greatest spectator event, with all due respect to soccer and baseball. It seems to me that we should not let it go unnoticed that the Super Bowl is becoming in the world equal to the World Cup, and some of us think it will surpass it.

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

Mr. FLORIO. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, I remind the gentleman from New York that this football that the gentleman from New Jersey is talking about is spelled "fut," futball, and that is the name in all Latin America. Soccer is their futball and not the football that the gentleman was so excellent at.

But let me ask the gentleman in the well, I thought that Mexico had bid for holding the cup in Mexico. Am I correct?

Mr. FLORIO. The decision has not been made. There was a lower level committee recommendation that Mexico was the preferred site of that lower level screening committee. It is my understanding that the United States, Canada, and Mexico are in the final round of evaluation, that at one point there was some question as to whether the international organization was going to review the other two sites. I am pleased to report to the Members that, I think in large measure as a result of some of this activity that the committee and, hopefully, the Congress will take, there is going to be a review of facilities in this country, and the decision will not be made until the latter part of May as to a final site for the World Cup in the United States.

Mr. KAZEN. Let me tell the gentleman this: I feel otherwise. Mexico has been at this game for many, many, many years. We are newcomers to it. I think that Mexico is entitled to it if they want it, and I do not think that we as a government and as a Congress ought to come in and, by just the sheer strength of the Government of the United States, bring that tournament to the United States. I think it rightfully belongs in Mexico this coming year.

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

Mr. FLORIO. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend from Texas making the distinction between football and futball. I was not casting any aspersions on anybody's pronunciation. But in the resolution it is spelled f-o-o-t, football, and I think it is important that for all of those young people out there, who some day hope to play real football, where you throw it and kick it and run with it and put it in your hands, a distinction should be made that football is democratic, capitalism, whereas soccer is a European socialist—I am going to have to revise and extend my remarks. I do not think I want to leave this on the RECORD. I get a kick out of the comments of the gentleman from Texas. I do not think you have to worry that the U.S. Government is going to force the International Association to hold the World Cup in this country. With all due respect, there is competition.

Mr. FLORIO. On that point, if I could just reclaim my time——

Mr. KEMP. I was going to support the gentleman.

Mr. FLORIO. This is a manifestation of support.

Mr. KEMP. Yes.

Mr. FLORIO. And it is part of the normal application process for all of the contending locations.

Mr. KEMP. Just one last second to clear that up for myself, anyway.

I was going to support the gentleman's contention that Mexico is in competition with the United States. We are not going to bludgeon the international authorities into holding it in our country. I think it would be a healthy competition with Mexico, and they should not feel that they were compromised by what the Congress does. So I am going to support it. But I want to do so with the full understanding that someday I hope to see a full distinction in this country between football and soccer.

Mr. THOMAS of California. Mr. Speaker, will the gentleman yield briefly?

Mr. FLORIO. I yield to the gentleman from California.

Mr. THOMAS of California. Mr. Speaker, I want to make sure that the record is clear, and that is that the United States is not trying to wade in and take anything that belongs to anyone. In fact, the United States—and Mexico, for that matter—is attempting to assist in this area because Colombia had originally been awarded the World Cup and is now unable to perform those duties, so that we are offering ourselves, along with several other nations. I think it is entirely appropriate that the United States offer itself, based upon the surge that soccer or football has had in this country.

In addition, it is my understanding that Mexico was host to the World Cup in the last decade. It is a prestigious event. It certainly ought to move around the world. But Mexico had it in the seventies.

Mr. FLORIO. The gentleman is correct on all counts of all of the points that he has made.

Mr. THOMAS of California. I think it is entirely appropriate that the resolution be offered and that the United States let the rest of the world know that not only are we going to be able to host a World Cup soccer, but we may very well be in the finals.

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

Mr. FLORIO. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Speaker, I just stumbled innocently onto this debate, and I am somewhat confused. I do not understand. Is this the subject on which I saw Mr. Kissinger's picture on the front page of the paper recently? Is he behind this somehow?

Mr. FLORIO. He is associated with the effort, as is Secretary Vance.

Mr. STUDDS. To bring a socialist game to the United States?

Mr. FLORIO. I suspect we will not read that in the CONGRESSIONAL RECORD tomorrow.

Mr. STUDDS. I am sorry to hear that. I thought that was an extraordinary analysis of the situation.

Does the gentleman think that we may find a resolution next week, if we were to pass this, from the Mexican assembly asking that the World Series of baseball be held in Vera Cruz?

Mr. FLORIO. I am not a member of the Foreign Affairs Committee, so I would not purport to have any expertise in that area.

Mr. STUDDS. I thank the gentleman.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 219, and I want to commend the gentleman from New Jersey (Mr. FLORIO), the chairman of the Subcommittee on Commerce, Transportation and Tourism, for his leadership with this resolution.

Over the past 15 years, the sport of soccer has experienced an enormous surge of popularity in the United States. There are more youngsters playing organized soccer in this country than baseball. More of our colleges and universities have intercollegiate soccer teams than gridiron football teams. The ultimate expression of this tremendous growth in the popularity of soccer in this country would be our hosting of the 1986 World Cup.

The World Cup is the world's most popular sporting event. The 1982 games in Spain were attended by a record number of fans and over $60 million in gross profits were realized from ticket sales, television, and publications. Millions more were spent on hotel accommodations and restaurants. The championship game in 1982 was viewed on television by more than 1.3 billion people, over one-quarter of the world's population.

The U.S. Soccer Federation is seeking Federal support in its efforts to host the World Cup, without requesting any Federal funds. House Joint Resolution 219, which is before us today, expresses that support. The Federation's effort also has the strong backing of President Reagan as well as other leading public officials in this Nation.

Twelve sites around the country have been recommended as host cities and meetings have already taken place between USSF officials and representatives of the Governors' and mayors' offices, chambers of commerce, tourist, and convention bureaus, stadium authorities, and corporate sponsors. Chief executives of such companies as Ford, Pepsico, and R. J. Reynolds have joined the organizing committee. It is clear, therefore, Mr. Speaker, that the United States is ready to host this event.

Convincing the Federation Internationale de Football Association, or FIFA, to consider the United States as a host country will not be easy. Yesterday's edition of the New York Times told of the efforts in this regard of two former Secretaries of State, Henry Kissinger and Cyrus Vance.

□ 1330

Dr. Kissinger testified last month before our Subcommittee on Commerce, Transportation and Tourism on the importance of this resolution if these efforts are to be successful

Therefore, I would urge my colleagues to support House Joint Resolution 219. The benefits that will be derived from increased international good will and valuable cultural exchange, not to mention the boost to our tourism industry, demands such a vote.

I would point out very respectfully to my colleague from Massachusetts who characterized soccer as a Socialist sport that nothing could be further from the truth, because soccer is a sport which knows no politics. It is played all over the world. It is played in Europe. It is played in Asia. It is played in Africa and South America, as well as in North America, so certainly it knows no politics.

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

Mr. LENT. I would be happy to yield to the gentleman from Massachusetts.

Mr. STUDDS. I thank the gentleman for yielding.

Mr. Speaker, not only was that not my characterization, I was expressing my abject disbelief that the gentleman from New York (Mr. KEMP) had defined football as, what did he say, "Democratic capitalism," and soccer, which is, of course, an older sport, from which we stole the European word "football," as "socialism." I found that a challenging intellectual concept and that is why I was referring back to it again.

Is the gentleman going to offer an amendment on behalf of the gentleman from Massachusetts (Mr. BOLAND) to suggest that we not wrest this from Mexico by covert means?

Mr. LENT. I had not heard of the amendment by the gentleman from Massachusetts.

I thank the gentleman for his contribution, and I am glad we won him over, as I believe we won over the gentleman from New York (Mr. KEMP) as well.

● Mr. RITTER. Mr. Speaker, I support House Joint Resolution 219 the World Cup Soccer resolution. I am a cosponsor of this legislation and voted for it when it was before the House Energy and Commerce Committee. This resolution is necessary because the Federation Internationale de Football Association, the international governing body of the World cup, will not consider the United States as host country for the 1986 World Soccer Championship without a declaration of support by the U.S. Government. House Joint Resolution 219 is a nonbinding resolution committing no tax dollars to any program—it simply designates the Secretary of the Department of Commerce to assist in discussions with the Federation Internationale de Football Association.

In 1981, the travel and tourism industry, if viewed as a single retail industry, was the second largest retail industry in the country. The U.S. hosting of the World Cup Soccer Championship will generate a great deal of domestic and international tourism trade. As a member of the House Energy and Commerce Subcommittee on Commerce, Transportation and Tourism and as a member of the steering committee of the Tourism Caucus, I am acutely aware of the growing importance of the tourism industry to our Nation's economy. I remain committed to efforts to promote tourism and urge my colleagues to support this worthy resolution.●

Mr. LENT. Mr. Speaker, if there are no other requests, I yield back the balance of my time.

Mr. FLORIO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FLORIO) that the House suspend the rules and pass the joint resolution, House Joint Resolution 219 as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on the motion on which further proceedings were postponed.

TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT AMENDMENTS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2307, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by

the gentleman from Illinois (Mr. SIMON) that the House suspend the rules and pass the bill, H.R. 2307, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 255, nays 148, not voting 29, as follows:

[Roll No. 75]

YEAS—255

Ackerman	Frost	Natcher
Addabbo	Fuqua	Neal
Akaka	Garcia	Nelson
Albosta	Gaydos	Nichols
Alexander	Gejdenson	Nowak
Anderson	Gephardt	Oakar
Andrews (NC)	Gilman	Oberstar
Andrews (TX)	Glickman	Obey
Anthony	Gonzalez	Olin
Applegate	Gore	Ortiz
Aspin	Gray	Ottinger
AuCoin	Guarini	Owens
Barnes	Gunderson	Panetta
Bates	Hall (OH)	Patterson
Bedell	Hall, Ralph	Pease
Bellenson	Hamilton	Penny
Bennett	Hammerschmidt	Pepper
Bereuter	Harkin	Perkins
Berman	Harrison	Pickle
Bevill	Hawkins	Porter
Biaggi	Hefner	Price
Boehlert	Heftel	Rahall
Boggs	Hertel	Rangel
Boland	Hightower	Ratchford
Boner	Horton	Reid
Bonior	Howard	Richardson
Bonker	Hoyer	Rodino
Borski	Huckaby	Roe
Bosco	Hughes	Rose
Boucher	Hunter	Rostenkowski
Boxer	Jacobs	Rowland
Britt	Jeffords	Roybal
Brooks	Jones (NC)	Rudd
Brown (CA)	Jones (OK)	Russo
Bryant	Jones (TN)	Sabo
Carper	Kaptur	Sawyer
Carr	Kastenmeier	Scheuer
Chandler	Kazen	Schneider
Clarke	Kennelly	Schroeder
Clay	Kildee	Seiberling
Coleman (MO)	Kogovsek	Shannon
Coleman (TX)	Kolter	Sharp
Conyers	Kostmayer	Sikorski
Cooper	LaFalce	Simon
Coyne	Leach	Sisisky
Crockett	Lehman (CA)	Skeen
D'Amours	Lehman (FL)	Slattery
Davis	Leland	Smith (FL)
de la Garza	Levin	Smith (IA)
Dellums	Levine	Smith (NJ)
Derrick	Levitas	Smith, Robert
Dicks	Lipinski	Spratt
Dingell	Long (LA)	St Germain
Dixon	Long (MD)	Staggers
Donnelly	Lowry (WA)	Stark
Dorgan	Lujan	Stokes
Dowdy	Luken	Stratton
Downey	MacKay	Studds
Durbin	Markey	Swift
Dwyer	Marlenee	Synar
Dymally	Martinez	Tallon
Dyson	Matsui	Tauzin
Early	Mavroules	Taylor
Eckart	Mazzoli	Thomas (GA)
Edgar	McCloskey	Torres
Edwards (AL)	McCurdy	Torricelli
Edwards (CA)	McHugh	Traxler
English	McKernan	Udall
Erdreich	McNulty	Valentine
Evans (IL)	Mica	Vandergriff
Fascell	Mikulski	Vento
Fazio	Mineta	Volkmer
Feighan	Minish	Walgren
Ferraro	Mitchell	Watkins
Flippo	Moakley	Waxman
Florio	Mollohan	Weaver
Foglietta	Moody	Weiss
Foley	Morrison (CT)	Wheat
Ford (MI)	Morrison (WA)	Whitley
Ford (TN)	Mrazek	Williams (MT)
Fowler	Murphy	Williams (OH)
Frank	Murtha	Winn
Wise	Wright	Yatron
Wolf	Wyden	Young (MO)
Wolpe	Yates	Zablocki

NAYS—148

Archer	Hance	Paul
Badham	Hansen (UT)	Petri
Bartlett	Hartnett	Pritchard
Bateman	Hiler	Pursell
Bethune	Hillis	Quillen
Bilirakis	Holt	Ray
Bliley	Hopkins	Regula
Breaux	Hubbard	Ridge
Broomfield	Hutto	Rinaldo
Brown (CO)	Hyde	Ritter
Broyhill	Ireland	Roberts
Burton	Jenkins	Robinson
Byron	Kasich	Roemer
Carney	Kemp	Rogers
Chappie	Kramer	Roth
Cheney	Lagomarsino	Roukema
Clinger	Latta	Schaefer
Coats	Leath	Schulze
Conable	Lent	Sensenbrenner
Conte	Lewis (CA)	Shaw
Corcoran	Lewis (FL)	Shelby
Coughlin	Livingston	Shumway
Courter	Lloyd	Shuster
Craig	Loeffler	Siljander
Crane, Daniel	Lungren	Skelton
Daniel	Mack	Smith (NE)
Dannemeyer	Madigan	Smith, Denny
Daub	Marriott	Snowe
DeWine	Martin (IL)	Snyder
Dickinson	Martin (NC)	Solomon
Dreier	Martin (NY)	Spence
Duncan	McCandless	Stangeland
Edwards (OK)	McCollum	Stenholm
Emerson	McDade	Stump
Erlenborn	McDonald	Sundquist
Evans (IA)	McEwen	Tauke
Fiedler	McGrath	Thomas (CA)
Fields	Michel	Vucanovich
Fish	Miller (OH)	Walker
Forsythe	Molinari	Weber
Franklin	Montgomery	Whitehurst
Frenzel	Moore	Whittaker
Gekas	Moorhead	Whitten
Gibbons	Myers	Wortley
Gingrich	O'Brien	Wylie
Gradison	Oxley	Young (AK)
Gramm	Packard	Young (FL)
Green	Parris	Zschau
Gregg	Pashayan	
Hall, Sam	Patman	

NOT VOTING—29

Annunzio	Hansen (ID)	Miller (CA)
Barnard	Hatcher	Nielson
Campbell	Johnson	Savage
Chappell	Kindness	Schumer
Coelho	Lantos	Solarz
Collins	Lott	Towns
Crane, Philip	Lowery (CA)	Vander Jagt
Daschle	Lundine	Wilson
Goodling	McCain	Wirth
Hall (IN)	McKinney	

□ 1340

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio and Mr. Wirth for, with Mr. Philip M. Crane against.

Mrs. ROUKEMA and Mr. MARRIOTT changed their votes from "yea" to "nay."

Messrs. DOWDY of Mississippi, MORRISON of Washington, and MARLENEE changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1350

EMERGENCY AGRICULTURAL CREDIT ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 158 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1190.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1190) to provide emergency credit assistance to farmers, and for other purposes, with Mr. FLIPPO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, April 27, 1983, an amendment striking the text of section 2 had been agreed to.

The Clerk will designate section 3.

The text of section 3 reads as follows:

WATER AND WASTE FACILITIES

SEC. 3. (a) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by—

(1) adding at the end of paragraph (2) the following: "The Secretary shall fix the grant rate for each project in conformity with regulations promulgated by the Secretary which shall provide for a graduated scale of grant rates establishing higher rates for projects in communities having lower community population and income levels which are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing rates and terms in the community in or near which the applicant is located for loans for similar purposes and periods of time: *Provided*, That the grant rate shall be the maximum rate permitted under this paragraph for projects in communities having a population of fifteen hundred or less and a median community income level below 80 per centum of the statewide nonmetropolitan median family income, if the community is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, talking into consideration prevailing rates and terms in the community in or near which the applicant is located for loans for similar purposes and periods of time."; and

(2) adding at the end thereof the following new paragraphs (16), (17), (18), and (19):

"(16) In providing financial assistance for water and waste disposal facilities under this section, the Secretary shall utilize a project selection system to determine which of the applicants for assistance meeting the basic requirements of this section shall be selected to receive assistance. Such project selection system shall provide for the objective and uniform comparison of requests for assistance (in the form of preapplications) on the basis of relative need as reflected by (A) low community median income; (B) low population; and (C) severity of health hazards resulting from inadequate provision for the reliable supply of potable water or from inadequate means of disposing of waste. For

purposes of the project selection system, each of these three factors shall be weighted equally.

"(17)(A) The Secretary may make payments to associations described in paragraph (1) of this subsection which are reasonably likely to receive financial assistance under paragraph (1) or paragraph (2) of this subsection for community water and waste disposal facilities, for predevelopment costs incurred in connection with the planning and design of such facilities. Such costs may include the costs of drilling test wells and of preparing alternative engineering designs to determine the most feasible and economical method to improve the water supply or waste disposal system of the community involved.

"(B)(i) The amount of any payment received under subparagraph (A) with respect to a project by an association which receives, before the expiration of the five-year period beginning on the date of such payment is received, a loan under paragraph (1) or a grant under paragraph (2) of this subsection to finance such project shall be treated as part of the amount of such loan or the amount of such grant, as the case may be; and

"(ii) The amount of any payment received under subparagraph (A) with respect to a project by an association which does not receive, before the expiration of the five-year period beginning on the date of such payment is received, a loan under paragraph (1) or a grant under paragraph (2) of this subsection to finance such project shall be repaid to the Secretary as if such payment were a loan made under paragraph (1) unless the Secretary waives the repayment requirement with respect to all or part of such amount.

"(C) The total of payments made by the Secretary under this paragraph for any fiscal year shall not be less than 5 per centum of any funds provided in appropriation acts to carry out paragraph (2) of this subsection for the fiscal year unless the applications for payments received by the Secretary from eligible associations for the fiscal year total less than 5 per centum of such amount.

"(D) For purposes of section 346, each payment made under subparagraph (A) shall be deemed to be a loan unless and until such payment is offset against a grant or the Secretary waives the repayment of such payment.

"(18)(A) The Secretary may make grants to private nonprofit organizations for the purpose of enabling them to provide to associations described in paragraph (17) of this subsection technical assistance and training—

"(i) to identify, and evaluate alternative solutions to, problems relating to the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

"(ii) to prepare applications to receive financial assistance for any purpose specified in paragraph (2) of this subsection from any public or private source; and

"(iii) to improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

"(B) In selecting recipients of grants to be made under subparagraph (A), the Secretary shall give priority to private nonprofit organizations which have experience in providing the technical assistance and training described in such subparagraph to such associations serving rural areas in which residents have low incomes and in which water supply systems or waste facilities are unhealthful.

"(C) The total of grants made by the Secretary under this paragraph for any fiscal year shall not be less than 2 per centum of any funds provided in appropriation acts to carry out paragraph (2) of this subsection for the fiscal year unless the applications for grants received by the Secretary from eligible associations for the fiscal year total less than 2 per centum of such amount.

"(19) In the case of water and waste disposal projects serving more than one separate rural community, the Secretary shall utilize the median population level and the median community income level of all the separate communities to be served in applying the formulas provided in sections 306(a)(2), 306(a)(16), and 307(a)(3)(A).".

(b) Section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended by—

(1) striking out "the poverty line prescribed by the Office of Management and Budget as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d)" and inserting in lieu thereof "80 per centum of the statewide nonmetropolitan median family income"; and

(2) inserting before the period at the end thereof the following: "; and not in excess of 7 per centum per annum on loans for such facilities which do not qualify for the 5 per centum per annum interest rate but are located in areas where the median family income of the persons to be served by the facilities does not exceed 100 per centum of the statewide nonmetropolitan median family income".

(c) The amendments made by section 3 of this Act shall become effective on October 1, 1983, and shall apply to any association described in section 306(a)(1)(B) of the Consolidated Farm and Rural Development Act without regard to whether the application for the loan or grants involved was made by such association before such effective date.

The CHAIRMAN. Are there amendments to section 3?

AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. DE LA GARZA: On page 3, line 15, strike out "paragraphs (16), (17), (18) and (19):" and insert in lieu thereof "paragraphs (16), (17), (18) and (19), and (20):"

On page 7, on line 17, strike out the quotation mark and the second period, and insert after line 17 the following:

"(20) In providing financial assistance for essential community facilities under this section, the Secretary shall utilize a project selection system to determine which of the applicants for assistance meeting the basic requirements of this section shall be selected to receive assistance. Such project selection system shall provide for the objective and uniform comparison of requests for assistance (in the form of pre-applications) on the basis of the factors of (A) a community median family income level below 80 per centum of the Statewide median family income, (B) a community rate of unemployment and underemployment that takes account of individuals employed on a part-time or seasonal basis, or both, and individuals not participating in the work force because of continued inability to find employment (commonly referred to as 'discouraged workers'), which exceeds the national nonmetropolitan average rate thereof by at least 10 per centum of such rate, and (C) a sudden economic dislocation the community has experienced or is about to experience resulting in a loss of jobs that is significant, both in terms of the number of jobs eliminated and the effect on the unemployment rate of the community. For purposes of the project selection system, each of the factors described in clauses (A), (B) and (C) of the preceding sentence shall be weighted equally.

On page 8—

(A) line 17, strike out "(a)" following "Section 310B";

(B) line 20, insert "of subsection (a)" after "sentence"; and

(C) line 24, strike out "and" following the semicolon.

On page 9—

(A) line 1, strike out "thereof" and insert in lieu thereof "of subsection (a)";

(B) line 3, strike out the second period and insert in lieu thereof "; and"; and

(C) insert after line 3 the following:

"(3) inserting after subsection (d) the following new subsection and redesignating subsection (e) as subsection (f):

"(e)(1) In providing financial assistance under this section, the Secretary shall utilize a selection system to determine which of the applicants for assistance meeting the basic requirements of this section shall be selected to receive assistance. Such selection system shall provide for the objective and uniform comparison of requests for assistance (in the form of pre-applications) on the basis of the factors (in the rural area in which the applicant, or the borrower in the case of guaranteed loans, is located) of (A) a median family income level below 80 per centum of the Statewide median family income, (B) a rate of unemployment and underemployment that takes account of individuals empolyed on a part-time or seasonal basis, or both, and individuals not participating in the work force because of continued inability to find employment (commonly referrerd to as 'discouraged workers'), which exceeds the national nonmetropolitan average rate thereof by at least 10 per centum of such rate, and (C) a sudden economic dislocation the rural area has experienced or is about to experience resulting in a loss of jobs that is significant, both in terms of the number of jobs eliminated and the effect on the unemployment rate of the rural area. For purposes of the selection system, each of the factors described in clauses (A), (B) and (C) of the preceding sentence shall be weighted equally.".

"(2) The Secretary shall, from among the applicants and borrowers selected under the selection system in paragraph (1) to receive assistance, give preference, in making financial assistance available, to applicants or borrowers that will most effectively assist in the creation of long-term employment opportunities for individuals residing in the rural area.

"(3) The Secretary may make grants, not to exceed $20,000,000 in the aggregate annually, in rural areas for the purpose of training unemployed or underemployed individuals to enable them to fill employment opportunities that will be created as a result of such financial assistance having been made available.

"(4) In preparing and administering the selection systems provided for in this subsection and in section 306(a)(20), the Secretary shall consult with the Secretary of Labor. If the statistics necessary for carry-

ing out the selection systems are not readily available from Federal sources, the Secretary may utilize statistics that are compiled by State or local governmental units in accordance with methodology consistent with Federal standards.

"(5) The Secretary shall prepare and implement, not later than 120 days after the date of enactment of the Emergency Agricultural Credit Act of 1983, a comprehensive plan for employing the programs authorized under this title to assist rural areas to reduce rates of unemployment and underemployment exceeding national levels. The plan shall identify specific activities to be carried out by Department agencies to achieve the objective of this paragraph. The Secretary shall submit such plan to the Committee on Agriculture of the House and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 30 calendar days before the date the plan is to be implemented.".

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

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

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, I also ask unanimous consent that the amendments be considered en bloc, inasmuch as, although they relate to one subject matter, they encompass section 3 and section 4.

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

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, this amendment is offered for the purpose of trying to assist the people in rural America. We have recently passed what we call a jobs bill. This is an attempt, within Department of Agriculture programs, to assist the Secretary in establishing a selection system to determine which applicants for loans or borrowers under guarantees would receive financial assistance under the community facility and business and industrial loan programs.

□ 1400

The criteria for selection, each to be weighted equally, would be low community or area family income, less than 80 percent of the statewide median family income; high unemployment, and underemployment, including individuals who work part time or at seasonal jobs, or individuals, discouraged workers, who no longer participate in the job market, exceeding the national rate by at least 10 percent; and sudden economic dislocation causing significant job loss, in this case as part maybe from the payment in kind program in rural areas.

The Secretary would be authorized to make grants up to $20 million annually to be used for training unemployed or underemployed persons, to enable them to fill jobs to be created by enterprises receiving financial assistance.

The Secretary would be required to prepare and implement a comprehensive plan to use Farmers Home programs to assist rural Americans in reducing excessive levels of unemployment and underemployment.

Basically, Mr. Chairman, this is to direct the Department to take a very close look at the gap which exists between urban and rural America and to help close this gap.

My amendment would authorize grants of the $20 million as I have stated. I think there is an urgent need, for a general plan under which we might direct assistance toward that area in which it is badly needed.

This is an innovative idea, I would attest, but it is a very, very modest step. We have found that under the jobs legislation, even as it was targeted, Mr. Chairman, the areas that have been covered for accelerated projects, or the areas that have been covered for development through the system that we passed here, we do not have many of these areas in rural America. Only in very few rural areas would we have the major public works, the buildings, or anything of that sort.

So this is a very modest attempt at trying to aim a little bit of money to that area of rural America.

We are painfully aware of the current financial crisis in agriculture. We are ordinarily less aware of the job crisis as it afflicts our nonurban areas.

As I have indicated, the Farmers Home Administration operates programs of financial assistance for essential rural community facilities and for rural business and industries. These programs, especially the so-called B&I (business and industrial) program, have been very effective in creating jobs. I believe it is time to target this assistance to areas suffering most acutely from lack of employment opportunities.

To the extent that it is necessary for the agency to choose among applicants for assistance whose needs exceed available funds, my amendment would require the Secretary to develop and objective selection system. The system would be based on three factors affecting the rural communities and areas involved: First, low income; second, high unemployment and underemployment; and, third, sudden economic dislocations adversely affecting employment.

Let me briefly explain these selection factors. The first targets assistance to rural areas or communities with widespread poverty—those having a median income below 80 percent of statewide median income. Experience has shown that there is a high correlation between rural poverty and high rural unemployment. For similar purposes, some proposals would use as a basic guideline a percentage of statewide nonmetropolitan income. However, this standard tends to limit aid to too few areas and it can result in sharp disparities in treatment among poorer areas of the various States. Other proposals would use a percentage of a national income guidelines. But it has a characteristic of spreading aid too broadly in lower income States. My proposal uses a moderate or middle-ground—that is, a percentage of the statewide median income.

The second factor used by my amendment is the area's rate of unemployment and underemployment—those having a rate which is at least 10 percent above the national nonmetropolitan rate—for example, a local rate of 11 percent or more if the national rate is 10 percent. I want to emphasize underemployment. According to the U.S. Department of Agriculture's recent report to Congress entitled "Better Country: A Strategy for Rural Development in the 1980's, " the lack of job opportunities remains the greates single problem in rural America. I quote:

> Many rural regions suffer unemployment rates substantially higher than the national average. Since 1978, the disparity between rural and urban unemployment has been growing—and not in rural America's favor.

Mr. Chairman, the report goes on to say that the official rate of unemployment is not designed to represent true levels of distress, underemployment, and underutilization of rural America's workers; nor do the official unemployment figures adequately take into account chronic rural poverty. Therefore, my second measure or criterion is a departure from the more traditional unemployment measure we so often see—that is, the so-called rate of unemployment. It is my considered judgment that the commonly used standard of measuring unemployment in rural areas grossly underestimates employment problems. My second criterion is designed to address this problem.

It is drawn from a number of proposals discussed in various committees during their consideration of legislative proposals to address rural economic problems. Since it is not the familiar standard, it will require a degree of ingenuity and resourcefulness on the part of the Secretaries of Labor and Agriculture working cooperatively—perhaps along with State and local governmental units—to devise effective measurement techniques. It is, however, a challenge they should boldly accept to address so pressing a problem. We must begin to get a handle on the true dimensions of the underuse of our human resources in rural areas.

Let me illustrate more specifically the thrust of these provisions. Throughout rural America—but to a

greater degree in some areas than others—large numbers of people work at part-time, sporadic, or seasonal jobs. They do so not by choice, but because regular, stable, full-time jobs are not available. Many rural workers live on farms; if their jobs in town are lost, they continue to farm part time. Further, years of obvious futility in seeking work results in large pools of discouraged workers who are not even considered to be in the job market. The people I have described are not included as unemployed by the traditional measurements. The measurements I propose would take account of them and would, perhaps for the first time on any meaningful basis, recognize their plight and make some movement to address it.

The third factor or criterion I propose provides a degree of flexibility in meeting new threats to jobs as they arise. It emphasizes the effect on workers of sudden shifts in local economic conditions, and permits early action to deal with those conditions before their impact becomes devastating. For example, it would allow appropriate consideration for prospective plant closing which can have terrible effects on employment in small rural areas. And it also would accommodate conditions suddenly arising from policy shifts like the payment-in-kind program that may well have substantial adverse consequences on small-town businesses in farming areas.

In addition, with respect to the B&I program, the amendment provides that, from among the applicants selected under the criteria that I have described, the Secretary will give preference to those which will most effectively assist in the creation of long-term employment opportunities in their rural areas.

Even if my amendment achieves the objectives that I expect of it, it will not be fully successful unless the rural businesses and industries which are created have a trained work force available. As I have said, the chronic underemployment in many areas creates a need for upgrading the skills of those the job market has passed by. To help close this gap, my amendment authorizes grants of $20 million in any fiscal year for the purpose of training unemployed or underemployed individuals to enable them to fill the jobs that are created.

In addition to the specific activities that I have referred to, I think there is an urgent need for a general plan under which the various financial assistance activities operated by the Farmers Home Administration will be carried out in a manner designed to help reduce unacceptably high rates of unemployment and underemployment. The amendment would direct the Secretary to prepare such a plan and implement it after having given prior notice to the committees of jurisdiction of the Congress.

I ask your support for what I believe is a modest but badly needed first step in targeting certain Farmers Home rural development programs to those areas suffering most acutely from a lack of jobs. It is an innovative step, in that it would be one of the first efforts to reach what has been, for all too long, a large but largely unrecognized group in our rural areas—those who do not appear in the unemployment statistics but who, in the most real sense, suffer greatly from the absence of job opportunities.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have only one question about the amendment if the gentleman from Texas would be willing to respond. My question would be, Is it the intent of the gentleman from Texas to target this money to areas that are utilizing migrant workers such as the fruit-producing areas?

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Texas.

Mr. DE LA GARZA. That is one of the areas that would be assisted but it is not necessarily aimed at areas where there are migrant dislocations. But I would submit to the gentleman that it would be a major area.

Mr. MADIGAN. But that is not the gentleman's sole purpose in offering the amendment?

Mr. DE LA GARZA. No; definitely not. When I say rural America I mean all of us who live in that area of this great country.

Mr. MADIGAN. I thank the gentleman and yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. DE LA GARZA).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MADIGAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were agreed to.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa:

Page 7, line 25, strike out "and".

Page 8, line 8, strike out the period and insert in lieu thereof "; and ".

Page 8, immediately after line 8, insert the following:

"(3) adding at the end thereof the following: 'The interest rate on loans for water and waste disposal facilities shall be the lower of (i) the rate in effect at the time of the loan approval, or (ii) the rate in effect at the time of the loan closing.'."

Mr. SMITH of Iowa. Mr. Chairman, we have a rather unusual situation right now that I do not think has occurred prior to this time. In the case of water and sewer loans, some of these loans were approved a year ago or so when the interest rate, which is cost to the Government, was higher than it is at the present time. In fact, it was about 11 percent. Some of these loans have not been closed yet, and the cost of money to the Government has gone down to around 9 percent. This amendment would establish that the rate to be in effect on such a loan would be the rate at the time of closing, at the time of closing rather than at the time of approval if it is lower at the time of closing.

In these cases no money has been distributed and if they were loans to an individual FmHA borrower rather than a sewer or water district, the rate would be handled this way. This amendment makes it clear that in the case of water sewer loans, the interest rate will be either the rate at the time of approval or the rate in effect at the time of closing, whichever is lower.

I would hope that no one would object to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. SMITH).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MADIGAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 399, noes 1, not voting 32, as follows

[Roll No. 76]

AYES—399

Ackerman	Boxer	D'Amours
Akaka	Breaux	Daniel
Albosta	Britt	Dannemeyer
Alexander	Brooks	Daub
Anderson	Broomfield	Davis
Andrews (NC)	Brown (CA)	de la Garza
Andrews (TX)	Brown (CO)	Dellums
Anthony	Bryant	Derrick
Applegate	Burton	DeWine
Archer	Byron	Dickinson
AuCoin	Carney	Dicks
Badham	Carper	Dingell
Barnes	Carr	Dixon
Bartlett	Chandler	Donnelly
Bateman	Chappell	Dorgan
Bates	Cheney	Dowdy
Bedell	Clarke	Downey
Beilenson	Clay	Dreier
Bennett	Clinger	Duncan
Bereuter	Coats	Durbin
Berman	Coleman (MO)	Dwyer
Bethune	Coleman (TX)	Dymally
Bevill	Collins	Dyson
Biaggi	Conable	Early
Biliraki	Conte	Eckart
Bliley	Conyers	Edgar
Boehlert	Cooper	Edwards (CA)
Boggs	Corcoran	Edwards (OK)
Boland	Coughlin	Emerson
Boner	Courter	English
Bonior	Coyne	Erdreich
Bonker	Craig	Erlenborn
Borski	Crane, Daniel	Evans (IA)
Bosco	Crane, Philip	Evans (IL)
Boucher	Crockett	Fascell

Fazio
Feighan
Ferraro
Fiedler
Fields
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harrison
Hartnett
Hawkins
Hefner
Heftel
Hertel
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKernan
McNulty
Mica
Michel
Mikulski
Miller (OH)
Mineta
Minish
Mitchell
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Oxley
Packard
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Simon
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traxler
Udall
Valentine
Vandergriff
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Williams (MT)
Williams (OH)
Winn
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

NOES—1

Zschau

NOT VOTING—32

Addabbo
Annunzio
Aspin
Barnard
Broyhill
Campbell
Chappie
Coelho
Daschle
Edwards (AL)
Fish
Hall (IN)
Harkin
Hatcher
Johnson
Kindness
Kogovsek
Lantos
Long (MD)
McCain
McKinney
Miller (CA)
Moakley
Owens
Schumer
Solarz
Towns
Vander Jagt
Vento
Waxman
Whitten
Wilson

□ 1420

Mr. FRENZEL changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to section 3? If not, the Clerk will designate section 4.

The text of section 4 reads as follows:

BUSINESS AND INDUSTRIAL LOAN LIMITS; ELIGIBLE LENDERS

SEC. 4. Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by—

(1) in the third sentence, inserting after "other lenders" the following "(including commercial banks, trust companies, cooperative lending agencies, mortgage banking firms, insurance companies, and other firms and agencies authorized by law to lend money)"; and

(2) adding at the end thereof "No loan may be made, insured, or guaranteed under this subsection which exceeds $25,000,000 in principal amount.".

AMENDMENT OFFERED BY MR. WATKINS

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WATKINS: Page 8, line 17, insert "(a)" after "SEC. 4.".

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

"(f)(1) The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling such institutions to establish and operate centers of rural technology development.

"(2) Any nonprofit institution seeking a grant under paragraph (1) shall submit to the Secretary an application containing a plan for the establishment and operation by such institution of a center for rural technology development. The Secretary may approve such application if such plan contains the following:

"(A) A provision that such center will be located in a rural area in the United States.

"(B) A provision that the primary objective of such center will be to improve the economic condition of rural areas by promoting the development (through technological innovation and adaptation of existing technology) and commercialization of—

"(i) new products which can be produced in rural areas; and

"(ii) new processes which can be utilized in the production of products in rural areas.

"(C) A description of the activities which such center will carry out to accomplish such objective. Such activities may include the following:

"(i) Programs for technology search, investigations, and basic feasibility studies in any field or discipline for the purpose of generating principles, facts, technical knowledge, new technology, and other information which may be useful to rural industries, agribusinesses, and other persons, in rural areas in the development and commercialization of new products and processes.

"(ii) Programs for the collection, interpretation, and dissemination of existing principles, facts, technical knowledge, new technology, and other information which may be useful to rural industries, agribusinesses, and other persons, in rural areas in the development and commercialization of new products and processes.

"(iii) Programs providing training and instruction for individuals residing in rural areas with respect to the development (through technological innovation and adaptation existing technology) and commercialization of new products and processes.

"(iv) Programs providing loans and grants to individuals in rural areas and to small businesses in rural areas for purposes of generating, evaluating, developing, and commercializing new products and processes.

"(v) Programs providing technical assistance and advisory services to individuals, small businesses, and industries, in rural areas for purposes of developing and commercializing new products and processes.

"(D) A description of the contributions which such activities are likely to make to the improvement of the economic condition of the rural area in which such center is to be located.

"(E) Provisions that such center, in carrying out such activities will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that such center—

"(i) will consult with any college or university administering any program under title V of the Rural Development Act of 1972 (7 U.S.C. 2661 et seq.) in the State in which such center is located; and

"(ii) will cooperate with such college or university in the coordination of such activities and such program.

"(G) Provisions that such center will take all practicable steps to develop continuing sources of financial support for such center, particularly from sources in the private sector.

"(H) Provisions for—

"(i) the monitoring and evaluation of such activities by the institution operating such center; and

"(ii) the accounting of money received by such institution under this section.

"(3) Grants made under paragraph (1) shall be made on a competitive basis. In making grants under paragraph (1), the Secretary shall give preference to grant applications providing for the establishment of centers for rural technology development which—

"(A) will be located in rural areas which have—

"(i) few rural industries and agribusinesses;

"(ii) high levels of unemployment;

"(iii) high rates of migration of people, businesses, and industries; and

"(iv) low levels of per capita income; and

"(B) will contribute the most to the improvement of economic conditions of rural areas.

"(4) As used in this subsection—

"(A) the term 'nonprofit institution' means any organization or institution, in-

cluding any accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

"(B) the term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.".

(c) The amendment made by subsection (b) shall take effect October 1, 1983.

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

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

There was no objection.

Mr. WATKINS. Mr. Chairman, I think it goes without a whole lot of explanation that in rural America and the life in agriculture we have more economic problems today than we have had for a number of years. In fact, something that has not been expressed and should be repeated on this floor is that approximately 25 years ago, the United States had something like one-third of the people in this country involved in the production of agriculture. Today, Mr. Chairman, we have less than 3 percent of the people involved in the production of agriculture.

What we have had is an erosion of our people away from the family farms, away from agricultural production into different and diversified areas of the economy, mainly in larger urban areas.

Mr. Chairman, one of the things that I would like to point out as we look at this particular piece of legislation that in agriculture the last 3 years we have had declining farm income. In other words, the last 3 years our farmers have lost money.

Mr. Chairman, also one of the other things they have experienced for the first time in rural America on our family farms and in agriculture is a loss of equity. Much of our farmland has not grown in real value.

□ 1430

Farmers have not had the actual growth in equity in their equipment. Mr. Chairman, our farm people, our agricultural production people, have lost the equity of their equipment, have lost the equity of their land and, therefore, have a tremendous problem in refinancing and keeping adequate farm income to be able to stay on the farm. In fact, Mr. Chairman, in 1950, for each dollar of income, the family farmer had a dollar's worth of credit. In 1960 for each $1 of income, the farmer had $1.35 in credit that he had to repay. And in 1982, the American farmer finds that for each dollar of income, he is confronted with over $13 of credit that he is trying to repay.

I think the fact that really highlights the problems in rural America, in the small rural communities and the family farmers, is that this past year two-thirds of the income of the American farmers throughout this Nation came from off the farm, not from production on the farm. Two-thirds of their income had to come from another source other than agriculture. Mr. Chairman, this particular amendment is trying to provide, in mainly the depressed rural areas or economically decayed areas of America, an opportunity to work with new technologies, to establish centers of rural technology development in order to try to build those jobs in depressed rural areas where the Fortune 500 are not going to move. Where the chief executive officers will not be moving plants. But we can work with new technologies and try to develop new products and processes from that technology to establish new businesses and new industries in those areas in order to try to build private sector jobs.

I think that most of our people will take that challenge. They will take the challenge of trying to help themselves by working with ideas for new products and processes and trying to increase the economic level of those people in the depressed rural areas where we have spent billions of dollars but have not put the mechanism there to help produce the jobs.

So I would like to plead with my colleagues on both sides of the aisle to accept this amendment to expand section 4, under B and I, to be able to establish those centers for rural technology development.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

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

Mr. DURBIN. Mr. Chairman, I rise in support of this amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

I think that the watchwords in our economy today are "high technology." Often agriculture is overlooked. In fact, it is the technology and productivity that has brought American agriculture to the point that the gentleman has described, where a very, very small percentage of our population can feed not only the United States, but can feed almost 40 percent of the world.

I think that the gentleman's amendment really focuses attention on a much-needed aspect of American agriculture, and that is the fact that it is on the cutting edge of new technology. Bringing together that technology with the productive capacity we have in this country cannot only put people to work in rural America but can create jobs through that whole food chain, as it does today.

I commend the gentleman for his amendment, I stand in support of it, and I recommend it to my colleagues as well.

Mr. WATKINS. I thank the gentleman for his support and his words of wisdom, and I think the gentleman is certainly right. The new technologies are there. But we have not made them available. Only in agriculture itself have we seen an area of technology transfer, but we have utilized such technology only in the production of agriculture and not in the rural business and industrial development.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would seek recognition only briefly to ask the gentleman from Oklahoma (Mr. WATKINS) if his amendment authorizes the expenditure of any new or additional money by the Department of Agriculture.

Mr. WATKINS. If the gentleman will yield, no, it does not. I appreciate the question. It does not. It provides in that particular section being able to work within the amount of money available.

Mr. MADIGAN. I thank the gentleman for his answer.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words, and I do so to engage in a colloquy with the distinguished gentleman from Oklahoma (Mr. WATKINS).

I have had some concern expressed to me in relation to the gentleman's proposal, which I think is meritorious, as to what impact it will have on existing agricultural programs in higher institutions like the land-grant colleges or universities, our experiment stations, and such. How does the gentleman contemplate his amendment working into that system?

Mr. WATKINS. If the chairman will yield, I appreciate his question because basically this does not affect those funds that go to the institutions of higher learning for the experimental research and demonstration moneys in order to try to provide the new expertise or the new research in agricultural production or in agricultural hybrid feeds, or whatever, in that area. This is additional. It is different. It is different from the standpoint that we are working with the technologies from that research. In many areas, yes, in agriculture the technologies developed in ARS, the technologies developed in NASA, the technologies developed in the Corps of Engineers, the technologies that are developed in all of the Federal laboratories across the country, in order to try to take that research and, from that technology, transfer, get the technology developed in order to produce the low technology and high technology out in the rural communities and many areas that will not have

any way to provide the opportunity of building new businesses and industries or building jobs unless something like this happens.

Mr. DE LA GARZA. May I further ask the gentleman, in the initial section of his amendment he stipulates that any nonprofit institution seeking a grant, et cetera, does that mean that we are looking at existing nonprofit institutions?

Mr. WATKINS. If the chairman will yield, it could mean those who have the expertise in doing that technology transfer or using that technology transfer. It does not mean that there is just a blank check there. And that is the reason why we have said the nonprofit institutions also, because it will allow those that do have expertise already developed, those who have the kinds of skills there of working in technology transfer to be able to utilize this program.

Mr. DE LA GRAZA. Then we could take it to mean that a nonprofit institution could be an educational institution or a vocational community college or technical training institute that would be nonprofit?

Mr. WATKINS. If the gentleman will yield, yes; it could be. And I think that the broadness of the language would allow those who submit the proper applications and could focus on a particular outline or thrust that would allow us to transfer technology for new products, the potential for new businesses and industries, that would develop jobs in those areas. I think that broadness and depth of meaning could be definitely interpreted.

Mr. DE LA GARZA. I hope that it would not—and I ask the gentleman respectfully—mean that three or four people can, say, get together and form a nonprofit institution to apply for a grant, having no knowledge or expertise but may be just a way to get a grant to begin something. Is that what is intended in this amendment?

Mr. WATKINS. If the chairman will yield, I can assure the gentleman that I think that if it is like most grants, there will be careful scrutiny by the USDA, especially in the B & I area of USDA, and without a professional application, an application allowing the professionalism and expertise to be there, I would not make one of these grants to a nonprofit institution or an educational institution unless they provided a program of work showing how it could lead to the establishment of new product development and new businesses and new industries in a particular area.

Mr. DE LA GARZA. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MADIGAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 383, noes 8, not voting 41, as follows:

[Roll No. 77]

AYES—383

Ackerman
Akaka
Albosta
Alexander
Anderson
Andrews (NC)
Andrews (TX)
Anthony
Applegate
Archer
Aspin
AuCoin
Badham
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bethune
Bevill
Biaggi
Biliraki
Bliley
Boehlert
Boland
Boner
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Britt
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bryant
Burton
Byron
Carney
Carper
Carr
Chandler
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coelho
Coleman (TX)
Collins
Conable
Conte
Conyers
Cooper
Corcoran
Coughlin
Courter
Coyne
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel
Dannemeyer
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gejdenson
Gekas
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (UT)
Harrison
Hartnett
Hawkins
Hefner
Heftel
Hertel
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kolter
Kostmayer
Kramer
Lagomarsino
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McNulty
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Packard
Panetta
Parris
Pashayan
Patman
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Simon
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traxler
Udall
Valentine
Vandergriff
Volkmer
Vucanovich
Watkins
Weaver
Weber
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zschau

NOES—8

Chappie
Dreier
Lewis (CA)
McCandless
McDonald
Paul
Vento
Weiss

NOT VOTING—41

Addabbo
Annunzio
Barnard
Bereuter
Boggs
Campbell
Coleman (MO)
Dicks
Edwards (AL)
Erlenborn
Ford (MI)
Forsythe
Gaydos
Gibbons
Hall (IN)
Hansen (ID)
Harkin
Hatcher
Ireland
Johnson
LaFalce
Lantos
McCain
McKinney
Moakley
Molinari
Mrazek
Owens
Oxley
Patterson
Rinaldo
Roberts
Schumer
Solarz
St Germain
Towns
Vander Jagt
Walgren
Walker
Waxman
Yatron

□ 1450

Mr. PARRIS changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. FOLEY) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was commu-

nicated to the House by Mr. Saunders, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

EMERGENCY AGRICULTURAL CREDIT ACT OF 1983

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. JONES).

Mr. DE LA GARZA. Mr. Chairman, I would ask as a parliamentary inquiry, can we reconsider the vote?

The CHAIRMAN. The gentleman from Tennessee (Mr. JONES) has been seeking recognition, and the Chair recognizes the gentleman.

Mr. JONES of Tennessee. Mr. Chairman, I ask unanimous consent that I may have 5 minutes to speak out of order, and that I may use that time for a colloquy with my good friend, the gentleman from Michigan (Mr. ALBOSTA) on section 3 of this bill.

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

Mr. ST GERMAIN. Mr. Chairman, reserving the right to object, a great number of us came into the Chamber for this vote. The clock downstairs obviously was in error, as well as the clocks on our TV screens. We are wondering if there is an opportunity for us to move to reconsider the vote?

The CHAIRMAN. The Chair will state that there is no motion to reconsider in the Committee of the Whole.

Mr. ST GERMAIN. Mr. Chairman, can we ask unanimous consent to do that?

The CHAIRMAN. Does the gentleman ask unanimous consent to vacate the vote?

Mr. GIBBONS. No, Mr. Chairman, we ask to be allowed to be recorded as voting. We were all here.

The CHAIRMAN. The Chair cannot entertain that request following the final announcement of the vote.

Mr. ST GERMAIN. Mr. Chairman, how about a request to vacate the vote? What would be the implications of that?

The CHAIRMAN. In that event the House could have a new 15-minute vote.

Mr. ST GERMAIN. And the Members would have a chance to vote again?

Mr. GIBBONS. Mr. Chairman, there must have been a dozen of us who did not have the opportunity to vote.

The CHAIRMAN. The gentleman will restate his question to the Chair.

Mr. ST GERMAIN. Further reserving the right to object, Mr. Chairman, the gentleman from Rhode Island, on behalf of a great number of Members, would like to know if there is a parliamentary procedure for those Members who were diligent in an effort to be here on time but were misled by one of the clocks that was obviously in error to have themselves recorded on the vote that just preceded this colloquy.

Mr. Chairman, I yield to the gentleman from Texas (Mr. DE LA GARZA).

The CHAIRMAN. Does the gentleman from Texas (Mr. DE LA GARZA) have a unanimous-consent request?

Mr. DE LA GARZA. Yes, Mr. Chairman.

Mr. Chairman, I ask unanimous consent that the preceding vote be vacated and that a new vote be taken on the same amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the vote be vacated and that there be a new recorded vote on the Watkins amendment?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

Those Members in favor will vote "aye," and those opposed will vote "no."

The vote will be taken by electronic device.

The vote was taken by electronic device, and there were—ayes 398, noes 3, not voting 31, as follows:

[Roll No. 78]

AYES—398

Ackerman
Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews (NC)
Andrews (TX)
Anthony
Applegate
Archer
Aspin
AuCoin
Badham
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bethune
Bevill
Biaggi
Biliraki
Bliley
Boehlert
Boggs
Boland
Boner
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Britt
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bryant
Burton
Byron
Carney
Carper
Chandler
Chappell
Chappie
Cheney
Clarke
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins
Conable
Conte
Conyers
Cooper
Corcoran
Courter
Coyne
Craig
Crane, Philip
Crockett
D'Amours
Daniel
Dannemeyer
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Erlenborn
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (UT)
Harkin
Harrison
Hartnett
Hatcher
Hawkins
Hefner
Heftel
Hertel
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
Mack
MacKay
Madigan
Markey
Marriott
Martin (NC)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Simon
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Udall
Valentine
Vandergriff
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zschau

NOES—3

McDonald
Paul
Vento

NOT VOTING—31

Annunzio
Barnard
Campbell
Carr
Coats
Coelho
Coughlin
Crane, Daniel
Edwards (AL)
Hall (IN)
Hall (OH)
Hansen (ID)
Johnson
Lantos
Lundine
Marlenee
Martin (IL)
McCain
McKinney
McNulty
Michel
Moakley
Mrazek
Roberts
Schumer
Solarz
Torres
Towns
Vander Jagt
Wortley
Wright

□ 1510

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to advise the Members that working with diligence, under the art of the possible, and with very diligent work of staff and the Members, we seem to have reached some semblance of agreement on three of the proposed items that have been in controversy in the legislation.

There are a couple of other amendments that I do not anticipate would require recorded votes. So I would ask Members to bear with us. I know of no amendment on which I would call for a recorded vote or anyone on this side would. I would hope such would be the case on the other side. So I would like to advise the Members that we are proceeding working toward a final conclusion of this legislation hopefully within the hour, and, if not, maybe a little bit more time, but not anticipating at this point any further recorded votes.

I yield back the balance of my time.

□ 1520

Mr. JONES of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. ALBOSTA. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Michigan for a colloquy.

Mr. ALBOSTA. I thank the gentleman for yielding.

Mr. Chairman, I have one question which I would like to ask at this time to clarify a problem that exists in my own State of Michigan concerning the Farmers Home Administration's water and wastewater grant and loan program.

Currently, there are many communities in Michigan not eligible for Farmers Home grants to build water and/or wastewater treatment systems because of the FmHA regulation which states that communities with a median family income greater than 85 percent of the statewide nonmetropolitan median family income are not eligible for any grant assistance under this FmHA program.

As a result, it has become too expensive for many communities in Michigan to participate in this Farmers Home program. The debt service levels are just too high to make many of these projects feasible. For example, in Michigan, 85 percent of the statewide nonmetropolitan median family income is about $14,700. Under this rule, only 26 percent of the rural communities are eligible for grant assistance to build needed water and wastewater systems.

Therefore my question, Mr. Chairman, is whether the language in this bill, H.R. 1190 and on pages 14 and 15 of accompanying House Report 98-48, will permit a graduated scale of grant assistance to communities so that no longer will any needy community be ineligible for grant assistance based on their median family income?

Mr. JONES of Tennessee. Yes, the gentleman from Michigan is absolutely correct. H.R. 1190 and the accompanying language in House Report 98-48 establishes a sliding scale of grant assistance to eligible rural communities and will correct the problem in Michigan with the current Farmers Home regulations requiring communities to have a median family income to 85 percent or less of the statewide nonmetropolitan median family income in order to be eligible for any grant assistance under this FmHA program.

Mr. ALBOSTA. Furthermore is it the intent of the House Agriculture Committee and the full House that Farmers Home follow the guidelines set down in the language in House Report 98-48 in issuing regulations for the water and wastewater program?

Mr. JONES of Tennessee. We expect FmHA to use the language contained in the bill and the committee report in promulgating the regulations to govern this program.

Mr. ALBOSTA. I thank the distinguished chairman of the Conservation, Credit and Rural Development Subcommittee for taking the time to clarify the rules under which the FmHA water and wastewater grant program will operate under H.R. 1190. This is a matter of great concern to many rural communities in Michigan and I believe the changes contained in H.R. 1190 and as clarified by the distinguished gentleman from Tennessee will make this program operate more effectively in Michigan. The gentleman from Tennessee deserves a great deal of recognition for bringing the Emergency Agricultural Credit Act to the floor. His leadership on issues of concern to rural America is appreciated by those of us representing rural districts in Congress.

Mr. Chairman, again I thank the gentleman.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman from Michigan (Mr. ALBOSTA), and I yield back the balance of my time.

AMENDMENTS OFFERED BY MR. DORGAN

Mr. DORGAN. Mr. Chairman, I offer amendments.

The CHAIRMAN. The Clerk read as follows:

Amendments offered by Mr. DORGAN: On page 8—

(A) line 17, strike out "(a)" following "Section 310B";

(B) line 20, insert "of subsection (a)" after "sentence"; and

(C) line 24, strike out "and" following the semicolon.

On page 9—

(A) line 1, strike out "thereof" and insert in lieu thereof "of subsection (a)";

(B) line 3, strike out the second period and insert in lieu thereof "; and"; and

(C) insert after line 3 the following:

"(3) inserting after subsection (e) the following new subsection:

"(f) Notwithstanding any other provisions of this title or any other law, during the period beginning with the date of enactment of the Emergency Agricultural Credit Act of 1983 and ending on September 30, 1984—

"(1) The Secretary shall make and insure loans to small businesses that are located in rural areas and that (i) are engaged in furnishing farmers and ranchers machinery, supplies, and services directly related to the production of commodities that are eligible for payment-in-kind land diversion programs carried out by the Secretary, and (ii) establish by substantial evidence that they are experiencing severe economic hardship directly attributable to the operation of such program. Loans shall be made under this subsection for the purpose of assisting eligible borrowers to continue to operate their businesses during the period of such economic hardship.

"(2) No loan may be made or insured under this subsection which exceeds $50,000 in principal amount.

"(3) The period of repayment of loans made or insured under this subsection shall be 12 months.

"(4) The rate of interest on loans made or insured under this subsection shall be the rate of interest applicable to operating loans under section 316(a)(1), reduced by 3 per centum.

"(5) Not less than 10 per centum of the funds that may be used for industrial development loans under the Act of December 18, 1982 (Public Law 97-370, 96 Stat. 1799) during fiscal year 1983 shall be made available for loans made or insured under this subsection to the extent needed to meet applications filed by small business that are eligible for such loans.

"(6) The Secretary shall issue regulations implementing this subsection not later than sixty days after the date of enactment of the Emergency Agricultural Credit Act of 1983.".

On page 26, after line 24, insert the following: "during the fiscal year ending September 30, 1984, not less than 10 per centum of the funds that may be used for industrial development loans shall be made available for loans made or insured under section 310B(f) to the extent needed to meet applications filed by small businesses that are eligible for such loans."

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

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. DORGAN. I ask unanimous consent to offer these amendments en bloc to H.R. 1190. The amendments would amend not only section 4 but section 15 of the bill as they relate to one subject.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. DORGAN. Mr. Chairman, the amendment I have sent to the desk would add to the Emergency Agricultural Credit Act a section designed to offer emergency credit to farm supply and service businesses which have been adversely affected by the payment-in-kind program.

Mr. Chairman, this Congress and the administration have embarked on a PIK program (payment-in-kind). Most of us on this floor believe that it is a unique and creative approach, to address the farm problem and we hope very much that it will work to reduce the surplus grain that we have in this country and, therefore, work to increase farm prices.

The farmers have done their part. The farmers of America have agreed to participate in PIK, in large numbers.

But the participation in the PIK program is not equal across all States. For example, the State of North Dakota has a very, very heavy participation. Nationally farmers have agreed to remove about 82 million acres from production that are normally planted to wheat, to corn, to cotton, and to rice.

As I said in North Dakota the rate of participation was very substantial. In North Dakota 43 percent of the total base acreage will be idled, and in Minnesota 43 percent of the total base acreage will be idled.

My concern is that now that we have embarked on the PIK program in which we try to get farmers to decrease their production, there are going to be some independent, small businesses on the main streets of the towns in rural America whose business is principally to supply products and services to family farmers and who will experience some very significant reductions in their business this year.

The USDA estimates in the seed business a 12- to 15-percent decline this year, in the fertilizer business, a 12- to 14-percent decline this year, pesticides, 12- to 15-percent decline this year.

Statistics that relate directly to States such as North Dakota and Minnesota which have a much higher participation in PIK would show a higher decline in sales for some of these main street business people.

My point is as we proceed down the road with the PIK program, if we have areas in which the sale of fertilizer or chemicals will be reduced by 40 percent this year for small businesses who have already suffered perhaps a 15- or 20-percent decrease last year, it seems to me we ought to try to analyze what we can do with the Farmers Home Administration programs to try to give some of those folks a chance to survive until the PIK programs kicks in an starts working.

What I have done in this amendment, Mr. Chairman, is to provide a method by which small businesses who have suffered severe financial hardship and can demonstrate that they have suffered that hardship as a result of the PIK program would be eligible for an operating loan from the business and industry loan program in the Farmers Home Administration.

The maximum amount of the loan would be $50,000. The rate would be the same rate as the operating loan under the limited resource program. The guidelines for the loan program would be developed by the Secretary of Agriculture.

Mr. Chairman, this is not asking for new money to be appropriated or authorized. This simply frames part of the business and industry loan program in the Farmers Home Administration and says that what we would like to do is create a method by which small businesses that would suffer severe financial hardship as a result of this acreage being taken out of production would be able to get an emergency operating loan for a 12-month period.

I think it makes eminent good sense to try to give some protection to some good small businesses on the main streets of rural American towns who might not otherwise survive while the PIK program has a chance to work and to kick in.

We support efforts to increase prices and give family farmers a chance to make it. All of us support that. At the same time let us support a method by which we use existing funds in the B&I program to give small businesses on those main streets that work with those family farms the same chance to survive during the next 12 months while all of us hope the PIK program kicks in and starts working for the family farmer.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. DORGAN. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

I want to compliment the gentleman on his amendment. I think it is an excellent amendment.

I have a couple of questions to perhaps bring out a little more facts surrounding the amendment.

I understand the gentleman is earmarking 10 percent?

Mr. DORGAN. That is correct. The amendment provides no less than 10 percent of the existing money in the B&I loan program. Currently there exists $300 million in the B&I loan program.

□ 1530

As I indicated the Secretary of Agriculture would be in this amendment required to develop the rules and regulations and guidelines.

The 10 percent is the minimum. The Secretary of Agriculture, if the need exists, could go much above that.

Mr. HARKIN. I understand. And second, the criteria that these businesses would have to meet again would be the same criteria that they would have to meet for the regular B&I loan plus what other things would they then have to show?

Mr. DORGAN. The basic criteria is simply that a small business would be required to demonstrate to the Farmers Home Administration, under guidelines proposed by the Secretary, that they have suffered severe financial hardship and that it is the result of the PIK program.

The CHAIRMAN. The time of the gentleman from North Dakota (Mr. DORGAN) has expired.

(By unanimous consent, Mr. DORGAN was allowed to proceed for 2 additional minutes.)

Mr. DORGAN. And I think that it will not be difficult to demonstrate that on the main street of a community in which the surrounding farmers have taken a dramatic amount of cropland out of production and there has been a precipitous drop of, let us say, chemical sales, or fertilizer sales, or equipment sales. I think that financial hardship can be demonstrated quite readily.

Mr. HARKIN. I thank the gentleman for again clarifying it one more time and I do support the gentleman's amendment.

I am quite aware of many small rural businesses in my own district where they have been operating well in the past, but because of this 1-year PIK program they could be in such straits that they would not be able to survive beyond this year. But given some infusion of money like through the B&I loan program would get them past this year, they will be good family-owned businesses and they will be able to survive beyond this year.

Mr. DORGAN. That is precisely the point of the amendment. And here is an example. A fellow from my home State has a small fertilizer company. He points out that the decrease in his business is dramatic enough so that he simply will not make it through this year unless he has some small amount of emergency help. And a small operating loan from the B&I loan program might give this person enough breathing room so that when farmers become economically healthy once again through this PIK program, if that is the result of it and all of us hope it is, then this fellow will benefit as well.

But it finally comes down to individual cases. We are trying to protect and give some economic support to some family businesses who might otherwise fail.

Mr. HARKIN. It is a very good amendment and I compliment the gentleman.

Mr. DORGAN. I thank the gentleman.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DORGAN. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding.

I also want to compliment the gentleman on his amendment. I have had letters from my district which indicate that there are a number of businesses in exactly the same situation that the gentleman describes here and I certainly support his amendment.

Mr. DORGAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from North Dakota (Mr. DORGAN) has expired.

(At the request of Mr. MADIGAN and by unanimous consent, Mr. DORGAN was allowed to proceed for 3 additional minutes.)

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. I thank the gentleman for yielding.

Because I do not have a copy of the gentleman's amendment, I am not quite sure what it is the gentleman is asking for. But I understand that $1 billion was authorized for the B&I program, but only $300 million was appropriated.

The gentleman is asking for 10 percent. Is the gentleman asking for 10 percent of the authorized amount or the appropriated amount?

Mr. DORGAN. Well, the budget authority that was passed by Congress for the B&I loan program is $300 million. so the 10 percent would relate to the $300 million.

Mr. MADIGAN. So what the gentleman is asking for is $30 million?

Mr. DORGAN. To simply fence, no less than 10 percent of the B&I loan program, and make it available under guidelines published and developed by the Secretary of Agriculture to small businesses who could qualify under the amendment. That is correct.

Mr. MADIGAN. I think the gentleman has a very good amendment. I think it is a timely amendment and I am going to support it and would urge that all the Members of the House support the amendment of the gentleman from North Dakota.

Mr. DORGAN. I appreciate the support of the gentleman from Illinois.

Mr. DAUB. Mr. Chairman, I wish to indicate my wholehearted support for the amendment of my colleague from North Dakota, to H.R. 1190, which would require the Department of Agriculture to extend and insure loans to rural small businesses which furnish farmers and ranchers with machinery, supplies, and services.

I have received numerous letters from constituents in recent months indicating that the payment-in-kind program, while sorely needed, is having adverse impact on the agribusiness community.

With up to one-third of our national cropland base effectively idled, the suppliers of machinery, seed, and other farm services stand to suffer a great reduction in their business activity. Many of these suppliers have, on hand, stocks which were ordered and received prior to the announcement of the payment-in-kind program.

While the eventual stability rendered by PIK may help these types of businesses in the long term, many of these businesses may not be able to hold on long enough to benefit from eventual stability in the farm community.

A subcommittee of the Small Business Committee, of which I serve, already has reported legislation having the same impact as my colleagues' amendment. I was pleased to see that my colleagues on the Small Business Committee recognize the importance to our country of a healthy agricultural sector, producer and supplier alike. I would hope that my colleagues in the full House would have the same understanding.

I applaud my colleague for his introduction of the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Dakota (Mr. DORGAN).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to section 4?

If not, the Clerk will designate section 5.

The text of section 5 reads as follows:

OPERATING LOAN LIMITS

SEC. 5. Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended by striking out "$100,000, or, in the case of a loan guaranteed by the Secretary, $200,000" and inserting in lieu thereof "$200,000, or, in the case of a loan guaranteed by the Secretary, $400,000".

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEDELL: On page 9, line 5, strike section 5.

Mr. BEDELL. Mr. Chairman, this amendment is very similar to the amendment which we passed by a vote of 284 to 121 previously. The previous amendment had to do with the ownership loans. This has to do with operating loans.

The amendment would simply keep the individual limit at the same amount as it is at this time rather than to increase those individual limits at a time when we do not have adequate money available.

I think it is self-explanatory. The amount is $100,000. This would keep the amount at $100,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BEDELL).

The amendment was agreed to.

The CHAIRMAN. The Clerk will designate section 6.

The text of section 6 reads as follows:

CONSOLIDATION AND RESCHEDULING OF OPERATING LOANS

SEC. 6. Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by—

(1) in subsection (b)—

(A) in the second sentence, striking out "seven years" and inserting in lieu thereof "fifteen years"; and

(B) amending the fifth sentence 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

(2) adding at the end thereof the following new subsection:

"(c) The Secretary shall allow a borrower who has an outstanding loan made under this subtitle to use proceeds from the sale of property securing the loan to make prospective scheduled payments on the loan, if after such sale the borrower has adequate security to protect the loan: *Provided*, That the Secretary determines that such sale does not impair the borrower's ability to continue the borrower's operation.".

The CHAIRMAN. Are there amendments to section 6?

If not, the Clerk will designate section 7.

The text of section 7 reads as follows:

ELIGIBILITY FOR EMERGENCY LOANS

SEC. 7. Section 329 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1970) is amended by adding at the end thereof the following new sentence: "Eligibility of an applicant for assistance under this subtitle based upon production losses shall be determined solely on the basis of the factors designated in this section and shall not be affected by the Secretary's designation of, or failure to designate, a county or counties for emergency loan purposes.".

The CHAIRMAN. Are there amendments to section 7?

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN:

On page 10—

(1) line 19 strike "designation of, or" and line 20 strike the comma, and

(2) line 20 insert after the word "purposes", the following: "except that the applicant must establish to the satisfaction of the Secretary that such losses were sustained as a result of such disaster", and

(3) line 20 immediately before the ending quotation mark insert the following sentence:

The determinations of the Secretary under this section shall be final unless found by a court of competent jurisdiction, on the basis of the administrative record, to have been arbitrary, capricious, or otherwise not in accordance with law or the regulations issued in accordance with law.

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

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

There was no objection.

Mr. MADIGAN. Mr. Chairman, this is the first of three amendments that form the framework for a compromise on H.R. 1190 that has been reached between the majority and the minority and I want to say at the outset how very much I appreciate the cooperation of the distinguished gentleman from Texas, the chairman of the committee (Mr. DE LA GARZA) and the distinguished gentleman from Tennessee, the chairman of the subcommittee (Mr. JONES), in enabling us to be able to come to terms that form a compromise which will make it possible for us to go ahead and I hope pass this bill with the unanimous vote of the House of Representatives this afternoon.

This particular amendment deals with that portion of the bill that would have allowed a farmer to require or to at least request of the Secretary of Agriculture that his farm be designated on an individual basis as having been a disaster area for the purpose of obtaining financial assistance under the disaster provisions of the existing law.

And essentially what the amendment that I am offering does is to clarify that the Secretary has the discretion to determine that a disaster actually has occurred and that the losses sustained by the individual farmer are a result of that weather disaster or natural disaster, whatever the case might have been.

I think it is a beneficial amendment and it really does what I am sure the committee intended to do in the beginning and I would hope that the committee would be able to support the amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, would the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Missouri, whose assistance in working out this compromise I certainly also want to acknowledge.

Mr. COLEMAN of Missouri. I thank the gentleman for yielding and to clarify the gentleman's intention, then the Secretary might designate a county for disaster purposes based upon a percentage of production loss if he so desired, but if the Secretary fails to designate a county a farmer still might be eligible for a disaster loan; is that correct?

Mr. MADIGAN. That is correct, but the farmer would have the responsibility of providing to the satisfaction of the Secretary that the disaster had actually occurred. It would not have to be a disaster of the same proportions across the country as is required by the present law.

Mr. COLEMAN of Missouri. I think the gentleman's amendment then goes in the right direction, although I think perhaps the reason that we had to get to the position of working out this compromise was a result of perhaps inflexibility on the Department's part in failing to follow present law, which I think is pretty clear on the record, but I congratulate the gentleman for coming up with this compromise, and again, it requires that the Secretary makes this decision, but he cannot be arbitrary and capricious which I think is very important from the farmers' standpoint.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I am happy to yield to my colleague and friend from Texas.

Mr. DE LA GARZA. I thank the gentleman for yielding.

I repeat the gentleman's mention that this is one of three amendments that has been worked out in a split of compromise.

As far as I am able to ascertain, we have no objection on this side.

I thank the gentleman for his cooperation and understanding.

□ 1540

Hopefully, this and the other two amendments will enhance our position in order to finally enact this legislation. Then, working together with the Department of Agriculture, we might be able to assure that the intent of the Congress in trying to assist those in need in rural America, the final aim is of this legislation, is realized.

I thank the gentleman for his consideration of our suggested compromise, and we accept this suggested compromise on our side.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for his contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 7?

If not, the Clerk will designate section 8.

The text of section 8 reads as follows:

EXTENSION OF TIME FOR ADDITIONAL EMERGENCY LOANS

SEC. 8. Section 330 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1971) is amended by—

(1) inserting the designation "(a)" after the section designation; and

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

"(b) Notwithstanding the provisions of subsection (a), subsequent loans to continue a farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis—

"(1) in the case of borrowers who have outstanding loans approved by the Secretary under this subtitle after December 15, 1979, and before October 1, 1981, for not to exceed four additional years; and

"(2) in the case of borrowers who have outstanding loans approved by the Secretary under this subtitle after September 30, 1981, and before October 1, 1982, for not to exceed three additional years.

"(c) Subsequent loans made pursuant to the authority of subsection (b) shall be subject to the limits on loans and rates of interest established under section 324 (a)(2)(C) and (b) respectively.".

The CHAIRMAN. Are there amendments to section 8?

If not, the Clerk will designate section 9.

The text of section 9 reads as follows:

AUTHORITY TO MODIFY CLAIMS

SEC. 9. Section 331(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended by—

(1) striking out "$25,000" and inserting in lieu thereof "$50,000"; and

(2) amending subparagraph (4) to read as follows:

"(4) any claim which is due and payable and where the debtor (i) has no assets or no apparent future debt-paying ability from which the claim could be collected, or (ii) is decreased and has left no estate, or (iii) has no known assets from which the claim can be collected and the debtor's whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the county committee and of the employee having charge of the claim, except that any claim involving a principal balance not referable to the Department of Justice, as provided in the Federal Claims Collection Act of 1966 (Public Law 89-508; 80 Stat. 308), may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and".

The CHAIRMAN. Are there amendments to section 9?

If not, the Clerk will designate section 10.

The text of section 10 reads as follows:

LOAN DEFERRALS

SEC. 10. (a) Section 331A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981a) is amended by—

(1) inserting the designation "(a)" after the section designation;

(2) in the second sentence, striking out "section" and inserting in lieu thereof "subsection"; and

(3) adding at the end thereof the following new subsections:

"(b)(1) During the period beginning on the date of enactment of this subsection and ending on September 30, 1984, upon request by a borrower that the Secretary (A) forgo foreclosure on, (B) consolidate, re-

schedule, or reamortize, or (C) defer payment of principal and interest on, an outstanding loan made, insured, or held by the Secretary for farm ownership purposes under subtitle A of this title, farm operating purposes under subtitle B of this title, disaster emergency purposes under subtitle C of this title, or economic emergency purposes under the Emergency Agricultural Credit Adjustment Act of 1978, the Secretary shall comply with the requirements of paragraphs (2) and (3).

"(2) If the borrower establishes by substantial evidence that (A) the borrower has followed good management practices but has suffered production losses or economic losses related to farming operations caused by economic or natural conditions beyond the control of the borrower, and (B) the borrower is unable to repay the loan in accordance with the terms and conditions applicable to the loan at the time of the request, based upon a comprehensive statement of the farm and financial situation, the Secretary shall forgo foreclosure and make available to the borrower a consolidated, rescheduled, or reamortized loan providing for equitable repayment terms consistent with the borrower's farm and financial situation.

"(3) If the borrower further establishes by substantial evidence that (A) the borrower is unable to repay the loan in accordance with the new terms made available by the Secretary under paragraph (2), based upon such comprehensive statement of the farm and financial situation, and (B) following the period of deferral, there is a reasonable probability that the borrower can pay installments on the loan in full under terms consistent with the borrower's farm and financial situation that would apply upon expiration of the deferral period if normal economic and natural conditions exist, the Secretary shall approve the deferral, for a one-year period beginning on the date such deferral is approved, of payment of principal and interest on any such loan and forgo foreclosure for the period of deferral. Interest that accrues during the deferral period on any loan deferred under the provisions of this subparagraph shall bear no interest during or after such period. No borrower may obtain more than one deferral under this subparagraph with respect to any one loan.

"(4) The provisions of this subsection shall be applicable only to borrowers who own or operate family-size farms, as determined by the county committee.

"(c) Upon the expiration of any period of deferral of payment of principal and interest and forgoing of foreclosure by the Secretary under subsection (b)(3), the Secretary shall make available to the borrower, at the borrower's request, procedures whereby the loan may be consolidated, rescheduled, or reamortized to provide equitable repayment terms consistent with the borrower's farm and financial situation, and any loan so consolidated, rescheduled, or reamortized, as well as any loan consolidated, rescheduled, or reamortized under subsection (b)(2), shall bear interest at a rate that is the lower of (1) the rate charged on the loan so consolidated, rescheduled, or reamortized, or (2) the rate being charged under the applicable subtitle of this title or under the Emergency Agricultural Credit Adjustment Act of 1978, as the case may be, at the time of the consolidation, rescheduling, or reamortization.

"(d) The Secretary shall promulgate regulations that provide (1) for notification of all borrowers who are obligated to repay loans of the types described in subsection (b) of the provisions of this section and all other servicing alternatives offered by the Secretary, (2) clear procedures by which borrowers may petition the Secretary for relief under such provisions and alternatives and (3) for appeal within the Department of Agriculture for a decision that denies relief under such provisions and alternatives.

"(e) Any farm loan deferred, consolidated, rescheduled, or reamortized under any authority of the Secretary under this title other than under subsections (b) and (c) of this section shall, notwithstanding any other provision of this title, bear interest on the balance of the original loan, and for the term of the original loan at a rate that is the lower of (1) the rate charged on the original loan, or (2) the rate being charged under the applicable subtitle of this title at the time of the deferral, consolidation, rescheduling, or reamortization.

"(f) The county committee shall make the initial appeal determination as to whether the borrower has met the criteria for relief specified in subsections (a) and (b) of this section.".

(b) The provisions of section 331A(f) of the Consolidated Farm and Rural Development Act, as added by this section, shall become effective on January 1, 1984.

(c) Notwithstanding any other provision of law, the Secretary shall issue regulations implementing the amendments made by this section not later than sixty days after the effective date of this Act.

AMENDMENT OFFERED BY MR. COLEMAN OF MISSOURI

Mr. COLEMAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Missouri: Page 14, line 20, insert the following new sentence after "deferral."

Interest shall accrue during the deferral period and shall become part of the total of principal and interest to be repaid.

Mr. COLEMAN of Missouri. Mr. Chairman, there was brought up in general debate a question of whether or not a person who receives a deferral would have to pay interest during the period of time that his loan was being deferred. In order to clarify that indeed he does have to pay that interest, I offer this amendment.

If there are any questions. I will try to respond to them.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I want to congratulate the gentleman on the amendment. I think it is an important addition to the bill and it does respond to the concerns that have been expressed to me by many Members of the House. I want to congratulate the gentleman for offering the amendment and assure him of my support.

Mr. COLEMAN of Missouri. I thank the gentleman.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, we see no objection to accepting on this side the amendment offered by the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN of Missouri. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. COLEMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Page 14, line 7, immediately after "establishes," insert "to the satisfaction of the Secretary."

Page 14, insert the following at the end of line 24: "During any period of deferral under this paragraph, the borrower shall meet periodically with the Secretary, at the request of the Secretary, for the purpose of reviewing the borrower's farm and financial situation. If the Secretary determines that the borrower has become able to resume making loan payments in accordance with the original terms of the loan or on the basis of new terms made available by the Secretary under paragraph (2), the period of deferral shall then be terminated by the Secretary.".

Page 15, after line 3, insert the following:

"(5) The determinations of the Secretary under paragraphs (2) and (3) shall be final unless found by a court of competent jurisdiction, on the basis of the administrative record, to have been arbitrary, capricious, or otherwise not in accordance with law or regulations issued in accordance with law.".

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

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

There was no objection.

Mr. MADIGAN. Mr. Chairman, there are actually three parts to this amendment, part of it occurring on page 14 at line 7, part at line 24 on page 14, and part on page 15 after line 3. The purpose of this three-part amendment is to deal with the deferral section of the bill which has been the most controversial section of the bill from the onset.

Effectively, what the amendment does, the three-part amendment, is to establish that the request for the deferral must be justified to the satisfaction of the Secretary of the Department of Agriculture, that the person receiving the deferral must meet periodically with the Secretary, and at the request of the Secretary review his farm or financial situation. Then, if the Secretary determines that the borrower has become able to resume making his or her loan payments in accordance with the original terms of the loan, the Secretary may require that the repayment begin.

Finally, the third part of the amendment simply states that the decisions of the Secretary shall be final unless found by a court of competent jurisdiction, on the basis of the administrative record, to have been arbitrary, capricious or otherwise not in accordance with law or regulations issued in accordance with the law.

I think that this three-part amendment addresses the concerns that many Members of the House have had with regard to the deferral provisions in the bill and makes it possible for people to support the bill who would have liked to support the bill from the very beginning.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I appreciate the gentleman's yielding, and I would say to the gentleman that this provision generally parallels the present law under the graduation system under which the Secretary continues working with a borrower and if he finds sufficient cause, he graduates him to a private lender. A similar approach would apply under the deferral. If the borrower is determined, during the deferral period, to be able to repay, he would have to repay under either a rescheduling or under the original loan terms.

So I see no objection, as it in part generally reflects the present law on other Farmers' Home loans. I would support and accept the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. I thank the gentleman for his support.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to my colleague and neighbor, the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would like to ask the gentleman, in reference to his amendment—and I have no objection to the second part; I think it is a very valuable addition to the bill—by inserting the language "to the satisfaction of the Secretary," do we not make this whole deferral process in the discretion of the Secretary?

Mr. MADIGAN. No, I do not believe so; but I do believe that we give the Secretary a greater degree of authority than I thought was the case in the language of the bill as it was reported by the committee.

I might say that the supporters of the bill did not feel that the extent to which the Secretary's authority was diminished was as great as I thought that it was.

The inserting of this language, "to the satisfaction of the Secretary," makes the language of the bill consistent, in my judgment, with what the supporters of the bill have said from the very beginning was their intent. And I am merely inserting this language with their agreement, to assure that the bill is in the form that they intended it to be.

Mr. DURBIN. It was my understanding, in the course of the testimony in the committee, that we were seeking to establish objective standards where a borrower could go before the Farmers Home Administration and seek a loan deferral and, under those circumstances, once the borrower had met his burden of proof, the Secretary would then be compelled to defer the loan under those circumstances.

I take it, from the addition of the language, by this amendment, that we have now added on top of the process the fact that it has to be to the satisfaction of the Secretary, notwithstanding whatever burden the borrower thinks he has met.

Mr. MADIGAN. Mr. Chairman, I would say to the gentleman that I think it makes clear where the burden of proof is or where the burden lies. In my judgment, there was not sufficient burden upon the borrower to show to the satisfaction of the Secretary that the deferral was justified.

I think by inserting this language, the borrower comes forward requesting the deferral with the clear understanding that the case that he or she might make in requesting the deferral is going to have to be strong enough to satisfy the Secretary that it is warranted.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MADIGAN) has expired.

(By unanimous consent, Mr. MADIGAN was allowed to proceed for 2 additional minutes.)

Mr. MADIGAN. The third part of the paragraph insures that the Secretary's decision in denying the deferral, should he do that, cannot be arbitrary or capricious.

Mr. DURBIN. If the gentleman will continue to yield for a short period, it is my understanding, though, that if the borrower should question whether or not the Secretary has imposed a greater standard than the law specifies, the borrower must prove in court, by the administrative record, that the Secretary's decision is arbitrary and capricious, which is a rather high standard under the law; is that not correct?

Mr. MADIGAN. Or otherwise not in accordance with law or regulations issued in accordance with the law. I would say to the gentleman that, practically, what the borrower must do is to show that to the satisfaction of the county committee, which is made up of his or her colleagues in the farming business in the county in which the borrower resides.

Mr. DURBIN. I thank the gentleman.

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Mr. OLIN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I would be happy to yield to my colleague from Virginia.

Mr. OLIN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from Illinois if he recalls the discussion at some length on this subject both in the subcommittee and in the full committee and in meetings over a long weekend. My recollection is that it was our intention in selecting the wording that was selected, which basically puts the burden of proof on the borrower and requires the borrower in each case to establish by substantial evidence his position, or the condition of his farm, that we had selected the most desirable language with regard to the position of the Secretary, and the most desirable language to accomplish what we were trying to accomplish, which was, of course, to keep the borrower paying if it is at all possible, and allow the Secretary only to defer when the borrower filed his proof.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MADIGAN) has expired.

(On request of Mr. COLEMAN of Missouri and by unanimous consent, Mr. MADIGAN was allowed to proceed for 3 additional minutes.)

Mr. OLIN. Could the gentleman from Illinois respond to that?

Mr. MADIGAN. If the gentleman is asking me if I thought that the combination of the Olin amendment and the language that had been inserted by the gentleman from Missouri (Mr. COLEMAN) was adequate, my response would be no.

The gentleman may recall that I supported his amendment and stated that I thought his amendment improved the bill considerably from my perspective. But I did not think that it went far enough.

I would also remind the gentleman that there was quite a bit of confusion within the committee as to exactly what his amendment did.

Mr. OLIN. If the gentleman will yield further, I believe that confusion disappeared on the second day of our discussion on the subject.

Mr. MADIGAN. The gentleman may recall that the gentleman from Illinois was not there for the second day.

Mr. OLIN. That is correct.

Mr. Chairman, I would make the point to the gentleman that I think the language in the bill is fully sufficient to reach the objectives that he seeks to reach, and I would question whether it would be advisable to change the wording.

Section 10 of this bill has been the subject of a great deal of misunderstanding. As a member of the Agriculture Committee who successfully of-

fered an amendment to this part of the bill, I thought it might be helpful if I took a few minutes to describe what this provision calls for, how much it really costs, and how we got to this point.

When this bill was brought before the full Agriculture Committee this section basically said that if a Farmers Home Administration borrower met certain tests, the Secretary would have to grant him a 1-year deferral on his loan payments.

I did not think that it made any sense for us to be telling these borrowers that they did not have to try to pay off their loans if they met the conditions in the bill. Maybe a borrower could not make full payments on his loan, but he could pay 75 percent of the loan payment or some other partial payment. The way I look at it, if a person takes on a debt, he should be required to pay off that debt to the maximum extent that he can. The bill brought to the full committee did not hold with the philosophy so I amended it.

What did my amendment say? Basically it says that if a borrower meets the conditions in the bill, the Secretary will work with him to renegotiate his loan so that he will be able to continue making payments on his loans.

Under my amendment, only if a person can demonstrate that he can not make his payments even with a renegotiated loan, but there is a reasonable probability that he will be able to in a year, does the borrower get a deferral.

My amendment was adopted by the Agriculture Committee and this is the language before us today. I cannot stress strongly enough how much my amendment changed the very nature of this section of the bill. This is not a deferral provision, it is a repayment provision. My amendment saves the Government at least $1.45 billion compared to the bill before my amendment. That is the estimate of the Congressional Budget Office. With my amendment, this section results in saving of $850 million from what is allowed under the House-passed budget resolution. That is $850 million we can take off the deficit.

The administration has been passing around some highly misleading information on the cost of this section of the bill. They have been saying that it will cost at least $2.6 billion. Let me tell you what they are talking about. If all eligible loans were deferred for 1 year, the lost loan repayment revenues would be about $2.6 billion. CBO, however, understands that this does not happen under the bill before us today. In its estimates, CBO recognizes that whether we have this bill or not, FmHA is going to defer some loan repayments. CBO estimates this will reduce the potential cost to $2.3 billion if everyone who was not going to otherwise get a deferral was now granted one. However, CBO also recognized that everyone was not going to be granted a deferral since this provision does not call for that. Instead, CBO estimates that the remaining eligible FmHA borrowers would have their loans renegotiated. This would drop the combined costs of this section in fiscal years 1983 and 1984 to $850 million. According to CBO the remainder of the borrowers would not meet the eligibility tests contained in this section and no action would be taken to change their repayment schedules.

So we are not talking about a cost of $2.6 billion, instead we are looking at a potential cost of $850 million while the budget resolution allows $1.7 billion.

I might also add that I think it is not entirely accurate to estimate the cost of this section at $850 million. That figure assumes that FmHA would not be renegotiating loans absent this section. The past history of the Farmers Home Administration shows that that is not a valid assumption. FmHA is renegotiating loans and some of those would get new loan terms under this section would have gotten them anyway. Therefore, the true cost of this section is probably much lower than even the $850 million estimate.

Who is eligible for the assistance provided in this part of the bill? The bill sets up a number of tests which are reasonable and which makes this assistance available only to "good risk" borrowers. First, to be eligible the borrower must demonstrate that he follows good management practices. Second, he must demonstrate that he has suffered farm production losses through no fault of his own from natural or economic forces beyond his control. Third, he must present a comprehensive statement of his farm and financial situation which demonstrates that he is unable to repay his loan under its current conditions. If he is granted a deferral under this section, he must also demonstrate that there is a reasonable probability that he will be able to make his payments at the end of the deferral period. We are not giving this assistance to farmers who would are bad managers or who will not be able to make future payments no matter what we do for him. Under this bill, the Secretary does not have to do anything for a borrower who does not meet all of these tests. The Secretary can go ahead and foreclose on any borrower who is not eligible for the assistance under this part of this bill.

This is not a blanket mandatory deferral provision. It is a selective "good managers" loan repayment provision. If my amendment had not been adopted by the Agriculture Committee, I would be leading the attack on this bill. However, the bill with my amendment is a very different animal from that being described by the administration. If you think that a person should not be required to pay off his debts to the maximum extent that he can, then maybe you should vote against this measure. However, if you want to make sure that the Farmers Home Administration works with its borrowers to get maximum loan repayment, then I would suggest that you support this section of the bill.

I urge my colleague to read this section of the bill. If you do not and rely instead on what the administration is pushing you may be making a big mistake.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I would be happy to yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman for pursuing a compromise position on the very section that we are on here, on section 10. It is the cornerstone of this piece of legislation, and I want to point out to those or us who support the deferral section that I do not believe that we have overly compromised any more than the gentleman from Illinois has overly compromised. It is a good compromise.

The Secretary still, and now within his own satisfaction, must make, shall make—and the shall approve—is still in the language, the deferral, if the objective criteria are established by substantial evidence by the farmer. So from that standpoint we have kept the deferral section there, but the desire of the gentleman from Illinois to go forward and in a spirit of compromise offering this amendment, I think, is very, very healthy and very good.

We do, however, understand that sometimes we need protections, and that is why he has provided the third part of his amendment, which again limits the Secretary's actions to only those that are not arbitrary or capricious. This is important language which we have put in several of these amendments to insure that farmers are going to get a fair shake, and we are not talking about the Secretary of Agriculture. What we are really talking about is the local county superviser who represents the Secretary in the administration of these various proposals.

So I support the amendment, congratulate the gentleman for the spirit of compromise in structuring this amendment, and hope it will be approved.

Mr. MADIGAN. I thank the gentleman for his contribution.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 10?

Mr. BETHUNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee: I take this time to speak about a general problem and the framework in which we find ourselves as we consider this particular bill. I had a number of specific amendments to the bill and I can sense that there is a spirit of compromise here and a certain degree of euphoria at the prospect of getting this bill on out of the House and go into conference.

But I want to call to the attention of the gentleman from Illinois and the chairman of the committee a concern that I have that I think is well founded. If you would indulge me and let me proceed for about 3 minutes here, then I would like to propound some questions to each of you on the general proposition of Federal credit assistance programs.

As both gentlemen know, for 3 years now I have sought to try to develop some process for dealing with Federal credit assistance programs. We have nothing in our budget system now that makes for an enforceable, sensible way to make relative judgments about whether we ought to increase credit assistance for agriculture, decrease it for housing, increase it for Federal shipbuilding, or whatever the case may be.

We have an advisory credit budget in our budget process, but there are no teeth in that. Consequently, one of the most dramatic statistics that can be found in this city today is that Federal lending programs are growing faster than Federal spending programs.

I always say this twice: Federal lending programs are growing faster than Federal spending programs. What has happened is that we have generated a good deal of public support for the idea of holding down Federal spending, and as we have held down Federal spending, or tried to, and as we have begun to close the spending window, the lending window is coming up, and you can see it here on the floor of the House in the last couple of weeks.

We have a bill in here to pay the house payments for those who have fallen out of work, which is credit assistance. We have a bill out in the Banking Committee right now which would provide credit assistance to those hard-pressed defense subcontractors who cannot seem to get along on the $2 or $3 trillion that we are going to be spending on defense. Here we have more credit assistance for the farm industry.

The point I want to make is that we are dealing with all of these problems on an ad hoc basis. This bill was considered in a vacuum by the Committee on Agriculture, and you have brought it here to the floor. The housing bill was considered in a vacuum by the Banking Committee, and it is being brought to the floor.

The problem is that when we start adding all of these bills up, we realize that Federal credit assistance programs are growing faster than Federal spending programs. We have got to make sense out of that. We have got to understand what we are doing in this areas, because as we increase the amount of Federal credit assistance programs we in essence are allocating the credit that is available in the marketplace. And as we make those allocations, and even go so far in many instances as to price the credit, we are confounding the effort that the Federal Reserve makes to establish a base of credit for the country through their monetary policy.

This is a very serious problem. There are ideas floating around here to create a National Industrial Development Bank. There are ideas to reinvent the Reconstruction Finance Corporation. There may be merit in these ideas. There may be merit in the idea that you have before us here today. But we are making a real mistake when we treat these problems on an ad hoc basis and then simply total them up when we get through, only to discover that we have created a new monster in this city, and that is Federal lending programs.

I am not going to disrupt the proceedings here today, because what I speak of is a larger problem. We are not going to correct it by simply making some minor change to your bill today or by me putting everyone through the rigor and ordeal of coming to the floor and voting on a series of amendments.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. BETHUNE) has expired.

(By unanimous consent, Mr. BETHUNE was allowed to proceed for 2 additional minutes.)

□ 1600

Mr. BETHUNE. Mr. Chairman, I urge the distinguished leaders of this particular committee to consider the point that I have made here today and to reach out to the other committees, the Housing, Banking, and Defense Committees and others that are passing out credit assistance pellmell, and agree that we need to make sense out of all this because we are very quickly coming to the time when we are going to regret what we are doing here today.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. BETHUNE. I yield to the chairman of the committee.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to state to the gentleman that I share his concern. This committee, as a committee, shares his concern, and I would like to inform the gentleman that I think we have been responsible, quite responsible, in this area. As a matter of fact, I would state to the gentleman that this committee has in the budget items probably reduced more than any other committee as far as budget expenditures and outlays are concerned.

I would also like to tell the gentleman that this legislation on which we work today is within or below the budget as approved by the House. Further, in the areas where we deal in loans and lending guarantees, some of the items are lower and some are higher than in past legislation. In the end they come out about even.

We are not just throwing money at the problem, as we have stated for so long.

I would assure the gentleman that our committee will continue with diligence to look at the concerns of the gentleman, and any time we come to the floor of this House we will consider the same concerns that the gentleman has, that we do not create a monster and that we do not just go and throw money at what seems to be a problem.

Again, Mr. Chairman, I say that I share the gentleman's concern, but I think that within the limitations in the appropriations process, within the limitations that we have from OMB, within the limitations that have been very explicitly shown on this legislation, with the reservations of the administration, and within our groups, there is practically no area where we could just go wild. Of that I assure the gentleman.

Mr. Chairman, again I thank the gentleman for his concern, and I assure him of our cooperation and willingness to work with him and with others of like mind.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

I want to assure the gentleman also that I am concerned about the phenomenon to which he refers. In fact, maybe 4 or 5 years ago there was a point where it appeared that the off-budget activity of the Department of Agriculture within a fiscal year was going to exceed its on-budget activity, and that ought to be the point at which we all become concerned about what is going on.

But with regard to the Farmers Home Administration program, which is what we are talking about here today, there are approximately 277,000 agricultural borrowers. Some 40,000 of those have already been given some kind of deferral or rescheduling or some sort of activity like that

by the Secretary to help them over the difficult period in which they find themselves. The Congress feels impelled to speak to the issue of how that is being doing because some Members of Congress feel that it is not being done evenly in every county and in every State and some people are getting stretchout assistance and some are not.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. BETHUNE) has again expired.

(On request of Mr. MADIGAN, and by unanimous consent, Mr. BETHUNE was allowed to proceed for 3 additional minutes.)

Mr. MADIGAN. Mr. Chairman, if the gentleman will yield further to me, what we are doing here is not empowering the Secretary to do anything that he does not have the ability to do and that in 40,000 cases he has not already done. What we are doing here is speaking to the manner in which it is done by local offices, and my input has been to try to keep as much discretionary power in the hands of the Secretary as possible and still allow our colleagues who are upset about injustices that they believe to exist in one part of the country or the other to have some opportunity to speak to those injustices in a legislative manner.

But in no way are we expanding upon the possibility of more farm credit being extended to more people or extended upon more favorable terms, because there are already 277,000 borrowers out there, and 40,000 are already getting some special assistance under existing law.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GREGG. Mr. Chairman, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from New Hampshire.

Mr. GREGG. Mr. Chairman, I would just like to ask the gentleman a question.

I believe the gentleman has addressed what I believe to be one of the most critical issues facing us during this period when we are trying to not only nurture but expand the recovery that this country is beginning to feel after 2 years of severe recession, and that is the allocation of credit in the marketplace.

It seems to me that in a marketplace atmosphere we have historically seen that the housing industry leads us out of most recessionary periods, and the expansion of the housing activity is the key to leading us out of recessionary periods. But yet, as the Federal Government begins to reallocate finances throughout the country, do we not in a sense show the effect of the housing industry to be competitive in expanding and generating the type of capital it needs in order to bring us to recovery?

Mr. BETHUNE. Mr. Chairman, the housing industry right now receives about 55 percent of the various credit assistance programs that the Government has invented over the last 30 to 40 years. It is 54 percent to be exact. So they are getting a substantial subsidy, a substantial incentive, and substantial encouragement that other sectors are not getting.

The real trouble with this is that it is a political decision that we have made that they should get that sort of allocation. When we allocate that much to them, then it takes that much out of the credit market that other applicants might compete for.

I am not sure right now and I do not think this Congress is sure whether we have done the right thing in all of the allocations that we made, and that is my central point. I cannot answer the gentleman's question because Congress has never stepped back from the lending problem and asked itself whether or not we have made wise choices as we have allocated money to housing, as we have allocated it to agriculture, as we have allocated it to shipbuilding financing, as we have allocated it to Chrysler, as we have allocated it to New York City, as we have allocated it to synfuels, and on and on.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. BETHUNE) has again expired.

(By unanimous consent, Mr. BETHUNE was allowed to proceed for 2 additional minutes.)

Mr. BETHUNE. So, Mr. Chairman, I can only state the general thesis in this way: That I am convinced that we here very frequently do not make really good economic decisions. We make good political decisions, and in the long run we may be doing something that would be disruptive of the economy or the natural forces that are working. I wish that we had some system whereby we could understand better what we are doing and make relative judgments in a larger sense rather than make them on an ad hoc basis.

Mr. Chairman, I have tried to answer the gentleman's question.

Mr. GREGG. Mr. Chairman, if the gentleman will yield further, to follow up on his point, are we not essentially moving in a arbitrary manner at a time when what we need to do is move in a more coherent manner?

Specifically, when we are coming out of a recessionary period, should we not be allowing the marketplace to settle where the funds are going to go to revitalize the economy rather than having the Government, in what is essentially an arbitrary and spotty manner, make decisions in that area?

Mr. BETHUNE. Mr. Chairman, I would say this: I would rather trust the forces that work in the marketplace and the choices that are made there than trust the mess that we have created here, which is an "adhocracy." We need to do something if we are going to be in the business of allocating credit so that we can understand the big picture.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as chairman of the subcommittee that has the oversight of the House over the Farmers Home Administration, I want to say to the gentleman that we have constantly had oversight hearings. We have watched the situation very closely, as the chairman of the full committee said. The fact is that we are not overbudgeted. We try to do our best to stay within our means and we have tried to be very responsible as far as the Department of Agriculture is concerned in lending to the farm people out there who need help that amount that they do need to keep going and not overdo the job.

Now, we are not responsible, of course, for some of the bad years that they have had or that we have just experienced in the last several years. If they had not had those bad years, I think we would see the Farmers Home Administration in a much better situation than it is in today.

Mr. Chairman, I thank the gentleman for bringing these matters to our attention.

Mr. BETHUNE. Mr. Chairman, I thank the gentleman from Tennessee (Mr. JONES) for his contribution.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. BETHUNE) has expired.

□ 1610

The CHAIRMAN. Are there further amendments to section 10?

If not, the Clerk will designate section 11.

The text of section 11 reads as follows:

COUNTY COMMITTEES

SEC. 11. Section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982) is amended by—

(1) amending subsection (a) to read as follows:

"(a)(1) In each county or area in which activities are carried out under this title, there shall be a county committee composed of either five members or three members, as determined by the Secretary after taking into consideration the volume of loans outstanding under this title in the county or area, the number of persons who are borrowers having such loans in the county or area, and such other factors as the Secretary may deem appropriate.

"(2)(A) If the county committee is composed of five members—

"(i) three of the members shall be elected, from among their number, by farmers who reside within the county or area and who

either are borrowers having farm-type loans made under this title or the Emergency Agricultural Credit Adjustment Act of 1978 or are eligible to vote in elections of local committees as provided in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)). At the first election of county committee members under this subsection, one member shall be elected for a term of one year, one member shall be elected for a term of two years, and one member shall be elected for a term of three years. Thereafter, on an annual basis, one member of the county committee shall be elected for a term of three years.

"(ii) Two of the members of the county committee shall be appointed by the Secretary. Of the members first appointed under this subsection, one member shall be appointed for a term of one year and one member shall be appointed for a term of two years. Thereafter, appointed members of the county committee shall be appointed for terms of three years. One of such members shall be elected from among individuals who are familiar with both agricultural and financial conditions in the county or area and who reside in the county or area, except that if none of the elected members of the county committee is a present or former borrower on loans made under this title or the Emergency Agricultural Credit Adjustment Act of 1975, such appointed member shall be appointed from among such borrowers, and one of such members shall be selected from individuals who represent Federal land bank associations and production credit associations organized under the Farm Credit Act of 1971 (12 U.S.C. 2001 note) or private lending institutions serving the county or area and, insofar as practicable, who reside in such county or area.

"(B) If the county committee is composed of three members—

"(i) Two members shall be elected, from among their number, by farmers who reside within the county or area and who either are borrowers having farm-type loans made under this title or the Emergency Agricultural Credit Adjustment Act of 1978 or are eligible to vote in elections of local committees as provided in section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)). At the first election of county committee members under this subsection, one member shall be elected for a term of one year and one member shall be elected for a term of two years. Thereafter, elected members of the county committee shall be elected for a term of three years.

"(ii) One member of the county committee shall be appointed by the Secretary for a term of three years. Such member shall be selected from among individuals who represent Federal land bank associations and production credit associations organized under the Farm Credit Act of 1971 (12 U.S.C. 2001 note), private lending institutions serving the county or area, or present or former borrowers on loans made under this title or the Emergency Agricultural Credit Adjustment Act of 1978 and, insofar as practicable, who reside in such county or area.

"(3) Elections held under this subsection shall be held in conjunction with regularly scheduled elections for local committees under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)). No elected member of the county committee may serve for more than three consecutive terms exclusive of the term to which such member is elected at the first election of county committee members under this subsection. The Secretary may appoint an alternate for each member of the county committee. Appointed and alternate members of the county committee shall be removable by the Secretary for cause. The Secretary shall issue such regulations as are necessary relating to the election and appointment of members and alternate members of the county committees.".

(2) in subsection (b), after "Secretary" inserting ", except that the Secretary shall set the rates of compensation at a level which fairly represents the value of the service rendered and the time devoted to the business of the county committee by its members"; and

(3) in subsection (c), striking out the second sentence and inserting in lieu thereof "If the committee is composed of five members, three members shall constitute a quorum; if the committee is composed of three members, two members shall constitute a quorum.".

The CHAIRMAN. Are there amendments to section 11?

If not, the Clerk will designate section 12.

The text of section 12 reads as follows:

PROCEEDS FROM MINERALS

SEC. 12. Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by—

(1) in subsection (d), striking out "and" at the end thereof;

(2) in subsection (e), striking out the period at the end thereof, and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following new subsection:

"(f) that a borrower having an outstanding loan made, insured or held by the Secretary for farm ownership purposes under subtitle A, farm operating purposes under subtitle B, disaster emergency purposes under subtitle C, or economic emergency purposes under the Emergency Agricultural Credit Adjustment Act of 1978, be permitted to use the proceeds from the sale or lease of oil, gas, or other minerals and the proceeds from royalties generated from leases of oil or gas located under the property securing the loan to make prospective scheduled payments on the loan. Unless the appraised value of the rights to oil, gas, or other minerals is specifically included as part of the appraised value of property securing a farm ownership loan, the rights to oil, gas or other minerals located under the property shall not be considered part of the collateral securing the loan.".

Mr. DE LA GARZA. Mr. Chairman, I ask unanimous consent that the remainder of the bill be printed in the RECORD and open to amendment at any point.

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

There was no objection.

The text of the remainder of the bill, H.R. 1190, reads as follows:

NOTICE TO BORROWERS OF AVAILABILITY OF PROTECTIVE ADVANCES; DISPOSITION OF PROPERTY

SEC. 13. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended by—

(1) adding at the end of subsection (a) "The Secretary shall, in writing, inform all borrowers who receive notice of foreclosure or are denied additional credit under this title or under any other programs administered by the Farmers Home Administration of the circumstances under which the Secretary may make advances under this subsection."; and

(2) amending subsection (c) to read as follows:

"(c) The Secretary shall determine whether real property administered under this title or the Emergency Agricultural Credit Adjustment Act of 1978 is suitable for disposition to persons eligible for assistance under the provisions of any law administered by the Farmers Home Administration. Real property shall be determined to be suitable for disposition to such eligible persons if it has been used, or is currently being used, for the production of food, fiber or other agricultural products, unless agriculture is not a permissible use of the property under currently applicable local land use ordinances and regulations. Any property which the Secretary determines to be suitable for such purposes shall be sold by the Secretary as expeditiously as possible to such eligible persons in a manner consistent with such provisions: *Provided*, That, if real property thus offered for sale has not been purchased by such eligible persons within two years after the date of acquisition, the Secretary shall offer such real property for sale to units of State and local government, and to private nonprofit organizations described in section 170(c)(2) of the Internal Revenue Code, if such units of government or private organizations agree to continue the agricultural use of the real property and to reconvey it to persons eligible for assistance under this chapter at the earliest practicable opportunity. Real property which is not determined suitable for sale to such eligible persons or which has not been purchased by such persons or a unit of State or local government or private nonprofit organization in accordance with the foregoing provision, within three years from the date of acquisition, shall be sold by the Secretary after public notice at public sale and, if no acceptable bid is received, then by negotiated sale, at the best price obtainable for cash or on secured credit without regard to the laws governing the disposition of excess or surplus property of the United States. The terms of such sale shall require an initial downpayment and the remainder of the sales price payable in installments with interest on unpaid balance at the rate determined by the Secretary, but not in any event at rates and terms more favorable than those legally permissible for eligible borrowers. Any conveyances under this section shall include all of the interest of the United States including mineral rights.".

DEFINITION OF OWNER-OPERATOR

SEC. 14. Section 343(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(3)) is amended by striking out "in the State of Hawaii".

REAUTHORIZATION

SEC. 15. Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended by adding at the end thereof the following new subsections:

"(e) Notwithstanding any other provision of law, there are hereby authorized to be insured, or made to be sold and insured, from the Agricultural Credit Insurance Fund during fiscal year 1983, insured operating loans in an aggregate amount of $1,600,000,000. Of that amount, not less than $200,000,000 shall be available for new borrowers. As used in the preceding sentence, the phrase 'new borrowers' means ag-

ricultural producers who did not receive any farm operating credit from the Farmers Home Administration during fiscal year 1982 or that part of fiscal year 1983 ending on the date of enactment of this subsection.

"(f)(1) Notwithstanding any other provision of law, not less than 20 per centum of the funds that may be used for insured loans for farm ownership purposes, and not less than 20 per centum of funds that may be used for insured loans for farm operating purposes during fiscal year 1983 shall be made available for loans to low-income, limited-resources applicants to the extent needed to meet applications filed by such farmers who are eligible for such loans.

"(2) The Secretary shall provide written notification to all farm borrowers and applicants for farm loans under this title, as soon as practicable after the date of enactment of the Emergency Agricultural Credit Act of 1983, of the provisions of this title relating to low-income, limited-resource farmers and the procedures by which persons may apply for loans under the low-income, limited-resource farmer program.

"(g) Notwithstanding the provisions of subsection (a) of this section—

"(1) loans for each of the fiscal years 1984, 1985, and 1986 are authorized to be insured, or made to be sold and insured, or guaranteed under the Agricultural Credit Insurance Fund as follows:

"(A) real estate loans, $1,000,000,000;

"(B) operating loans, $1,860,000,000; and

"(C) emergency loans in amounts necessary to meet the needs from natural disasters.

Not less than 20 per centum of the funds that may be used for insured loans for farm ownership purposes and not less than 20 per centum of the funds that may be used for insured loans for farm operating purposes shall be made available for loans to low-income, limited-resource applicants to the extent needed to meet applications filed by such farmers who are eligible for such loans. The Secretary shall inform in writing all applicants for loans for farm ownership and farm operating purposes of the availability of the loan program for low-income, limited-resource borrowers and the general nature of the program.

"(2) loans for each of the fiscal years 1984, 1985, and 1986 are authorized to be insured, or made to be sold and insured, or guaranteed under the Rural Development Insurance Fund as follows:

"(A) insured water and sewer facility loans, $500,000,000;

"(B) industrial development loans, $1,000,000,000; and

"(C) insured community facility loans, $300,000,000.".

RESIDENT ALIENS

SEC. 16. Section 348 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1996) is amended by inserting before the period at the end thereof: ": *Provided further*, That the Secretary shall, notwithstanding any other provision of law, publish such regulations in the Federal Register not later than sixty days after enactment of the Emergency Agricultural Credit Act of 1983".

ADMINISTRATION OF GUARANTEED FARM LOAN PROGRAMS

SEC. 17. (a) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 note) is amended by adding at the end thereof the following new section:

"SEC. 349. Notwithstanding any other provision of this title:

"(a) The Secretary shall establish, in each State office of the Farmers Home Administration organized by the Secretary under the authority of section 331(a) of this title, a Guaranteed Farm Loan Program Unit (referred to in this section as 'the Unit'). The Unit shall operate and administer within the area for which the State office is responsible the programs for guarantees of farm-type loans for farm ownership purposes under subtitle A, farm operating purposes under subtitle B, and disaster emergency purposes under subtitle C of this title, and economic emergency purposes under the Emergency Agricultural Credit Adjustment Act of 1978. Such programs may not be operated or administered by county or district offices of the Farmers Home Administration.

"(b) The Secretary shall ensure—

"(1) that each Unit has sufficient staff to carry out its responsibilities promptly, efficiently, and effectively;

"(2) within the limits of authorizations therefor, that each Unit has funds adequate to meet the demands in the area for which it is responsible for loan guarantee for each of the purposes enumerated in section (a) of this section; and

"(3) that the Unit informs all private agricultural lenders in the area for which it is responsible of the existence of such loan guarantees and how they may be utilized by lenders and borrowers.".

(b) The Secretary shall issue regulations to implement the provisions of subsection (a) of this section which shall include adjustments of the administrative structure of the Farmers Home Administration necessary to accommodate such provisions.

(c) The provisions of subsection (a) of this section shall become effective ninety days after enactment of this Act and shall apply to applications for guarantees filed and guarantee commitments made on and after such effective date.

ECONOMIC EMERGENCY LOAN PROGRAM

SEC. 18. The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

(1) In section 202, striking out "The Secretary of Agriculture may" and inserting in lieu thereof "The Secretary of Agriculture shall";

(2) In the first sentence of section 206, after "interest", inserting ", but that is not excessive for such purpose"; and

(3) In section 211—

(A) striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984"; and

(B) immediately after "$600,000,000," inserting ", except that, in fiscal year 1983, such $600,000,000 shall be in addition to the total amount of money borrowed under contracts of guarantee entered into under the authorization provided in the Act of December 18, 1982 (Public Law 97-370; 96 Stat. 1799)".

EFFECTIVE DATE

SEC. 19. Except as otherwise provided herein, the provisions of this Act shall become effective upon enactment.

The CHAIRMAN. Are there further amendments to the bill?

Mr. WATKINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I might, I think the other side has talked to the ranking Members and talked to the gentleman from Tennessee (Mr. JONES). The gentleman from Arkansas, Mr. JOHN PAUL HAMMERSCHMIDT, had an amendment a while ago to section 3.

If it would be in order, I ask unanimous consent to open up section 3 only for the purpose of allowing the amendment on the community services section, which is an amendment exactly like the one offered by the gentleman from Iowa, Mr. NEAL SMITH, that allowed the acceptance on water and sewer at the lowest possible interest rates. This one would do the same thing on the community services.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, in the spirit of cooperation, we would have no objection to the gentleman making the appropriate unanimous-consent request and then allowing the House to work its will.

Mr. WATKINS. Mr. Chairman, I ask unanimous consent to reopen section 3 only for the purpose of adopting an amendment which I will offer.

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

There was no objection.

AMENDMENT OFFERED BY MR. WATKINS

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WATKINS:

Page 8, immediately after line 8, insert the following:

"(3) adding at the end thereof the following: 'The interest rate on loans for essential community facilities shall be the lower of (i) the rate in effect at the time of the loan approval, or (ii) the rate in effect at the time of the loan closing.'."

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

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

There was no objection.

Mr. WATKINS. Mr. Chairman, I think both sides of the aisle are very familiar with this particular amendment in which the gentleman from Arkansas (Mr. HAMMERSCHMIDT) and myself are interested in. It does the same thing as the gentleman from Iowa did on the water and sewer section, that would allow them to accept the lowest rates possible on the community service loans.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to commend the gentleman for offering this amendment and for his continuous work for the rural areas of this country.

Mr. WATKINS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I rise in support of the Emergency Agricultural Credit Act. It is imperative that the Farmers Home Administration be directed to respond positively to the needs of farmers who have been devastated by economic circumstances beyond their control. It is also necessary that the Farmers Home Administration be provided sufficient funding authority to respond to the needs of these farmers. This bill accomplishes both these objectives.

Additional farmers will be seeking loans from the Farmers Home Administration for this growing season. This measure provides authority to meet that demand through operating loans and emergency loans.

Some current Farmers Home borrowers who have been good managers are experiencing difficulty repaying loans. This measure directs the Farmers Home Administration to offer rescheduling, or in some cases deferrals, to keep these good managers in business and to provide them a better opportunity to get back on track in paying off their loans.

Mr. Chairman, I want to encourage the U.S. Department of Agriculture and Farmers Home Administration officials to administer this law with concern and sensitivity. The agricultural community needs help. Farmers need help. The Emergency Agricultural Credit Act of 1983, which I have coauthored, will help farmers through this growing season.

I urge a favorable vote.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for his contribution. I appreciate very much the effort which the gentleman dedicates to our committee and the workings of our committee and commend the gentleman for the diligent work that he is doing in behalf of agriculture and rural America.

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN:

On page 29 strike the quoted material on lines 18 through line 23 and insert in lieu thereof, the following: ", except that, in fiscal year 1983, the total amount authorized shall be $300,000,000, of which not less than $150,000,000 shall be for insured loans, and except that, in fiscal year 1984, not less than $300,000,000 shall be for insured loans."

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

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

There was no objection.

Mr. MADIGAN. Mr. Chairman, this is the third part of the agreement reached between the principals working toward a resolution of the conflicts about this bill and it merely reduces the figure for fiscal year 1983 from $1.2 billion to $300 million and then further states that $150 million of that shall be for insured loans and the other $150 million for guaranteed loans.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. Yes; I am happy to yield.

Mr. DE LA GARZA. Again, Mr. Chairman, as I stated on the two previous amendments offered by the distinguished gentleman from Illinois, in the spirit of compromise we are prepared to accept this amendment.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for his contribution and for his cooperation and, most importantly, for his friendship.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

The amendment was agreed to.

● Mr. DASCHLE. Mr. Chairman, yesterday the Department of Agriculture issued a statement of its objections to H.R. 1190, the Emergency Agricultural Credit Act of 1983. The inaccuracies contained in this statement must be addressed.

First, the administration continues to characterize the deferral provision of H.R. 1190 as a moratorium. Categorically, the deferral provision is not a moratorium. The deferral provision provides directed assistance to only those borrowers who are in need of assistance. Additionally, need is not the only qualifying criteria. To be eligible, the borrower must meet the following requirements: Prove he has followed good management practices, prove he has suffered losses relating to his farming operation due to natural and economic conditions which are beyond his control, prove he is unable to repay the loan in question in accordance with the terms and conditions of the loan, and submit a comprehensive statement of his financial condition. To suggest, as the administration has done, not once, but repeatedly, that any Farmers Home Administration borrower can and will simply decide to demand and receive a deferral on the payment of interest and principal on his loan, is to be less than remotely familiar with the deferral provisions contained in this measure. Additionally, as the Department of Agriculture should understand, other loan servicing alternatives must be considered before a deferral can be granted. If a deferral is granted, the repayment obligation of the borrower is not forgiven or erased, the loan repayments are merely delayed temporarily. The obligation to repay the loan is not eliminated.

The administration has also characterized the Emergency Agricultural Credit Act of 1983 as unneeded legislation. The Committee on Agriculture approved and reported this legislation to the House by a vote of 35 to 3 based on the need for this legislation. The fact that the percentage of Farmers Home Administration farm loan program borrowers who are delinquent has increased from 26 percent in 1979 to 52 percent this year underscores the need for the passage of the Emergency Agricultural Credit Act of 1983 and the degree of financial stress in our Nation's agricultural economy to which this legislation responds. The provision of credit alone will not restore profitability to our agricultural economy, but credit must be made available to our Nation's food and fiber producers if they are to continue to satisfy the needs of the American people and consumers throughout the world.●

● Mr. GILMAN. Mr. Chairman, I rise in support of this proposed emergency agricultural credit legislation, and wish to associate myself with the sentiments so articulately stated by the sponsors of this legislation.

Mr. Chairman, what we have heard during this floor debate is accurate: The agricultural community in our Nation, the breadbasket of the United States, has again become the forgotten segment of our society, even though one of the most important.

In 1896, William Jennings Bryan stated that, if our cities were leveled but our farms left intact, "the cities would spring up again as if by magic," but destroy the farms and leave the cities untouched, "and grass will grow in the streets of a thousand cities and towns."

Our farms are slowly but surely being destroyed—being destroyed by governmental apathy, and by the speculation of an unfair economic system.

I am a distressed witness to this destruction, for my own 22d Congressional District is the home of the Orange County "black-dirt" area—where 45 percent of all onions consumed east of the Mississippi are grown, where a large percentage of our celery, our lettuce, our carrots, and other truck vegetables are grown.

During my 10 years in Congress, I have seen too many of our vegetable growers driven into bankruptcy. I have seen some of our choicest farmland sold at public auction because the growers could not keep up with the debts arising from natural disasters and from depressed markets. I have

seen floodwaters time and time again sweep newly planted vegetable seedlings downstream, and have seen growers cry because they were at their debt limit and did not have the capital to replant.

Two weeks ago, our black-dirt farmlands flooded again. The Wallkill River overflows its banks regularly, but from time to time—in 1955, in 1972, and in 1983—the flooding was especially severe, coming at a time when newly planted crops and fertilizer were destroyed.

The flooding of April 1983 resulted in immediate physical damages of over $3 million. The 1983 onion crop is now somewhere in the Atlantic Ocean. We will not know until after the flood waters recede—and they have not yet begun to recede—what the total production losses for 1983 will be. It is possible that the growers may not be able to produce any crops or income this year.

From the hour that the floodwaters hit, I was on hand with the growers, listening to their tales of despair. The FmHA was on hand immediately, and was prompt with its disaster declaration. But the aid which will be forthcoming to repair physical damage may prove to be too little and too late if the growers do not receive sufficient relief from their burdensome outstanding debts.

The legislation before the House provides significant assistance to our distressed farmers by extending the maximum repayment period for consolidated or rescheduled farm operation loans from 7 to 15 years. Our growers need and will welcome such realistic relief. It adjusts the interest rate to the rate of their earlier loan, or the current rate, whichever is lower. It establishes a 5-percent interest rate for low-income areas, but provides a maximum of no more than 7 percent if a growers median family income is not above the statewide nonurban income.

Perhaps the most welcome provision of the proposed legislation, however, is the two-step loan deferral process, which will require USDA to forgo foreclosure on and consolidate, reschedule, or reamortize any loans to reflect the borrower's financial situation.

For the growers in New York's 22d Congressional District, and throughout the Nation, who have lived through the horror of seeing their friends and neighbors forced into foreclosure proceedings, this bill is a welcome ray of hope at the end of the tunnel. After years of wondering, will I be next?, our growers now will know that they have a friend in the Federal Government.

This bill is a bill of rights for our agricultural interests, who have for too long been the forgotten stepchildren of our society.

Mr. Chairman, on behalf of the vegetable growers of New York, and on behalf of the agricultural interest of our Nation, I support this legislation and urge my colleagues to do likewise.●

The CHAIRMAN. Are there further amendments to the bill? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. FLIPPO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1190) to provide emergency credit assistance to farmers, and for other purposes, pursuant to House Resolution 158, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLEMAN of Missouri. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 378, nays 35, not voting 19, as follows:

[Roll No. 79]

YEAS—378

Ackerman
Addabbo
Akaka
Albosta
Alexander
Andrews (NC)
Andrews (TX)
Anthony
Applegate
Aspin
AuCoin
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Biliraki
Billey
Boehlert
Boggs
Boland
Boner
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Britt
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bryant
Burton
Byron
Carney
Carper
Carr
Chandler
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Corcoran
Coughlin
Courter
Coyne
Crockett
D'Amours
Daniel
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Erlenborn
Evans (IA)
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fiedler
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Guarini
Gunderson
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Harkin
Harrison
Hartnett
Hatcher
Hawkins
Hefner
Heftel
Hertel
Hightower
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kasich
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach
Leath
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marlenee
Marriott
Martin (NC)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McNulty
Mica
Michel
Mikulski
Miller (OH)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Ray
Regula
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shuster
Sikorski
Siljander
Simon
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland

Stenholm	Vandergriff	Williams (OH)
Stokes	Vento	Wilson
Studds	Volkmer	Winn
Sundquist	Walgren	Wirth
Swift	Walker	Wise
Synar	Watkins	Wolf
Tallon	Waxman	Wolpe
Tauke	Weaver	Wortley
Tauzin	Weber	Wyden
Thomas (CA)	Weiss	Wylie
Thomas (GA)	Wheat	Yates
Torres	Whitehurst	Yatron
Torricelli	Whitley	Young (AK)
Traxler	Whittaker	Young (FL)
Udall	Whitten	Young (MO)
Valentine	Williams (MT)	Zablocki

NAYS—35

Anderson	Gregg	Paul
Archer	Hall (OH)	Reid
Badham	Hansen (UT)	Rudd
Bethune	Holt	Schaefer
Chappie	Lungren	Schneider
Conable	Mack	Shumway
Craig	MacKay	Smith, Denny
Crane, Daniel	Martin (IL)	Stark
Crane, Philip	McDonald	Stump
Dannemeyer	Nielson	Vucanovich
Dreier	Ottinger	Zschau
Fields	Packard	

NOT VOTING—19

Annunzio	Lantos	Stratton
Barnard	Martin (NY)	Taylor
Campbell	McCain	Towns
Daschle	McKinney	Vander Jagt
Eckart	Miller (CA)	Wright
Hall (IN)	Schumer	
Johnson	Solarz	

□ 1630

Messrs. DANIEL B. CRANE, CHAPPIE, REID, CRAIG, and PACKARD changed their votes from "yea" to "nay."

Messrs. MOORE, LUKEN, and LIVINGSTON changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ECKART. Mr. Chairman, on rollcall No. 79 I was detained on official business and arrived in the Chamber moments after the vote was concluded. Had I been present, I would have voted "aye."

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1190, EMERGENCY AGRICULTURAL CREDIT ACT OF 1983

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1190, the Clerk be authorized to correct section numbers, punctuation marks, and cross references, and to delete the section headings on page 2, line 5 and on page 9, line 4.

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

There was no objection.

□ 1640

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1190, the bill just passed.

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

There was no objection.

PERSONAL EXPLANATION

Mr. DASCHLE. Mr. Speaker, on the vote on final passsage of H.R. 1190, I was present and on the floor. Inexplicably, my vote was not recorded. Had it been recorded, I would be recorded as voting "aye."

REQUEST FOR PERMISSION TO EXPUNGE ROLLCALL 77

Mr. FOLEY. Mr. Speaker, in the Committee of the Whole during the consideration of H.R. 1190, the Committee of the Whole by unanimous consent vacated the recorded vote, No. 77, on the Watkins amendment and ordered a new recorded vote, No. 78.

While the Committee of the Whole may by unanimous consent vacate proceedings had therein, it may not without the permission of the House expunge a record vote from the RECORD.

I, therefore, now ask unanimous consent that rollcall 77 be expunged from the RECORD and Journal and that any Members recorded on rollcall 77, but not on rollcall 78, be recorded as if they had voted on the second recorded vote.

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

Mr. THOMAS of California. Mr. Speaker, reserving the right to object, I would request a response from the distinguished majority leader. This Member was on the floor at the time that that unanimous-consent request was made and he did not object.

Does the majority leader agree that this was probably not the most propitious parliamentary solution to the problem?

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

Mr. THOMAS of California. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

First, humility requires me to state that I am a simple, humble majority whip, and the servant of the majority leader.

Mr. THOMAS of California. Excuse me, I anticipated.

Mr. FOLEY. Mr. Speaker, I would like to say in response to the gentleman's question there were unusual circumstances in which a number of Members arrived on the floor, having believed they were still in time to record a vote that they thought was then pending. Inferentially, this group was about roughly half Republicans and half Democratic. It was balanced politically. And they arrived on the floor and found to their surprise that the rollcall had been concluded.

It was then determined that a request for unanimous consent to vacate the previous rollcall should be requested, and permission was granted and a new rollcall was held.

The problem is that on that second rollcall a few Members recorded on the first rollcall were not recorded on the second and those Members were thus disadvantaged by the repetition of the vote on the second rollcall.

This request is to vacate that first rollcall, No. 77, and substitute all those who voted on either rollcall on the RECORD on rollcall 78 so everyone is protected, and yes, I will tell the gentleman it is an unusual circumstance that I hope is not necessary to repeat.

Mr. THOMAS of California. Further reserving the right to object, would the current majority whip agree that this is in no way a precedent for this type of procedure and that other parliamentary remedies are available and should be used in the future.

Mr. FOLEY. I would tell the gentleman that it is certainly no precedent for any future action and as a unanimous-consent request any Member is entitled to block this request or any similar one in the future, and I hope that the situation does not arise again. I agree with the gentleman.

Mr. THOMAS of California. Further reserving the right to object would the current majority whip agree with me then that if this current situation arises in the future, if I am on the floor, I will object, and if he is on the floor, he will object to a unanimous consent?

Mr. FOLEY. I would hope that the gentleman would not attempt to bind my objection. If he is on the floor, he certainly can exercise his right to object. I would prefer to say that I hope the circumstances do not arise again.

All Members, however, have a commendable zeal in carrying out their duties to wish to be recorded on votes. And I think we have to take into effect that that is what we are allowing Members to do, to record the vote that they cast on one of these two occasions and to be so recorded in the RECORD.

I hope the gentleman does not object. I hope this can be accepted. I hope it does not occur again.

Mr. THOMAS of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington (Mr. FOLEY)?

Mr. COURTER. Mr. Speaker, reserving the right to object, I do so to ask the distinguished gentleman, the majority whip, a couple of questions.

In the majority whip's recollection, when was the last time that this type of a unanimous-consent request was made, does the gentleman know?

Mr. FOLEY. Well, I can recall a condition where one of our Members, very recently deceased, asked that a vote be vacated on a bill in order that a rollcall be had. The vote was taken by voice, and the Member requested that the vote be vacated so that a rollcall vote could be taken.

I cannot recall any circumstance precisely similar to the ones that are involved here, but I again would suggest to the gentleman that what we are doing is simply reflecting in one rollcall vote what occurred in two and allowing every Member who voted on either one of those rollcalls to be recorded in the RECORD and to expunge the first vote.

Mr. COURTER. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, if I could address the distinguished majority whip, it is my understanding that at least one if not more than one Member voted one way on one vote and another way on the other.

And my question is, If that is the case, how are we going to count this out? I mean this is an extremely extraordinary situation we have.

The SPEAKER pro tempore. The Chair would like to advise the gentleman from California (Mr. LUNGREN) that he is advised that there are no changed votes involved.

Mr. FOLEY. I would say to the gentleman that that is my understanding, that there are no changed votes. If there were any, I would suggest that the last vote control.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I thank the gentleman for yielding.

Mr. Speaker, I would like to tell the gentleman that managing the bill under quite difficult circumstances as we were working very diligently to strike a compromise in what can be technically complicated legislation, one of the votes that was taken was asked by a Member to really allow some time for the conclusion of the agreement.

Then I was informed as there were about 20 or 25 Members in the well of the House that the clock in the committee room was not working properly, and that that was the reason for their coming a few seconds beyond the time that the vote was finalized.

The SPEAKER pro tempore. The Chair would like to advise the Members of the House and especially the gentleman from California (Mr. LUNGREN) that there was at least one changed vote. The Chair has since been advised that there was a changed vote.

The Chair advised the gentleman from California (Mr. LUNGREN) that there were no changed votes.

The Chair has been advised that there is a changed vote.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. COURTER. Further reserving the right to object, I yield to the gentleman from Washington, the majority whip.

Mr. FOLEY. Mr. Speaker, although I had been advised there are no changed votes, I would like to say for the RECORD that I am requesting unanimous consent that anyone who voted on rollcall Nos. 77 or 78 be recorded on rollcall 78 and that 77 be expunged from the RECORD and the Journal.

In the event that a Member voted on both such rollcalls it shall be conclusive that his vote on 78 will be included as the final vote of that particular amendment.

So in the event there are any such differences, the rollcall on 78 will in all cases control for a Member who voted on rollcall 78.

□ 1650

Only in the case where a Member voted on rollcall No. 77 and not on rollcall No. 78 will we be transferring a vote from one rollcall to another.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. COURTER. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Texas.

Mr. DE LA GARZA. I appreciate the gentleman's yielding.

Mr. Speaker, just to conclude the reasoning behind the request, as I stated to the gentleman, there were 20 or 25 Members, one of whom expressed concern that the clock in the committee room did not work and that they were timing themselves accordingly. Were it just a matter of one Member being here late, I would not have done so. Therefore, in the spirit of compromise that permeated what we were doing with the substance of the legislation, I felt that I would do to others as I would have them do unto me. It was for that reason that I made the motion to vacate the vote at the time.

I feel some responsibility for the concern of the gentleman, but I want to assure him and the gentleman from California that I certainly would not make the same motion again; but under the circumstances at the time, the way that the legislation was progressing and in the spirit that we were working, I felt it appropriate, even though it was an extraordinary motion, and that was the main reason behind making the motion. No objection was heard at the time.

Mr. COURTER. Further reserving the right to object, how would the chairman respond to the problem: I have been assured that, according to the recollection of people on the floor, this has never been done before, and I am sure, also, that if we do it today, if it is permitted today, there is going to be a compatible reason tomorrow or next week, there is going to be perhaps 30 Members here late and they are going to attempt to gain this type of recognition for this type of unanimous-consent request.

I would like either one of the two gentlemen to respond to the question as to what type of precedent this is going to set.

Now, you can say it is not going to, but I submit that it is obviously going to.

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

Mr. COURTER. Further reserving the right to object, Mr. Speaker, I yield to the majority whip, the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I would say to the gentleman that I think this has been a difficult experience for everybody on the floor, and I think, because of that, we are not going to have any repetition of the request or the agreement of the request to take an additional vote.

That is what led to this problem. The gentleman from Texas was acting in very good faith as the bill mananger.

Now, having done so, there are some Members who voted on the first rollcall who were not present on the second. Our only hope is to protect those Members from being disadvantaged by expunging the RECORD on rollcall No. 77 and allowing their vote to be attached to rollcall No. 78. They are, to some extent, those who are the unfortunate bystanders, so to speak, of this process, who would be disadvantaged a bit by what has happened.

But because the gentleman raises the question about this procedure, I think it is clear that we are not going to have it, for just this reason, as a precedent or as a pattern for any kind of future action. I would hope that we could get this one permission, with the understanding that all of us on both sides of the aisle—and I will make the undertaking that the gentleman from California asked me to undertake—and I will try to prevent such an occurrence from happening again if I am on the floor.

Mr. COURTER. Mr. Speaker, further reserving the right to object, I

yield to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I just wanted to further assure the gentleman that, as far as precedent is concerned, under this type of situation there is no precedent set as long as there is always on the floor one of like mind of the gentleman. I assure the gentleman that, because of the experience today and the emphasis which the gentleman has placed on the procedure, one of like mind of the gentleman will conceivably be present on every occurrence of a similar nature. So we set no precedent but only take care of the immediate situation.

Mr. COURTER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. I thank the gentleman for yielding.

Mr. Speaker, I would hope that the gentleman would reconsider his unanimous-consent request. I appreciate the motivation that he has in wanting to make the record of votes that were taken today reflect the way that Members would like for the record to reflect the votes rather than what actually happened. But the fact is that there were two votes taken, one of which was vacated by unanimous-consent request, which itself was a bad precedent, but two votes were taken. To then say that we are going to combine those votes in a way that would make it appear in the record that only one such vote was taken would seem to me to be a very serious mistake for the House of Representatives. It would compound the error of having allowed the first unanimous-consent request to go unchallenged.

The House has always allowed Members to put in the record an explanation of the circumstances that against their wishes had prevented them from being on the House floor in order to take a vote. Members can still do that. They can still put in the record by unanimous-consent request why they were unable to be present for a vote. But we have never before allowed them to change the record of a vote to show something different from the way it was actually cast.

Now, a question has been raised as to whether some Members voted one way on rollcall No. 77 and another way on rollcall No. 78. I have been advised by floor staff that indeed that did occur in at least two instances where a Member voted one way on one of the votes, and then after it was vacated and a second vote was taken, they voted the opposite way. Now, they may prefer for the record to show one way. That is certainly understandable. But the record is that they voted two different ways, and that should be the record of the House of Representatives. It should be what actually happened on a vote and not what Members wish had happened.

So I hope that the Chair will sustain the gentleman's objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington (Mr. FOLEY)?

Mr. COURTER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

REQUEST THAT ROLLCALL NO. 77 BE EXPUNGED FROM THE RECORD AND THE JOURNAL

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that rollcall No. 77 be expunged from the RECORD and from the Journal.

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

Mr. COURTER. Mr. Speaker, reserving the right to object, under my reservation I wonder if the majority whip would explain the difference between that unanimous-consent request and the one he just made.

Mr. FOLEY. In the request I previously made I asked that anyone who was recorded on rollcall No. 77 be included in rollcall No. 78 if he did not record a vote on rollcall No. 78, and that all of those who recorded a vote on both be recorded as finally having voted on rollcall No. 78 and that rollcall No. 77 be expunged from the RECORD and the Journal.

Now I am just requesting that rollcall No. 77 be expunged from the RECORD and the Journal, which leaves rollcall No. 78 as the final vote, which does not in any way move one vote from one rollcall to another.

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

Mr. MARTIN of North Carolina. Mr. Speaker, reserving the right to object, I am sorry that I am here, in a way, but I do feel constrained to object to this.

Again, the vote was taken on rollcall No. 77. There are some who were not here, just as there were some who were not for rollcall No. 78. It seems to me that the vote was vacated, and so it has no effect. But it should not be expunged from the RECORD, and so I do object.

The SPEAKER pro tempore. Objection is heard.

TAX FREEDOM DAY

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

Mr. BETHUNE. Mr. Speaker, the Arkansas Gazette recently made note that May 1 was Tax Freedom Day. That is the day when Americans have worked long enough to pay off their taxes for the year, and they can finally begin working for themselves.

Meanwhile, liberals in the tax-and-spend crowd are working hard to increase taxes and move Tax Freedom Day to later in the year. If the third year of the individual tax cut and indexing are repealed, it will not be long until Tax Freedom Day will take place after July 1. Of course that will not be much of a celebration since the people will be working half a year or longer just to pay off the taxman.

Mr. Speaker, I do not think the people agree with the tax-and-spend crowd. The people, I believe, want to keep the third year of the tax cut and indexing and there are at least three good reasons why they do:

First reason: The people are smart enough to know that if the third year of the tax cut is repealed, that Congress would not use the revenue to reduce the deficit; Congress would simply spend their money as it has in the past. If anyone doubts that, they should look at the budget which was drafted by the liberals who control the House of Representatives, which was titled, "A Democratic Plan for Economic Recovery." In that document, the tax-spend-and-elect crowd called for $35 billion in new revenues for next year by repealing the third year, as well as raising other taxes, and they did not use it to reduce the deficit. They predictably increased runaway social spending that we have worked so hard to hold down over the past 2 years.

Second reason: The people also know that this is not a question of giving up a tax cut. Taxes have not been cut, and the average worker knows that. Taxes are going up. The tax changes that have been made in the last 2 years merely neutralized increases that were going to occur under our progressive tax system. When you consider the bracket creep that made people pay a higher percentage of tax as they were pushed into higher brackets by inflation, and when you consider the social security payroll tax increases and other taxes that have been laid on the people in the last few years, it is ludicrous to suggest that repeal of the third year is nothing more than cancellation of a tax cut. It is a tax increase, and it is a big one. In fact, if the big spenders and liberals are successful in the repeal of this third year of the tax cut, the average Arkansas family will pay $1,729 more in new taxes over the next 5 years. Most people just got through digging deep into their pockets to pay their Federal income tax, and I am quite sure they know that they cannot afford to pay $1,729 more to Uncle Sam so that Congress can poop it away by continuing the spending

binge that is the real driving force behind the Federal deficit.

The increased taxes that would be required for giving up indexing in addition to the tax cut are even more outrageous. The average Arkansas family would pay $2,706 more each year should the tax-and-spend crowd prevail.

Third reason: No respected economist or close observer of budget and economic conditions has suggested that we should raise income taxes on the people just as we are coming out of a recession. To the contrary, almost everyone agrees that we should wait and see how the economy develops before we make any decisions on the revenue side. Who ever heard of raising taxes on people when they are just beginning to have a chance to work, save, produce, and invest—thus creating the growth that will do more to reduce budget deficits than anything else.

The tax-and-spend policies of Jimmy Carter and TIP O'NEILL got us into this economic mess and a return to those policies will put us right back where we were. Some here in Washington may want to keep on raising taxes so they can keep on spending, but the people do not, and that is why they do not want to repeal the third year of the tax cut and indexing.

PERMISSION FOR SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY AND TRADE OF COMMITTEE ON FOREIGN AFFAIRS TO MEET TOMORROW, MAY 4, 1983

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs be permitted to meet tomorrow, Wednesday, May 4, 1983, for purposes of completing the markup on legislation renewing the Export Administration Act of 1979.

Mr. Speaker, this unanimous-consent request has been cleared with the minority on the Committee on Foreign Affairs.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1700

EXTENSION OF INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE SOVIET UNION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-59)

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

(For message, see proceedings of the Senate of today, Tuesday, May 3, 1983.)

EXTENSION OF INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND POLAND—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-60)

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

(For message, see proceedings of the Senate of today, Tuesday, May 3, 1983.)

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 60 minutes.

GENERAL LEAVE

Mr. LIPINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on my special order today on Polish Constitution Day.

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

There was no objection.

Mr. LIPINSKI. Mr. Speaker, my esteemed colleague from Pennsylvania, the Honorable ROBERT BORSKI, had planned to call this special order commemorating Polish Constitution Day, and I was to participate with Mr. BORSKI in this special order. Because Mr. BORSKI cannot be with us on the floor today, the honor falls upon me to join with people of Polish ancestry all over the world to celebrate the 192d anniversary of the signing of the May 3 Polish Constitution.

The Polish Constitution of 1791 was based on our Declaration of Independence of 1776 and was the first of its kind in Europe.

While the May 3 Polish Constitution was a significant event in Polish history, the accomplishments of our Polish ancestors have been going on for a long time.

Recorded Polish history began in the year 966 under Duke Mieszko, who first began the unification of Poland.

In the 14th century, Casimir the Great united all the Polish people into one kingdom. At the same time Nicholas Copernicus, the father of modern astronomy, was responsible for the start of the scientific revolution.

Later in the history of Poland, King John Sobieski and the Austrians defeated the Turks and saved Christianity in Europe at the Battle of Vienna in 1683.

Women of Poland made their mark in history when Madame Marie Sklodowska Curie, with her husband, jointly received the Nobel Prize in physics in 1903 for their work with radioactivity.

Poland's contribution to America began at the very birth of our Republic, during the Revolutionary War. Brig. Gen. Casimir Pulaski, a calvary officer, was a hero of the Battles of Brandywine and Savannah. Brig. Gen. Thaddeus Kosciuszko distinguished himself at the Battle of New York and in the Carolinas. As a colonel of engineers, Kosciuszko built the fortifications at West Point. Thaddeus Kosciuszko also declared for and fought for the May 3, 1791, Polish Constitution. He is, perhaps, the greatest freedom fighter for democracy Europe and America had ever shared.

I would be remiss if I did not mention the names of Ignace Paderewski and Joseph Pilsudski, who recreated Poland in 1918 and helped Poland in the only period of freedom it had in the last 200 years.

The list of prominent Poles and Polish Americans goes on and on—Chopin, Stan Musial, Zigmunt Brzenski, Carl Yastremski, Edmund Muskie, Dan Rostenkowski, and the list continues on. Lech Walesa, the leader of Solidarity. A man who believes in religion, family, freedom, and dignity. A man in the spirit of Thaddeus Kosciuszko, a man with a spirit that cannot be crushed. A man that has become an international symbol of mankind's eternal fight for freedom and dignity.

And finally, the leader of the Roman Catholic Church, Pope John Paul II, the worldwide leader for peace and brotherhood. The millions who turned out to celebrate Mass with the Pope when he returned home to Poland demonstrated the strength of the Polish spirit. As Polish Americans, we can be proud to have the same roots and traditions as Pope John Paul II.

On this day, let us remember the thousands of Poles who came to this land of liberty who never made the history books but helped to build this Nation with their work in the coal mines, on the railroads, in the stockyards, and in the steel mills.

Yes, today we celebrate the anniversary of the May 3 Polish Constitution, but, more importantly, I believe, we should celebrate and take great pride in the contributions of the Poles and the Polish-American people to the development of civilization and mankind.

Poles and Polish Americans are proud, hardworking, persistent, and

patriotic people. That is why their contribution has been so great.

Thank you. Stolat.

□ 1710

Mr. BETHUNE. Mr. Speaker, will the gentleman yield to me?

Mr. LIPINSKI. I yield the balance of my time to the gentleman.

Mr. BETHUNE. Mr. Speaker, I appreciate the gentleman yielding.

Recently, the gentleman from Wisconsin (Mr. OBEY) and five others, including myself, had the occasion to go to Poland. We were the first congressional delegation in there after martial law was declared.

I was provoked upon hearing the gentleman's comments this afternoon to come and make a small contribution. I am not a Pole. I have no Poles in my ancestry that I know of, but I am inspired, anytime I hear the story of the Polish people and what is going on in that country today, to make the point that I discovered when I went to Poland last year and that is that the Polish people are possessed of an indestructible spirit that has been growing for some 200 years, going back to the days of the Messianic poets, who used to write that the Poles were destined to prove to the world that freedom would prevail over totalitarian rule.

When we were there—we had occasion to have a half-hour audience with the Pope when we came out of Poland—we confirmed that that is the truth. The Polish people love freedom. They love America. They love Americans. You can sense this everywhere you go. They are engaged in a real battle as they struggle for this freedom.

I was particularly struck by the fact that they sit around their homes in the wintertime and paint little wooden eggs in different colors, depending on which region of the country they are from. This egg, of course, symbolizes the new life that came to them as a part of their culture and heritage from the Orthodox religions of the East. It says in one symbol everything that you need to know about the Polish people. They are a people of hope. They are determined to prove that freedom will prevail over totalitarian rule.

I think the gentleman is so right to come here today and make these points and to realize we have so many Polish people in this country. I am pleased to just be able to work with the gentleman this afternoon to communicate this point.

Perhaps everyone that is listening out there will have some better understanding of the Polish people as a result.

I thank the gentleman for yielding to me.

Mr. LIPINSKI. I thank the gentleman very much for his contribution to Polish Constitution Day. I certainly appreciate it. I am certain that the millions of Poles in the United States also appreciate it.

● Mr. BIAGGI. Mr. Speaker, I am honored to join in this special order observing the 193d anniversary of Polish Constitution Day. It is an occasion when the people of Poland remember and renew their unswerving dedication to the principles of freedom, justice, equality, and individual liberty.

Unfortunately this year's observance like so many others in the past is conducted under the continued domination of the Polish people by the Soviet Union. The people of Poland were reminded just 2 days ago about how receptive the Soviets are to efforts by the citizens of Poland to march and demonstrate for basic human freedoms. The sight of policemen and soldiers clubbing and teargassing people at will shows in graphic form that the only way the Soviet philosophy will ever be accepted is through extreme coercion.

Yet the May Day demonstrations also pointed out to the world that the spirit of the Polish people is not and will not be broken. The leadership of the Solidarity Party and their inspired head Lech Walesa has renewed hopes in the hearts and minds not only of the working people of Poland but of all who seek an end to the yoke of Communist oppression in that land.

The people of Poland wait with great anticipation for the upcoming visit of the greatest Pole in the world today—Pope John Paul II—a man who has demonstrated in his own unique way his commitment to the cause of peace and freedom for all. His visit promises to be one which the world will not soon forget nor will the Soviet Union or their puppet government in Poland.

It is appropriate on this day to pay tribute not only to the history and traditions of Poland but also to the extensive Polish American community in this Nation which may be as many as 6 million strong. They are a vital part of our Nation—and the Polish American community has made significant and regular contributions to all facets of our society—from politics to the arts to the professions to sports.

The history of Poland is one which has always shown periods of tremendous personal courage by her people in times of tyranny, from the Warsaw ghetto uprising—to the demonstrations at Gdansk—it was the same spirit of love of freedom and liberty captured on that glorious day in 1791 that emerges once again. I am fortunate enough to represent the city of Yonkers in New York which has a most distinguished Polish community and with whom I have a close and working dialog. For my Polish friends in Yonkers and for the entire Polish American community of this Nation let me extend my warmest best wishes on this Polish Constitution Day.●

● Mr. BORSKI. Mr. Speaker, I appreciate the opportunity to participate in this special order with my good friend, the gentleman from Illinois. I would like to take this opportunity to insert in the RECORD remarks that I gave on Sunday, May 1, 1983, before the Polish American Congress, the eastern Pennsylvania chapter at the Shrine of our Lady of Czestochowa in Doylestown, Pa.:

POLISH CONSTITUTION DAY REMARKS, SUNDAY, MAY 1, 1983

Thank you very much.

It gives me great pleasure to be with you today. I would like to thank the officers and members of the Polish American Congress for inviting me to join you in celebrating Polish Constitution Day.

This day commemorates that special moment in history when Poland established itself as a free, sovereign state. The Third of May Constitution is one of the greatest achievements in Polish history. It is one of the world's greatest documents of political freedom and religious toleration.

Poland was one of the first pioneers of freedom. The Third of May Constitution was the most liberal documents in all of Europe—years ahead of its time. It was only the second written constitution in history; second only to the Constitution of the United States. When word reached America that Poland had adopted a constitution our own George Washington wrote to a friend: "Poland by the public papers appears to have made large and unexpected strides toward freedom."

The authors of the Polish Constitution were influenced by the American experience. At first glance, it seems remarkable that two nations, so diverse in their history, culture, language, and heritage could arrive at so similar a goal.

Yet, it is really not so remarkable when we recognize that both documents—the Polish Constitution and the American Constitution—are expressions of mankind's inevitable destiny—to be free.

Through nearly two centuries, the spirit embodied in the Polish Constitution has never died in the hearts of the Polish people. Today, we see Poles striving again for national renewal and for freedom.

Although Poland is clamped in the grip of bondage, the Polish people persist in their efforts to ease the oppression imposed on them by the Communist government. And the Polish people will one day throw off this bondage. One day, freedom of speech, freedom of press, freedom of government, will be theirs.

Our fathers and grandfathers left their native land in search of a place where freedom rules, democracy lives, and equality prospers. Their dream has been realized in America.

But for Poland, the struggle for liberty continues.

As Polish Americans, we have a special obligation to act as the voices of our brothers and our sisters across the ocean. We cannot let the forces of darkness suppress the spirit of the Polish people to live free and unafraid. We cannot abandon them to domination by a harsh Communist system. Polish Americans have a special responsibility—a sacred responsibility—to speak out against this tyranny.

Many Poles—at great risk to themselves and their families—continue to call for a relaxation of restrictions on personal freedom. Can we do less? Can we do less than speak out for their cause for all the world to hear?

Last month, the Committee in Support of Solidarity sent a report to the House of Representatives Foreign Affairs Committee. The substance of that report disturbs me deeply because it underscores the growing repression of civil right in Poland. Since November of 1982, the Solidarity Committee reports that the Polish regime has forcibly conscripted thousands of Polish people into penal camps. Twenty such penal camps now exist. Most are located in forest areas, but the exact locations are not known. Those individuals incarcerated in these camps are persons previously interned by the Polish authorities and later released. Those suspected of being active Solidarity members are among the prisoners. Camp conditions are deplorable. Individuals live in densely crowded and poorly heated buildings. Their food is inedible. Their books and private papers have been confiscated. And they are not even permitted family visits. One escapee from a penal camp has alleged that the authorities in the camps—the Polish People's Army—have tortured conscripts.

The current regime in Poland is clearly violating human rights and fundamental freedoms which is Government pledged to observe.

I intend to ask the Congress to investigate these charges. What can we—as Polish Americans—do to aid the struggle for liberty?

We can support organizations such as the Polish American Congress and its charitable efforts. We can teach our children about their heritage, so that they learn the lessons of Polish history. We can encourage our children to strive for excellence in everything they do, to get the best possible education they can, to be moral, thinking Americans who can assume leadership roles in our national life.

And we must become active in government at all levels, and demand accountability from those who serve us. Believe me, the only way to force government to reflect the values and principles we believe in is to become active. Write to your legislators about issues that concern you and affect you. Do not shrink from your right to express your beliefs just because you feel that public policy issues belong only to the experts. Polish Americans must learn what other ethnic groups have discovered—that citizen lobbyists have a quality of understanding from which the experts can learn.

Our culture is one with a deep respect for God and church, for character and virtue, for family and home. Speak out for these values and work actively in their behalf. As a community, we must strive to promote the best interests of our heritage.

One hundred and ninety-two years ago, Poland adopted a constitution that swept away the past and asserted its hopes for freedom. This historic document abolished class distinction, established absolute religious toleration, and declared the equality of all citizens under the law.

Let us pledge to continue to work together so the cause of freedom—a cause that is so much a part of us today—does not die. Let us pray for peace—here and in Poland. And let us take action and speak out for our beliefs. Thank you.●

A TRIBUTE TO THE HONORABLE HENRY B. GONZALEZ

The Speaker pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 60 minutes.

Mr. BROOKS. Mr. Speaker, today I pay tribute to my friend and colleague, the distinguished Representative from the 20th Congressional District of Texas, HENRY B. GONZALEZ, on the 30th anniversary of his first election to public office.

As dean of the Texas delegation, I have had the privilege to serve with men and women of great integrity and distinction. HENRY B. GONZALEZ' work in Congress and his dedication to his constituents place him in this category.

There are Members elected to this body who have left it frustrated by the legislative process, or lured away by other offers. HENRY's outstanding 30-year record of public service demonstrates his deep commitment to public service and his thorough knowledge of House procedure.

Prior to his election to the U.S. House of Representatives in 1961, HENRY served his native San Antonio as a member of the city council, and as the city's mayor pro tem. He was subsequently elected to the Texas State Senate where he is remembered as a champion of those less fortunate, and for his filibusters against legislation which sought to uphold or to facilitate the principles of segregation.

When HENRY came to Washington in 1961, he brought these concerns and more. His legislative agenda included housing, the need for lower interest rates, education, water, adequate energy supply at a reasonable price, more industry for San Antonio, minimum wage standards, and a host of other issues.

An ambitious agenda to be certain, but HENRY has always been ready to expend the effort it takes to get the job done.

We are all well aware of HENRY's fine work as the chairman of the House Banking Subcommittee on Housing and Community Development. Long before he ran for public office, HENRY had been interested in housing. He became active in the movement to bring public housing to San Antonio while still in college. In the Texas State Senate, he sponsored the enabling legislation to provide for urban renewal and slum clearance in the State of Texas. This work and dedication to insure equal housing opportunity for all people is reflected in his legislative record. Since 1962, through his efforts on the Housing Subcommittee, he has been instrumental in the passage of every major new housing bill at the national level.

Democratic Members of the House are also well aware of HENRY's efforts on behalf of the Democratic Party. HENRY has been an articulate spokesman in Presidential politics since 1960, when he served as the national cochairman of the "Viva KENNEDY" campaigns. Today he is 1 of 20 Democratic whips responsible for polling Members of the Texas delegation.

Mr. Speaker, we honor a man who has worked to improve the quality of life for all men and women. The House of Representatives is fortunate to have Members like HENRY B. GONZALEZ; individuals who do not hesitate to fight and work for what they believe in.

I know that HENRY's wife, Bertha, and his 8 children and 13 grandchildren are proud of his many accomplishments. It is a pleasure and a honor to pay tribute to HENRY's outstanding record on the 30th anniversary of his election to public office, and to extend him many happy returns on May 3, his 67th birthday.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding.

I want to commend our distinguished leader of the Texas delegation for securing the time today to extend our best wishes to our colleague, the gentleman from Texas (Mr. HENRY GONZALEZ).

My career goes back almost to the beginning or our colleague's entry into the political arena. I would like to say that as a probation officer, juvenile probation officer in San Antonio, as a councilman, later serving in the State senate at the time that I had the privilege of serving in the State house, we were able to work together in many of the causes which he espoused.

The name of HENRY GONZALEZ is admired and revered throughout this Nation and beyond for the things in which he has become involved in the political arena, in the civic and the cultural life of his community and in our country.

I would like to state something that I cannot forget or pass by as we honor HENRY GONZALEZ, that in some very difficult years in the State senate I remember then State Senator GONZALEZ like the voice crying in the wilderness in the middle of the night, speaking for decency, for equality, for people having the right to enjoy the privileges, the God-given privileges, that we have as creatures of God and those guaranteed by our Constitution, when there were but very few in Texas or in any of the adjoining States raising their voices in this endeavor.

□ 1720

For that he has the respect and admiration of all of the people of Texas, but he had the courage at the time to espouse a cause that now has become

more in the exact nature of the law of the land.

So I join my other colleagues in extending my commendation and my sincere best wishes to our colleague for all that he has done in behalf of humanity and in behalf of the people in his congressional district which jointly enabled him to in his own time be revered as a legend.

I thank the gentleman for yielding.

Mr. BROOKS. I now yield to the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. I thank the gentleman for yielding.

Mr. Speaker, a long time ago a wise man said that if one would be great he must first be good. I think this certainly applies to HENRY GONZALEZ, because if we are to talk about those fine qualities that we know that HENRY demonstrates so well, we would say first of all that he is a good man. He is a good friend and a good associate, a good colleague, a good man to work with, somebody that you can trust and know that he is going to be there when you need him.

Yet he has some additional qualities I think that could best be defined as part of being great. He has demonstrated so many times his tenacious qualities and he can be tenacious. If a man is to do an effective job as a legislator, as he has done for so many years in representing the people of Bexar County, he has demonstrated many times that he can be tenacious. When he gets on to a project where he knows that he is right, he does not turn loose and we praise him for it. Those who know him well know that he is that.

He is also a brave man because he does not hesitate or back off because something might not be politically popular with a lot of people. If he believes it to be right and he is convinced that it must be done, he has the qualities of bravery to see the project through.

So he is first of all a good man and he has demonstrated many times that he has the qualities of greatness that are so seldom found in these Halls. I am so grateful to the dean of the Texas delegation, Congressman BROOKS, for taking this special order in order that we might make note of the 30th anniversary of HENRY GONZALEZ' public service, because we need to talk about our own and we need to recognize these qualities when they are found among our colleagues.

I salute HENRY GONZALEZ and wish him many, many more years of service to the people of his district and the Nation.

I thank the gentleman.

Mr. BROOKS. I now yield to the gentleman from Texas (Mr. SAM B. HALL, JR.).

Mr. SAM B. HALL, JR. Mr. Speaker, I thank the dean of the Texas delegation for taking this special order to honor our dear friend and colleague, HENRY GONZALEZ. This is a special week for HENRY, because it marks the 30th anniversary of his first election to public office and we also celebrate his birthday today. As we all know, HENRY's many friends here in Washington get together every year on this day and give him a party to end all parties. In the finest tradition of the city of San Antonio, his party is a celebration of life and friendship. It is truly one of the social events of the year here on Capitol Hill.

HENRY GONZALEZ is a gentleman of the first order. He enjoys tremendous respect and popularity in San Antonio, and for those of my colleagues who have not had an opportunity to visit this beautiful, historic city, let me point out that upon your visit, there will be no doubt in your mind that it is HENRY GONZALEZ country. Most notable people must pass from the scene before streets and public buildings are named for them, but HENRY is the exception. It is difficult to go anywhere in San Antonio and not see his name prominently mentioned. Even in areas where his name may not be inscribed, everyone can tell you who he is and how he has done so much for the 20th District of Texas.

HENRY GONZALEZ and his family constitute a great link in the proud history of the State of Texas. His ancestors were the original colonists in the State of Durango in Northern Mexico, and his parents came to Texas during the upheavals in Mexico prior to World War I. Since that time the Gonzalez family has been prominent and instrumental in the growth and development of San Antonio and Bexar County.

HENRY is a champion of liberty and justice. We know him as a man of wonderful character and personal strength who is forthright and honest in his dealings with others. He stands up for the little guy, and he does not mind grabbing a tiger by the tail if it involves principle. A great example is his unflinching work to achieve justice in the tragic killing of a courageous Federal judge—Judge Wood—down in Texas.

He is a wonderful family man, and as so many of us know, HENRY is justifiably proud of his grandchildren who spend time with him here in Washington. This is indeed a great moment for him, and the accolades that come his way this week are well deserved. I wish my dear friend, HENRY GONZALEZ, continued success and happiness.

Mr. BROOKS. I now yield to the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Speaker, today we pay tribute to a legendary figure in Texas and American politics—a man whose accomplishments at every level of public service have already earned him a place in history. HENRY B. GONZALEZ' 30-year elective career has taken him from the San Antonio City Council, where he served as mayor pro tem in his second term; to the Texas Senate, where, as his colleague for almost a year, I witnessed firsthand his dedication to justice and human dignity; and then to this House where he has chaired two banking subcommittees and serves as a zone whip for the majority.

HENRY's record of struggle and triumph in the cause of social justice goes back to his first term on the city council, when he sponsored the ordinance ending segregation in the city's recreational facilities. It continued through his service in the Texas Senate, where he once teamed with our colleague, then-State Senator "Chick" Kazen, in a 36-hour filibuster against racist legislation. And it continues through his work on the Housing and Community Development Subcommittee, where he has fought for equitable treatment of families displaced from their homes by renewal or slum clearance projects.

His record for social progress is rivaled by his work for the cultural and scientific advancement of his city. Through years of diligent effort in the Texas Senate, HENRY was able to bring the University of Texas Medical School to San Antonio. A few years later, he won approval for the Audie Murphy Hospital, a state-of-the-art facility for the care of our veterans. Together, these institutions are the nucleus of the South Texas Medical Center, the basis for San Antonio's preeminent status in medicine.

All of this would serve well as a monument to any legislative career—but "HENRY B." is one of the few Members of this body who also can claim a role in literally reshaping the skyline of a great American city. Elected on a platform of bringing the World's Fair to San Antonio—the first such event held south of St. Louis—freshman Congressman GONZALEZ won the Kennedy administration's approval for planning and financing. He helped to get a bond issue passed by the city of San Antonio. He won congressional passage of the resolution needed for international approval and sanction. He got Congress to authorize the two-part Federal pavilion, which was to become a permanent U.S. office complex. Today, the city has many times the convention facilities it had before "HemisFair '68" and the Tower of the Americas now rivals the Alamo as an emblem of San Antonio.

I have continued to admire firsthand the effectiveness and leadership of HENRY B. GONZALEZ—right from my first day in Congress, when he presided at the reenactment of my congressional oath. I know that I will continue to benefit from his example. And today, as we recognize his continuing

accomplishments, I want to wish him many happy returns of the day.

□ 1730

Mr. BROOKS. Mr. Speaker, I yield to the gentleman from Houston.

Mr. LELAND. Mr. Speaker, it is with pleasure and pride that I rise today to join my colleagues in honoring our friend, the Honorable HENRY B. GONZALEZ of Texas, on the occasion of his 67th birthday and the 30th anniversary of his election to public office.

The challenge I face in finding the right words to honor Congressman GONZALEZ is not in coming up with superlatives. They spring to mind: dedicated, compassionate, determined, principled, and courageous. The challenge is adequately capturing in a few words the impact he has had in the three decades he has devoted to public service.

Since his election to the San Antonio City Council in 1953, he has faithfully served that city as mayor pro tem and as a member of the Texas Senate, and, for the last 22 years, as a Member of this body. Those he has served, however, live all over Texas and all over America.

As a member of the Texas Legislature and the Congress of the United States, HENRY B. GONZALEZ has fought for the common people, for those too often forgotten by society, and for those who have been trodden under the cruel heel of racism, and prejudice and oppression. He has been a dynamic advocate of the Hispanic community and of all of America's minorities.

We who have been honored to serve with him have seen, time and again, evidence of his integrity and the courage born of commitment as he has taken on tough issues. Many times, I am sad to say, he has been alone in these battles. But the failure of others to recognize injustice, or their lack of willingness to battle it, have never deterred him. It is a source of comfort to me, as it is to so many, to know that he is here and ready to pitch the battle against the foes of equality and justice.

True to his Texas heritage, HENRY B. GONZALEZ has demonstrated a rugged individualism and a richness of character which sets him apart. He is truly one of the richest treasures of Texas.

Those of us who are privileged to serve with him in the Texas delegation have benefited time and again from his leadership and his counsel. His Texas colleagues are not alone, however, in the knowledge that we are richer for his presence among us. All who serve in this body are beneficiaries of his service to America.

Mr. Speaker, I wish him feliz cumpleanos adelante siempre buena suerte, HENRY B.

Thank you.

Mr. BROOKS. Mr. Speaker, I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Speaker, I rise to associate myself with all of the remarks that have been made concerning my friend and our colleague, HENRY B. GONZALEZ.

I guess that I have been closer to HENRY than any other Member of this Congress.

We served together in the Texas Senate. As has already been stated, we teamed up against several race bills back there when it was really hard to stand up against discrimination.

Mr. Speaker, HENRY has been a champion of the people. He has always looked after the underdog. He has been very tenacious in his effectiveness in his pursuit of justice for all of the people of not only his district but all over this country.

Mr. Chairman, for me it is a tremendous pleasure to wish my colleague and my friend HENRY GONZALEZ the very best of the future that lies ahead of him. I can guarantee you, Mr. Speaker, that as long as HENRY GONZALEZ wants to be a Member of this body, his district is going to keep sending him here, regardless of what anyone says about HENRY and as far as I am concerned HENRY can stay here as long as he wishes.

Mr. BROOKS. I yield to the gentleman from Nevada (Mr. REID).

Mr. REID. Mr. Speaker, in 1961 when Mr. GONZALEZ came to Congress I was attending law school here in Washington. I worked evenings as a Capitol Policeman here at the Capitol. I remember not, over the years that have gone by since 1961, the things that the other Members have spoken about Mr. GONZALEZ being a great legislator, a person who is a leader of his own party and those other things. But what I do remember over these years is the fact that as a policeman here in the Capitol I remember a Congressman, who in the evenings working late, would stop on his way out of the building, going to get something to eat or whatever he might be doing, and he would always stop at my station and ask me if there is anything he could do for me, could he bring me a sandwich back, a cold drink, a hot drink, whatever the case may be. I do not know of anyone during the time I was in Washington who was nicer to me than HENRY GONZALEZ. As a freshman Member of Congress I have had very few dealings legislatively with HENRY GONZALEZ. But I do say here publicly that over these many years since I first met HENRY GONZALEZ I have wanted an opportunity to be able to thank him for the kindness he extended to someone who needed a hand of friendship. And I do want all those people in Texas who are so proud of HENRY GONZALEZ to know that his generosity and his kindness goes beyond the bounds of Texas. I want to testify to everyone that HENRY GONZALEZ is a man who does live the golden rule.

Mr. BROOKS. The gentleman is very gracious to remember that. I yield to the gentleman from Texas.

Mr. HANCE. I too would like to associate myself with the remarks about my colleague, HENRY B. GONZALEZ. He is a great American, a great Texan. I can think of no other Member who serves his district as well as HENRY GONZALEZ. He goes home each and every weekend.

I believe in all the times I have met people in San Antonio and people from San Antonio, he must know everyone that is there except one who moved into town last night or the night before and he will probably meet them this weekend.

He does work hard for his people and also speaks up for the working people of this country. He does an outstanding job. It has been a pleasure to serve with him in this Congress.

Mr. BROOKS. I yield to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. I thank the gentleman for yielding.

It has been my pleasure to serve on the Small Business Committee with HENRY GONZALEZ and indeed to serve not only on the committee but on subcommittees with him. The reason I wanted to come down to say something is because I belong to the Populist Caucus. If there ever was a populist in the Congress, certainly it is HENRY GONZALEZ.

In everything that comes along HENRY's concern is what is in the best interest of the common people of our country. At least in my opinion we need voices such as that in the Congress. I am grateful he is here to serve with us.

Mr. BROOKS. I yield to the gentleman from Kentucky (Mr. HUBBARD).

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

Mr. Speaker, I am pleased to have this opportunity to express my deep personal admiration for and pay tribute to my good friend and colleague, the Honorable HENRY B. GONZALES of the 20th District of Texas.

Representative GONZALEZ began his distinguished career in public service 30 years ago—in 1953. Throughout the years he has served his constituents well—starting at the local level as a member of the San Antonio City Council and serving as mayor pro tem during part of his second term. He was then elected to the Texas State Senate in 1956 and was reelected in 1960. In 1961 he was elected to the 87th Congress and has been reelected to each succeeding Congress.

Indeed, I have had the privilege of serving with Representative HENRY GONZALEZ in the House for 9 years. During that time I have also worked

with him as a member of the House Banking Committee and for 7 years as a member of the Subcommittee on Housing and Community Development, of which he is chairman.

In addition to working diligently on behalf of his constituents, Representative GONZALEZ has made significant contributions on the national level, serving on numerous House committees and actively participating in the House leadership organization.

Therefore, along with my colleagues here today, I appreciate this opportunity to express my personal respect and admiration for my good friend HENRY B. GONZALEZ on the 30th anniversary of his first election to public office and to wish him many happy returns on this, his 67th birthday.

Incidentally, he was my Congressman during my 13 months in Air Force active duty at Lackland and Brooks Air Force Bases in San Antonio.

□ 1740

Mr. BROOKS. I wish the gentleman would not refer to 1953 as ancient history. That is the year I was sworn into Congress.

Mr. HUBBARD. When I mentioned Brooks Air Force Base, I thought that might have been named for our distinguished senior Congressman from Texas.

Mr. BROOKS. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. I thank the gentleman for yielding.

Obviously 1953 was a vintage year for Texas politicians and I am glad to be able to participate today in commemorating that event.

I was assigned to the Subcommittee on Housing of the Banking Committee shortly after being elected a little over 2 years ago and thus came to begin an association with the Honorable HENRY GONZALEZ, which has been one of the highlights for me of a congressional career that I have generally enjoyed.

His commitment to poor and working people, to people who have been disadvantaged and who can easily get forgotten is really an inspiration. This has not been a time, these past 2 years, when those kinds of concerns have gotten from the Congress the attention that they seem to me to deserve. And the unflagging zeal, and good cheer, and diligence, and creativity which HENRY GONZALEZ has brought to the job of meeting the needs of those who might otherwise be left behind has been, as I said, inspirational to many of us on that subcommittee.

So I am delighted to join in honoring a colleague, a leader of my subcommittee, a friend, and a man who has shown that while in some cases excessive service in a Government position may atrophy some of the vital juices, it need not do so. In the case of HENRY GONZALEZ the 30 years that he has given to public service have been 30 very good years for the people of this country.

And I thank the gentleman for calling this special order.

Mr. BROOKS. Mr. Speaker, I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. I thank the gentleman for yielding to me and I just want to express my appreciation to the gentleman for taking this special order and to share with him and the other Members of the Texas delegation our respect and commendation for the gentleman from Texas (Mr. GONZALEZ). He has been an idol of mine since long before I came to Congress and has continued to be since I have been here.

I wish him well on his 67th birthday and the 30th anniversary of his entry into public life.

● Mr. BOLAND. Mr. Speaker, it is a great pleasure for me to join the many friends of HENRY B. GONZALEZ in celebrating the 30th anniversary of his election to public office, and his 67th birthday. On May 3, 1953, HENRY was elected to the San Antonio City Council where he served 3 years. HENRY continued his career in State and local public service until his election to the 87th Congress in 1961, having served as chief probation officer in Bexar County, and as a member of the Texas State Senate from 1956 to 1960. Throughout his career, HENRY GONZALEZ has distinguished himself as a scholar of the law, and a forceful advocate of those who have suffered injustice. As chairman of the Subcommittee on Housing and Community Development of the House Banking Committee, HENRY has made innumerable contributions to the work of the House. His record of public service is truly outstanding, and we are fortunate to have him among us today. I wish HENRY many years of continued success.●

● Mr. MONTGOMERY. Mr. Speaker, I want to join with my many colleagues in paying tribute to HENRY GONZALEZ, of Texas, on the occasion of his 30th anniversary as an elected official.

He has compiled a truly outstanding record of public service over those years. HENRY was first elected in 1953 to the San Antonio City Council and then was elected to the Texas State Senate in 1956. He earned the respect of his colleagues in that chamber and his hard work and dedication were rewarded in 1961 by election to the U.S. House of Representatives.

I have known HENRY GONZALEZ for 15 years. I can say that it has been a great pleasure to work with him in the House of Representatives. I especially appreciate his help and input as a member of the Select Committee on the Missing in Action in Southeast Asia.

HENRY currently serves on the Banking, Finance, and Urban Affairs Committee, along with the Small Business Committee. He has been a most valuable member of both of these panels.

In addition, over the years he has served seven times as a House delegate to the United States-Mexico Interparliamentary Conference.

HENRY GONZALEZ has represented the people of San Antonio well over the years and his service to this country as a Member of the House of Representatives has also been most outstanding. I understand that tomorrow is his 67th birthday. I want to wish him well and also wish for him many happy returns, and many more years of service in this Chamber.

He is a good friend and I am glad we are taking this time to honor him today.●

● Mr. YATES. Mr. Speaker, I am delighted to join with my many colleagues in paying tribute to our dear friend, the distinguished gentleman from the 20th District of Texas, HENRY B. GONZALEZ, on the 30th anniversary of his first election to public office, and upon his 67th birthday.

HENRY and I have known each other for more than 20 years. For all that time, HENRY has been a crusader and battler for civil liberties and individual rights. He has been in the forefront of the fight for clean water and against the misuse of nuclear power. He is a dedicated and sincere statesman and we in the House are lucky to have him with us.●

● Mr. SUNIA. Mr. Speaker, today I join my colleagues in honoring a man who has set a fine example to us all, and has done that for 30 years. It is appropriate that on this, his 30th anniversary of serving in public office, Congressman HENRY B. GONZALEZ be honored.

I feel that this 30 years is of particular importance, not only because of the accomplishments HENRY GONZALEZ has made, but because he has spent 22 years of these 30 here in Washington, D.C., as a Member of the U.S. House of Representatives.

The people of the 20th District of Texas can be proud that they have a 12th term Congressman who knows their needs and has the experience to satisfy them.

I take this opportunity to congratulate Mr. GONZALEZ, to wish him continued success and also to extend happy birthday wishes from the territory of American Samoa.●

● Mr. YATRON. Mr. Speaker, I would like to take this opportunity to join with my colleagues and say a few kind words about a good friend and one of the most esteemed Members of the U.S. House of Representatives, HENRY B. GONZALEZ.

This is a very special occasion for HENRY. I want to wish him a very

happy birthday and the very best in the future. This also marks the 30th year of devoted and outstanding service to the public by this fine American statesman.

No one who has ever served in this Chamber has done a better job of representing his or her constituents than HENRY GONZALEZ. His record of achievements is well known and widely respected, and extend from his days on the San Antonio City Council to the Texas State Senate and to the U.S. Congress.

I have served with HENRY GONZALEZ since my election to the House and I have learned a great deal from him over the years. He is, without a doubt, one of the most effective, dedicated, sincere, and accomplished Members of Congress. As chairman of the House Subcommittee on Housing and Community Development, he has had a major impact on some of the most important programs affecting our country, to the benefit of all Americans.

I have enjoyed working with HENRY, and look forward to continuing our close cooperation. Once again, HENRY, happy birthday.●

● Mr. DYSON. Mr. Speaker, I join many of my distinguished colleagues today in paying tribute to our celebrated friend and colleague, HENRY GONZALEZ, from Texas, for the unwavering dedication and unlimited resolve he has demonstrated in his respective duties. For 30 years in public office, HENRY GONZALEZ has faithfully and efficaciously served his constituents, his fellow citizens, and his country in a manner that is only befitting of a true representative of the people.

It has been three decades since this dynamic San Antonio legislator first entered politics, with being elected to the San Antonio City Council. Subsequently, he competently proved himself as an effective Texas State Senator from 1957 to 1961, before winning a U.S. House of Representatives seat in a special election in 1961. Since 1961, HENRY GONZALEZ has consistently shown himself to be a most worthy, effective, and greatly respected Congressman.

Over the 22 years in Congress, HENRY GONZALEZ has risen to chair the salient House Banking Subcommittee on Housing and Community Development. He still remains a leading Democrat on the House Banking, Finance and Urban Affairs Committee. He also remains a prominent figure on the House Small Business Committee.

HENRY GONZALEZ has certainly been an imposing asset in this House over the past two decades. He has valiantly served his citizens and country. Mr. Speaker, it is my sincere hope HENRY GONZALEZ will recognize that although we now pay tribute to him in commemoration of his outstanding 30 years in public life, as well as to mark his 67th birthday, he will know we certainly look forward to many more years with him as a distinguished friend and colleague.●

● Mr. ADDABBO. Mr. Speaker, it is an honor that we pay tribute today to my dear friend, Congressman HENRY B. GONZALEZ, as he celebrates his 30th anniversary of his first election to public office.

HENRY and I both started our terms on the Hill during the 97th Congress and since 1961 it has always been an absolute pleasure to work with him.

HENRY is a man to be admired. He has lead the fight for the disadvantaged and has become an institution and a tradition as a concerned liberal in a State not known for its liberal political policies. It is because he cares about the people that HENRY has received absolute support from his constituency during the 20 years that he has sought reelection to Congress.

At present, Congressman GONZALEZ is serving as the chairman of the House Subcommittee on Housing and Community Development. He has been instrumental in expanding public housing programs throughout the Nation. He was the founder of the all important model cities program, clearing the path for Federal assistance to slum and urban renewal projects. He has contributed his expertise in the design of the urban development action grant programs, the urban homesteading programs, and the homeownership assistance programs for low- and moderate-income families.

The list of HENRY's achievements does not stop here. He has on a continuous basis been outspoken for small businesses, insuring that these businesses receive equitable treatment. In addition, GONZALEZ role in investigating the assassinations of Dr. King and President Kennedy has been invaluable.

For HENRY, this tribute can only serve as a small thanks for all his service to the State of Texas and to the Nation. I know HENRY will continue to effectively serve our Nation guaranteeing that minorities and the poor receive the proper attention. I want to thank HENRY and commend him for all the good he has done so far and will continue to do in the future.●

● Mr. DWYER. Mr. Speaker, it is an honor for me to join in this special tribute to our good friend and colleague, HENRY GONZALEZ.

When I first came to the Congress in 1980, I found in HENRY a fine example of the kind of Representative to which we all aspire: honest, fairminded, and truly dedicated to his constituents and the people of our country.

HENRY has shown this commitment and strength throughout his public life, first, in his hometown of San Antonio as city councilman and mayor, and later, as a member of the Texas State Senate.

For more than a generation in this House, that conviction has been extended and refined, particularly in areas that are vital to our people and our economy: housing, community development, and small business.

In these areas and so many others, HENRY GONZALEZ has been one of our most compassionate and effective leaders—an ardent advocate of causes that are just and a true friend and spokesman for those less fortunate.

Mr. Speaker, I would like to thank my colleague, Mr. BROOKS, for calling this special order, affording Members an opportunity to offer HENRY our warm congratulations on his birthday and humble thanks for 30 years of dedicated and distinguished service to his country.●

● Mr. TORRES. Mr. Speaker, I rise today to join with my other colleagues in paying tribute to the distinguished gentleman from Texas, Mr. HENRY B. GONZALEZ. Long before I entered political life, early in my youth as an autoworker at the Chrysler Corp. in Los Angeles, Calif., I had occasion to know of a great Texas legislator who represented working people in the State legislature. As I moved up on the ladder of leadership in the labor movement I came to appreciate the commitment of Mr. GONZALEZ in championing the cause of working people, the poor, the powerless, and all those who looked for justice in this country. It was indeed a joyous occasion when I learned of his election to the U.S. House of Representatives. As the years progressed, I followed his distinguished record in the House as a dynamic spokesperson for civil rights and progressive legislation. His roots in Texas and his heritage stemming from people who pioneered in that State after leaving a country in revolutionary turmoil gave Mr. GONZALEZ an extraordinary sensitivity in dealing with problems and issues that affected the lives of so many Americans in their quest for social and economic justice.

Mr. Speaker, today HENRY B. GONZALEZ has not wavered one iota from the progressive course he established in this House 30 years ago in promoting legislation to enhance the quality of life in this Nation. At this very time HENRY B. GONZALEZ is the unequivocal champion of seeking legislation to deal with the great issue of adequate and decent housing for all Americans. He has done so with his effective leadership as chairman of the Subcommittee on Housing and Community Development of the larger Committee on Banking, Finance and Urban Affairs on which I also have the honor to serve.

Mr. Speaker, for these and many other reasons I join my colleagues here in paying tribute to a great man who has been an inspiration to me and

a whole generation of Mexican Americans who saw HENRY B. GONZALEZ as the best expression of what is only possible in America: The ability to overcome poverty, bigotry, discrimination, and to rise above these and to give leadership for their eradication from the face of our society.

Thank you, Mr. Speaker.●

● Mrs. ROUKEMA. Mr. Speaker, today marks a special occasion for an able and senior colleague in the House, Congressman HENRY B. GONZALEZ of Texas. I join in today's bipartisan salute to Chairman GONZALEZ, with whom I have the privilege of serving on the Banking Committee and the Housing Subcommittee.

In 30 years of service to his Texas constituents, HENRY GONZALEZ has compiled a record of accomplishment that few can match.

His 21 years of service on the Housing Subcommittee have brought many positive results. He has been a leader in our Nation's efforts to create affordable housing for the lower- and middle-income families. He coauthored the urban development action grant program, perhaps one of the most promising redevelopment programs our Nation has seen. He has combined compassion and innovation with the legislative process.

A personal observation is in order. As chairman, Representative GONZALEZ has shown courtesy, diplomacy, and an extraordinary sense of democratic fair play in the conduct of the business of the committee.

HENRY GONZALEZ has a tremendous record of achievement at the local level as well. His interest in housing was spurred by his service on the San Antonio Housing Authority and his subsequent election as city councilman in that city 30 years ago. Here in Congress, it was the efforts of this Congressman which brought HemisFair to San Antonio in 1969, bringing with it a new convention center and revitalized downtown area. It is most fitting that the convention center is named for Chairman GONZALES.

Thirty years ago this week, HENRY GONZALEZ won his first election and he has been winning them ever since. His constituents know and appreciate his abilities, and so do those of us who serve with him here in Washington.●

● Mr. GAYDOS. Mr. Speaker, if you admire the towering English political thinker, Edmund Burke, you are likely to believe that the only thing necessary for the triumph of evil is for good men to remain silent or do nothing.

But, if you have worked more than a year with HENRY GONZALEZ, you are equally likely to believe that evil is overmatched as long as he serves with us, as I do.

It is not in Mr. GONZALEZ to stand silent in the face of evil or injustice, which is a benefit to the Nation, his district, and the disenfranchised.

Nothing is the only thing this colleague of ours does not do well in Burke's business of representative government.

In fact, he seems to approach the job as Burke recommended: By giving his constituents his industry and his judgment—by doing what humanity, reason, and justice say ought to be done.

In his series of more than 30 special orders on the murder of a Texas judge, Mr. GONZALEZ by his action rewrote the definition of perseverance. Indictments have been returned in this case that went unprosecuted for too long.

In his record in housing, in his mortgage bill in the current Congress, he has demonstrated a devotion to the dictates of reason, justice, and humanity.

Whether speaking in special orders on a Central American policy for the United States or on the Federal Reserve Board and the monetary system, he is significantly diligent in his business.

These are only samples of his record, but as the great Spanish writer Cervantes said, "by a sample we may judge the whole piece."

When Mr. GONZALEZ talks, I listen. He makes a special kind of music. It is not quite the Texas swing that memorialized the town he represents, but by any contemporary measure this colleague of ours truly is the San Antonio rose. We are fortunate to have him in service with us, and I hope this service continues unabated and unbroken for years and years to come.●

● Mr. COELHO. Mr. Speaker, I would like to take this opportunity to commend my esteemed colleague, the Honorable HENRY B. GONZALEZ, for his service to his district, to the State of Texas, and to this Nation for the past 30 years. An energetic and hardworking public official, HENRY has served as an outstanding model to all of us; his vast legislative experience and skill make him a valuable Member of this body.

In his role as chairman of the Subcommittee on Housing and Community Development, he has sought to increase the amount of Federal moneys available for housing at a time when this administration is attempting to reduce funding for housing programs. Because of his determination, HENRY has proven to be a leader in Congress, and his efforts deserve to be recognized.●

● Mr. VANDERGRIFF. Mr. Speaker, HENRY B. GONZALEZ is the personification of public service at its best. He challenges those of us who work alongside him by his dedication and his effectiveness and by setting such an example he contributes far more than his rightful share toward the goal of ever better government.

It was my privilege to first meet Congressman GONZALEZ when he was a member of the Texas State Senate a quarter of a century ago. Obviously, he was already completely consumed with the joy of working for and with people, and it did not take very long to realize that no constituency in Texas was represented by a Senator more responsive and sensitive to the needs of those he was attempting to serve than Senator GONZALEZ. It also was apparent he was destined for a much greater responsibility in the years ahead and thus it was not surprising at all when he was elected to Congress.

The residents of his own district and, indeed, all the people of the United States are vastly the better because HENRY GONZALEZ has been at work in their behalf here in Congress these past two decades. He has, time and again, been an articulate spokesman for those who are least able to speak for themselves. He inspires the best in all of us and thereby sets a standard every other Member would do well to emulate.●

● Mr. ANDERSON. Mr. Speaker, I commend the gentleman from Texas (Mr. BROOKS) for arranging this special order today allowing us to pay tribute to our friend and colleague, the Honorable HENRY B. GONZALEZ, on this his 67th birthday and the 30th anniversary of his first election to public office.

Three decades ago HENRY began his career in public office when he was first elected to the San Antonio City Council. During the latter part of his 3 years on the council, he served as mayor pro tem. From there, he was elected to the Texas State Senate in 1956. Although HENRY was reelected to the Texas State Senate in 1960, he was elected the following year to the U.S. Congress to fill the unexpired term of Paul J. Kilday. And, he has been with us ever since.

We, and millions of other Americans, are very fortunate that HENRY chose to come to Washington and serve in this Chamber. His tireless efforts on behalf of all the people in this country—and not just a select few—are truly remarkable.

On this his 67th birthday, I congratulate HENRY on a fine record of service to his community, State, and the Nation. My wife, Lee, also joins me in wishing HENRY, his wife, Bertha, and their children, Henry, Rose Mary, Charles, Bertha, Stephen, Genevieve, Francis, and Anna Maria all the best in their future endeavors.●

● Mr. FROST. Mr. Speaker, today is the 30th anniversary of HENRY GONZALEZ' first election to public office and it is appropriate that his friends in the House of Representatives, where he has spent most of his public career, pay special tribute to him on this day.

HENRY B. GONZALEZ remains an unabashed liberal whose first run for Congress in 1961 became a national referendum on the New Frontier policies of John F. Kennedy, who HENRY had campaigned for and whose policies HENRY strongly supported. His entire public life has stood for the New Frontier causes for the poor, the disadvantaged, the deprived, and those who cannot defend themselves. Few politicians have so steadfastly defended those principles over the years as HENRY GONZALEZ.

HENRY is a first-generation American of Mexican descent. He was the first Mexican American to serve in the Texas State Senate and he was the first Mexican American to be sent to Congress from Texas. Of all the contributions HENRY has made to the people of his district, none will endure as long as his unremitting opposition to segregation and the policies that deprived his constituents of the right to the franchise. HENRY attracted national attention during his service in the Texas Senate for his filibusters against what were known as the race laws—legislation designed to exempt Texas from the civil rights legislation that was sweeping the country. And in 1962 when he was first elected to Congress, HENRY immediately introduced legislation to abolish the poll tax in the five States where it still existed. That proposal was subsequently incorporated into the 1965 Voting Rights Act.

Most of us think of HENRY for his accomplishments in the housing field, which have been many. But his forcible defense of civil rights at every level of his political career is what his people back home most remember about HENRY B. GONZALEZ. He has rightfully earned himself a reputation for decency, compassion, and principles. He is a man whom I personally admire and with whom I look forward to many more years of close association.●

● Mr. LEATH of Texas. Mr. Speaker, I want to join my colleagues in paying tribute to a great public servant, my friend, HENRY B. GONZALEZ. In the 30 years that HENRY has served the public he has tenaciously fought in support of his convictions, not letting obstacles which would dishearten less persistent men deter him from pursuing his goals. This unfaltering spirit has earned HENRY the deserving respect of his colleagues.

HENRY has compiled a very impressive record of public service, having served in government on the city, State, and Federal level. His first elective office was as a San Antonio City Council member. Later, as a senator in the Texas Legislature, he demonstrated his dedicated fighting spirit through his filibusters against bills upholding segregation.

In 1961, HENRY was elected to the U.S. Congress. Since that time, he has continued his struggle to protect the poor and to fight discrimination. To enumerate all of his accomplishments would be too immense of an undertaking. I would like him to know, however, that his efforts have been noticed and appreciated, and that he serves as an example to all of us of a man who is willing to tenaciously battle for what he believes is right.●

● Mr. PICKLE. Mr. Speaker, we know our national leaders simply by their initials—F. D. R., J. F. K., and L. B. J. You can add to that list the abbreviated name of one of our distinguished colleagues from Texas who is known universally as HENRY B. When you quote HENRY B. everybody knows you are talking about HENRY B. GONZALEZ. This is a remarkable recognition, and it comes to a man who has been so active for so long for the right causes that he has gained this special recognition.

HENRY B.'s public service began 30 years ago. His service on the San Antonio City Council, in the State senate and as the first Hispanic to ever serve in the U.S. Congress HENRY B. has earned him this special recognition.

HENRY B. is recognized for his constant battle for the little man and, in a lighter vein, for his special orders at the close of every business day. Why if Congressman BROOKS had not arranged for this special order, HENRY B. probably would have arranged one for himself.

He is different, unique, and unpredictable, except that he will do what he thinks is right. He is dependable, lovable, and a great believer in the Democratic Party. You do not take HENRY B. for granted, and you know he is going to speak out every day on some vital issue.

I have often wondered how HENRY B. can keep getting reelected when he is so outspoken on so many issues—local or national. He does it every day. He is just as liable to speak out on a national issue as he is to take the hide off a local politician. But the people in his district know that is just HENRY B., and they must approve because they keep sending him back to Washington—and thank goodness for it.

Another reason for our celebration today is HENRY B.'s birthday—so happy birthday, HENRY. You are the top banana, the jefe grande, the big tamale of your city and the Texas delegation. We know you are not going to slow down; so we will just offer to aid and abet you—and say "sic em" HENRY B.●

● Mr. COLEMAN of Texas. Mr. Speaker, it is a great honor for me to join my colleagues in paying special tribute to our friend HENRY GONZALEZ of San Antonio during this very special week for him.

Three decades of service to one's city, State, and Nation is indeed a milestone not easily achieved. More important than this, however, is the unity among HENRY's constituents he has inspired along the way. Time and time again, his candidacy demonstrated that compassion, responsiveness, integrity, and leadership are far more important than one's ethnicity or a community's history of polarized voting. Not only does HENRY serve as a role model for young Hispanics to emulate, he serves as a model for all Americans to follow.

I am proud to have this opportunity to work with HENRY GONZALEZ and to gain from his wisdom on matters before this body.

I wish my colleague from Texas further success during his tenure in Congress, a most happy birthday, and a feliz cinco de Mayo.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to take this opportunity to thank the gentleman from Texas, JACK BROOKS, for this chance to speak in tribute to the Honorable HENRY B. GONZALEZ.

May 1, 1983, marked the 30th anniversary of Mr. GONZALEZ in public office. During this time, I have come to know HENRY very well and consider him a good personal friend. He has been an inspiration to all of us here in Congress, particularly with respect to his constant attempts to help the poor and needy in our society.

Since I have a large Hispanic population in my district, the 10th Congressional District in California, HENRY's efforts for Hispanic rights have meant a lot to the people of my district. HENRY has visited San Jose numerous times and has always had spirited messages of hope and inspiration for my constituents.

I will always consider HENRY a national leader in housing and community development, sensitive to the wants and needs of minorities and lower income families. He is a true representative of the people, and today I would like to say thanks for all his efforts and for the outstanding work he has done. I know the American people will continue to benefit from his dedication and commitment for many years to come.●

● Mr. ROE. Mr. Speaker, I take great joy in rising today to join in this well-deserved salute to our colleague from the great State of Texas, HENRY GONZALEZ, on the occasion of the 30th anniversary of his first election to public office.

The story of HENRY GONZALEZ' career can truly serve as an inspiration to all Americans, but especially those who come from Hispanic origins.

The son of Mexican American parents in San Antonio, HENRY became involved in politics when he ran for and was elected to the San Antonio

City Council in 1953; 3 years later he won election to the Texas State Senate.

HENRY's Horatio Alger story culminated dramatically in 1961 when he was elected to the House, becoming the first person of Mexican American heritage from Texas ever to win a House seat.

During the past 22 years, HENRY GONZALEZ has never lost any of his vigorous dedication to the needs of his constituents. His belief that a Member of the House of Representatives is here to serve the people back home is best exemplified by the motto on his Rayburn office door: "This office belongs to the people of the 20th Congressional District of Texas."

As the chairman of the important Housing Subcommittee on Banking, HENRY has shown the same fight in helping secure passage of legislation that guarantees decent housing opportunities for all Americans.

Mr. Speaker, HENRY GONZALEZ has always been the champion of those members of our society, the young, the poor, and the aged, and others who often have no one to speak out in their behalf.

It is my hope that 30 years from now, HENRY GONZALEZ will be congratulated again on this House floor for another 30 years of tireless devotion to the people of Texas and the Nation as a whole.●

● Ms. OAKAR. Mr. Speaker, I would like to join you in paying tribute to my distinguished friend and colleague, the Honorable HENRY B. GONZALEZ, on the occasion of the 30th anniversary of his first election to public office as well as the celebration of his 67th birthday.

Congressman GONZALEZ is my chairman on the Housing and Community Development Subcommittee. In the time he has served in this capacity I can say that he has made remarkable and important inroads in his extremely fair and judicial handling of the very critical situation that effects our Nation's housing and people. I have found him to be a man of the people whose integrity impresses both his colleagues and all people who have observed him in this important position on this crucial subcommittee.

I would like to congratulate him on this, his 30th anniversary in public office, and his 67th year as a person who cares for others and is not afraid to put himself on the line. He is a man of courage, foresight, and fairness.

Congratulations, HENRY.●

● Mr. MITCHELL. Mr. Speaker, I am proud to join my colleagues in honoring Congressman HENRY B. GONZALEZ on two very special occasions. Two days ago, on May 1, HENRY marked the 30th anniversary of his first election to public office. Today, he marks his 67th birthday.

HENRY has stood continuously in the forefront to promote equal opportunities for all citizens. He has been a stalwart in protecting the rights of minorities and the elderly. His untiring, compassionate commitment to decent affordable housing for low income citizens shines through daily in his capacity as the chair of the House Banking Committee's Subcommittee on Housing. I have served with him as a member of this subcommittee for years, and he is truly an inspiration to us all.

On this special day, HENRY GONZALEZ is receiving a distinct honor—a tribute from those who have the privilege of serving with him in the House. This is a high honor and he truly deserves it.

I want to extend my heartiest wishes for a happy anniversary and a fantastic birthday to this champion.●

● Mr. PATTERSON. Mr. Speaker, it gives me great pleasure to pay tribute to my distinguished friend and colleague, the Honorable HENRY B. GONZALEZ, of Texas, on the occasion of his 67th birthday.

I have had the honor of serving in Congress with HENRY GONZALEZ for nearly 9 years. He is a man who has dedicated 30 years of service to his constituents in San Antonio, Tex. Beginning his public service career in 1953 as a member of the San Antonio City Council, HENRY continues to serve the people of San Antonio as a member of the House Committee on Banking, Finance and Urban Affairs, and more specifically, through his leadership as chairman of the Subcommittee on Housing and Community Development.

As a colleague of HENRY's on the Banking Committee, serving with him on the Housing Subcommittee, I have had the honor of working with HENRY to develop legislation that will meet the challenge posed by our Nation's critical housing problems. As HENRY pointed out during hearings in March 1982, the questions we face in the housing arena are of fundamental importance. At that time, HENRY noted that:

> The blunt truth is . . . the Nation must decide whether or not it will maintain its commitment to a national housing program and policy, and whether or not we will address the ills of the industry, and whether or not we will continue our historic effort to provide safe, decent, and affordable housing for the American people.

It is clear that HENRY believes we must maintain this commitment to housing; and his actions demonstrate this conviction. Just last week, under HENRY's chairmanship, the Housing Subcommittee took the bold step of approving major housing legislation, H.R. 1—the Housing and Urban-Rural Recovery Act of 1983. Not only does this legislation reaffirm our historical commitment to meeting the housing needs of American citizens but it proposes to do so using a number of innovative, more cost-effective ways that reflect the constraints of today's budget realities.

I look forward to continuing to work with HENRY on the House Banking Committee and its Subcommittee on Housing.

And on this day, his 67th birthday, I would like to extend to HENRY warm wishes for a happy, healthy, and prosperous year.●

● Mr. ST GERMAIN. Mr. Speaker, the State of Texas has two monuments by which the great city of San Antonio is known nationwide—the Alamo and HENRY B. GONZALEZ.

Both are symbols of courage and the willingness to stand up against seemingly impossible odds.

We may not always agree with our good friend and colleague from San Antonio, but there is no one in this House who for a moment questions the sincerity of HENRY B. GONZALEZ' convictions. And when we are considering shelter for the homeless, housing for low- and moderate-income families in America, HENRY GONZALEZ speaks not of consensus, but of compassion.

We do not need to go back in history to illustrate this point. Last week, the Housing Subcommittee, under the chairmanship of Mr. GONZALEZ, reported out a bill which pushes for a revival of housing for low- and moderate-income families in the United States—for keeping the commitment the Congress has made to the American people that each should have decent, safe, and sanitary shelter.

Later this week, the House will consider for Emergency Housing Assistance Act which seeks to provide temporary assistance to homeowners facing foreclosure because of involuntary unemployment. The legislation also includes assistance for States and local governments to provide emergency shelter and essential services for the homeless. Few will forget the testimony given to Mr. GONZALEZ' subcommittee last December from the Salvation Army, from other church groups, and mental health associations, from community groups trying to help the homeless aging, and from some of the people living in these community shelters.

These efforts are more benchmarks in a career marked by concern for the poor, the disadvantaged—the little man in our economic system.

We honor HENRY B. GONZALEZ, a man of independence and compassion. Happy birthday, HENRY.●

● Mr. ACKERMAN. Mr. Speaker, I rise along with my colleagues in order to pay tribute to the Honorable HENRY B. GONZALEZ on the occasion of the 30th anniversary of his election to public office. Congressman GONZALEZ has been a beacon for those of us who once thought that our ethnic identity would prevent our election to public

office. Congressman GONZALEZ was one of the first Mexican American candidates for public office back in 1953. Again, when he was elected to the House in 1961, he was one of the first Mexican American Members of this body. He followed his educational path through the San Antonio Public School System and the University of Texas. It culminated with a law degree from St. Mary's University School of Law.

Mr. GONZALEZ is to be praised for his commitment and dedication to his community. By working for the publication of bilingual literature, teaching math and citizenship classes in veterans training programs, and through his work with the San Antonio Housing Authority, he helped to bridge the gap between newly arrived American citizens and their new country. The people of San Antonio recognized his dedication to civic affairs by electing him to the city council in 1953, elevating him to the State senate in 1956, and sending him to the House in 1961. As a Member of this body, he has served on many standing and select committees, distinguishing himself on each of them.

As a freshman in the House, I would be honored to emulate Congressman HENRY B. GONZALEZ, and be one of the Members of the House to wish him a happy birthday.●

● Mr. LONG of Maryland. Mr. Speaker, I congratulate my distinguished colleague from Texas, Mr. GONZALEZ, on his 67th birthday and on the beginning of his 31st year of dedicated public service.

For as long as I have been a Member of this body, Mr. GONZALEZ has shown the kind of courage and conviction which we should all emulate. His constituents and his colleagues are fortunate that he has been so generous in giving his career to public service.

I wish my good friend HENRY GONZALEZ the happiest of birthdays today and many more beyond. I look forward to serving with him for many years to come.●

● Mr. LEVINE of California. Mr. Speaker, I would like to thank my colleague from Texas (Mr. BROOKS), for providing us with the opportunity today to honor a distinguished and accomplished Member of Congress, HENRY B. GONZALEZ, on the occasion of the 30th anniversary of his election to public office.

During the 21 years he has served here, Mr. GONZALEZ has established a reputation as an effective champion of the causes he cares so much about.

At the top of the list of those causes is improving the quality of housing for Americans. For more than 20 years Mr. GONZALEZ has played an important role in fashioning housing legislation considered by the House of Representatives.

His concern for the civil rights of Americans was clearly demonstrated by the first bill he introduced—a resolution calling for the abolition of the poll tax which had for years been used to prevent blacks and Hispanics from voting.

He has shown the same kind of leadership on a list of causes which include full employment, consumer product safety, veterans affairs, and many more too numerous to mention here.

I am pleased to have the opportunity to take part in this special order to recognize an outstanding Member of Congress.●

● Mr. LOEFFLER. Mr. Speaker, as a member of both the Texas and San Antonio delegation, I am pleased to join with my colleagues today in extending congratulations and best wishes to our friend HENRY B. GONZALEZ who, on May 1, marked 30 years of dedicated public service as an elected official at the local, State, and National levels for San Antonio and Bexar County, Tex.

From the junior member of the San Antonio delegation to its dean, it is also my high pleasure to extend happy 67th birthday greetings and best wishes for a pleasant and memorable day.●

● Mr. CORRADA. Mr. Speaker, I am honored to join this tribute today commemorating the 30th anniversary of the first election to public office of our illustrious colleague, HENRY B. GONZALEZ.

As Resident Commissioner from Puerto Rico, it has been a privilege to serve, as a colleague, with Congressman GONZALEZ since I came to Congress in 1977.

All of us, as Congressmen, have special respect for our mentors. In this capacity, I note proudly that having served with Congressman GONZALEZ—particularly as a fellow member of the Hispanic Caucus I have benefited immeasurably from his counsel, his advice, and, perhaps most importantly of all, from his example he has set for all of us and for me personally in serving his constituents and his country.

Over the years, as a city council member, as a State senator in Texas, and as a Congressman, HENRY GONZALEZ has been in the forefront of many social issues and causes that have helped his fellow Hispanic-American citizens, and the city of San Antonio, Tex.

May he serve many more. I wish HENRY on this occasion, the very best of wishes, and I am happy to join in this special tribute for a very special person.●

● Mr. RICHARDSON. Mr. Speaker, today marks the 30th year of public service by my distinguished colleague from the State of Texas, Congressman HENRY B. GONZALEZ. Our Nation is grateful for HENRY's unyielding efforts on behalf of the poor, the elderly, low-income families, small businessmen, farmers, and minorities. Hispanic Americans take particular pride in his 23 years in this body, where he is now the dean of the Hispanic Caucus.

On this special occasion I think it is important for my colleagues to reflect on HENRY's longstanding commitment to civil rights and the public interest. In San Antonio, when swimming pools and parks were closed to members of minority groups, HENRY GONZALEZ led the fight to open the facilities to all the citizens of the city. In the Texas State Legislature, HENRY fought tirelessly against legislation that would have perpetuated segregation in Texas.

When HENRY came to the Congress in 1961, he continued his fight for equality under the law. He strongly supported the landmark civil rights bills of the sixties. HENRY worked hard and quickly won the admiration of his colleagues. His thoroughness continues today on the Banking Committee, where he chairs the Subcommittee on Housing.

Mr. Speaker, HENRY GONZALEZ has a plaque outside the door to this office in the Rayburn Building. The plaque states that "This office belongs to the people of the 20th District of Texas." HENRY, who is a lawyer, represents the people of his district very well, and they are indeed fortunate to have him as their advocate.●

● Mr. ANNUNZIO. Mr. Speaker, I am delighted to join my distinguished colleague, the Honorable JACK BROOKS, in saluting our good friend and esteemed colleague, the Honorable HENRY B. GONZALEZ, on his 30th anniversary of election to public office, and also on his birthday today.

I am honored to have served with HENRY in the House of Representatives since 1965, and to have benefited from his counsel and advice as a fellow member of the House Banking, Finance and Urban Affairs Committee.

Congressman GONZALEZ began his career of public service with his election to the San Antonio City Council in 1953. During part of his second term, he also served as mayor pro tem. In 1956 and 1960, he was elected to the Texas State Senate, and began his career in the House of Representatives with his election as Congressman from the 20th District of Texas in 1961.

HENRY's diligent efforts as chairman of the Subcommittee on Housing and Community Development of the House Banking, Finance and Urban Affairs Committee, and as a member of the House Small Business Committee have been both fruitful and beneficial to the citizens of this Nation, and indeed, these successful efforts have made America a more prosperous and productive country.

Congressman GONZALEZ has also served as the chairman of the ad hoc subcommittee on the Robinson-Patman Act, antitrust legislation, and related matters, as a member of the Select Committee on the Missing in Action in Southeast Asia, as vice chairman of the House Select Committee on Assassinations, as a House delegate to the United States-Mexico Interparliamentary Conference, and as a member of the National Commission on Consumer Finance.

He continues to give his best in service to his Texas constituents and to the people of our Nation. His outstanding dedication to high standards is an inspiration to his friends and fellow citizens and his record of excellence is most commendable.

Again, HENRY, congratulations and I extend to you my warmest best wishes for abundant good health and ever-increasing success as you continue to serve your State and your Nation in devotion to the highest principles.●

● Mr. BIAGGI. Mr. Speaker, I rise today to join in offering hearty congratulations to my friend and colleague, HENRY GONZALEZ, as he celebrates two milestones in his life—his 30th anniversary of holding public office and his 67th birthday.

During HENRY's long and colorful career as a public official, he has captured the hearts of the people of the 20th District of Texas and especially his charming hometown, San Antonio. Having been elected to the San Antonio City Council in 1953 and having served as mayor pro tem during part of his second term, HENRY quickly gained the love and respect of his constituents who saw fit to elect him to the Texas State Senate in 1956 and finally to the House of Representatives in 1961, where we now enjoy his contributions and his dynamic personality.

It is not hard to figure out why HENRY's constituent's love him so. He has spent the last 30 years of his life fighting for the rights of his people with a deep and burning commitment which surely comes from his forefathers. HENRY's ancestors were some of the original colonists of the State of Durango in northern Mexico who, having fled to our country during the revolution, became some of the most responsible and valued citizens of our Nation. Now, HENRY, in true American fashion, has kept their spirit alive.

As chairman of the Subcommittee on Housing and Community Development of the House Banking, Finance and Urban Affairs Committee, HENRY has led the fight to secure adequate and proper housing for Americans of all incomes. He has been a valued member of the Small Business Committee, and has served seven times as a House delegate to the United States-Mexico Interparliamentary Conference.

HENRY's contribution as a U.S. Congressman have been outstanding. It is my personal privilege and pleasure to offer to HENRY and his entire family my best wishes on this happy occasion. May he enjoy many, many happy returns.●

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

And, Mr. Speaker, I would like to include remarks from about 15 of my fellow Members.

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

There was no objection.

SOVIET "COLD WAR" IN CENTRAL AMERICA

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

Mr. BURTON. Mr. Speaker, I have been very distressed over the past few days because there are some activities going on in the House Intelligence Committee which concern me a great deal.

There is a move by the committee to cut off aid to our CIA operatives in Central America because of the Boland amendment which deals with the issue of Nicaragua.

There is a definite Marxist expansionist movement in Central America which I think endangers the security of the United States of America and I think it is singularly inappropriate for the House Intelligence Committee to do anything right now which is going to jeopardize the future security of this country.

I think we can all look at Central America and really be concerned. The Nicaraguan Government is building up a massive army down there. They plan to export revolution throughout Central America. Some of their leaders who have been captured have said in public interviews that they anticipate a Central American revolution, including Honduras, Costa Rica, El Salvador, Belize, Guatemala, and ultimately even Mexico. And this puts the United States in a very precarious position.

And one of the best articles that I have read recently on this issue was written by George Will, who is a columnist for the Washington Post Co., and because his article is so good, I thought I would read it into the RECORD today, because it covers almost every aspect of the problem and the confrontation in Central America.

Question: Since détente was codified at the Nixon-Brezhnev summit in 1973, the Soviet Union has fomented a nuclear alert by threatening to intervene with troops in the October 1973 war in the Middle East, a war incited and financed by the Soviet Union; they have organized and financed the destruction of the Paris accords and a U.S. ally; has intervened with Cubans and others in Angola, Ethiopia, Yemen, Cambodia, Nicaragua, and El Salvador; has invaded Afghanistan; and I might add murdered hundreds of thousands of Afghans; has orchestrated the crushing of Poland; has made a mockery of the Helsinki agreements; has repeatedly violated the informally agreed to Threshold Test Ban Treaty, although we even changed the way we measure violations, in an effort to avoid the need to make protests that would dampen détente; has tried to murder the Pope; is violating the terms of SALT II which is an amazing feat, considering that SALT II is a tissue of loopholes and ambiguities; is funding and organizing terrorism worldwide; and is continuing an arms buildup unambiguously designed for political intimidation and military aggression.

So the first question is, Why is there a return to the cold war?

The answer: President Reagan gave a speech referring to the Soviet Union as an evil empire.

Second question: The Soviet Union has an army brigade, 2,600 to 3,000 men, 2,500 military advisers, increased by 500 last year, and 6,000 to 8,000 civilian advisers in Cuba. It gave Cuba 66,000 metric tons of military supplies in 1981, 68,000 metric tons of military supplies in 1982 worth over $1 billion, Moscow's annual economic aid to Cuba is $4 billion, more than one-quarter of Cuba's gross national product.

Cuba has 200 Soviet Migs, including two squadrons of Mig-23 floggers, at least 650 tanks, at least 90 helicopters, including MI-24 attack helicopters, a Koni-class frigate, two Foxtrot attack submarines, at least 50 torpedo attack boats, two amphibious assault ships. And a Grenada Minister says Cuba will use Grenada's new airport when supplying Cubans in Africa.

Cuba, with one-seventh of Mexico's population, has military forces twice the size of Mexico's. The Soviet Union is giving 20 times more military assistance to Cuba than the United States is giving to all of Latin America.

In the newest Soviet satellite, Nicaragua, 39 percent of all males over 18 are in uniform, and the regime intends to build a 250,000 person armed force, so that 1 in 10 Nicaraguans will soon be in the military or militia.

Now I submit to my colleagues that is more than adequate to defend their borders. What they are planning to do is export revolution and there is no doubt about it. When you consider the people they say they are concerned about, Honduras has 20,000 in their

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army and El Salvador has a total of 32,000, and they are building a 250,000-person armed force.

Nicaragua's regime has built 36 new military bases and garrisons. The previous regime had only 13. Nicaraguan pilots and mechanics are being trained in Communist Bulgaria. The regime has received so far 50 Soviet tanks, 1,000 East German trucks, 100 antiaircraft guns, Soviet 152-millimeter howitzers with a range of 17 miles.

Cuba has 4,000 to 5,000 civilian advisers in Nicaragua, plus 2,000 military and security advisers. There are also East Germans, Bulgarians, North Koreans, Soviets, and members of the PLO.

So the second question is: What in Central America does Congress seem to be most worried about?

And the answer: 45 U.S. trainers in El Salvador.

Events in Central America are spinning rapidly toward a decisive moment in U.S. history. None of the fictions that were used to rationalize acceptance of defeat in Vietnam can be used regarding Central America. The threat there is close, clear, and indisputable Communist. There the United States will show, will learn, whether it is any longer capable of asserting the will a great power requires, or whether the slide into paralysis is irreversible.

Governments such as Costa Rica's and Panama's are listening as congressional complaints mount. The complaints are against U.S. assistance to armed opponents of Nicaragua's Stalinists, and about even minimal aid for the democratically elected Government of El Salvador that is under attack from forces that are extensions, through Nicaragua and Cuba, of the Soviet Union.

The conjunction of these complaints can mean, in effect, the extension of the Brezhnev doctrine in this hemisphere. That is, Communist attacks on a regime leech away the regime's legitimacy, and produce pressures for negotiations aimed at power-sharing with Stalinists who do not believe in power sharing. But a Communist regime, however freshly planted and dependent on foreign totalitarians, as in Nicaragua, must be treated as legitimate and irreversible.

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There is a war raging, and if all of the substantial determined military assistance is one way, there can be but one result. The result will be a Communist Central America and an Iran just a wade across the Rio Grande.

Mr. Speaker, I submit to my fellow Representatives that this is a dire set of circumstances, and each and every one of us should search our souls before we cast a vote to cut off aid to El Salvador or curtail the actions of the CIA at a very critical moment in our country's history.

FORMING A SHIPPER ASSOCIATION MAY SAVE LOCAL RAIL SERVICE

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

● Mr. CORCORAN. Mr. Speaker, I take this opportunity to bring to the attention of the Members an article entitled "Forming a Shipper Association May Save Local Rail Service." This article, from the February 1983 issue of Farmer Cooperatives, a monthly publication of the Agricultural Cooperative Service in the U.S. Department of Agriculture, highlights the importance of shipper associations in the current railroad industry environment, especially in redeveloping service on raillines undergoing abandonment by a major rail carrier.

One group of shippers in central Illinois has already formed just such an organization, the Bloomer Shippers Railway Redevelopment League. With the sponsorship of one of our most distinguished colleagues, the gentleman from Illinois (Mr. MADIGAN), the league should become the direct recipient of Federal financial assistance for the acquisition of and rehabilitation of this line under section 511 of Public Law 97-468. Given the unique, transitional problems surrounding the Bloomer Line, the Bloomer Shippers Railway Redevelopment League can serve as an appropriate direct recipient of Federal financial assistance. Coupled with assistance from State, local, and individual shipper sources, I am optimistic that the Federal financial assistance, which the league should receive, will spur the redevelopment of the Bloomer Line during the next year and a half.

I include the text of the Farmer Cooperatives article in the RECORD, as follows:

[From the Farmer Cooperative, February 1983]

FORMING A SHIPPER ASSOCIATION MAY SAVE LOCAL RAIL SERVICE

(By Michael D. Kane and Arvin R. Bunker)

Railroad companies are merging and forming a limited number of large major carriers. Some transportation experts predict as few as four major rail carriers may be operating in the continental United States by the turn of the century.

National rail companies may not be interested in servicing under-used or duplicate lines. Wholesale rural abandonment may occur. Since November 1979, 9 major rail mergers have occurred, the 4 largest being Burlington Northern, with more than 29,000 miles of track after merger with the Frisco; CSX Corporation, now having 27,000 miles following merger of Chessie System and Seaboard Coast Line; Norfolk Southern Corporation with 18,000 miles via the merger of Southern and Norfolk and Western Railroads; and Pacific Rail Systems, with 22,800 miles after combining the Union Pacific, Western Pacific, and Missouri Pacific Railroads.

Cooperatives faced with loss of rail service may consider forming a nonprofit shipper association with other rail users in their trade territory. Many aspects of a shipper association, however, such as funding and services of a short-line railroad to fill the gap, should be carefully studied.

These associations can purchase and operate short lines, develop bargaining power with carriers for favorable rail rate and service contracts, secure financing, and gain limited antitrust and Interstate Commerce Commission (ICC) regulation exemptions. Some Federal assistance may be available, but cooperatives no longer can count on subsidies to refurbish short lines.

ICC GUARANTEES RIGHTS

Although not a funding source, ICC's Feeder Railroad Development Program may help cooperatives maintain rail service. This Federal program guarantees some rights to branch line owners, removing some barriers that once may have hindered success of some short lines. It calls for ICC to assure a qualified buyer a market value purchase price and trackage rights, and provides for negotiation of "equitable" reciprocal switching charges, and a fair distribution of joint revenues.

Unfortunately for some shippers, the feeder program applies only to lines listed with ICC for potential abandonment for which an application has not been filed and lines that are required or allowed to be sold. Carriers in bankruptcy proceedings do not fall under this program.

Until October 1, 1983, ICC has the power to require sale of lines that carried less than 3 million gross-ton-miles per mile of track in the preceding year. After this, ICC may require any rail line to be sold.

A shipper or group of shippers may qualify as buyers. State, regional, and local government or transportation authorities also can negotiate to buy a line. But some constitutions forbid the State government to become involved directly in rail line ownership and operation. Often, a shipper association may be the preferable way to purchase a branch line.

A shipper association usually begins as an informal group addressing a common problem such as loss of rail service through bankruptcy or abandonment. This informal group can determine which shippers are genuinely interested in supporting rail service and willing to make a financial commitment.

A more formal legal organization is necessary for the next step—dealing with carriers and local, State, and Federal officials. The group must decide if it wants a public or private operation.

PUBLIC OR PRIVATE ASSOCIATIONS

There are two basic types of public organizations. In many States, shipper associations can form under statutes authorizing port authorities, industrial development districts, and rural transportation authorities. These organizations can often issue industrial revenue bonds, levy taxes, and, sometimes, exercise eminent domain. Other public organizations are formed under common State incorporation statutes with membership open to any investor.

Private organizations limit membership to specific groups such as local shippers, those interested in local business development, and/or agricultural cooperatives.

Whether public or private, the shipper association should operate at cost to gain limited antitrust immunity and exemption from ICC jurisdiction. For example, a non-

profit association formed to benefit from volume freight rates can become exempt from ICC regulation under certain conditions. Department of Justice also exempts specific joint activities by such associations.

Purchase and rehabilitation of a rail line usually involves a major investment. Lack of guaranteed returns does not attract private investors other than local shipping interests. So public funds often are sought. These factors usually influence groups to form public shipper associations to make managerial and financial decisions in raising and using public funds. Some State laws recognize community shipping groups, grant them special privileges as transportation or regional rail authorities, transportation districts, or port authorities.

Traditionally, shipper groups have formed public organizations because of the significant financial advantages. They usually borrow funds at lower interest rates. Sometimes they have more accessibility to funds than private individuals or corporations such as sale of industrial revenue bonds, tax abatement or relief, Federal subsidies, and grants for economic development. The financial advantages of public acquisition generally result in initial lower costs of branch line ownership and operation. Such advantages help the association qualify for State and Federal funds and improve the economic well-being of the entire community.

However, if shippers can afford to purchase a rail line, they should consider a private, not-for-profit shipper association. Although financial responsibilities are limited to members, the association still gains limited antitrust and ICC exemptions. If present regulatory trends continue, exemptions will significantly help joint shippers negotiate large-volume contracts with carriers.

Ownership by a group of shippers on an operation-at-cost or not-for-profit basis may be a viable alternative to rail abandonment. Private ownership by a group of shippers has other advantages:

An owner-user has more incentive to use rail service even when truck shipments provide better margins.

Greater use of the line reduces the per-bushel cost of operation, so owner-users ship by rail to get a better return on their investment.

Owner-users may be able to rent or lease the branch line to the short-line operator for less. They may be content with a lower rate of return on their investment just to maintain a rail-marketing option.

Branch line repair or maintenance may be cheaper if owner-users do it themselves. If the venture isn't economical in the long run, the group may regain some return on their investment by selling land and scrap materials.

The new tax investment credits and accelerated cost recovery system of the Economic Recovery Tax Act of 1981 also may offer sufficient investment and depreciation incentives.

HELP DECIDE KEY ISSUES

A group forming a shipper association should plan carefully in deciding key issues on purchasing and operating the rail line. Many associations turn to short-line railroads operating companies for technical assistance.

Determining the condition of the track, right-of-way, bridges, and other facilities and equipment is a major task. Initial rehabilitation of often-neglected, light-density rail lines requires a large investment. Lines must be upgraded to meet Federal safety standards.

The shipper association should rely on a railroad engineering expert for this evaluation. More than one estimate should be obtained because subjective studies on rehabilitation costs vary. Potential short-line companies often will provide an estimate. Consultants, retired railroad engineers, and local and State transportation agencies can also provide expertise.

Initial planning also should involve an objective evaluation of existing and potential traffic. Shippers must realize short line operations usually do not lower transportation costs. Many light-density lines have been put out of service, because past and projected low-traffic volume did not justify rehabilitation and operating costs. Traffic revenues must cover operating costs. The line should be profitable for the short-line company even during a recession.

Shippers should survey service needs, types of cars, alternative transportation costs, and commitment from potential users. From survey results, evaluate income and projected costs under light, average, and heavy short-line use. Shippers must consider the seasonality of their freight shipping requirements. Many railroad activities and costs are not seasonal.

Don't be surprised if a short-line company demands revenue or traffic commitment in a railrate and service contract. Short-line operators incur high costs in initial operations and seek to minimize risk. Realizing shippers choose the least expensive transportation, shipper-short-line operator contracts may require a minimal annual payment regardless of use, plus a specific contract rate agreement noting service and rates for each shipper.

The shipper association also may have to contract with the major carrier for unique car requirements and joint line and switching fees. The association must estimate these costs during planning to determine if the new venture will work.

FEDERAL FUND SOURCES

Other possible sources of capital may be Federal agencies.

USDA'S Farmer's Home Administration (FmHA), for example, guarantees loans to purchase and rehabilitate rail lines in rural areas. The agency's Community Facilities Division has limited loan funds for branch-line acquisitions.

Loans are available to public entities and other nonprofit organizations, including farmer cooperatives. The short line must serve residents of unincorporated rural communities of less than 20,000 people. Loans are available for construction, engineering, legal fees, materials, purchase, rehabilitation, and working capital.

The Business and Industry Division of FmHA offers guaranteed loan participation of short lines. Funds are distributed to State offices to develop or finance businesses and industry and increase employment opportunities.

U.S. Department of Commerce's Economic Development Administration offers financial aid to economically deficient localities. Grants may be made to political subdivisions or nonprofit economic development organizations, such as regional transportation authorities, districts, or shipper associations, if their proposals are designed to improve and expand growth in industry and commerce. Funding is uncertain for fiscal 1983.

Short-line operators have used funds from U.S. Department of Transportation's Federal Highway Administration for many years. This agency has funds for rail/highway projects such as crossings, construction and maintenance, warning devices, crossing surface improvements, and new grade separations. Some programs require matching funds from State or local authorities, or both. Small Business Administration (SBA) provides loans as well as guarantees funds for small businesses. SBA can guarantee a private loan from a local bank for up to $50,000. Direct loans can be made to $150,000. SBA charges lower-than-market interest rates and payback periods are longer.●

PRIVATE CALENDAR

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

● Mr. BOLAND. Mr. Speaker, I take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues:

Of the five House Calendars, the Private Calendar is the one to which all Private bills are referred. Private bills deal with specific individuals, corporations, institutions and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the First Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have private claims and demands against the Federal Government. The 49th Congress—1885 to 1887—the First Congress for which complete workload and output data is available—passed 1,031 Private Laws, as compared with 434 Public Laws. At the turn of the century the 56th Congress passed 1,498 Private Laws and 443 Public Laws—a better than 3 to 1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62nd Congress changed this procedure by its rule XXIV, clause 6 which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that Act banned the introduction or the consideration of four types of Private bills: First, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream, or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising postwar and cold war flood for private immigration bills. The 82d Congress passed 1,023 Private Laws, as compared with 594 Public Laws. The 88th Congress passed 360 Private Laws as compared with 666 Public Laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after dispostion of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the Committee reporting it. No reservation of objection is entertained. Bills unobjected to are considered in the House as in Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matter so stricken out shall not be again included in an omnibus bill during that session. Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Omnibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over the to next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members of official objectors system the House has established to deal with the great volume of private bills.

The Majority Leader and the Minority Leader each appoint three Members to serve as Private Calendar Objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or a question about a particular private bill, he can get assistance from the objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement is as follows:

Reaffirming the policy initially adopted on June 3, 1958, the Members of the Majority Private Calendar Objectors Committee have agreed that during the 98th Congress, they will consider only those bills which have been on the Private Calendar for a period of 7 calendar days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the Objectors for 3 calendar days.

It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts (Mr. BOLAND), the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Virginia (Mr. BOUCHER), the gentleman from Wisconsin (Mr. SENSENBRENNER), the gentleman from Virginia (Mr. BLILEY), and the gentleman from Colorado (Mr. BROWN).

I feel confident that I speak for my colleagues when I request all Members to enable us to give the necessary advance consideration to private bills, by not asking that we depart from the above agreement unless absolutely necessary.

Edward P. Boland, Massachusetts; James L. Oberstar, Minnesota; Frederick C. Boucher, Virginia; F. James Sensenbrenner, Jr., Wisconsin; Thomas J. Bliley, Jr., Virginia; Hank Brown, Colorado.●

ACQUIRED IMMUNE DEFICIENCY SYNDROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, I have requested this special order today in order to focus attention on the campaign against what may be the greatest health peril since polio, acquired immune deficiency syndrome, usually called by the acronym AIDS. First diagnosed in 1979, AIDS is a poorly understood disorder in which the body loses its immunity to disease. Victims of AIDS usually succumb to one of two diseases, a rare form of cancer called Kaposi's sarcoma, and a usually fatal lung disease called pneumocystis carinii pneumonia.

While the cause of AIDS is still unknown, experts believe that infectious agents and possibly repeated exposure to such agents may be responsible. The relentless spread of AIDS over the past 2 years leaves no question as to the severity of the epidemic. The latest figures show over 1,300 reported cases and more than 500 fatalities. The mortality rate for those who contracted the disorder 4 years ago is 100 percent; for those who contracted AIDS in 1980, it is 86 percent. The human tragedy of this outbreak is deepened by the youth of the victims, the debilitating and costly nature of their illness and the lack of any concrete information about its cause or cure.

Yet despite these frightening realities, it has become clear that the fight to discover a cure for AIDS is one of the most difficult struggles the medical scientific community has ever faced and perhaps ever will face. This is because what we are all battling is more than a medical epidemic. As my colleagues may know, three-quarters of all victims are gay men. One cannot separate societal reluctance to address the AIDS epidemic from the larger problem of resistance to basic civil rights protection for homosexuals. In the past, disregard for their human rights has cost them job security, housing, adequate health cares and free self-expression. With the outbreak of AIDS, it is costing them their lives. In my judgment the underlying discrimination and prejudice have contributed significantly to the Nation's inadequate response to the epidemic.

Mrs. BOXER. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentlewoman from California.

Mrs. BOXER. I thank my colleague, the gentleman from New York, for arranging this special order.

Mr. Speaker, we are in the midst of an epidemic which is being called the worst since the swine flu outbreak of 1918 and 1919, and I implore my colleagues from every State to take note and to help.

The current epidemic of AIDS constitutes a major health crisis. I believe that we have before us a public health problem of enormous proportions, and I strongly believe that we must act now to minimize the opportunities for this epidemic to worsen.

Although 75 percent of the cases are found in the homosexual community, a large and growing number is turning up in the heterosexual community. The rapid spread of this disease, its extremely high mortality rate, its apparently long incubation period, and its apparent transmissibility mean that the Federal Government must engage in a massive research effort aimed at stopping this disease.

That the Federal research effort in this area has not expanded sufficiently to meet the need is a tragedy that can no longer be allowed to continue.

Mr. Speaker, I am totally committed to obtain the medical research funding that the health professionals have told us is necessary to combat this outbreak. We have a serious obligation to make maximum efforts to understand, contain and, hopefully, cure AIDS. The time is long since past when the many scientists eager to pursue the sources of this syndrome were held back by lack of sufficient financial support.

As the Representative from San Francisco, which has the second highest rate of AIDS nationally, I feel a particular urgency to act against a source of so much grief, pain, and mental anguish. Our late colleague, Congressman Philip Burton, whom this body so mourned at his passing, shortly before his death had introduced legislation to provide the rapid

increase in funding needed in this crisis. I reintroduced his bills last week and hope that through them we can go forward in combating this epidemic. My bills will increase the funding for AIDS research through the Center for Disease Control and through the National Institutes of Health. But our efforts must not end with my legislation. I am pleased that my colleague, the gentleman from New York (Mr. WEISS) is addressing the immediate pain and suffering of AIDS victims by making them eligible for health care assistance. I am very pleased to be supporting him in his effort.

I strongly feel the great concern and frustration of many of my constituents at the slow and uncertain course that the battle against AIDS has taken. I personally know of the tragic loss of so many young lives and the fears and the grief of their loved ones and friends. We in this House of the people will, I am certain, respond to their needs and provide the tools needed to end this suffering. For, Mr. Speaker, if we do nothing and the disease continues to increase at the current rate, the 1,000 dreaded cases will turn into the many hundreds of thousands and the 50-percent death rate or higher will continue to rise.

Last night, Mr. Speaker, in San Francisco a large group of concerned citizens led by several victims of AIDS gathered at the Federal Building to call attention to their great need and to appeal for our help. The lighted candles they held symbolized their hope for our recognition of that need and for our affirmative response. I hope and I know that this House will hear this call and will act to end this terrible outbreak of disease with all of the resources at our command.

Mr. Speaker, again I thank the gentleman from New York (Mr. WEISS) for this opportunity and I look forward to working together with my colleague on this issue.

□ 1800

Mr. WEISS. I thank the distinguished gentlewoman for her very significant statement.

Mr. Speaker, I am pleased to yield at this time to our distinguished colleague from Massachusetts (Mr. FRANK).

Mr. FRANK. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman from New York for taking out this special order. It is only the latest in a long series of acts he has performed on behalf of people in need.

There can be some legitimate debate about the role of the Federal Government, but there does not seem to me to be room for debate about the obligation of the Federal Government to respond when a serious, fatal disease suddenly rises up and strikes down hundreds and perhaps thousands of innocent people. It is urgent that the House and the Senate and the President act jointly to provide whatever funds will help in meeting this national health emergency.

Similar national health emergencies have called forth in the past similar responses. All of us hope that the fact that this is a disease which strikes gay men, one of America's persecuted minorities, will not interfere with the response that the Federal Government owes any of its citizens faced with this kind of serious hazard to their health and, indeed, to their very lives. We must not sit by and allow prejudice of any sort to interfere with the right of our fellow citizens to the best medical research and treatment that we can provide.

The legislation that has been put forward by the gentlewoman from San Francisco, the gentleman from New York, the work that has been done by the gentleman from California (Mr. WAXMAN), who chairs the Health Subcommittee, and others is essential. All of us have to support it.

There is a health emergency known as AIDS facing our fellow citizens, and I hope that we will promptly and expeditiously respond, and again, I congratulate the gentleman from New York for giving us an opportunity to underline the urgency of action in this regard.

Mr. WEISS. I thank the distinguished gentleman from Massachusetts for his profound statement.

Mr. Speaker, I am pleased at this time to yield to the distinguished gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to join my colleague from Massachusetts in commending the gentleman from New York for taking time to do what, with respect to the subject before us, perhaps needs more doing than anything else, which is to talk about it, and to bring it to the attention of the American people and of this body.

With the permission of the gentleman, I am going to speak for a moment in joining him on this subject.

Mr. WEISS. I would be pleased to have his statement.

Mr. STUDDS. Mr. Speaker, the deadly new disease of AIDS is as relentless as it is tragic. With more than 1,400 victims and over 500 deaths, this disorder has already claimed more than twice the number of lives as did Legionnaires disease and toxic-shock syndrome combined. According to the most recent statistics, the mortality rate for those who contracted the disease in 1979 is 100 percent. Thus far, 86 percent of those afflicted with AIDS in 1980 have died. Epidemiologists, well aware of the potentially frightening dimensions of this epidemic, warn that what we have seen thus far may be little more than the tip of the iceberg. Because it may take 2 years for a victim to develop any noticeable symptoms and because scores of new cases are only now being reported in the disease's formative stages, the head of AIDS research at the Center for Disease Control said recently that there is no way of predicting how large the iceberg eventually will become.

At the present time, we are shockingly ill-prepared to contain this disease. Federal health agencies—particularly the National Institutes of Health—continue to treat AIDS more like a common cold than a catastrophic national health emergency. Last year, NIH spent only one-quarter of 1 percent of its budget on AIDS research, and has refused to take steps to cut back the redtape involved in contracting out research on the disease. NIH has a broad mandate to use its considerable resources as it sees fit to study public health hazards. But, as one Government scientist recently observed:

> Here's this huge, unprecedented wave of breakdowns in people's immune systems and they seem barely interested. A rare form of cancer is spreading epidemically for the first time in history and NIH is still deciding whether it's a major problem.

Congressional staffers have said that persuading NIH to pay greater attention to the AIDS epidemic is like rerouting a luxury liner that takes 10 miles to turn.

Why are health officials so inexplicably hesitant to investigate AIDS when afflicted Americans are dying by the dozens? The principal reason is that most AIDS victims—at least so far—have been homosexuals. As so eloquently outlined by Congressman WEISS last month at an AIDS symposium in New York, the reticence to address the health threat of AIDS cannot be separated from the overall resistance in our Nation to guaranteeing basic civil rights protection for gay persons. In the past, disregard for the human rights of gays has cost them their jobs, their housing, and denied them their right to self-expression. With the outbreak of AIDS, it is quite literally costing gay people their lives.

Remarkably enough, some accounts of the crisis have at least implied that gay persons afflicted with AIDS are not, in fact, victims at all. A recent New York Times Sunday Magazine account of the AIDS epidemic described nonhomosexual victims of AIDS as "innocent bystanders caught in the path of a new disease"—a new disease, we are presumably to assume, for which gay people are somehow liable. It is difficult not to speculate whether Federal health authorities might be paying greater attention if AIDS were taking a particularly heavy toll on

other, more innocent, segments of our population.

Across the country, community health clinics have reportedly overcome the institutional reluctance to make a serious start toward containing AIDS. As described in a New York Times op-ed article which follows my remarks, some small health centers—which have seen the debilitating effects of AIDS firsthand—are making a concerted yet sensitive attempt to address this urgent problem.

Regrettably, however, the same cannot be said for Federal health authorities. It is unusual and in some cases not entirely desirable, for the Congress to earmark precise spending priorities for NIH. If NIH cannot take the initiative so obviously demanded to safeguard public health, however, Congress cannot stand by idly.

Thus far, most AIDS fatalities have occurred in New York and California. There are, however, clear and ominous signs that this health emergency is spreading fast. The latest epidemiological statistics in my home State of Massachusetts, for example, show six deaths of persons with confirmed or probable AIDS afflictions over the last 10 months. Another 19 local persons are currently known to be suffering from confirmed or probable cases of AIDS.

Clearly, this dread disease knows no geographical bounds. Unless we as a nation take steps now to research its causes and develop its cure, AIDS will eventually reach into each and every area—indeed each and every congressional district—in the country. The terrifying prospect of an unchecked epidemic of such enormous proportions is not a fantasy. Nor should it be an issue clouded by partisan politics or by one's own views on sexual preference. What we have on our hands is a very real human catastrophe, which we have the solemn moral responsibility to investigate and resolve.

If the gentleman would continue to yield, I would like to read into the RECORD an op-ed piece in the New York Times of April 22 of this year by Dr. Kevin Cahill, director of the Tropical Disease Center at Lenox Hill Hospital, who I know participated, along with the gentleman, in a recent symposium in New York. Dr. Cahill wrote as follows:

[From the New York Times, Apr. 22, 1983]

CONQUERING AIDS

(By Kevin M. Cahill)

Several years ago, healthy young men began to die in large numbers from an unknown disease. As so often happens in the history of medicine, the early cases were considered isolated extremes in the normal spectrum of an illness and there was, in retrospect, an inadequate appreciation by the health profession of a growing disaster. Slowly, but inexorably, the numbers afflicted grew and an insidious outbreak exploded into a frightening epidemic.

People who had been previously healthy developed rare tumors and unusual infections. Studies showed that they suddenly and inexplicably lost their normal immunity to disease. They had an illness for which medicine had no name, and in our ignorance we called it Acquired Immune Deficiency Syndrome—or AIDS.

More and more cases have been recognized since AIDS was first seen in 1979–80. At first, most of the victims were homosexual men in New York City and California, but soon heterosexual Haitians and drug addicts were diagnosed as having AIDS. Then recipients of blood, particularly hemophiliacs, fell before the puzzling epidemic. There were many questions and few answers. Concern led to fear, then panic. There were demands for drastic action, but no one was quite certain what to do.

Federal officials seemed to approach the epidemic with embarrassment, declaring that the problem was a local issue; local authorities claimed they could do little without national support. Words and meetings became a substitute for rational action. Politicians handled the epidemic with unaccustomed wariness. Almost without exception, public leaders evaded the epidemic issue, avoiding even the usual expressions of compassion and concern. The victims' sexual orientation apparently made involvement risky, and the politicians directed their courage and energies elsewhere.

Still the young men continued to die. As of April 13, 1,339 people have been diagnosed as having AIDS—505 cases were fatal. In New York City alone, there have been 595, with 228 deaths. As the disaster escalated, the organized medical community was strangely absent. When a fatal infection struck down veterans attending an American Legion convention, health professionals across America joined in the search for a solution. When women using tampons became ill with toxic-shock syndrome, medical centers immediately focused their enormous talents on that problem. But when the victims were drug addicts and poor Haitian refugees and homosexual men, no major research programs were announced. Until it became clear that the disease could spread to the general population through blood transfusions, organized medicine seemed part of a conspiracy of silence.

But there have been many instances of individual courage, of simple adherence by physicians and nurses and technicians to a code as old as medicine itself. Clinical medicine is not built on heroic deeds but on steady, loyal service to patients. When they are dying in large numbers and when the mode of transmission of their disease is unknown, the daily routine of involved health workers assumes a quiet dignity and decency that deserves special respect. The clinician has a privileged role in an epidemic, for he shares the victims' sufferings, despair and dwindling hopes.

Added to the medical challenge has been a growing crisis in hospitals and social service departments faced with large numbers of AIDS patients. Because of the need for "isolation precautions," every facet of care—nursing, nutrition, laboratory work, housekeeping, etc.—becomes extremely costly. The duration of an AIDS hospital stay is usually measured in months, and hospital bills exceeding $100,000 occur with ever increasing frequency. Health insurance coverage for the young and poor is usually inadequate, often nonexistent. Society had not planned for this epidemic.

To address some of these problems, a group of nationally known medical specialists recently gathered in New York City for a symposium on AIDS with the hope that their shared knowledge and experience might suggest promising avenues of investigation for researchers, lend practical aid to clinicians and chart a course out of this crisis.

The history of medicine assures us that, with time and effort, the terrible mystery will be unraveled and a cure found. When that day comes, we may look back and reflect with the same satisfaction that Albert Camus's character Dr. Rieux, in "The Plague," experienced as the epidemic finally vanished from Oran and he "resolved to compile this chronicle, so that he should not be one of those who hold their peace but should bear witness in favor of those plague-stricken people; so that some memorial of the injustice and outrage done them might endure; and to state quite simply what we learn in time of pestilence: that there are more things to admire in men than to despise."

□ 1810

May I say to the gentleman that I fervently hope that none of us in this Congress and none of us in this country will ever have to find ourselves looking back upon a nation in which epidemic has essentially run riot and uncontrolled and remember the oft quoted words of Pastor Niemoller, who said, as the gentleman well recalls, we spoke about this before:

In Germany, the Nazis first came for the Communists, and I did not speak up because I was not a Communist. Then they came for the Jews, and I did not speak up because I was not a Jew. Then they came for the Trade Unionists, and I did not speak up because I was not a Trade Unionist. Then they came for the Catholics, and I was a Protestant, so I did not speak up. Then they came for me.

Mr. Speaker, we have in this Nation what is essentially an outbreak of contagious cancer. It is an unspeakable tragedy for the individuals who have been touched to date. It is an emergency, if that word retains any meaning in the English language. We do not know what causes it. We do not know a cure for it.

Let us, while there is time, take the steps which we in this body have the power to take so that at some future time, some future Pastor Niemoller will not make a similar observation about us.

I should like again to commend the gentleman from New York for the leadership which he has assumed in this fight and encourage him to continue, as I know he will, and I thank the gentleman for the time.

Mr. WEISS. Mr. Speaker, I thank the gentleman for his very eloquent and moving statement.

The AIDS crisis, in sum, is providing an excuse, it seems to me, for our society to further deny homosexuals their basic rights, even their rights as victims.

Indeed, as the gentleman from Massachusetts has referred to, certain segments of public opinion seem to blame

the victims for the epidemic. For instance, a recent article about AIDS said that groups other than homosexuals were "innocent bystanders caught in the path of a new disease."

The implication is that gays themselves are not innocent and perhaps deserve the affliction. At the very least, there is the suggestion that the problem would be less worthy of attention if it were limited to the gay community.

AIDS has been described in the media as the gay plague, the gay disease, and the gay epidemic.

News accounts have included language such as "being gay is hazardous to your health," or, "homosexual plague strikes new victims," and "depravity kills."

Even worse, a group calling itself Dallas Doctors Against AIDS has organized with the sole purpose of criminalizing homosexual activity on the grounds that "it spreads AIDS and other diseases."

Such perspectives shift the focus of the real need, that is of extinguishing the epidemic, preventing and curing the disorder and caring for the afflicted.

The national response from government, the medical community, the media and the public at large, has been less than zealous when compared to the reactions which followed outbreaks of toxic shock and Legionnaires disease, and although AIDS has taken twice as many lives as those two epidemics combined, the country by and large has not been alerted, nor have our enormous resources been mobilized as quickly, as urgently, or as extensively as the situation warrants.

For nearly 2 years, the Government overall has not accepted its leadership responsibility fully or devoted sufficient expertise to fighting this insidious epidemic.

While others hesitated, the gay community itself has mobilized an unusual and exemplary effort against the epidemic in cities across the country.

The gentlewoman from California referred a few minutes ago to the candlelight march yesterday in California. There were similar marches in cities across the country.

For example, New York City's Gay Men's Health Crisis, GMHC, was the first new organization to acknowledge and confront AIDS. GMHC's 700 trained volunteers provide support services for AIDS victims and the at-risk population, act as a clearinghouse for data and current medical knowledge on AIDS, sponsor training seminars for medical and allied health professionals and have raised thousands of dollars to fund research projects.

In addition, the gay community has established a lobby in Washington, D.C., to fight for additional funds for AIDS research.

In fighting this health emergency, the gay community has laid the groundwork from which a more comprehensive effort must be built. As this epidemic continues to spread in affected populations, becoming an ever greater threat to the public at large, efforts to combat it must become even more urgent.

In recent months, as AIDS cases and deaths have escalated at an alarming rate, a corresponding collective response has begun to develop. It is clear and becoming clearer that as a society we can no longer afford a haphazard response to this public health crisis. We are beginning slowly to recognize that the tragedy now striking gay men, heterosexual, Haitians, hemophiliacs, and drug users, is in fact a national tragedy.

Any course of future action must be developed and executed in a cooperative manner involving victims, health providers, government, concerned citizens and organizations.

Gay men, hemophiliacs, Haitians, and other at-risk adverse populations must be active participants in the decisionmaking which affects their very survival. Unilateral decisionmaking and exclusionary dialog have no place in this crisis, particularly given the widespread misinformation about and discrimination against many of those affected by the outbreak.

All of us who share a commitment to an aggressive response have much work to do. First, Congress and the administration must act quickly to allocate additional resources to maintain and expand public health surveillance and epidemiological research and AIDS. Thus far, the Centers for Disease Control, CDC, in conjunction with local and State health departments, has been stretched to the limit in its capacity to cope with AIDS. CDC has spent not nearly the amount of money per case that it spent on toxic shock and Legionnaires disease. Even though the agency has shifted its internal resources and Congress passed a $2 million appropriation for AIDS last December, CDC's work suffers for lack of money.

The agency desperately needs resources to extend surveillance work with health departments in cities hard hit by the AIDS epidemic.

New York is the only city thus far to have such an arrangement with CDC. In addition, CDC needs funding to conduct extensive epidemiological investigations and long-term, followup studies, not only of homosexual patients, but of other documented and emerging risk groups.

Patients are dying before CDC investigators are able to collect vital histories and information about possible patterns of AIDS transmission.

Finally, CDC needs financial support for laboratory work essential to isolate the cause of AIDS.

The Reagan administration has compromised the effectiveness of CDC's work on AIDS and other serious public health concerns through ill-advised and irresponsible budget cuts. The President's first budget for fiscal year 1982 effectively cut CDC's funding by almost 20 percent.

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His fiscal year 1984 proposed budget provides no restorations to repair the damage. Legislation has been introduced in the House, with Representative Phillip Burton, whose untimely death this House has noted with great sorrow, as its main sponsor, to raise CDC funding for AIDS by $10 million. I am pleased to note that the gentlewoman from California, BARBARA BOXER, has reintroduced this legislation but so far the proposal has not received the support or attention of the Budget Committee, the House leadership, or the administration.

I want to commend my colleagues who have taken leadership positions on his issue and members of the gay community who have mobilized a major lobbying effort for additional CDC money for AIDS.

I especially want to commend the gentleman from California (Mr. WAXMAN), chairman of the Health Subcommittee of the Committee on Energy and Commerce, who has taken a lead in so many of these areas.

Biomedical research on AIDS will also suffer if the National Institutes of Health, NIH, budget continues to be threatened by the White House. In fact, the President's original budget request funded NIH at a level that reduces money for new and competing grants by 25 percent. His revised budget leaves actual reductions in the Federal commitment to lifesaving biomedical research. Public support, particularly from the medical community, is essential to force Congress and the administration to rethink budget priorities that damage public health and impede efforts to fight AIDS.

An additional concern is the slow response of NIH to initiate biomedical research on AIDS. The National Cancer Institute's first request for application, RFA, for research on AIDS was issued a year and a half into the outbreak. It is estimated 1983 expenditures for AIDS-related research amount to approximately one-fourth of 1 percent of the entire $4 billion NIH budget, or approximately $9 million.

Dozens of scientists across the country are clamoring to do research on AIDS, and waiting for NIH to allocate additional money. While NIH deliberates over how to spend this embarrassingly small allocation, vital research is put on hold and individuals continue to die.

Recent public and congressional concern has focused on increasing NIH funds for AIDS research as well as on expediting the process by which awards are disseminated. An amendment has been attached to the NIH reauthorization by the gentleman from California (Mr. WAXMAN) of the House Subcommittee on Health that provides the Secretary of HHS with specific authority and procedures for speeding up the allocation of grant money in the event of a public health emergency.

Furthermore, legislation has been introduced by the gentleman from California (Mr. WAXMAN) which would create a public health emergency fund, providing money to be made available to the Secretary of HHS for research into the cause, treatment, and prevention of public health emergencies.

We must be vigilant in monitoring the NIH funding priorities to insure that every possible effort is made to research to answer the endless questions about AIDS. I have been informed that NIH soon will issue a new request for proposals for AIDS research. Details of the request have not yet been released.

Another area of concern for future action is improved medical surveillance and treatment. Physicians and medical associations must assume greater responsibility for educating all health providers on the most up-to-date information available on AIDS.

AIDS is spreading fast. This makes it especially critical for the medical community to constantly disseminate new information about the epidemic. Networks for medical referrals and consultations must be expanded and promoted. And it is very important that the medical community strive for a greater understanding of and sensitivity to the needs of the special population victimized by the disease.

I also believe that this public health crisis warrants an outpouring of psychological and social support for afflicted patients and communities. The demand for services in cities such as New York, Los Angeles, San Francisco, Houston, and Washington, D.C., is staggering.

Needed services cover a broad spectrum: individual and group therapy, legal assistance, home care, hospice care, medical referrals, crisis intervention, and guidance through the maze of public assistance, health and disability programs.

Compassion has guided tireless efforts to help AIDS victims as well as their friends and families cope with the reality of this life-threatening disorder. In many instances patients need additional support to deal with the feelings of isolation and loss that result from disruptions in their jobs, personal lives, and social networks.

Concern about the spread of AIDS has prompted some gay organizations and doctors to suggest preventive measures that might decrease the risk of contracting the disorder. They have advised that as long as there is inconclusive evidence about what causes AIDS there is a need for gay men to take precautions in their personal relationships.

Even with these support systems the needs are growing faster than available financial and human resources. Additional volunteers, particularly those with professional expertise, are needed to lend a hand. Money, supplies, and even space must be contributed generously by well-established social and human service organizations as well as by Government agencies. AIDS causes widespread human tragedy. It demands the most active and human response our society can give.

Another important element in our battle against AIDS is public education. Misconceptions about AIDS encourage panic and diffuse energy from efforts to meet the challenge that AIDS presents.

With the help of gay organizations across the country, hotlines are operating, public forums are being conducted, and thousands of newsletters and informational brochures are being distributed.

However, educating the public requires a true collaborative effort that enlists the support of Government and the medical community as well as the affected groups.

Needless to say, it is critical that those who are well informed work closely with members of the press to assure accurate and sensitive coverage. I want to commend Newsweek for taking a major step toward public education in its recent cover story on AIDS.

But I also think we ought to note that in New York, for example, over this past weekend, where Madison Square Garden was bought out in its entirety by the gay man health's crisis to provide funding as a benefit for the crisis for the epidemic with some 18,000 people present, and a tremendous moving program before the circus itself, not one line of print appeared in the New York papers nor any mention on the electronic media, although the mayor of the city of New York himself participated in those events, together with numerous other public officials.

Also last night, when the candlelight march and parade occurred in front of the Federal Building, although press and media were present, those who searched the morning papers again found scant mention of the event, although there was a picture in the New York Times.

My final point concerns access to care. This issue transcends any single epidemic or disease. It calls into question the way in which our country organizes and pays for medical care.

On the one hand we offer the finest and most sophisticated medical care in the world; on the other we deny access to that care to lower income patients. This administration has exacerbated these inequities by cutting back on essential health care programs for those in need.

A few weeks ago a Presidential Commission on Medical Ethics emphasized that society has an ethical obligation to insure equitable access to health care. It also pointed out that we have fallen far short of meeting this responsibility.

AIDS victims fall victim not only to the dreaded disorder, but also to this unmet social obligation. It has been estimated that treatment for the first 300 AIDS cases cost a total of $18 million, or $60,000 per case on average. The reports indicate that the cost in individual cases very frequently exceeds $100,000. Most AIDS patients are unable to afford such astronomical costs for medical care. Many have lost insurance coverage because their debilitating condition leaves them unable to work. Many have exhausted their insurance coverage because of the catastrophic nature of the illness.

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Many do not qualify for public assistance. And those eligible for social security disability must wait 2 years before medicare coverage is available; most AIDS patients unfortunately do not live that long. As the cost of medical treatment for AIDS patients continues to escalate, many patients may be forced to choose between their homes and their health care.

I believe that Government and the medical community must launch a joint effort to insure that victims of this epidemic do not want for medical care because they lack sufficient resources. In the same way that emergency assistance is provided to protect lives and property ravaged by earthquakes and floods, we must provide emergency assistance to people and communities devastated by an epidemic.

To this end, I have introduced a bill which would grant AIDS patients categorical eligibility for medicare on an emergency basis. The program would be in effect for 2 years to meet the unusual needs of this health crisis. The hospital trust fund would not suffer any revenue loss as all costs would be paid out of general revenues. The bill would provide full medicare coverage for AIDS patients who have no other health insurance coverage. As with end stage renal disease patients, medicare would be a secondary payor for AIDS victims who have inadequate private insurance. With this legislation, AIDS patients would be assured

access to quality care without facing the threat of bankruptcy.

I feel that the response of the gay community coupled with the slowly building sense of urgency demonstrated in Congress, fuels hope for a positive resolution to the AIDS crisis. But as we crawl toward a solution, lives continue to be lost. Among the general public, there is no air of national emergency and collective sensitivity that put legionnaire's disease on the front pages of newspapers and kept it there until the problem was solved.

Research on AIDS may provide us with a better working knowledge of the immune system, infectious diseases, and cancer. But until the entire Nation is alerted that AIDS is a serious public health danger, capable of enveloping huge numbers of people at any time, the reality is that our efforts may prove to be too little and too late. A caring and responsible society must not allow that to happen.

SYMPTOMS

Profound fatigue, which may be accompanied by light-headedness or headache, that is not transient and not explained by physical activity or by a psychiatric or substance-abuse disorder.

Persistent fevers or night sweats.

Weight loss of more than ten pounds during a period of less than two months that is not related to diet or activity; loss of appetite.

Lymphadenopathy or enlarging, hardening, painful or otherwise prominent lymph nodes. Diseased lymph nodes or glands often are found in the neck, armpits, and groin and may be associated with a wide variety of non-AIDS conditions. When persistent for more than three months in at least two different locations, however, lymphadenopathy may be an important predictor of KS.

Recently appearing or slowly enlarging purplish or discolored nodules, plaques, lumps, or other new growths on top of or beneath the skin or on the mucous membranes (inside the mouth, anus, or nasal passages or underneath the eyelids).

A heavy, persistent, often dry cough that is not from smoking cigarettes and that has lasted too long to be a cold or flu.

Persistent diarrhea.

Thrush, a thick, persistent, whitish coating on the tongue or in the throat which may be accompanied by sore throat.

Easy bruisability or unexplained bleeding from any orifice or from new growths on the skin or on the mucous membranes.

[From the Los Angeles Times, Apr. 21, 1983]

PRECURSOR TO FATAL ILLNESS IDENTIFIED

(By Harry Nelson)

UCLA researchers have identified a new condition in healthy homosexuals that they believe may later develop into the highly lethal disease known as AIDS, or acquired immune deficiency syndrome, which has stricken more than 1,200 people in the United States since it was first reported two years ago. The UCLA team discovered the new condition, which they call acquired immune augmentation, while doing blood studies on 89 young male homosexuals who had no signs of any kind of illness. In 29 of those studied, the researchers found an abnormal ratio of two types of white blood cells that resemble, but are not the same as, the abnormal ratio of the same cells in AIDS patients.

The researchers, from the UCLA School of Public Health and the School of Medicine, speculate that acquired immune augmentation is a precursor of AIDS. According to Dr. Roger Detels, dean of the School of Public Health and the principal author of a report that appeared in a recent issue of Lancet a British journal, the subjects are being followed to see whether they subsequently develop AIDS symptoms.

In a telephone interview, Detels said that preliminary examination of the follow-up data indicates that at least two of the 89 subjects have developed symptoms of AIDS approximately nine months after the initial study, which was conducted last May and June.

The other members of the team are Dr. John L. Fahey, Dr. Barbara Visscher, Dr. Michael Gottlieb, Kendra Schwartz and Richard S. Greene.

An analysis of the specific sexual practices of the 89 subjects revealed that the risk of contracting acquired immune augmentation is associated with passive (receptive) anal intercourse, in contrast with active (insertive) anal intercourse or no anal intercourse.

Unlike AIDS, the new condition does not appear to be associated either with having a large number of partners or with drugs that are sometimes used by homosexuals as sexual stimulants. The researchers say they tend to favor the hypothesis that the development of AIDS may be a two-stage process—perhaps even with different risk factors—with acquired immune augmentation being the first stage.

EARLY SIGN

In both AIDS and acquired immune augmentation, an early sign is a change in the ratio of two types of white blood cells—called suppressor cells and helper cells. In AIDS, the change results from a decrease in the number of helper cells. In the newer condition, the change is in the result of an increase in suppressor cells.

Dr. Harold Jaffe, a Centers for Disease Control epidemiologist working on AIDS, said that a centers team in New York has found the same immunological abnormality the UCLA team discovered. Jaffe said that in the New York study of 70 subjects, one patient with the acquired immune augmentation condition so far has gone on to develop Kaposi's sarcoma, a form of cancer to which AIDS patients are especially susceptible.

In addition to sexually active male homosexuals, AIDS has also been diagnosed in drug addicts, recent Haitian immigrants and hemophiliacs. It is believed, although not yet proven, that AIDS is caused by a virus or other organism that is transmitted from person to person through blood, semen or other body fluid.

Detels said that he believes the common factor for all AIDS victims, including heterosexuals, is exposure to feces and poor hygiene. Drug addicts who use needles are notorious for poor hygiene and are subject to diseases such as hepatitis associated with feces, he said. For the hemophiliacs, the explanation generally is believed to be that they received a blood transfusion containing the agent responsible for AIDS that had been donated by an AID victim.

As for acquired immune augmentation, the UCLA researchers speculate it is due either to the presence of a causative virus or other agent in the feces of the passive sexual partner, or to the presence of the agent in the semen of the active partner which in turn is transmitted to the passive partner's bloodstream through breaks in the rectal membranes.

[From Newsday, Mar. 22, 1983]

A SMALL CASUALTY IN AIDS WAR

(By B. D. Colen)

When Dr. Richard Ancona saw the X-ray he knew immediately why the little boy was coughing and having difficulty breathing. "It looked like a snowstorm", he said.

The X-ray showed pneumonia filling the chest of 11-year-old Carlton Seecharan of Central Islip. But this was not just any pneumonia. As Ancona suspected, and a lung biopsy would later confirm, the fluid buildup in the boy's lungs was caused by Pneumocystis carinii pneumonia, a rare form of the disease usually seen only in persons with malfunctioning immune systems.

A few days earlier Carlton Seecharan's parents had called Ancona, a pediatric hematologist and oncologist—specialist in diseases of the blood, and cancer—and asked him to take over the care of their son, a hemophiliac. Ancona had agreed, and first saw Carlton, who had a chronic cough, Friday, Feb. 18. He examined Carlton and gave him an antibiotic and a cough medicine, telling the boy's parents to return to University Hospital, at Stony Brook, if things didn't improve.

By the following day Carlton's condition had visibly deteriorated, and Ancona found himself facing the snowy X-ray and a particularly grim possibility—Carlton Seecharan appeared to be a victim of AIDS, the Aquired Immune Deficiency Syndrome, a mysterious illness that has killed 434 of its 1,186 U.S. victims. In eight days, it would claim the life of Carlton Seecharan.

The New York metropolitan area has had 545 AIDS cases. Of those New York cases, Nassau has had six cases, four of them fatal, and Suffolk has had nine cases three of them fatal. Most of the Long Island victims have been adults and most of them drug abusers, according to health officials in the two counties.

For Ancona, the suspicion of AIDS in Carlton's case was supported by several factors.

Hemophiliacs are one of the major groups at high risk of contracting AIDS. The others are male homosexuals, Haitian immigrants and users of illicit intravenous drugs.

Like most AIDS victims, Carlton had been physically run-down and had had a low-grade, chronic infection for months, and the little boy had received several units of Factor IX, the clotting factor he needs as a hemophiliac, approximately five months before becoming ill. Researchers suspect that whatever causes AIDS is entering the blood of hemophiliacs in the very blood products they need to live near-normal lives.

The following morning, Sunday, Feb. 20, Ancona met with Carlton's family in the conference room attached to Stony Brook's 11th floor pediatrics unit.

"I said he has an organism that is not usual for someone to have," the doctor recalls, "and given his condition—that he is a hemophiliac—and given this organism, I'm quite concerned that he has this disease called AIDS."

During a lengthy interview at their home in Central Islip, members of Carlton Seecharan's extended family recalled a medical crisis beginning at Elmhurst Hospital in Queens last April.

"He had internal bleeding in April, so we took him to Elmhurst Hospital," where Carlton's hemophilia had been treated during the family's years in Queens, "and they gave him a couple units of blood and Factor IX," said the boy's father, whose name is also Carlton. "After a week they discharged him, and we took him home. He was okay, but in September he got a bad cough. We took him back to Elmhurst, and they said it was just a cough and gave him penicillin and cough medicine.

"We continued buying cough medicine for him," said the boy's father. "The cough stopped, and then it started back again, coming and going, coming and going." Until the Friday in February when they took the boy to Ancona, whom, the father says, also said it was "just a cough."

Carlton's mother, Tara Seecharan, stood staring out a window into the yard in which her son used to play. "They saw him at Elmhurst in September," she said quietly. "But they just gave him penicillin and sent him home." She slowly shook her head.

At that time, AIDS was not yet part of the national medical consciousness, and hemophiliacs were not yet considered a high-risk group. by mid-September there were still only 593 reported cases of the syndrome—half the present number—and only three cases in hemophiliacs. So the staff of Elmhurst had no real reason to suspect that the little boy might have had any thing more than "just a cough."

And at that time, just six short months ago, neither the Seecharans, nor the families of the nation's approximately 15,000 other hemophiliacs, were yet living with the fear that the next infusion they received of clotting factor might carry with it whatever is causing an epidemic that researchers fear may eventually have a 90 to 100 per cent mortality rate.

Even if all concerned had been aware at the time of the risks, what choices did they have? The availability within the past 15 years of commercially produced clotting factor has dramatically changed the lives of hemophiliacs, freeing them from the constant fear of painful, debilitating episodes of internal bleeding, allowing them to lead near-normal lives.

One adult hemophiliac, Donald Goldman of New Jersey, put it this way: "There's very little choice that I have. It's simply one of the risks you have to deal with in order to live your life. Death is not very pleasant, and, ultimately, that's what you're talking about with AIDS. But I suppose I have to be fatalistic about it, whatever happens, happens."

But Goldman, a New Jersey attorney, does not have AIDS, and Carlton Seecharan did. And his family suffered through it with him.

As the family describes it, Carlton's condition steadily deteriorated from the time of his lung biopsy on Sunday, Feb. 20.

"Tuesday he had a very high fever, 106," said the boy's father, "and Ancona told me it's AIDS that he has, and they're getting medication from [the federal Centers for Disease Control] in Atlanta, and it's not working. They sent for more medication, and it's still not working. I asked him what are his chances, because of the way he's looking. He told me a 50-50 chance of survival."

Carlton's aunt, a nurse's aide whose name, like the boy's mother's, is Tara, referred to handwritten notes on an envelope. "Wednesday at 2 PM, they said his chances were 30-70. Wednesday at 8 PM, 20-80. Wednesday at 9 I asked for odds, and he said nothing, he's not giving me any more odds."

"There was a doctor who came in from Rockefeller University around 9 PM," said the elder Carlton Seecharan. "He wanted to get some blood from my son for testing purposes, so I okayed it."

"He gave us a 10 per cent chance of survival," said the boy's aunt, referring to the Rockefeller physician, who was not involved in the care of her nephew. "I picked up the phone and called the CDC when I was not getting answers from the hospital. They told me the chance of survival was 10 per cent." That Wednesday was the worst day for the Seecharan family. Shortly before 11 AM, while Carlton's mother and father were in the room with him, a nurse came in and said she had to suction secretions from his lungs.

Prevented from talking by respirator tubes in his throat, the little boy scrawled a nearly illegible note reading, "Mommy don't leave," said the aunt. "So his Mommy held one hand and his Daddy held the other." Just before the nurse began her work, the little boy wrote another note. It read:

"I have to talk to you in private."

During the procedure, at 11 AM, Carlton suffered heart failure for the first time. He was revived, as he would be later in the day when his heart gave out a second time. While he would live for another three days, he would never again communicate with those around him.

According to Carlton's family, by 1 PM Thursday they were told he was blind in one eye. By that evening he was said to have suffered some brain damage. Friday morning they were told the sight was gone in the second eye and he had suffered 90 per cent brain damage.

"Saturday morning they said, 'We'll try to keep him alive for the grandmother to get here'" from the family's native Trinidad, the aunt recalled.

The AIDS epidemic and the genetic burden of hemophilia ended for Carlton Seecharan at 12:40 AM on Sunday, Feb. 27.

Since then, the family has visited the boy's gravesite once each week. Before one such visit, his father sat in the family's dining room, speaking of his son.

"I still don't believe he's gone," his father said. "I still can't accept the fact. I still want to know what he wanted to tell us in private. Each night I sit here—12:30, 1 in the morning—and I ask him what he wanted to tell us in private. But he doesn't come to me. Maybe because I can't believe he's dead."

A straight-A, sixth-grade student who was doing math on an eighth-grade level, Carlton Seecharan "loved television . . . westerns and country and western music," his father said. He'd decided that if he had to live with hemophilia, he had to live with it. The father recalled telling his son, during the first days of his illness, "Don't give up, you're going to make it.' But he never did. Then when I saw he was losing his eyes and his brain, I went back and said 'Son, if you can't make it, just give up.'"

Carlton, his aunt recalled, used to walk his 6-year-old sister to school each morning—"held her hand and never let it go once, took off her coat and put it in the closet, kissed her, put her in her class and then went to his own," she said. "That child didn't really come here to stay."

H.R. 2880

A bill to make individuals suffering from acquired immunity deficiency syndrome (AIDS) eligible for coverage under the medicare program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any provision of the Social Security Act, any individual who—

(1) is not, and upon filing any appropriate application would not be, entitled under any other provision of law to hospital insurance benefits under part A of title XVIII of the Social Security Act,

(2) is medically determined to have acquired immunity deficiency syndrome, and

(3) has filed an application for beneifts under this section within the two-year period beginning with the first day of the first month beginning 30 days after the date of the date of the enactment of this Act,

shall, in accordance with the succeeding provisions of this section, be entitled to benefits under part A and eligible to enroll under part B of title XVIII of the Social Security Act, subject to the deductible, premium, and coinsurance provisions of that title.

(b) Entitlement of an individual to benefits under part A and eligibility to enroll under part B of title XVIII of the Social Security Act by reason of this section on the basis of having acquired immunity deficiency syndrome—

(1) shall begin with the first month in which the individual meets the conditions described in subsection (a), and

(2) shall end with the third month after the month in which the individual is determined no longer to have acquired immunity deficiency syndrome or, if earlier, the first month in which the individual no longer meets the requirement of subsection (a)(1).

(c) Notwithstanding any provision of title XVIII of the Social Security Act, amounts otherwise payable under such title for any item or service provided to an individual entitled to benefits thereunder by reason of this section shall not be payable to the extent that any prepayment plan, group health plan (described in section 162(i)(2) of the Internal Revenue Code of 1954), or insurance policy covering such individual is legally obligated to make payment for such item or service.

(d) There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund from time to time such sums as the Secretary of Health and Human services deems necessary for any fiscal year on account of—

(1) payments to be made during such fiscal year from such Trust Fund with respect to individuals who are entitled to hospital insurance benefits under such part solely by reason of this section,

(2) the additional administrative expenses resulting or expected to result therefrom, and

(3) any loss in interest to such Trust Fund resulting from the payment of such amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the preceding subsections of this section had not been enacted.

(e) For purposes of this section and section 162(i)(1) of the Internal Revenue Code of 1954, an individual is considered to have acquired immunity deficiency syndrome if the individual has a reliably diagnosed disease that is strongly suggestive of an under-

lying cellular immune deficiency, but who simultaneously has no known underlying cause of the deficiency nor any other cause of reduced resistance reported to be associated with that disease.

SEC. 2. (a) Section 162(i)(1) of the Internal Revenue Code of 1954 (relating to deductions for group health plans) is amended—

(1) by inserting "or acquired immunity deficiency syndrome" after "end stage renal disease" each place it appears, and

(2) by inserting "or treatment with respect to such syndrome" after "renal dialysis".

(b) The amendments made by subsection (a) shall apply to taxable years beginning on or after July 1, 1983.

LEGISLATION TO MAKE AIDS PATIENTS ELIGIBLE FOR MEDICARE COVERAGE

1. Bill makes AIDS patients categorically eligible for Medicare coverage based solely on a medical diagnosis. The closest precedent to this eligibility requirement is that end stage renal dialysis patients are also eligible for Medicare.

2. This emergency program is effective for two years, at which time Congress could reassess the situation.

3. The emergency care would be funded out of the treasury—the Hospital Trust Fund would be reimbursed for all costs—including administrative costs and any lost interest.

4. Any eligible individual would be entitled to Medicare Part A Hospitalization coverage and Part B Medical Coverage. Patients would be subject to all deductibles, copayments, and coinsurance payments. If an AIDS patient has private coverage, Medicare would be a secondary payor. This would help those AIDS patients with bare bones type insurance. ((The bill also amends the IRS code (the section that provides deductions for group health plans) so that insurers will not begin discrimination against AIDS patients because federal coverage is available))

5. As a result of a recent Social Security policy change, AIDS patients will now be eligible for SSDI (Soc. Sec. disability insurance). However, Medicare coverage is not made available to SSDI beneficiaries until they have received benefits (or were eligible for benefits) for two years. Most AIDS patients will not live long enough to qualify for Medicare under current law. Yet, during the two year period after they contract their first opportunistic infection, they will run up enormous medical bills. At this point, they will not be working and probably have little, if any, health insurance.

6. Initial cost estimates ran about $60,000 per patient. Estimates now go up to the $100,000 to $200,000 per patient.

7. Hospital costs for AIDS patients are especially high due to the extremely debilitating nature of the disorder and the precautionary measures that must be taken because of the infectious nature of the disease.

● Mr. TOWNS. Mr. Speaker, I am pleased to join the gentleman from New York in his special order on acquired immune deficiency syndrome (AIDS).

AIDS is a newly observed medical disorder which impairs the immune system and leaves affected individuals susceptible to certain types of cancer and other infectious diseases. The victims of this illness are largely gay, intravenous drug abusers, Haitians and hemophiliacs. The Center for Disease Control (CDC) has also found 26 cases of an AIDS-like disease in children whose parents have evidenced a high risk of developing the disorder.

The debilitating nature of the disease is virtually unknown to the general public. Initial symptoms include skin lesions, enlarged lymph nodes, fever, weight loss, diarrhea, and shortness of breath. Individuals affected by AIDS usually succumb to opportunistic infections such as pneumonia. They may also acquire Kaposi's sarcoma, a rare form of cancer, and other malignancies.

In comparison with other public health emergencies, the mortality figures on AIDS victims are frightening. More deaths have been associated with AIDS than with toxic shock syndrome and Legionnaires' disease combined. In addition, the incidence of the syndrome has risen from about one case per day reported to the CDC in January 1982 to about three to four cases per day since that time. Over 80 percent of the patients diagnosis 2 years ago are now dead.

At the present time, there is no known cure for this disorder. Hospital costs for the care of such patients are enormous and the experimental treatments such as interferon, anticancer drugs, antileprosy drugs, bone marrow transplants, and plasmapheresis are expensive. According to CDC, costs for the first 1,000 cases are estimated at $60 million in hospital expenses alone. The opportunistic infections associated with AIDS are extremely difficult to treat and for some illnesses there is no known treatment.

As a New York Representative, I am aware that New York City's public health facilities are not equipped to handle this problem, particularly since 50 percent of the Nation's cases are found there. While CDC has made a concentrated effort to research AIDS, the agency spent only $2 million compared to the cumulative totals of $9 million for Legionnaires' disease and $1.25 million for toxic shock syndrome. Researchers have indicated that CDC's funds are probably insufficient since a routine immunological study costs $1,000 or more per person. Clearly more Government funds are needed to support this research. It is a hopeful sign that the administration's fiscal year 1984 budget request $11.5 million for AIDS research which is a $1.4 million increase over the 1983 level.

I would hope that the Congress will act quickly on legislation, such as H.R. 2350 and H.R. 1697, which will expedite AIDS research by the National Institutes of Health. For years, sickle cell anemia research remained a low priority in the medical community because of racial prejudice. Treatment for the victims of any disease should not depend on that groups' status in society. We must now allow societal prejudice against gays to limit our commitment in fighting this public health emergency.●

● Mr. CROCKETT. Mr. Speaker, several of my colleagues here today have spoken about the medical crisis that the acquired immune deficiency syndrome (AIDS) represents, and the need for both more research money and a faster release of research money to find the cause and cure of this frightening and deadly disease. In other words, they have spoken about the medical challenge that AIDS presents us with.

I would like to talk about the moral challenge that AIDS represents.

Although this disease is well-known in Africa, in the United States it has primarily struck only young gay men, Haitians, hemophiliacs, and intravenous drug users. It is the fact that young gay men are its principle victims here that presents us with a moral dilemma. On the one hand, people are dying at an incredible rate of a hideous disease, and no one wants that. On the other hand, there is still a persistent and pervasive feeling in this country that lesbians and gay men are sick and perverted.

People who hold this prejudice are likely to say or think that perhaps gay people somehow deserve to get AIDS. At the very least, people who are not gay may think that because they are not at much risk of getting the disease and because they do not know anyone who is at risk, they do not need to care. These attitudes may be slowing up the search for a cure, since we all know that it often takes massive amounts of public concern and pressure to create an effective public or governmental response to a problem. If most people do not bother to care because they think it is not important or does not affect them, this public pressure is not there.

But public attitudes toward homosexuality may be having far more of an impact on what is happening with this disease than simply how much attention the search for a cure is getting. Public attitudes may be affecting the victims, their families, and their friends, as well.

Detroit to date has only had five known cases of AIDS. Three of these people have already died. I did not know any of the victims, but I worry about them. Dying is hard enough. Did they die with loving friends and family around, or did they die of the ostracism, hatred, and self-questioning that homophobia—fear of hatred of homosexuals—can cause, as well as from the disease itself?

The moral challenge that AIDS presents us with is this: To come out of this crisis not only with a better understanding of cancer and disease, but also with a greater understanding of

and appreciation for those around us who, whether we have let them tell us this or not, are gay. The medical community is being challenged to find a cure. The challenge for the rest of us is not only to be as compassionate and helpful as we can, but also to seize this opportunity to examine our stereotypes and prejudices. None of these challenges are small orders. But each challenge must be met. The very outcome of lives, both now and in the future when AIDS has been conquered, depend on it.●

● Mr. WAXMAN. Mr. Speaker, for almost 2 years now, I have closely followed the spread of a new disease that was first identified in my district and in the surrounding Los Angeles area. The disease first was thought to be a rare pneumonia. Soon other medical researchers reported an outbreak of an unusual cancer. And then others found strangely high rates of serious infections.

After an increasing number of similar reports and much analysis by scientists from the centers for disease control, it became clear that the diseases themselves were symptoms of another, more fundamental problem—a selective collapse of the immune system, now known as acquired immune deficiency syndrome or AIDS.

The Subcommittee on Health and the Environment held a hearing on AIDS more than a year ago. At that time there were about 300 cases of AIDS. Today there are almost 1,400. The number of cases has doubled every 6 months for the past 2 years, and the eventual mortality rate may prove to be over 80 percent. And although most of the first cases were first found in young gay men, hemophiliacs, Haitians, and drug abusers, now more than 1 out of 20 cases is a member of "no known risk group."

The public response to AIDS has been mixed and sometimes reluctant. I believe that much of the lack of sympathetic media attention and of Federal research has arisen from discriminatory intent and self-righteous neglect.

Because this disease that first appeared among homosexual men has received press attention as a peril and a gay plague, not as a public health problem. And while the Centers for Disease Control have done good epidemiological work, the Federal research establishment has, until very recently, responded with a business-as-usual approach to research.

But such discrimination is not the only problem.

In 1982, just as the epidemic was beginning, the budget for the Centers for Disease Control was effectively cut by 20 percent. And for 1984, the President has proposed funding for the National Institutes of Health at a level that would reduce new research grants by 25 percent.

My colleague from California, Mr. ROYBAL, authored an amendment to the continuing resolution for 1983 to add money to CDC's budget for AIDS research. I congratulate him on that and would note that the amount of money provided by that amendment will be spent twice over in this investigation, even though the administration requested no assistance.

But we cannot continue to rely on the goodwill, foresight, and timing of individual Members of Congress to address the needs of public health emergencies. As AIDS has pointed out to us, public health needs are not always predictable. No matter how organized and systematic the administration and the Congress may be in their budget and appropriations cycles, it is not possible to design line item amounts for such problems. We cannot plan a year in advance for epidemics, contaminants, or emergencies.

I have introduced legislation, H.R. 2713, to address such situations. That bill would create a fund to allow the Secretary of HHS to fund research and control efforts in situations of public health emergency. A number of Members from both sides of the aisle have joined in cosponsoring this legislation. I urge other Members to consider AIDS as one of the most prominent examples of the ad hoc budgeting that is forced upon us in extreme health crises and to join me in offering a standing reserve for funding the control of such emergencies.●

● Mr. ROYBAL. Mr. Speaker, during the last session of Congress, I added $2 million to the Centers for Disease Control portion of the Labor-Health and Human Services appropriations bill for fiscal year 1983 to stimulate investigation into the etiology of AIDS, provide surveillance in the major cities of occurrence and search for a solution to this baffling illness.

The CDC has used these funds to expand their surveillance activities, epidemiological studies and laboratory investigations. Some of our major institutions of higher education, such as UCLA, Harvard, and New York University, are cooperating with the CDC in lab studies. Although it is early for results, research investigations by the CDC have brought us closer to finding the cause of AIDS. CDC estimates that it will spend $4,500,000 on AIDS for fiscal year 1983. The AIDS problem has worsened.

Since November of last year when I offered my AIDS amendment, the number of AIDS cases have nearly doubled. Since 1981, CDC has received reports of over 1,370 individuals who fit the case definition used by CDC; 76 of these cases were reported from 16 foreign countries.

New cases are now being reported at an average rate of between four and five per day.

Death has occurred in nearly 40 percent of all reported cases with the mortality rate over time expected to exceed 80 percent.

CDC is becoming increasingly concerned about the possibility of additional thousands of persons who do not fit the current restriction definition of AIDS but may be suffering from less severe immune deficits that are treatable through chemotherapy.

The National Institutes of Health will spend $9,582,000 in fiscal year 1983 for AIDS research and is requesting $12,461,000 in fiscal year 1984 to continue its efforts. An institute-by-institute breakdown of funding follows:

	Fiscal year—	
	1983	1984
National Cancer Institute	$4,400,000	$4,700,000
Allergy and infectious diseases	4,050,000	6,050,000
Heart, lung and blood	346,000	846,000
Neurological communicative disorders and stroke	72,000	76,000
Research resources	644,000	701,000
National Eye Institute	45,000	58,000
Dental research	25,000	30,000

NIH is also cooperating with the CDC and the Federal Drug Administration and the CDC in its research efforts. Out of its fiscal year 1983 budget, FDA will spend $200,000 in coordinated research with these agencies. It is currently investigating possible sterilization techniques for blood and blood products and has issued guidelines for blood donors that recommend persons in high-risk groups to forego donating blood until we have more about AIDS and its methods of transmission. The Division of Virology is working on vaccines for cytomegalovirus and studying its role in AIDS. To continue its work in fiscal year 1984, the FDA has requested $400,000.

Now, all of this is bringing us closer to solving the AIDS problem. But we have a long way to go. We are still looking for a causal agent, its method of transmission and a medical cure.

I spoke recently with Dr. William Foege, Director of the CDC. We discussed ways in which the CDC could expand its surveillance and research activities.

In July, the CDC will announce an award being made to the San Francisco Health Department to enhance surveillance activities there. The centers are also planning to recruit three Public Health advisers during the next few weeks to be located in San Francisco, Los Angeles, and Miami, areas with major concentrations of reported cases of AIDS. These advisers will be conducting case followups involving interviews with victims and location of contacts.

During the hearings of the Labor-HHS Appropriations Subcommittee. I called attention to the AIDS epidemic and the need for a timely and coordi-

nated response from the biomedical research community to study AIDS and give it the attention it demands. Today, during our subcommittee markup on the Labor, Health and Human Services and Education supplemental bill, I indicated that I would seek additional funds to respond to the AIDS epidemic for fiscal year 1984.

I believe we must move aggressively on this problem and hope that you will join me in this commitment.●

● Mr. EDGAR. Mr. Speaker, the unrelenting spread of acquired immune deficiency syndrome [AIDS] is a national tragedy and should be a national concern. For those of us who share an interest in our Nation's health, a focus on the causes and possible cures for AIDS must be a vital concern.

The origin of AIDS is unknown, but we do know who the victims are, and we know the intensity with which it strikes. In just 2 years, the disease has taken 450 lives. As of April 7, a total of 1,300 people had been diagnosed as having AIDS—with an overall mortality rate of 37.6 percent. Within the group most affected by AIDS, gay and bisexual men, 933 known cases have been investigated—among this group there is a 35-percent mortality rate: 217 cases have been reported among intravenous drug users, with a 40-percent mortality rate; 64 cases have been reported among Haitian refugees, with a 55-percent mortality rate; 11 cases have been reported among the Nation's 20,000 hemophiliacs, with a 73-percent mortality rate. The possibility that AIDS has spread to children is under investigation in 20 instances; there is an alleged mortality rate of 50 percent among children; 75 other cases have been reported, in this group there is a 43-percent mortality rate.

The first cases of AIDS were reported among gay men in large urban areas, but the disease has spread to drug users and others. Cases sprang up in Haiti at roughly the same time gay men in New York and San Francisco were found to have the disease. No one knows where the disease came from and its method of spreading is unclear, although it has been argued that extremely intimate contact or exposure to blood is probably necessary for infection.

Victims of AIDS, whose immune systems have been seriously debilitated, are likely to catch other disease—such as, among gay men, Kaposi's sarcoma [KS], a rare cancer usually confined to the skin and found in elderly men of Mediterranean ancestry. With the arrival of AIDS, however, young, formerly healthy men were stricken by the cancer which began to manifest new symptoms and new effects, and spread to internal organs. Pneumocystis carinii pneumonia [PCP], a parasitic lung infection accompanied by fever and shortness of breath, has begun to affect AIDS sufferers. Others fall victim to a form of herpes which attacks the central nervous system, or toxoplasmosis, an infection which can cause serious brain damage.

Treatment for AIDS has proved to be unsatisfactory as evidenced by the high mortality rate. While AIDS sufferers can be treated for various individual infections typical of the syndrome, their weakened immunity leaves them open to one disease after another. Some AIDS victims have received interferon, a virus-fighting substance used in treating certain forms of cancer, which interferes with virus replication. Although it has effected remission in some AIDS sufferers, interferon is not the cure.

Attention must be focused on this infectious disease which has claimed so many lives in so short a time. I laud and am grateful for the work done by the Sloan-Kettering Cancer Center in New York, the Center for Disease Control in Atlanta, the National Institute of Health, and other centers and researchers nationwide who have worked to understand and treat AIDS. More must be done. I support Representative WAXMAN in his efforts to allocate $40 million for research into AIDS and other public health emergencies. It has been suggested that part of the reason why AIDS has been ignored for so long is that the major victims of this disease are gay men, whose civil rights and human rights have been ignored for so long. I can only hope that this is not the case. When our Nation's health is at stake, corners cannot be cut, petty stipulations cannot be made, prejudices cannot be respected. The fight for the public's health is a vital one which cannot be ignored. The fight against AIDS must continue.●

● Mr. ADDABBO. Mr. Speaker, it is of the utmost importance today that we join together to support efforts to combat the disease, acquired immune deficiency more commonly known as AIDS.

This disease has in the past 2 years reached epidemic proportions. Not only do the number of cases increase day by day—1,300 to date—but after looking at the mortality rate, I was amazed at how varied and how high the number of deaths were for different cross sections of our society.

I feel great sadness that our Congress has not reacted more quickly and effectively in addressing the AIDS epidemic. This disease has inflicted the young, the old, women, and men alike. Without some type of immediate action on our part, this disease will reach even more diverse areas throughout the United States.

Although research is being conducted throughout major research centers in the United States, more money is needed to be allocated to subsidize the present research efforts that are only in their initial stages.

I, personally, will support legislation that provides money for researching the causes of this disease. At present, doctors do not even have a clue on where AIDS has originated. Even more sad is the fact that doctors are not able to console those people who are already afflicted by this disease because there is no cure.

At least, we, as Members of Congress have the power to provide that available means and money which will enable the experts to find a cure for AIDS before it is too late.

I call upon the appropriate subcommittees, dealing with health-related issues, to expedite action immediately which would aim us toward combatting the escalating AIDS dilemma which now confronts our country.●

● Mr. EDWARDS of California. Mr. Speaker, I thank my colleague from New York (Mr. WEISS) for providing the opportunity to spear about the alarming epidemic of acquired immune deficiency syndrome [AIDS].

I am proud to participate in this effort to call attention to this virulent disease that has rapidly become a medical crisis. Initially it was assumed that AIDS afflicted only a segment of our population, but we can no longer make that erroneous judgment. Some of its victims are gays and intravenous drug users. But they are not alone in their fight against this incurable illness. Children, hemophiliacs of all ages, and Haitians are among those who have been diagnosed as having immune deficiencies. AIDS is not only a gay community problem. It is not only a drug users' problem. It is a national crisis, and it must be of concern to all of us.

Newsweek Magazine recently chose AIDS for its cover story. I commend the coverage done by the article's authors. The article will help in the campaign to insure that Americans become aware of the seriousness of this tragic disease. But awareness is only half the battle. As Newsweek pointed out, the increasing number of AIDS cases is shocking, but equally disturbing is the lack of information about its cause or cure. Research worldwide has yet to identify the origin of the disease or how it is transmitted from one person to another. The research is in its infancy and must be continued, but the funds for this work are limited.

It is crucial that AIDS research gets the financial resources it needs. The research must go on until medical professionals have found a way to successfully diagnose and treat victims of the AIDS epidemic. It appears, however that providing money to continue work on the disease will not be an acceptable thing to do until the stigma of it being the gay community's prob-

lem is lifted. I think the Newsweek article said it best:

You can be sure that if the victims (of AIDS) were heterosexual bankers, the money would be gushing out of Washington as it did during the Legionnaires' Disease period . . . How many people have to die before there is an all-out effort?

I encourage my colleagues to support continued funding for research to solve the riddle of this baffling and devastating disease. We must not tolerate a 100-percent mortality rate for those afflicted with AIDS. Beleaguered researchers need resources so that they can forge ahead, for the sake of all of us.●

● Mr. LOWRY of Washington. Mr. Speaker, I commend the gentleman from New York for focusing the attention of the Congress on AIDS. Acquired immune deficiency syndrome is a devastating illness which has produced a public health emergency of epidemic proportions. In this country, at least 1,300 people have been stricken by AIDS; the death toll to date is 489. Once thought to strike gay men, AIDS has now been found in Haitians, hemophiliacs, and users of intravenous drugs. In addition, one out of five of its victims are members of no known risk group, opening up the possibility that the entire population may is some way be at risk.

Since first reported a few years ago, AIDS has been detected in 35 States and 15 foreign countries. In my own State of Washington, nine cases of AIDS have been reported; three have been fatal, and one more person is expected to die shortly. The Seattle-King County Department of Public Health, which now has an active surveillance system for AIDS, reports that there is also an increasing incidence of impaired immunity, an illness less severe than AIDS, but potentially afflicting the same victims. It is especially frightening that since mid-1981, the national incidence of AIDS has doubled every 6 months. One study estimates that almost six new cases are reported each day.

No collection of statistics can begin to communicate the human suffering caused by AIDS. The body's immune system is totally ravaged, leaving the person vulnerable to a vast number of rare and lethal diseases and infections. A victim of AIDS is unlikely to ever fully recover; more likely, he or she will die after months of agonizing physical and emotional pain. In addition to the tragic cost in lives, the illness is also taking a large toll on the Nation's health bill. According to the Center for Disease Control, costs for the first 1,000 AIDS cases have been estimated to be $60 million in hospital expenses alone.

A public health emergency of this proportion demands a substantial national commitment of resources, but the response of the Federal Government to the AIDS epidemic has been slow and inadequate. Although AIDS has killed more people than Legionnaires' disease and toxic shock combined, it has failed to attract the same degree of media and Government attention. Although we know little about what causes the disease, and nothing about its cure, the Federal Government has made only a modest commitment to AIDS research through activities of the National Institutes of Health and the Center for Disease Control. NIH has been slow to distribute its funds, and it remains unclear to what extent these funds are being used to respond to the immediate emergency. CDC's efforts have been greatly underfunded. Last year, the Congress targeted $2 million in supplemental appropriations for AIDS-related activities at the CDC; AIDS is not even mentioned in the Reagan administration's 1984 budget request for CDC.

I believe that Congress should take immediate action to focus more of the Nation's resources on this very pressing public health concern. In the remaining months of fiscal year 1983, the Center for Disease Control should be given additional funds targeted on AIDS activities. Such funds would allow the CDC to broaden its surveillance activities, focus more energies on primate research, and permit the establishment of a national blood and specimen bank so that research can be expedited on the role of blood in transmitting AIDS. For fiscal year 1984, I urge that the Congress target a portion of CDC funds for AIDS related activities.

The AIDS emergency has demonstrated that the Federal Government is limited in its ability to respond to public health crises in a timely and adequate fashion. The constraints of annual budgeting and planning do not allow for the type of immediate and comprehensive response that is demanded by epidemics, food and drug contaminations, and other health emergencies. For this reason, I am pleased to be a cosponsor of H.R. 2713, introduced by Congressman WAXMAN. This bill would create a public health emergency fund for use by the U.S. Public Health Service, to be used at the discretion of the Secretary of Health and Human Services to respond to public health emergencies. The Secretary is authorized to act through the National Institutes of Health, the Center for Disease Control, and the Food and Drug Administration. I urge my colleagues to support this much-needed proposal.●

● Mr. LEVINE of California. Mr. Speaker, I appreciate having the opportunity to join our colleague, TED WEISS, in focusing concern on the spread of acquired immune deficiency syndrome [AIDS].

Currently, little is known about this mysterious disease which attacks and destroys the body's immunity against infection. Its cause and treatment have yet to be found. What is known, however, is that the disease is spreading beyond homosexual men, hemophiliacs, recipients of blood transfusions, and even children. The Center for Disease Control reports between three to five new cases daily.

Although the disease is gradully becoming more widespread, over 70 percent of its sufferers are homosexual men. Frustration with the lack of progress in attacking AIDS is growing among gays who live in my district, in my State and across the Nation. They are living in fear of the unknown.

Substantial research is now underway, but it is not enough. Funds for additional tests and studies are crucial. Last week, our colleague, HENRY WAXMAN, introduced legislation to establish a public health emergency fund, which would give the Secretary of Health and Human Services the authority to use earmarked money for research, treatment, and prevention of unanticipated outbreaks of life-threatening diseases. I am cosponsor and encourage my colleagues to join in support of this legislation.

I am pleased to participate in this important discussion, and wish to thank Representative WEISS for arranging for this special order. We must act now to stop this epidemic and to stop people from becoming future AIDS victims.●

● Mrs. SCHNEIDER. Mr. Speaker, today's special order calls attention to a very serious health problem which for too long has remained on the back pages of newspapers, or has not been reported at all. It is a problem the likes of which we have never seen before. The disease, for which no known cause or cure exists to date, strikes at the heart of the body's defense system and leaves its victims prey to numerous other life-threatening diseases. As such, it has been given the name AIDS—the acquired immune deficiency syndrome.

Though the first reported case was in 1979, it has taken some 4 years for the public to become generally aware of the seriousness of AIDS. To date, over 1,300 cases have been reported to the Center for Disease Control, of which 500 were fatal. Further, the mortality rate for those who contracted the disease 4 years ago is now 100 percent. AIDS, which by destruction of the body's ability to fight disease leaves its sufferers prone to multiple chronic conditions, is surely one of the cruelest outbreaks in memory.

Unfortunately, Mr. Speaker, there is little incentive for private research into the causes and cures for AIDS. Because the disease strikes a relatively small number of people, as compared

to other chronic conditions, the millions of dollars required in the battle against AIDS will not be recovered by private pharmaceutical interests. Therefore, like other "orphans," Federal intervention provides the only realistic key.

It is this spirit that I urge my fellow colleagues to join me in supporting H.R. 2713, introduced by Representative WAXMAN. The bill would provide $40 million for the establishment of an emergency Public Health Services fund to combat sudden health emergencies such as AIDS. This would cut through the redtape which has hindered the Government's response to this serious problem which was not the case with victims of toxic shock syndrome and Legionnaire's disease.

Again, Mr. Speaker, the numbers may appear small, but the devastation is immense. The time for action is now, and I urge all my colleagues to assist fellow Americans who are in fact facing a life and death situation due to AIDS.●

● Mr. GREEN. Mr. Speaker, all of us are aware of the AIDS epidemic which is growing at a rapid pace in our Nation. This disease, which is focused primarily among the gay male population, is also sweeping through the Haitian and hemophiliac communities. This epidemic, properly called acquired immune deficiency syndrome, knocks out the body's natural ability to fight disease, leaving the victim vulnerable to dangerous infections, cancer, or both. AIDS has generated increasing alarm within the medical community, because its source is an unknown entity of a lethal nature. As of the beginning of this year more than 800 people in the United States had contracted AIDS, and about 300 of them, or 38 percent died from its symptoms. This serious threat to public health has claimed more lives than Legionnaires' disease, toxic shock syndrome, swine flue, and Tylenol contamination combined, all of which received major attention from the Center for Disease Control, or the CDC as it is known. It is up to those of us in Congress to insure that an appropriate level of scientific research is devoted to stamping out this killer.

As a member of the Appropriations Committee, I spoke in favor of an amendment to increase funding for AIDS research when the 1983 appropriations bill for the Department of Health and Human Services came before the House for consideration. This amendment sought to allocate an additional $3.6 million to the CDC. Fortunately, this amendment was approved by the House. Although the Senate was not willing to fund this effort at the $3.6 million House requested level, during the conference committee meeting it was agreed that the Center for Disease Control would receive $2.1 million during fiscal year 1983 for the study and prevention of this dangerous illness. I thought this was a minimal amount, but, given the fiscal constraints under which we are operating, I was pleased with this victory. I am also a cosponsor of H.R. 2712 which is an attempt to free up some of the discretionary money appropriated for AIDS research. To date, the executive branch has been far too slow in responding in a responsible fashion to this epidemic and not enough of the earmarked discretionary funds have actually been assigned to AIDS research.

This increased funding, however, is just a first step in combating this dreaded disease. The problem is still escalating, as is evidenced by the 100-percent mortality rate for those who contracted the disease 4 years ago. Greater funding is absolutely imperative. The time has come for the Government and the medical community to respond adequately to this deadly malady. Toward this end I will continue to meet regularly with my colleagues on the Appropriations Committee and the Energy and Commerce Committee's Subcommittee on Health and the Environment, who have jurisdiction over the funding and authorization of AIDS bills, respectively. There is no doubt that we need to devote substantially greater sums of Federal money to this killer. Let me assure all Americans that there are those of us in the Congress who are laying the groundwork to give CDC and the National Institutes of Health the resources they need to fight this battle.

At this time, I would like to commend the Gay Men's Health Crisis. Located in Manhattan, this organization was founded by members of New York's gay community in response to the medical crisis posed by AIDS. Currently, 50 percent of all reported AIDS cases are in the State of New York. GMHC is a completely volunteer organization which provides clear and accurate information explaining what we know of this medical crisis to the gay community as well as needed services to those diagnosed with AIDS. It is through their herculean efforts that GMHC has raised over $100,000, $50,000 of which was donated to New York City hospitals conducting AIDS research.

Last evening, I had the privilege of addressing the AIDS network at its May 2 demonstration. Among the five speakers present were Ginny Appuzzo, executive director of the National Gay Task Force; Dr. Roger Enlow, director of the Office of Gay and Lesbian Health Concerns of New York City; and my colleague, the gentleman from New York, Mr. WEISS. This rally at Federal Plaza helped mark the mobilization of an organized and cohesive force to help attack this most deadly illness. It is my sincere hope that rallies such as this, along with today's congressional special order, will help focus much-needed attention on this disease.●

● Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to express my support of this effort to focus national attention on acquired immune deficiency syndrome [AIDS], a deadly and unrelenting disease which destroys the body's immune system.

A growing number of AIDS cases began surfacing in 1981. Since that time, the disease has struck 1,300 Americans, 486 of whom have died.

This disorder is one which has baffled the medical profession—and for just reason. To date, the disease's place of origin has not been determined, its cause is unknown, and its cure has yet to be found. To further complicate matters, doctors are not experiencing much success in treating victims with the disease. As a result, a victim's immunity system becomes increasingly weak, thus leaving him or her vulnerable to a host of other diseases.

Early records show that the disease primarily claimed homosexuals as its victims. However, more recent records show that the disease has spread among other groups as well, namely intravenous drug users, Haitians, hemophiliacs, and children. And, as time goes on, it appears that more and more heterosexuals are contracting AIDS. It is anticipated that by year's end, there will be 2,000 cases in the United States.

Mr. Speaker, while experts have begun studying this lethal disease, and its victims, more research and greater public awareness is obviously needed. It is my hope that this special order will help galvanize support toward this end.●

GENERAL LEAVE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the gentleman from New York?

There was no objection.

NEW ORLEANS PHYSICIAN RECEIVES VA'S HIGHEST HONOR FOR MEDICAL RESEARCH

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

● Mr. MONTGOMERY. Mr. Speaker, the Veterans' Administration's highest honor for medical research, the William S. Middleton Award, was present-

ed yesterday to Abba J. Kastin, M.D., Chief of the Endocrinology Department at the New Orleans VA Medical Center.

Dr. Kastin, an endocrinologist and professor of medicine at Tulane University School of Medicine, received the award for his "pioneering contributions in bringing about a better understanding of brain chemicals and their actions." The award is named for the late Dr. Middleton, a researcher, clinician, and educator who led the VA's Department of Medicine and Surgery from 1955 to 1963.

Dr. Kastin's 20-year study of neuropeptides has opened doors to new lines of research that could lead to improved diagnosis and treatment of a variety of central nervous system disorders, including Parkinson's disease, depression, and mental retardation. His findings are based on the theory that naturally occurring brain peptides exert direct effects on the central nervous system separate from and in addition to stimulating the release of hormones from the pituitary gland. This activity was confirmed in Parkinsonian patients, and subsequent studies by Dr. Kastin and others suggest that these studies represent a promising approach to the search for an effective treatment for Parkinson's disease and mental depression.

A native of Cleveland, Dr. Kastin graduated from Harvard Medical School in 1960. His association with the VA and Tulane University dates back to 1964, when he was awarded a special National Institutes of Health postdoctoral fellowship to work with VA endocrinologist Dr. Andrew V. Schally, who himself won the Middleton Award in 1970 and the Nobel Prize in 1977.

The award was presented to Dr. Kastin yesterday afternoon at VA Central Office by the agency's Deputy Administrator, Everett Alvarez, Jr. I know my colleagues join me in expressing to him warm congratulations and appreciation. His contributions truly benefit the Veterans' Administration, the world, and all mankind.●

BUDGET ISSUES ON LEGISLATIVE CALENDAR

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

● Mr. PANETTA. Mr. Speaker, for the benefit of the Members, I would like to place in the RECORD a summary of the legislation we are scheduled to consider this week and any Budget Act issues raised by these measures:

BUDGET ISSUES RELATING TO THE LEGISLATIVE CALENDAR

BILLS TO BE CONSIDERED UNDER SUSPENSION

Tuesday, May 3

S. 1011—Federal Deposit Insurance Act Amendments:

Defines issuance of net worth certificates under the Federal Deposit Insurance Act as not constituting a default under the terms of any debt obligations subordinated to the claims of general creditors which were outstanding when such net worth certificates were issued. No Budget Act problem.

H.R. 2307—Amends Tribally Controlled Community College Assistance Act of 1978:

This bill authorizes appropriations for fiscal year 1985-1987 and makes amendments to the Act to provide for planning grants, establishment of an endowment program, and construction of new facilities. No Budget Act problem.

FLOOR ACTION: BILLS UNDER A RULE

Tuesday, May 3

H.R. 1190—Emergency Agricultural Credit Act of 1983:

This bill would authorize appropriations of new budget authority in fiscal year 1983 to carry out farm credit programs and to provide additional insured and guaranteed loan authority.

Budget Act/Budget Resolution issues:

(1) Authorization not reported by May 17, 1982. (2) Insured and guaranteed loan authority not subject to advance appropriations. Waiver supported by HBC and granted by Rules Committee. Since the bill was not reported by May 17, 1982, and since the new insured and guaranteed loan authority would not be subject to an advance appropriation, the bill would violate section 402(a) of the Budget Act and section 3 of the First Concurrent Resolution on the Budget for Fiscal Year 1983, respectively. The House-passed budget resolution for fiscal year 1984 assumes funding for this program in fiscal years 1983 and 1984.

Wednesday, May 4, and balance of the week

H.J. Res. 13—Mutual and Verifiable Nuclear Weapons Freeze.

H.R. 1983—Emergency Housing Assistance Act of 1983:

This bill would authorize $760 million in new budget authority in fiscal year 1983 to make emergency assistance payments in homeowners facing foreclosure of their conventional or VA guaranteed mortgages and $100 million to provide shelter for the homeless.

Budget Act issue:

Authorization not reported by May 17, 1982. Waiver supported by HBC and granted by rules. Since the bill was not reported by May 17, 1982, it would violate section 402(a) of the Budget Act. The House-passed budget resolution for fiscal year 1984, which also revised the fiscal year 1983 budget, assumes funding for this measure.

H.R. 2175—Justice Assistance Act of 1983 (subject to a rule being granted):

This bill amends the Omnibus Crime Control and Safe Streets Act of 1968 and, as a major feature, creates a block grant program for ciminal justice funds. In doing so, the bill includes reductions in authorization for various law enforcement grants from $750 million to $170 million in 1983, and authorizes appropriations for a number of law enforcement programs for fiscal years 1984 through 1986. No Budget Act problems.●

CHANGING TENOR OF UNITED STATES-CANADIAN RELATIONS

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

● Mr. WEAVER. Mr. Speaker, "I want to change the course of America." This is the ambition of our Secretary of Interior, James Watt, as quoted in a recent Washington Post article. Now it appears that one of Secretary Watt's assistants wants to change the tenor, if not the course, of United States-Canadian relations as well.

An internal memorandum apparently penned by Dave Russell, Deputy Director of the Minerals Management Service, has come to my attention. Mr. Russell comments on a diplomatic message sent by the Canadian Embassy to the Department of State. Canada is formally protesting the assumption of jurisdiction by the Department of the Interior over minerals on and under the seabed on the Outer Continental Shelf, in the areas of Juan de Fuca and Gorda Ridge in the Pacific Ocean.

Mr. Russell, in his memo, suggests that:

Our response to Canada's terse note should be "Dear Canada: Our F.R. notice obviously pertained to our offshore areas, not yours. Therefore, up yours! Love, America".

I am bringing this memo and the Canadian note to the attention of my colleagues because the crudeness of the expression used by Mr. Russell is highly indicative of a certain state of mind. To put such thoughts on paper and then to circulate them in one's official capacity reveals an arrogance, an insensitivity, a lack of professionalism and a self-righteousness that is absolutely breathtaking.

This attitude permeates the public statements of Secretary Watt in his references to environmentalists, to liberals, to native American officials and to people of this kind who dare to get in his way. I suspect that Mr. Russell is all too typical of the individuals Secretary Watt has brought into the Department of the Interior to help him dispense America's vast public lands and resources. If so, this Nation is in far worse trouble than we may realize.

The Canadian Embassy note and Mr. Russell's memo follow, in their entirety.

NOTE No. 021

The Embassy of Canada presents its compliments to the Department of State and has the honour to refer to the "Notice of Jurisdiction of the Department of the Interior Relating To Minerals, Other Than Oil, Gas and Sulphur" on the outer continental shelf of the United States, published in the Federal Register (Volume 47, number 236, pages 55313-4) on December 8, 1982.

The said notice purports to assert the jurisdiction of the Department of the Interior of the United States over "the subsoil and seabed of the areas of Juan de Fuca and Gorda Ridge in the Pacific Ocean". The Department of State will be aware that the Juan de Fuca area includes areas of the seabed and subsoil that clearly fall within the jurisdiction and sovereign rights of Canada under international law. The Gov-

ernment of Canada must make clear that it does not recognize as valid any assertion of jurisdiction on the part of the United States Government or any of its departments or agencies with regard to any resources of the seabed or subsoil within the limits of the continental shelf of Canada off the Pacific Coast, to the seaward limit defined in Section 2 of the Canada Oil and Gas Act and to the southern limit of Canadian Fishing Zone 5 described in Canada Gazette, Part II, Volume III Extra, 1 January 1977; the Government of Canada formally reserve all its rights concerning the matters touched upon in the notice under reference and, in particular, wishes to emphasize that the site of the recent discovery of polymetallic sulfides on the Juan de Fuca Ridge in the vicinity of 48 degrees North latitude, 129 degrees West longitude, lies within the continental shelf of Canada as defined above, and that all activities relating to these resources fall under Canada's jurisdiction and control.

The Government of Canada further wishes to express its profound concern that the Government of the United States should have authorized the publication of an official notice that could be interpreted as asserting United States jurisdiction over an area of the continental shelf undisputably appertaining to Canada, and that wholly ignores Canada's sovereign rights and geographic presence in the region. The Government of Canada expects that such assertions will not be repeated in future and that the Government of the United States will not take any action in respect of any Canada/USA maritime boundary region without prior notice and consultation. The outstanding maritime boundary questions between the two countries are such that it is incumbent on both sides to refrain from measures that would exacerbate disputes and make them more difficult to resolve.

The Canadian authorities, on another point, note that the document under reference also appears to assert jurisdiction over the continental shelf off the Pacific Coast of the United States beyond the seaward limit of the continental margin and beyond the seaward limit of the 200 mile fishing zone of the United States, on the basis of the "exploitability test" in the 1958 Convention on the Continental Shelf. The Canadian authorities would be grateful to learn whether this assertion represents the official policy of the United States with regard to the outer limit of the continental shelf under international law. At the same time, they would be grateful for information on the statutory basis, under United States law, for the assertion of United States jurisdiction over the seabed within 200 miles of the coast but beyond the outer edge of the continental margin.

The Embassy of Canada avails itself of this opportunity to renew to the Department of State the assurances of its highest consideration.

WASHINGTON, D.C., *January 17, 1983.*

JANUARY 30.

Re: Polymetallics off Ore. & Wash.

PERRY.—Offshore is preparing a F.R. notice which lays out our plan for offering lease tracts for polymetallic sulfides.

Our response to Canada's terse diplomatic note should be "Dear Canada: Our F.R. notice obviously pertained to our offshore areas, not yours. Therefore, up yours! Love, America." (Same to DOC.)

MMS will not be engaging in research on offshore sulfide deposits, except for work necessary to identify tracts and formulate lease stipulations—and that will be minimal. We will leave the research up to GS and NOAA. If Bu Mines wants to engage in "several million dollars" of research, whether shared with Reynolds or otherwise, they should get together with GS/NOAA. If Mines wants to assist us in our minimal resource evaluation work, within existing budgets, we'd like that (P.S. shared research w/Reynolds is not a justifiable expenditure of Fed. funds, in my opinion).

Be tough on those that would like to study, talk and delay. We're moving ahead.

DAVE.●

SPECIAL ORDERS GRANTED

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

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

Mr. WALKER, for 30 minutes, today.
Mr. BURTON, for 30 minutes, today.
Mr. CORCORAN, for 5 minutes, today.

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

Mr. ANNUNZIO, for 5 minutes, today.
Mr. BOLAND, for 5 minutes, today.
Mr. WEISS, for 60 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. LONG of Maryland, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Ms. OAKAR, for 5 minutes, today.
Mr. RICHARDSON, for 60 minutes, on May 5.
Mr. LUNDINE, for 60 minutes, on May 10.

EXTENSION OF REMARKS

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

Mr. DAUB, immediately prior to recorded vote on Dorgan amendment to H.R. 1190 in the Committee of the Whole today.

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

Mr. WORTLEY in two instances.
Mr. MCGRATH.
Mr. YOUNG of Alaska.
Mr. WOLF in two instances.
Mr. SHUMWAY.
Mr. GILMAN in two instances.
Mr. BOEHLERT.
Mr. RITTER.
Mr. ZSCHAU.
Mr. YOUNG of Florida.
Mr. SMITH of New Jersey.
Mr. WEBER in two instances.
Mr. PAUL in two instances.
Mr. SKEEN in two instances.
Mr. KEMP in three instances.
Mr. MILLER of Ohio in three instances.
Mr. CORCORAN.

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

Mr. MAVROULES.
Mr. BARNES in three instances.
Mr. BOSCO in two instances.
Mr. GAYDOS in three instances.
Mr. RANGEL.
Mr. HAWKINS.
Mr. DYMALLY in two instances.
Mr. ROSE.
Mr. BERMAN.
Mr. STUDDS in two instances.
Mr. PANETTA in two instances.
Mr. OTTINGER.
Mr. FLORIO.
Mr. MURTHA.
Mr. FUQUA.
Mr. SIMON.
Mr. HARRISON in two instances.
Mr. ZABLOCKI in two instances.
Mr. LUKEN in two instances.
Mr. VENTO in two instances.
Mr. MCDONALD in three instances.
Mr. LEHMAN of Florida in two instances.
Mr. EDGAR.
Mr. AKAKA in three instances.
Mr. HUBBARD.
Mr. HARKIN in two instances.
Ms. MIKULSKI.
Mr. CARR.
Mr. AUCOIN in two instances.
Mr. ACKERMAN in two instances.
Mr. EDWARDS of California.
Mr. TOWNS.
Mr. THOMAS of Georgia.
Mr. WAXMAN in two instances.
Mr. FORD of Michigan.
Mr. DE LA GARZA in 10 instances.
Mr. FAUNTROY.
Mrs. SCHROEDER.
Mr. MATSUI.
Mr. GORE.
Mr. MOAKLEY.
Mr. WEISS.
Mr. BOLAND.

ENROLLED BILL SIGNED

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

H.R. 2600. An act to dedicate the Golden Gate National Recreation Area to Congressman Phillip Burton.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 4, 1983, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

1054. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended March 31, 1983, pursuant to section 811(a) of Public Law 94-106, as amended; to the Committee on Armed Services.

1055. A letter from the Secretary of the Treasury, transmitting the annual report on the economic viability of depository institutions for the period of April 1, 1982, through March 31, 1983, pursuant to section 206 of Public Law 96-221; to the Committee on Banking, Finance and Urban Affairs.

1056. A letter from the Assistant Secretary for Congressional Relations, transmitting reports on political contributions by various ambassadorial nominees and by members of their families, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1057. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b, as amended; to the Committee on Foreign Affairs.

1058. A letter from the Secretary of Health and Human Services, transmitting a special report to Congress on the feasibility and advisability of a refugee impact aid program, pursuant to section 413(d) of the Immigration and Nationality Act as amended; to the Committee on the Judiciary.

1059. A letter from the Secretary of Health and Human Services, transmitting a special report to Congress on alternative methods for the provision of cash assistance, medical assistance, and case management for refugees, pursuant to section 413(c)(1) of the Immigration and Nationality Act as amended; to the Committee on the Judiciary.

1060. A letter from the Director, Office of Management and Budget, transmitting a Soil Conservation Service plan for the Brundage Watershed, Idaho, pursuant to section 5 of Public Law 83-566, as amended; to the Committee on Public Works and Transportation.

1061. A letter from the Assistant Secretary of the Army (Civil Works), transmitting for referral to the Committee on Appropriations, a final supplemental environmental statement on the Minnesota River at Chaska project, Minnesota, pursuant to section 404(r) of the Clean Water Act; to the Committee on Public Works and Transportation.

1062. A letter from the Chairman, U.S. International Trade Commission, transmitting the Commission's 33d quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

1063. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal that paragraph of the act of March 4, 1913, as amended, that designates 10 percent of all national forest receipts for the construction of roads and trails on the national forests (37 Stat. 843); jointly, to the Committees on Agriculture and Interior and Insular Affairs.

1064. A letter from the Comptroller General of the United States, transmitting a report on the analysis of migration characteristics of children served under the migrant education program (GAO/HRD-83-40; May 2, 1983); jointly, to the Committees on Government Operations and Education and Labor.

1065. A letter from the Secretary of Health and Human Services, transmitting a report entitled, "Health Hazards Related to Nuclear Resource Development on Indian Land," pursuant to section 707(a) of the Indian Health Care Amendments, Public Law 96-537; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. PEPPER: Committee on Rules. House Resolution 179. Resolution providing additional procedures during the consideration of the joint resolution (H.J. Res. 13) calling for a mutual and verifiable freeze on and reductions in nuclear weapons (Rept. No. 98-78). Referred to the House Calendar.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1381. A bill to amend the Ocean Thermal Energy Conversion Act of 1980 to provide for additional authorizations, and for other purposes; with amendments (Rept. No. 98-79). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1398. A bill to promote energy conservation by providing for daylight saving time on an expanded basis, and for other purposes; with an amendment (Rept. No. 98-80). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2587. A bill to authorize appropriations to the Department of Energy for civilian research and development programs for the fiscal year 1984; with amendments (Rept. No. 98-81). 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. WAXMAN:

H.R. 2861. A bill to amend the Public Health Service Act to increase the authorization for fiscal year 1984 for primary care block grants; to the Committee on Energy and Commerce.

H.R. 2862. A bill to amend the Social Security Act to increase the authorization for fiscal year 1984 for maternal and child health services block grant; to the Committee on Energy and Commerce.

By Mr. AKAKA:

H.R. 2863. A bill to deauthorize the Kalihi Channel portion of the navigation project for Honolulu Harbor, Hawaii; to the Committee on Public Works and Transportation.

H.R. 2864. A bill to amend the Small Business Act to provide that, with respect to any possession of the United States or any State located outside the contiguous 48 States, the set-aside programs shall not require certain contracts to be performed by small business concerns located outside such a State or possession; to the Committee on Small Business.

By Mr. CLINGER:

H.R. 2865. A bill to provide an emergency public works jobs program by providing funds to States and local governments to carry out short-term infrastructure repair projects and by increasing by $600,000,000 the authorization for construction grants under the Federal Water Pollution Control Act for fiscal year 1984, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CONYERS:

H.R. 2866. A bill to amend the Immigration and Nationality Act to reform the immigration laws; to the Committee on the Judiciary.

By Mr. FLORIO (for himself, Mr. LENT, Ms. MIKULSKI, Mr. ECKART, Mr. TAUZIN, and Mr. RICHARDSON):

H.R. 2867. A bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1984 through 1986, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GRADISON:

H.R. 2868. A bill to require that programs financed through the Federal Financing Bank be included in the Federal budget, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. HEFTEL of Hawaii:

H.R. 2869. A bill providing for the conveyance of certain Federal property in the State of Hawaii, and for other purposes; to the Committee on Government Operations.

By Mr. KOSTMAYER:

H.R. 2870. A bill to extend the trade adjustment assistance programs for workers and firms until October 1, 1988; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 2871. A bill to amend the Internal Revenue Code of 1954 to allow an extension of time for paying the estate tax attributable to real property to be acquired for conservation purposes by certain charitable organizations; to the Committee on Ways and Means.

By Mr. LIPINSKI:

H.R. 2872. A bill to eliminate the collection of tolls on the U.S. portion of the St. Lawrence Seaway, to terminate the St. Lawrence Seaway Development Corporation and establish a St. Lawrence Seaway Development Administration in the Department of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LUKEN (for himself and Mr. OXLEY):

H.R. 2873. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain broadcast services and to provide certain deregulation of such broadcast services, and for other purposes; to the Committee on Energy and Commerce.

By Mr. McKINNEY:

H.R. 2874. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to reduce from 30 to 7 legislative days the period for congressional review of acts of the Council of

the District of Columbia which do not involve a Federal interest, to allow such acts to take effect during a congressional recess or adjournment, to repeal the authority of the Council of the District of Columbia to enact temporary emergency legislation, and for other purposes; to the Committee on the District of Columbia.

By Mr. SIMON:

H.R. 2875. A bill to establish a Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Prevention Activities; to the Committee on Government Operations.

H.R. 2876. A bill to establish a commission to make recommendations for changes in the role of nonparty multicandidate political action committees in the financing of campaigns of candidates for Federal office; to the Committee on House Administration.

H.R. 2877. A bill to repeal the section of the Economic Recovery Tax Act of 1981 which provides for tax indexing; to the Committee on Ways and Means.

By Mr. SIMON (for himself, Mr. PERKINS, Mr. FORD of Michigan, Mr. KOGOVSEK, Mr. OWENS, and Mr. GUNDERSON):

H.R. 2878. A bill to amend and extend the Library Services and Construction Act; to the Committee on Education and Labor.

By Mr. TORRICELLI:

H.R. 2879. A bill to amend section 4208 of title 18 of the United States Code to provide victims of crime (and their survivors) opportunity to be heard at Federal parole determinations; to the Committee on the Judiciary.

By Mr. WEISS (for himself and Mrs. BOXER):

H.R. 2880. A bill to make individuals suffering from acquired immunity deficiency syndrome (AIDS) eligible for coverage under the medicare program; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. KOSTMAYER:

H.R. 2881. A bill to amend the Trade Act of 1974 to insure fair trade opportunities, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mrs. KENNELLY (for herself, Mr. RATCHFORD, Mr. MCKINNEY, Mr. GEJDENSON, Mr. MORRISON of Connecticut, and Mrs. JOHNSON):

H.J. Res. 256. Joint resolution designating May 1983 as "Purple Heart Month," and honoring the three original recipients of the Purple Heart; to the Committee on Post Office and Civil Service.

By Mr. MCCANDLESS (for himself and Mr. LEWIS of California) (by request):

H.J. Res. 257. Joint resolution to designate June 22 through June 28, 1983, as "National Friendship Week"; to the Committee on Post Office and Civil Service.

By Mr. MOAKLEY:

H.J. Res. 258. Joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H.J. Res. 259. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Representatives, and to prohibit the candidacy of Representatives for the office of Senator; to the Committee on the Judiciary.

By Mr. TORRICELLI:

H. Con. Res. 121. Concurrent resolution expressing the sense of the Congress opposing cuts in library programs; to the Committee on Education and Labor.

By Mr. LEVITAS:

H. Res. 180. Resolution relating to a citation of contempt; to the Committee on Public Works and Transportation.

By Mr. YATES:

H. Res. 181. Resolution to disapprove the administration of territories deferral; to the Committee on Appropriations.

MEMORIALS

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

101. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to tuition assistance programs; to the Committee on Education and Labor.

102. Also, memorial of the Legislature of the State of New York, relative to natural gas prices; to the Committee on Energy and Commerce.

103. Also, memorial of the Legislature of the State of New York, relative to Klaus Barbi; to the Committee on Foreign Affairs.

104. Also, memorial of the Legislature of the State of New York, relative to discontinuance of civil defense planning and efforts to deescalate the nuclear arms race; jointly, to the Committees on Armed Services and Foreign Affairs.

105. Also, memorial of the Legislature of the State of New York, relative to a U.S. Academy of Peace and Conflict resolution; jointly, to the Committees on Foreign Affairs and Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ROSE:

H.R. 2882. A bill providing for a 17-year extension of patent numbered 3,376,198; to the Committee on the Judiciary.

By Mr. SHAW:

H.R. 2883. A bill to admit certain passenger vessels to the coastwise trade; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

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

H.R. 171: Mr. MCKINNEY, Mr. CORCORAN, Mr. GRAMM, and Mr. MOLLOHAN.

H.R. 283: Mr. TORRICELLI and Mr. LUKEN.

H.R. 500: Mr. ROGERS.

H.R. 538: Mr. PORTER.

H.R. 569: Mr. SIMON and Mrs. SCHNEIDER.

H.R. 777: Mr. RICHARDSON, Mrs. HALL of Indiana, Mr. SEIBERLING, Mr. EDWARDS of California, Mr. DOWNEY of New York, Ms. KAPTUR, and Mr. RANGEL.

H.R. 953: Mr. DONNELLY, Mr. KASTENMEIER, Mr. GRADISON, Mr. BILIRAKIS, Mr. STOKES, Mr. LANTOS, Mr. ROE, Mr. ST GERMAIN, Mr. MARKEY, and Mrs. BYRON.

H.R. 954: Mr. MOLINARI.

H.R. 965: Mr. DEWINE.

H.R. 1020: Mrs. KENNELLY, Mr. WYDEN, Mr. STUDDS, Mr. BEDELL, Mr. LOWRY of Washington, Mr. MINETA, Mr. WAXMAN, Mr. SIMON, Mr. SEIBERLING, Mr. HARKIN, Mr. CROCKETT, Mr. LELAND, and Mr. BARNES.

H.R. 1027: Mr. FLORIO, Mr. GINGRICH, Mr. LOTT, Mr. MILLER of California, Mr. STANGELAND, and Mr. SUNDQUIST.

H.R. 1029: Mr. BADHAM, Mrs. BOXER, Mr. COELHO, Mr. GINGRICH, Mr. KOGOVSEK, Mr. KINDNESS, Mr. MAZZOLI, Mr. MILLER of California, Mr. PURSELL, Mr. SMITH of Florida, Mr. STANGELAND, and Mr. SUNDQUIST.

H.R. 1030: Mr. BADHAM, Mrs. BOXER, Mr. COELHO, Ms. FERRARO, Mr. GINGRICH, Mr. MILLER of California, Mr. STANGELAND, Mr. SUNDQUIST, and Mr. WAXMAN.

H.R. 1083: Mr. RODINO, Mr. UDALL, Mr. ACKERMAN, Mr. BROWN of California, Ms. FERRARO, Mr. KOSTMAYER, Mr. MOODY, Mr. WALGREN, Mr. WIRTH, and Mr. YATRON.

H.R. 1092: Mr. MOAKLEY and Mr. FORD of Tennessee.

H.R. 1104: Mr. NEAL, Mr. RANGEL, Mr. EVANS of Illinois, Mr. MCDONALD, and Mr. PASHAYAN.

H.R. 1137: Mr. BRYANT, Mr. ROWLAND, Mr. NEAL, and Mr. SOLARZ.

H.R. 1199: Mr. RANGEL, Mr. WOLF, Mr. GAYDOS, Mr. STRATTON, Mr. RODINO, and Mr. GREGG.

H.R. 1200: Mr. LELAND, Mr. BONIOR of Michigan, and Mr. RANGEL.

H.R. 1242: Mr. AKAKA, Mr. BORSKI, Mr. DUNCAN, Mr. FAZIO, Mr. FEIGHAN, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HUNTER, Mr. JONES of Tennessee, Mr. KOSTMAYER, Mr. MINISH, Mr. QUILLEN, Mr. ROSE, Mr. RODINO, Mr. ROE, Mr. SCHUMER, Mr. SIKORSKI, Mr. STARK, Mr. SUNDQUIST, Mr. ACKERMAN, Mr. EDGAR, Ms. KAPTUR, and Mr. MURPHY.

H.R. 1266: Mr. MITCHELL and Mr. ACKERMAN.

H.R. 1357: Mr. DE LUGO and Mr. TAUKE.

H.R. 1430: Mr. BEILENSON and Mr. HYDE.

H.R. 1611: Mr. MADIGAN.

H.R. 1633: Mr. LIVINGSTON.

H.R. 1641: Mr. O'BRIEN.

H.R. 1644: Mr. LIPINSKI, Ms. KAPTUR, Mr. OTTINGER, Mr. FRANK, and Ms. FERRARO.

H.R. 1676: Mr. BOLAND, Mr. CONTE, Mr. D'AMOURS, Mr. RAHALL, Mr. RICHARDSON, and Mr. SISISKY.

H.R. 1700: Mr. SUNIA, Mr. MATSUI, Mr. FAUNTROY, Mr. D'AMOURS, Mr. FAZIO, Mr. BATES, Mr. BEVILL, Mr. CROCKETT, Mr. PRITCHARD, Mr. STENHOLM, Mr. NEAL, Mr. OBERSTAR, Mr. PATMAN, Mr. COLLINS, Mr. MRAZEK, Mr. GARCIA, Mr. GRAY, Mr. HUCKABY, and Mr. MITCHELL.

H.R. 1720: Mr. DELLUMS, Mr. LANTOS, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. OTTINGER, Mr. SHANNON, and Mr. TALLON.

H.R. 1724: Mr. LONG of Louisiana, Mr. DYSON, Mr. BEREUTER, Mr. PRITCHARD, Mr. SWIFT, Mr. SMITH of Florida, Mr. HUTTO, Mr. MADIGAN, Mr. ORTIZ, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. CONYERS, Mr. MRAZEK, Mr. LAFALCE, Mr. PARRIS, Mr. FUQUA, Mr. STAGGERS, Mr. TAUKE, Mr. FAZIO, Mr. FEIGHAN, Mr. JENKINS, Mr. VANDER JAGT, Mr. LOWRY of Washington, Mr. GARCIA, Mr. WINN, Mr. STOKES, Mr. ST GERMAIN, and Mr. WEAVER.

H.R. 1743: Mr. FEIGHAN, Mr. BERMAN, Mr. WEISS, Mr. SABO, Mr. GARCIA, Mr. ASPIN, Mr. ACKERMAN, Mr. WON PAT, Mr. WEAVER, Mr. FAUNTROY, Mr. FLORIO, Mr. FROST, Mr. MATSUI, Mr. GAYDOS, Mr. D'AMOURS, Mr. MITCHELL, Mr. STOKES, Mr. CLAY, Ms. KAPTUR, Mr. CONYERS, Mr. WILSON, Mr. STUDDS, Mr. DASCHLE, Mr. KILDEE, Mr. LOWRY of Washington, Mr. MCCLOSKEY, Mr. GLICKMAN, Mr. MARTINEZ, Mr. CARR, Mr. ADDABBO, Mr. OBERSTAR, and Mr. GUARINI.

H.R. 1795: Mr. DICKINSON and Mr. MCNULTY.

H.R. 1817: Mr. FEIGHAN and Mr. LELAND.

H.R. 1841: Mr. FRENZEL, Mr. NIELSEN of Utah, Mr. STOKES, Mr. HYDE, and Mr. HUTTO.

H.R. 1904: Mr. BARNES, Mr. BEREUTER, Mr. BEVILL, Mr. BONIOR of Michigan, Mr. COLEMAN of Missouri, Mr. CORCORAN, Mr. COUGHLIN, Mr. EMERSON, Mr. FRENZEL, Mr. KEMP, Mr. LAGOMARSINO, Mr. MCGRATH, Mr. MAZZOLI, Ms. OAKAR, Mr. RAHALL, Mr. REID, Mr. ROE, Mr. ROTH, Mr. SENSENBRENNER, Mr. SCHEUER, Mr. WEAVER, Mr. WILSON, Mr. LEACH of Iowa, Mr. MARTINEZ, Mr. GREGG, Mr. WYDEN, and Mr. HORTON.

H.R. 1918: Mr. TORRICELLI and Mr. CORCORAN.

H.R. 1931: Mr. BARNES.

H.R. 1950: Mr. CONYERS and Mr. ROE.

H.R. 1951: Mrs. KENNELLY, Mr. MORRISON of Connecticut, Mr. GEJDENSON, and Mr. MCKINNEY.

H.R. 2023: Mr. RANGEL, Mr. FORSYTHE, and Mr. NIELSON of Utah.

H.R. 2027: Mr. STENHOLM.

H.R. 2034: Mr. MITCHELL and Mr. OWENS.

H.R. 2053: Mr. MCKINNEY.

H.R. 2061: Mr. WILSON, Mr. HUGHES, Mr. EMERSON, and Mr. MCCOLLUM.

H.R. 2088: Mr. LEHMAN of Florida, Mr. SUNIA, Mr. STOKES, Mr. BROWN of California, Mr. LEVIN of Michigan, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. MCNULTY, and Mr. ROE.

H.R. 2097. Mr. LELAND and Mr. BARNARD.

H.R. 2099. Mr. DWYER of New Jersey, Mr. FORSYTHE, Mr. EDWARDS of California, Mr. KEMP, Mrs. BOXER, Ms. MIKULSKI, Mr. EDWARDS of Oklahoma, Mr. NIELSON of Utah, Mr. FAUNTROY, Mr. WHEAT, Mr. GUARINI, Mr. HYDE, Mr. SABO, Mr. CRAIG, Mr. PANETTA, Mr. WEBER, and Mr. EVANS of Iowa.

H.R. 2100: Mr. VENTO, Mr. EDWARDS of California, Mrs. BOXER, Ms. MIKULSKI, Mr. FAUNTROY, Mr. RANGEL, Mr. CROCKETT, Mr. SABO, and Mr. EVANS of Iowa.

H.R. 2164: Mr. SNYDER and Mr. HUBBARD.

H.R. 2225: Mr. CHANDLER, Mr. WYLIE, and Mrs. HOLT.

H.R. 2262: Mr. GRAMM, Mr. SAM B. HALL, JR. Mr. IRELAND, Mr. KRAMER, Mr. LELAND, Mr. SIMON, Mr. WILLIAMS of Montana, Mr. WINN, and Mr. WRIGHT.

H.R. 2276: Mr. HATCHER, Mr. FORD of Michigan, Mr. FRANK, Mr. RAY, Mr. STOKES, Mr. VANDERGRIFF, Mrs. BOXER, Mr. ADDABBO, Mr. MORRISON of Connecticut, Mr. HOWARD, Mr. LEVIN of Michigan, and Mr. WILSON.

H.R. 2299: Mr. APPLEGATE and Mr. MOLLOHAN.

H.R. 2323: Mr. LEVIN of Michigan, Mr. SEIBERLING, Mr. SABO, Mr. WAXMAN, Mr. MITCHELL, Mr. GUNDERSON, and Mr. MORRISON of Connecticut.

H.R. 2342: Mr. FORD of Tennessee.

H.R. 2355: Mr. TORRES, Mr. LONG of Louisiana, Mr. BRITT, Mr. EDWARDS of California, Mr. COYNE, Mr. EDWARDS of Oklahoma, and Mr. CORRADA.

H.R. 2379: Mr. LELAND, Mr. SABO, and Mr. BARNES.

H.R. 2403: Mr. BEDELL, Mr. LOWRY of Washington, Mr. DELLUMS, Mr. TOWNS, Mr. SMITH of Florida, and Mr. MITCHELL.

H.R. 2432: Mr. IRELAND, Mr. SMITH of New Jersey, Ms. OAKAR, Mr. SIMON, Mr. CORRADA, Mr. DANIEL, Mr. MITCHELL, Mr. MONTGOMERY, Mr. OXLEY, Mr. EDWARDS of Oklahoma, Mr. VANDERGRIFF, Mr. RAHALL, Mr. ADDABBO, Mr. RUDD, Mr. BEVILL, Mr. FORSYTHE, and Mr. TALLON.

H.R. 2438: Mr. BOLAND, Mr. SCHUMER, and Mr. OTTINGER.

H.R. 2448: Mr. FRENZEL.

H.R. 2489: Mr. HUGHES, Mr. EDGAR, Mr. MURPHY, Mr. FRANK, and Mr. MAVROULES.

H.R. 2560: Mr. MCCURDY, Mr. MAVROULES, Mr. DAVIS, Mr. DYSON, Mr. SIMON, Mr. COELHO, Mr. GINGRICH, and Mr. KRAMER.

H.R. 2582: Mr. FORD of Michigan, Mr. BERMAN, Mr. FRANK, Mr. WEISS, Mr. HOWARD, and Mr. SIKORSKI.

H.R. 2583: Mr. SMITH of Iowa, Mr. DE LA GARZA, Mr. HOWARD, Mr. DE LUGO, Mr. TORRES, Mr. KASTENMEIER, Mr. WON PAT, Mr. LUKEN, Mr. OTTINGER, Mr. ROE, Mr. CLAY, Mr. BATES, Mr. FRANK, Mrs. BOGGS, Mr. STOKES, Mr. LELAND, Mr. DWYER of New Jersey, Mr. PANETTA, Mr. FAUNTROY, Mr. OBERSTAR, Mr. CROCKETT, Mr. CORRADA, Mr. HARRISON, Mr. FEIGHAN, Mr. SUNIA, Mr. BIAGGI, and Mr. SIMON.

H.R. 2615: Mr. FISH, Mr. JEFFORDS, Mr. YATES, Mr. D'AMOURS, Mrs. COLLINS, Mr. DASCHLE, Mr. RODINO, Mr. LOWRY of Washington, Mr. FORD of Tennessee, Mr. SOLARZ, Mr. ADDABBO, Mr. FAUNTROY, Mr. HARRISON, Mr. LELAND, Mr. SMITH of Florida, Mr. ACKERMAN, Mr. ROE, Mr. KASTENMEIER, Mr. FEIGHAN, Mr. MCNULTY, Mr. GUARINI, Mr. BONKER, Mr. MITCHELL, Mr. FORD of Michigan, Mr. FAZIO, Mr. FROST, Mr. PERKINS, Mr. SABO, Mr. BEDELL, Mr. FRANK, Mr. BARNES, Mr. WOLPE, Mr. MORRISON of Connecticut, Mr. TOWNS, Mr. LEVIN of Michigan, and Mr. CROCKETT.

H.R. 2777: Mr. JONES of North Carolina and Mr. HAWKINS.

H.J. Res. 21: Mr. SIKORSKI.

H.J. Res. 29: Mr. FOGLIETTA, Mr. HILER, Mr. KOSTMAYER, Mr. DYSON, Mr. WHITEHURST, and Mr. SISISKY.

H.J. Res. 59: Mr. PETRI.

H.J. Res. 97: Mr. VENTO.

H.J. Res. 133: Mr. HARTNETT.

H.J. Res. 176: Mr. ANNUNZIO, Mr. LEACH of Iowa, Mr. SWIFT, Mr. RAY, Mr. HANCE, Mr. LOWRY of Washington, Mr. STENHOLM, Mr. JENKINS, Mr. SHELBY, Mr. BARNARD, Mr. THOMAS of Georgia, Mr. FASCELL, Mr. MCDONALD, Mr. REGULA, Mr. GINGRICH, Mr. HORTON, Mr. OXLEY, Mr. TAUZIN, Mr. FISH, Mr. MARRIOTT, Mr. CHANDLER, Mr. BREAUX, and Mr. GREGG.

H.J. Res. 190: Mr. WILSON, Mr. MCNULTY, Mr. FORSYTHE, Mr. COATS, Mr. GILMAN, Mr. RANGEL, Mr. HUTTO, Mr. CHANDLER, and Mr. TAUKE.

H.J. Res. 208: Mr. LEVIN of Michigan, Mr. MITCHELL, and Mr. BARNARD.

H.J. Res. 210: Mr. ROE, Mr. LOWRY of Washington, Mr. HOWARD, Mr. LAFALCE, Mr. SMITH of Florida, Mr. DELLUMS, Mr. STOKES, Mr. CLAY, Mr. WHEAT, Mr. MARTINEZ, Mr. LELAND, Mr. EDWARDS of Alabama, Mr. HUGHES, Mr. CLARKE, Mr. DIXON, Mr. TRAXLER, Mr. BEDELL, Mr. DANIEL, Mr. CARNEY, Mr. FRENZEL, Mr. STUDDS, Mr. WAXMAN, Mr. GUARINI, Mr. CONYERS, Mr. PEPPER, Mr. TOWNS, and Mr. SIMON.

H.J. Res. 220: Mr. FORD of Michigan, Mr. SHANNON, Mr. ROSTENKOWSKI, and Mr. ECKART.

H.J. Res. 225: Mr. HYDE, Mr. MCEWEN, Mr. WEISS, Mrs. COLLINS, Mr. REGULA, Mrs. HOLT, Mr. BROWN of California, Mr. WAXMAN, Mr. THOMAS of California, Mr. BERMAN, Mr. BARNES, Mr. DIXON, Mr. STOKES, Mr. YATES, Mr. FAZIO, Mr. SMITH of Florida, Mr. YOUNG of Florida, and Mr. CROCKETT.

H.J. Res. 228: Mr. BROWN of Colorado, Mr. MINETA, Mr. ORTIZ, Mr. WILSON, Mr. FAZIO, Mr. FRANK, Mr. ERDREICH, Mr. MCNULTY, Mr. ROE, Mr. BERMAN, Mr. FRENZEL, Mr. DIXON, Mr. EDGAR, Mr. LEWIS of Florida, Mr. MORRISON of Connecticut, and Mr. WHITLEY.

H.J. Res. 236: Mr. FORSYTHE, Mr. PARRIS, Mr. STANGELAND, Mr. LAGOMARSINO, Mr. PRITCHARD, Mr. SOLARZ, Mr. WALGREN, Mr. ROE, Mr. KINDNESS, Mr. KASICH, Mr. RODINO, Mr. WINN, Mr. KEMP, Mr. SMITH of Florida, Mr. DAUB, Mr. FAZIO, Mr. GARCIA, Mr. STOKES, Mr. DANIEL B. CRANE, Mr. BONIOR, of Michigan, Mr. LENT, Mr. DE LA GARZA, Mr. ROGERS, Mr. PATMAN, Mr. WILSON, Mr. DWYER of New Jersey, Mr. BATES, Mr. LELAND, Mr. MARKEY, Mr. BARNES, Mrs. VUCANOVICH, Mr. FAUNTROY, Mrs. BOXER, Mr. LIPINSKI, Mr. MCCAIN, Mr. FEIGHAN, Mr. HUGHES, Mr. BEVILL, Mr. CHANDLER, Mr. KILDEE, Mr. WAXMAN, Mr. EVANS of Illinois, Mr. NIELSON of Utah, Mr. RAHALL, Mr. DANIEL, Mr. FAZIO, Mr. FRENZEL, Mr. EDWARDS of Oklahoma, and Mr. HANSEN of Idaho.

H. Con. Res. 89: Mr. HIGHTOWER.

H. Res. 15: Mr. MILLER of California, Mr. STUDDS, and Mr. AKAKA.

H. Res. 17: Mr. COOPER, Mr. HARKIN, Mr. HUGHES, Mr. MARKEY, and Mr. STUDDS.

H. Res. 139: Mr. ACKERMAN, Mr. ALBOSTA, Mr. BORSKI, Mr. CARPER, Mr. CLINGER, Mr. DWYER of New Jersey, Mr. ECKART, Mr. FAUNTROY, Mr. GILMAN, Mrs. JOHNSON, Mr. MCDADE, Mr. MCHUGH, Mr. MCKERNAN, Mr. MACKAY, Mr. MARTINEZ, and Mr. MINETA.

H. Res. 151: Mr. DYMALLY, Mr. SYNAR, Mr. CHAPPELL, Mr. RICHARDSON, Mr. PRITCHARD, Mr. HOWARD, Mr. STOKES, Mr. FOLEY, Mr. PEPPER, Mr. FISH, Mr. FROST, Mr. ACKERMAN, Mr. NIELSON of Utah, Mr. LOWRY of Washington, Mr. GOODLING, Mr. BONKER, Mr. BROWN of California, Mr. STENHOLM, Mr. VANDERGRIFF, Ms. OAKAR, Mr. THOMAS of Georgia, Mr. DE LA GARZA, Mr. ADDABBO, Mr. HANSEN of Idaho, Mr. ROBERT F. SMITH, Mr. MCCAIN, Mr. FRANKLIN, Mr. HARRISON, Mr. KINDNESS, Mr. CORCORAN, Mr. LEWIS of Florida, Mr. MORRISON of Washington, Mr. HIGHTOWER, Mr. EMERSON, Mr. WEBER, Mr. SCHUMER, Mr. DICKS, Mr. KASICH, Mr. LEVIN of Michigan, Mr. MITCHELL, Mr. TAUKE, Mr. WON PAT, Mr. ANDREWS of Texas, Mr. FORD of Tennessee, Mr. SWIFT, Mr. KEMP, Mr. BURTON, and Mr. MCDADE.

H. Res. 155: Mr. COOPER, Mr. DAUB, Mr. GUARINI, Mr. HUGHES, Mr. LEVIN of Michigan, Mr. MRAZEK, Mr. RAHALL, Mr. SEIBERLING, Mr. SMITH of Iowa, and Mr. TALLON.

AMENDMENTS

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

H.J. RES. 13

By Mr. HYDE:

(Amendment to the amendment in the nature of a substitute by Mr. AUCOIN.)

—After the last line of the amendment in the nature of a substitute insert the following new section:

SEC. . In all negotiations pursuant to this Resolution the United States shall make every effort to ensure that any agreement reached shall provide for full compliance by all parties with preexisting international treaties, obligations, and commitments.

By Mr. LEVITAS:

(Amendment to the amendment in the nature of a substitute by Mr. AUCOIN.)

—At the end of (5) in the first section, immediately before the period, insert ", with such reductions to be achieved within a reasonable, specified period of time".

By Mr. COLEMAN of Missouri:

(Amendment to the amendment in the nature of a substitute by Mr. AUCOIN.)

—After the last line of the amendment in the nature of a substitute insert the following new section:

SEC. . For purposes of this resolution, a nuclear delivery vehicle is a device whose primary or exclusive mission requires it to carry a nuclear weapon into territory of our occupied by hostile forces.

—After the last line of the amendment in the nature of a substitute insert the following new section:

SEC. . A freeze agreement in accordance with this resolution will not preclude the one-for-one replacement of nuclear delivery vehicles in order to preserve the credibility of the United States nuclear deterrence, provided the new weapon or delivery vehicle is the same type as the old.

H.R. 1983

By Mr. COLEMAN of Texas:

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

"(h) In providing assistance under this title, the Secretary shall (1) seek to assure a reasonable distribution of funds among districts in which the program established in this title is in effect; and (2) take into consideration the rates of residential mortgage foreclosure and unemployment in the units of general local government in which the properties involved are located and whether such units of general local government are eligible for assistance under section 119 of the Housing and Community Development Act of 1974, giving particular consideration to units of general local government that have rates of unemployment exceeding the national average or are eligible for assistance under such section 119. In carrying out the provisions of this subsection, the Secretary shall utilize the most recent information available from the Secretary of Labor with respect to rates of unemployment.".

EXTENSIONS OF REMARKS

MDRC STUDY: AN ALTERNATIVE TO YOUTH JOBLESSNESS

HON. AUGUSTUS F. HAWKINS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. HAWKINS. Mr. Speaker, joblessness and the lack of basic skills need not be a continuing status for our youth. Approximately 1,911,000 individuals, or 1 out of every 4 young persons in this country, age 16 to 19 years, is unemployed. Equally gloomy is the school dropout rate for this same population. Both problems are addressed by research findings of a youth jobs program linking school and work in a highly structured environment. The Manpower Demonstration Research Corp. in New York City recently announced very encouraging, positive results of the youth incentive entitlement pilot project (YIEPP).

Some 76,000 teenagers were offered a job in predominantly private firms with a requirement that they either remain in school or return to school. The results of this work/study incentive program are worth noting as we develop policies to alleviate youth joblessness. It is interesting to note, for example: First, job creation for this targeted group can be successful on a large scale; second, significant employment increases occurred during the school year, when fewer job opportunities generally are available to youth; third, a correlation exists between the reduction in the school dropout rate and participation in the YIEPP program; fourth, over 80 percent of the private employers involved in this program reported satisfaction with the participants' performance; and, fifth, the findings suggest strongly that the prevailing low employment rate among minority youth is not voluntary.

The high school dropout rates for youth in this country are discouraging. According to the latest data, approximately 1,993,000 individuals, or 25 percent of the young people age 16 to 19 years, are not enrolled in high school and are not high school graduates. For black youth, the dropout rate is 28 percent. This situation is particularly serious since the skills demanded of entry-level jobs in an increasingly technological society assume a basic skills competency.

There is a job creation proposal pending before this Congress which incorporates key elements of the successful youth incentive entitlement pilot project. Under H.R. 1036, the Community Renewal Employment Act, as amended by the Subcommittee on Employment Opportunities, at least 20 percent of the participants shall be eligible youth who are in part-time employment not in excess of 32 hours per week and who are enrolled, for at least 8 hours per week, in high school, a program which leads to a certificate of high school equivalency, or a program of skill training, or basic skill, or employability development. In meeting this requirement, program operators are encouraged to supplement jobs funds with training or education funds from the Job Training Partnership Act—including the Jobs Corps—the Vocational Education Act, or other State or local, public or private education or training program. Priority for youth employment under H.R. 1036, as amended, is given to unemployed youth age 16 through 19 who are economically disadvantaged with equitable service to school dropouts. H.R. 1036 is currently awaiting consideration before the Committee on Education and Labor. I urge my colleagues to support this initiative.

The MDRC experience clearly suggests that a carefully structured intervention on behalf of idle youth can make a meaningful difference, particularly in the lives of disadvantaged youth. Enactment of H.R. 1036 could conceivably produce similar results.

Following are the findings of the MDRC study:

MAJOR YOUTH EXPERIMENT YIELDS SIGNIFICANT FINDINGS

Results of the Youth Incentive Entitlement Pilot Projects (YIEPP) demonstration, this country's first guaranteed jobs program for low-income youths, were announced today by the Manpower Demonstration Research Corporation (MDRC), the nonprofit organization charged with the responsibility for coordinating and evaluating the largest of the Carter Administration's youth demonstrations. Research findings from this experiment show clearly that YIEPP, by directly attacking youth joblessness, had a large and significant effect on the levels of youth employment in the 17 areas where it operated.

Funded by the U.S. Department of Labor, this demonstration tested, from early 1978 to mid-1980, the feasibility and impacts of a program providing jobs to all youths who wanted one: full-time in the summer, part-time during the school year. The demonstration also linked, for the first time, school and work in a new programmatic concept, requiring the youths who received jobs to remain in school or to return to it.

As part of the Youth Act of 1977, YIEPP's goals were ambitious. Not only was the program intended to reduce immediate unemployment among low-income youths, it sought as well to uncover new information on the underlying causes of, and solutions to, the prevailing high unemployment rates of this population. The two final research reports on the operational period of this program, Linking School and Work for Disadvantaged Youths and Impacts on Participation, Work and Schooling, reveal findings highly relevant to current Congressional efforts to develop appropriate strategies for the nation's youths.

Among the important lessons to emerge from these studies are:

Job creation was successful on a large scale. Sufficient job opportunities were developed to meet the demands of the work guarantee and, over the course of the demonstration, some 76,000 teenagers were given jobs. The private sector played a major role in this effort. More than half of the youths' 10,000 employers—or nearly 6,000 private firms—sponsored youths in both full- and part-time positions.

Employment increases were dramatic in areas where YIEPP operated, up 68 percent over the employment rates found in non-YIEPP comparison areas. The improvement was even more striking for younger teenagers and black youths, whose rates rose by 84 and 96 percent, respectively. (See Chart 1.) These groups traditionally have difficulty finding jobs in the regular marketplace.

The most significant employment increases occurred during the school year, when fewer job opportunities generally are available to youths. With YIEPP in effect, the employment rate rose 88 percent overall, while the rates for the younger group and black teenagers increased by 115 and 135 percent, again over the rates seen in the comparison areas. (Chart 1.) The largest effect—a 179 percent increase—was found for black females, the group registering the lowest employment rate in the absence of YIEPP.

YIEPP's incentive structure of offering a job clearly and consistently drew youths to participate in the program and to work and enroll in school. Participation rates were high: 56 percent of the eligible youths had worked in a program job by the demonstration's end. Again, rates were highest for black youths and young teenagers. (See Chart 2.) Of those youths who heard of the program, four out of five applied to enroll, indicating that interest was high among disadvantaged youths in obtaining even minimum-wage jobs.

Total school enrollment increased significantly for this age group as a whole, even as school enrollments across the country were declining generally. The effect was strongest for younger teenagers, for whom school enrollments increased in each year by almost 5 percent, compared to the rates observed in non-YIEPP areas. (See Chart 3.)

YIEPP led to an overall cumulative reduction in the school drop-out rate of younger teenagers, as the drop-out rate decreased from almost 28 percent in the non-YIEPP areas to 24 percent in the YIEPP sites. This represents a cumulative reduction of 12 percent. More teenagers in the 15- to 16-year-old group also went back to school than in the non-YIEPP comparison areas. The

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

return-to-school rate for this younger group rose from 14 to over 23 percent in sites where the program was in operation: a 63 percent increase overall.

"These educational findings, while more modest than the employment findings, are positive," said Barbara Blum, President of MDRC. "In the past, many jobs programs have given young people work, but failed to address their schooling needs. Some programs, by offering jobs, have actually caused youths to drop out of school. YIEPP, with its standards requiring school attendance and academic performance, reinforced rather than reduced the youths' chances of completing their secondary education."

YIEPP was conducted in seven large projects designed to cover areas containing between 3,000 and 8,000 eligible young people. These sites, which encompassed full cities or counties, portions of large central cities, or multi-county regions made it possible to test the program on a broad scale. To ensure geographic and ethnic diversity and to provide opportunities for special variation, the demonstration also included ten smaller sites in portions of large cities and less populated areas. These 17 sites are listed in Chart 4.

For the results described above and in the impact report, the experiences of program-eligible youths in a representative group of four large YIEPP experimental sites were compared to those of youths in four matching, non-demonstration sites. Interviews were conducted with a sample of approximately 4,000 youths at periodic intervals.

Perhaps the most compelling findings to emerge from the research center on the program's success with black youths: they are seen joining YIEPP in larger numbers, working in their jobs longer, and staying in school more consistently than any other group. These results are particularly significant in the context of the experience of the past 25 years, where a sharp decline has taken place in minority youth employment, particularly for males. In 1955, for example, black male youths were employed at about the same rate as white youths; by 1981, their employment rate had been cut in half. A similar, though somewhat less dramatic, story holds true for young minority women.

"Before the YIEPP demonstration," said Dr. Judith Gueron, MDRC's Vice President for Research, "there had been relatively little evidence to sort among the conflicting explanations for this decline: job shortages, discrimination, lack of motivation, the unrealistic wage expectations of some youths, or the attractiveness of more profitable illegal alternatives. YIEPP, with its job guarantee, provided a unique, direct test of the youths' interest in working—and the findings suggest strongly that the prevailing low employment rate among minority youths is not voluntary." YIEPP doubled minority youths' school-year employment rates—bringing them essentially equal to or exceeding those for white youths in the areas where the program operated. (See chart 1.)

Another important lesson gained from the YIEPP experience is directly relevant to current national concerns, given the emphasis on private sector involvement in youth programs. While the full wage subsidy offered in YIEPP to work sponsors was clearly important to that job development effort, participating private sector employers cited the opportunity to help unemployed youths as their most important consideration in sponsoring the teenagers.

On the whole, private firms expressed satisfaction with the youths' work. One-fifth of the employers in the study reported that they had hired YIEPP participants on their own after sponsoring them at a subsidy. Over 80 percent of the private employers reported youths' work habits, attitudes and willingness to work were average or better.

"One other factor to be stressed in the job creation effort," said Dr. Gueron, "is that the quality of work in both public and private sectors was good. In a study of this aspect of the demonstration, we found that the work provided in over 86 percent of the jobs was adequate or better, a testament to the sound management that characterized the YIEPP program. For the most part, CETA prime sponsors, who had responsibility for the operations of the program at the local level, administered it well."

Among other findings of interest:

Despite the size of the program and an unusually quick start-up schedule, YIEPP functioned effectively on a large-scale saturation basis. It achieved its goal of serving all youths who wanted a job, even given eligibility and performance monitoring procedures which were more complicated and strict that those found in other youth programs.

Although the educational and the prime sponsor managerial systems vary considerably, substantial progress was made in linking these two organization modes. YIEPP also spawned the growth and expansion of alternative school programs, which were instrumental in attracting drop-outs back to an educational setting.

Total operating costs of VIEPP were $224.3 million, with 63 percent of this amount spent for participant wages. The cost per service year—the cost of keeping one participant in the program for one year—was estimated to be $4,382. Since not all participants stayed in the program that long, the average cost per participant was $2,000 annually.

In commenting on the program's cost, Ms. Blum noted that while the YIEPP approach, emphasizing the compilation of a work history combined with the acquisition of a school diploma, had had particularly encouraging results during its operational period, MDRC had the opportunity, with the continuing support of the Department of Labor, to learn and to understood about its potential later impacts on participants' lives. YIEEP's post-program report, scheduled for completion at the end of this year, will examine impacts up to one year after program completion, rounding out the comprehensive research evaluation designed for this program. However, some program evaluators expect that it may take longer than this brief time in which to see the long-lasting effects of YIEPP on participants' employment behavior.

"Right now," said Ms. Blum, "it is important to realize that YIEPP was a highly important, immediate, programmatic intervention for youths both at risk of dropping out of school and of remaining unemployed or under-employed because of difficulties in finding a job. The job entitlement itself was not the only important part of the program model. The fact that YIEPP linked school and work, demanding performance from the youths in exchange for a job, makes it a source for lessons which should be of interest today, particularly in view of the emphasis on youth in the new Job Training Partnership Act.

"Through YIEPP, we have learned that programs emphasizing both school and work can be designed and run in a meaningful manner. We have also learned that young people want to work, and that a large-scale jobs program can and will overcome the labor demand problems that afflict minority youths."

CHART 1.—IMPACTS ON YOUTH EMPLOYMENT

	Percent of eligible youths employed in YIEPP and comparison sites			
	Comparison sites	YIEPP sites	Difference	Increase
Demonstration average:				
All sample youths	24.6	41.2	+16.6	68
Youths 15 to 16 years old at program startup	22.1	40.7	+18.6	84
Black youths	21.1	41.3	+20.2	96
White youths	31.2	37.4	+6.2	20
School year average:				
All sample youths	21.5	40.3	+18.9	88
Youths 15 to 16 years old at program startup	18.4	39.6	+21.2	115
Black youths	17.3	40.7	+23.4	135
White youths	29.4	37.0	+7.6	26

CHART 2.—PARTICIPATION RATES OF ELIGIBLE YOUTHS

Overall: 56 percent participated

	Percent
Participation by age at program startup:	
15 to 16 years	66
17 to 20 years	46
Participation by race:	
Black	63
White	22
Hispanic	38

CHART 3.—IMPACTS ON SCHOOL ENROLLMENT

	Percent of eligible youths enrolled in school in YIEPP and comparison sites			
	Comparison sites	YIEPP sites	Difference	Increase/decrease
Total sample:				
First year	84.1	88.2	+4.1	+5
Second year	72.4	75.7	+3.3	+5
	Cumulative dropout and return-to-school rates			
Youths 15 to 16 years old at Program startup:				
Dropout rate	27.6	24.3	−3.3	−12
Return-to-school rate	14.2	23.2	+9.0	+63

CHART 4.—YIEPP SITES AND CETA PRIME SPONSORS

SITE AND PRIME SPONSOR

Alachua County, Florida: Alachua County CETA.

Albuquerque, New Mexico: City of Albuquerque Office of CETA.

Baltimore, Maryland: Mayor's Office of Manpower Resources.

Berkeley, California: Office of Employment and Community Programs.

Boston, Massachusetts: Employment and Economic Policy Administration.

Cincinnati, Ohio: City of Cincinnati Employment and Training Division.

Dayton, Ohio: Office of the City Manager, Manpower Planning and Management.

Denver, Colorado: Denver Employment and Training Administration.

Detroit, Michigan: Employment and Training Department.

King County, Washington: The King County Consortium.

Monterey County, California: Monterey CETA Administration.

Nashua County, New Hampshire: Southern New Hampshire Services/CETA.

New York, New York: Department of Employment of the City of New York.

Philadelphia, Pennsylvania: City of Philadelphia Area Manpower Planning Council.

Southern Rural Mississippi: Governor's Office of Job Development and Training.

Steuben County, New York: Steuben County Manpower Administration.

Syracuse, New York: City of Syracuse, Office of Federal and State Aid Coordination.●

ECONOMIC CRISIS IN LATIN AMERICA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BARNES. Mr. Speaker, as chairman of the Subcommittee on Western Hemisphere Affairs, I have become increasingly alarmed in recent months by the economic crisis affecting Latin America. I know that many of my colleagues also share this preoccupation.

At the beginning of this year I traveled to South America, and I came away with the impression that if there is one thing that concerns everyone regardless of nationality, political belief, or social class, it is the economic crisis and how it is disrupting their lives.

The economic recession is a worldwide phenomenon, but in our hemisphere it has manifested itself in the form of a foreign debt that has achieved crisis proportions. Because of this, and because of the desire of the Congress to be better informed on the subject, I will shortly conduct a series of hearings on the economic situation in Latin America and the Caribbean.

The purpose of the hearings is to provide the Congress and the American people with a comprehensive analysis of: Economic conditions in Latin America; the factors responsible for the crisis; the symptoms of the crisis, including the international debt situation; the sociopolitical impact of the crisis and of the prescribed remedies; the role of the IMF and other financial institutions; and the prospects for an economic recovery.

In preparation for the hearings I would like to submit for the RECORD two articles that appeared recently in the Washington Post. In the first one, Joseph Grunwald provides a historical perspective on the economic recession affecting the newly industrialized countries in Latin America and Asia that is responsible for unprecedented levels of foreign debt. He also proposes possible mechanisms for postponement of debt repayment, as well as other ways to deal with the economic crisis.

In the second article, our own friend and colleague, LEE HAMILTON, discusses the importance of the International Monetary Fund to global economic recovery and the need for increasing the levels of U.S. contributions. But more importantly he explains why, by helping indebted countries through the IMF, we are in turn promoting our own economic recovery. I strongly agree with him, and I intend to support the administration's request for an increase in our contributions to the IMF. Finally, I hope that during the course of the upcoming hearings on this subject, we will be able to identify other ways in which the United States can help other countries surmount this economic crisis.

The articles follow:

[From the Washington Post, Apr. 20, 1983]

A NEW ECONOMIC ENGINE . . .

(By Joseph Grunwald)

Nearly every country in the world looks to the U.S. economy to help extricate it from the grip of the recession: we are seen as the locomotive, and if only our economy would expand vigorously, we would pull the rest of the world behind us. But alone we cannot do it, and if the recovery is not dynamic, the locomotive may soon run out of steam.

Developing countries usually are not seen as actors in the world economic recovery. Yet as a group, the newly industrializing countries (NICs) of Latin America and Asia have become almost as important in world trade as the United States, and more important than Japan or any of the countries in Europe. But all of the NICs in Latin America and some of them elsewhere are deep in debt. As long as they are smothered by current interest and principal payments, they cannot contribute to an international economic expansion.

Still, there is a pent-up demand for imports in the developing countries. This demand is not for consumer goods, but for machinery, equipment, replacement parts, industrial supplies and technology in order to continue industrialization. The NICs were doing very well during the 1960s and 1970s; their economic growth was much faster than that of the industrial countries. Despite the oil shock of 1973-74, they kept on growing, in Latin America in large measure due to easy access to credit from the private banks in industrial countries. That dynamism translated into increasing imports of capital goods from the United States and other developed countries. As long as their expansion continued, the NICs had no difficulty in meeting the obligations of their rising debt burden.

Then came the second oil price explosion of 1979 and the subsequent dramatic increase in real interest rates as the industrial countries set out to fight inflation. The collapse of raw material prices precipitated by the ensuing recession was the final blow. By 1982, all of the NICs and most other countries in Latin America found themselves unable to service their huge debts. The necessary restructuring of this debt has strained the international financial system.

The other side of the story is that, after taking care of their minimum external debt obligations, Latin American countries have little left over to import the capital goods essential for their economic development. Thus the sharp decline in these imports from the developed countries has made it more difficult to get out of the world recession speedily.

In order for NIC's to revive their industrialization, they need breathing space from their debt burden. Even a large infusion of new loans may not relieve them from having to use a hefty portion of their scarce foreign exchange earnings for payment of interest and principal. Debt service will have to be postponed longer than the few months requested by several countries and usually granted by the private foreign banks (which have had few other options). A relief of about two years will be needed to reestablish the health of the industrializing economies. This would not only facilitate eventual full debt servicing but would also quickly increase their imports from the developed countries.

What would be the mechanism for the postponement of debt service? The private creditors, primarily banks from the United States and other industrial countries, are unlikely to agree to such a scheme unless they are assured of an adequate return or convinced that the alternatives are worse. Therefore, if such a long-term debt restructuring is considered essential, private bank loans may need to be transferred to public bodies, such as national governments or central banks, international agencies like the World Bank or the Inter-American Development Bank or, preferably, to a not-yet-existing world central bank. The private banks would be compensated at slightly less than the full value of their developing country loans.

Would this not serve to bail out irresponsible developing country governments and greedy private banks? Perhaps, but no purpose is served by finger-pointing or by apologia at this stage. All energies ought to be marshaled for a rapid, sound and long-lasting would economic recovery.

New credits to developing countries, including those from the International Monetary Fund, should be based on good projects and sound government programs. Obviously, reforms and austerity should be part of these; curtailing vital imports of industrial inputs, implicit in some current IMF conditions, should not.

If the NIC's, particularly those hardest hit in Latin America, are not given the opportunity to continue and accelerate their economic growth, a vital impetus to a more vigorous world recovery will be lost. Even worse, in the absence of a significant recovery, debt moratoriums may be forced on the international financial community as governments in Latin America find it politically impossible to squeeze their populations further. This may easily cause panic in the world financial markets, with devastating consequences for U.S. economic recovery.

It is better to take international action now than to paper over future crises by ad hoc measures that will prove to be more burdensome and deficient in long-term results. It is time to broaden our thinking about international interdependence: let the intrinsic dynamism of the emerging countries help fuel a resurgence of the world economy.

. . . THAT NEEDS IMF FUEL

(By Lee H. Hamilton)

Congress will soon decide to support or deny the administration's request for an increase in our contribution to the International Monetary Fund. Few bills are more important to global economic recovery and, consequently, to our own prosperity.

My colleagues raise a number of objections to the IMF legislation. They say that it would be nothing more than a "bail-out" for the big New York banks. They note that the administration is quick to intervene in the international arena when the "magic of the marketplace" fails, but clings to the ide-

ology of the marketplace when it comes to helping the poor and jobless at home. They argue that the IMF bill would throw good money after bad unless there is a long-lived economic recovery in the United States. Even if the merits of the bill were compelling, they say, voting for $8.4 billion in "foreign aid" when there are hard-pressed constituents at home would be political suicide.

Each objection has some merit, but none paints a complete picture. For instance, the "bail-out" charge must be put in perspective. The IMF legislation will help indebted countries pay interest on their commercial loans, but it will also help these countries pay for imports that they could otherwise not afford. The imports benefit our export industries, industrial workers and farmers.

The relationship between the IMF and U.S. exports and jobs becomes clear when we examine the recent history of our trade with Mexico, third largest among our trading partners. In 1981, we exported roughly $18 billion in manufactured goods and farm products to Mexico. By the end of 1982, our exports had fallen by $6 billion due to Mexico's liquidity problems. Were exports to Mexico to remain at year-end levels, we would lose approximately 250,000 jobs.

Hope for an increase in our exports to Mexico lies with the IMF adjustment program. With IMF financing, conditioned on the imposition of sound economic measures in Mexico and renewed commercial lending to that nation, Mexico will get its economy moving and increase its purchases of our products. Without IMF involvement, Mexico's economy will deteriorate further, and more American exports and jobs will be lost.

Underlying the "bail-out" charge is the idea that taxpayers are being forced to pick up the tab for greedy bankers. The idea assumes that our banks, more than 1,400 of which lent to Mexico alone, conduct their activities in an economic vacuum. This is simply not so. Private bank lending to Mexico and other developing countries means exports for our industries and jobs for our workers.

Most of us are familiar with the figures that show the importance of exports to our economy. Trade with developing countries plays a prominent role in the overall scheme. American sales to these countries grew 30 percent per year from 1978 through 1980 and now account for more than 30 percent of our exports. In manufactured goods, the share is even higher—almost 40 percent, up 10 percentage points in a decade. In the late 1970s, four of every five new manufacturing jobs were created for export. It is no accident that the growth in our export sector coincided with the growth in international lending by our banks.

This is no apology for the practices of the banks. They lent too generously in the past, and now are exacting disturbingly high fees as they reschedule loans. Efforts to improve supervision of foreign lending and to ease current rescheduling practices are to be applauded, but we must not lose sight of the economic benefits of the lending itself.

My colleagues are right to point out that international economic intervention is not wholly consistent with detachment from domestic economic problems. However, legislators should not withhold support of the Reagan administration when it takes a right step simply because it takes a wrong step elsewhere. Bearing in mind that every American administration since Bretton Woods has supported the IMF, we should let the issue's merits guide our decision.

My colleagues are also right to argue that an expansion of IMF resources is meaningless without the sustained recovery of our economy. The recovery, however, does not take place by itself. Economic growth in other nations and a stable international financial system reinforce recovery here.

The IMF bill is needed because the global economy faces unprecedented problems. The IMF, whose current resources are almost totally committed, is the key international institution to deal with these problems. The IMF helps member nations adjust their economies so that they can grow in a sustained manner. It buttresses the open trading system. Failure to enact the IMF legislation would send an immediate signal to indebted countries and world financial markets that the United States was unwilling to do its part to get the global economy moving again. The results would be plummeting world trade, thousands of jobs lost, and dashed prospects for economic recovery.

Some of my colleagues worry because their constituents view the IMF bill as foreign aid legislation. Our job is to make our constitutents understand that IMF financing is not foreign aid. All member nations give resources to the IMF, and all have the right to use them. In fact, after the United Kingdom, the United States is the largest user of IMF funds.

Many legislators are understandably reluctant to vote for the IMF bill at a time when so many constituents suffer. Some may be tempted to hold the IMF bill hostage until the administration adopts different social policies, but no doubt such linkage would delay, and perhaps jeopardize, enactment of the bill. Given the importance of the IMF and the need to enlarge its resources, this would be a mistake.●

PARTNERSHIP, NOT DOMINATION, NEEDED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SIMON. Mr. Speaker, William B. Lloyd, editor of a newsletter on new nations founded in 1952 called Toward Freedom, recently wrote an article titled, "For Partnership, Not Domination, in the Western Hemisphere".

I am, frankly, not familiar with the issure involved, but I know the editor and have respect for his judgment, and I believe what he has to say should be listened to carefully by the administration.

We should be encouraging cultural diversity and the enrichment and preservation of the cultures of the smaller nations.

I urge my colleagues in the House and Senate, as well as people in the administration, to take a look at the issues that he brings up regarding the coming conference in Geneva.

[From Toward Freedom, March 1983]

FOR PARTNERSHIP, NOT DOMINATION, IN THE WESTERN HEMISPHERE

United States relationships with the other nations of the Western Hemisphere will be put to the test next June in a conference on broadcasting in the largely unexploited higher frequency ranges.

The conference, to be held in Geneva under the auspices of the International Telecommunications Union (ITU) will include small, newly independent Caribbean nations, along with all other countries of the hemisphere.

The June meeting is a left-over from the 1977 ITU conference which had been intended to set rules for all areas of the world in the 12 gigahertz band. (A gigahertz is ten million cycles per second.) The conference will not deal with telex, facsimile or message services—only broadcasting. Existing U.S. hemispheric broadcasting operations are in lower frequency bands and will not be affected.

The 1977 Conference opted by a large majority to give every nation—even such small ones as Fiji and Malta—a spot on the geostationary orbit (meaning the circle 22,300 miles from the earth where a satellite hangs constantly over one spot on the Equator) and a frequency in the 12 gigahertz band of broadcasting.

The United States opposed advance allocations of frequencies for nations presently unprepared to utilize them. Instead it sought to freeze its present technical advantage by embracing the concept of "first come, first served." Washington's energetic dissent produced a decision to delay allocations for Region II (the Western Hemisphere) until 1983.

So the moment of truth for the Western Hemisphere is approaching in the June conference this year. Presumably the smaller nations will, as in other regions, try to insist on having advance reservations of individual orbital spots and frequencies, as against the immediate claims of the U.S.

ALIENATING LATIN AMERICA

If the United States gets its way, the result will not tend to endear Washington to the other nations of the hemisphere, especially the Latin countries.

The question arises: Why should Washington go to the Conference next June intending to capitalize on its technical leadership by reaching for more than its fair share of 12 gigahertz broadcasting allocations?

Given the difficulty of broadcasting from 22,300 miles away to 9,000 square-mile Belize without spill-over into unfriendly Guatemala, why should Washington not embrace the Forum concept, under which each nation of the hemisphere would have its turn at the microphone and television camera, with the programs broadcast to the entire region?

Technology has brought nations in some areas as close together as alley cats in a bag. How to establish principles of cooperation, rather than accepting conflict, has been furrowing the brows of broadcasters and government officials for a decade.

VARIETY AS THE SPICE OF LIFE

Given the differing cultures of different countries, for example, how could a composite, homogenized European satellite broadcasting operation satisfy viewers in France, Germany and Holland? This point is now being tested, amid sharp controversy, by the private Radio-Tele-Luxembourg, which plans to use the 12 gigahertz band for broadcasts to 80 million people in France, Belgium, Holland and West Germany. National broadcasting administrations in those countries are not entertained by the prospect.

The beauty of the Forum idea is that it keeps cultural differences clear, dramatic and interesting to the viewers—better than

reading the National Geographic. It also would prevent the overwhelming of smaller nations' cultures by large or rich neighbors. Technically, it would be much easier to pick up and transmit programs than it would be to eliminate the "spill-over" problem completely. Success of the Forum would be eliminated by making it intentional, universal and constant. Administration could be carried out by the Organization of American States or by the U.N.

There remains the political question of whether national governments would accept such a system. Canada and Sweden jointly proposed in 1977 that direct satellite broadcasting be governed by the principle of "prior consent"—that broadcasts to each country be conditional on the consent of that country's government. But the red tape involved in getting national consents for each program to be broadcast would be enormous.

GUIDELINES FOR BROADCASTS

Under the Forum concept governments would say to each other: "I will let you broadcast to my citizens if you will let me broadcast to yours." This would protect the principle of prior consent, as demanded by developing countries, but on a continuing, long-range basis that could actually be administered. General guidelines barring hostile, disruptive or morally disturbing broadcasts by another government could be set up, and if a national government found a broadcast by another government really offensive, it could "jam" the broadcast, thereby forfeiting for a time its own right to broadcast in the Forum.

In practice, however, it is likely that governments preparing programs for the Forum would realize that one can "catch more flies with honey than one can with vinegar," and would concentrate on positive presentations of their own nations' culture and institutions, rather than attacking other nations.

PARTNERSHIP, NOT BIG BROTHER

The Western Hemisphere ITU Conference coming in June offers a magnificent opportunity for the United States to act not as the giant that it is, but as a partner interested in hearing the voices of its Latin neighbors, as well as in speaking to them. It is a chance for Washington to demonstrate that "Pan-Americaniam" is more than rhetoric.●

TRIBUTE TO MR. JOHN STEEL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to congratulate Mr. John Steel, the outgoing president of the United Chambers of Commerce of the San Fernando Valley, on completing an outstanding year of service to our community. As president, he has contributed his talents and skills toward giving the residents and businesses of the San Fernando Valley a stronger and more effective voice in local affairs, as well as on a larger scale.

In addition to his work with the united chambers of commerce, John Steel has given a great deal in terms of personal commitment, time, and effort to the San Fernando Valley. He is currently the executive president of the Sylmar Civic Association, and a member of the Industrial Association of San Fernando, the Business & Professional Association of the San Fernando Valley, the Encino Chamber of Commerce, the Encino Kiwanis Club, and he serves as a board member of the agricultural 51st district and the San Fernando Valley Arts Council.

Mr. Steel has also worked closely with the youth of our community, and has devoted much of his time to area high schools. Of note are his efforts as chairman of the Sylmar High School Advisory Council and with Los Angeles Baptist High School. John Steel has also volunteered his time with the United Way, the Red Cross, and the March of Dimes. His contributions to the Sylmar Park improvement program led to the local baseball field being named in his honor.

Mr. Speaker, from the time he attended school in Iowa, to his service with distinction in the U.S. Army, to the time he settled in Los Angeles nearly 30 years ago, to the present, John Steel has led an exemplary life. Now that he is being honored as the outgoing president of the united chambers of commerce, I am pleased to join so many others to commend him on his many years of service to the San Fernando Valley. I know that the display of admiration and respect which will be directed toward John Steel at the united chambers of commerce installation banquet on May 7 will be well deserved.●

ASSOCIATION FOR RETARDED CITIZENS OF LUZERNE COUNTY CELEBRATE 30TH ANNIVERSARY—ANNUAL DINNER

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. HARRISON. Mr. Speaker, on Wednesday evening, May 25, the Association for Retarded Citizens of Luzerne County will celebrate its 30th anniversary at an annual dinner.

The Association for Retarded Citizens began 30 years ago, when a group of parents met and expressed the concern that their children with mental retardation deserve the same opportunities as every other child enjoy. In these past 30 years the ARC has advocated for and implemented every existing service that now benefits any person with mental retardation in Luzerne County—from the first special education class to the sheltered workshop, all day programing, recreation programs, group homes and community living arrangements. The association is constantly on the alert for gaps in the network of services to retarded persons and is ever working to fulfill these needs.

Mr. Speaker, it is a pleasure for me to join with the entire Luzerne County community in congratulating the Association for Retarded Citizens on 30 years of service to mankind and wishing them many, many more years of successful endeavor.●

RELIEF FOR A SEARCH AND RESCUE VOLUNTEER IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. YOUNG of Alaska. Mr. Speaker, I want to thank Chairman RODINO and Mr. SAM B. HALL, JR., chairman of the subcommittee, and the ranking minority member of the subcommittee, Mr. KINDNESS, for bringing H.R. 745, a bill for the relief of Stephen C. Ruks, to the floor of the House of Representatives today. The research and consideration of the facts and circumstances that surrounded this bill by the members of the Judiciary Committee and their staff is greatly appreciated.

Mr. Ruks is a member of the Civil Air Patrol in my State of Alaska. Stephen Ruks sustained substantial damage to his airplane while performing a search and rescue mission at the request of the Coast Guard. Current claim statutes do not provide for payment of such a loss as Mr. Ruks has discovered in exhausting his administrative remedies. Thus, this bill provides for payment to Mr. Ruks in full satisfaction for his loss.

Some of the facts should be pointed out regarding this case. This incident was an active Coast Guard search and rescue case involving a downed plane on the beach near Cordova, Alaska. Stephen Ruks was contacted as a member of the Civil Air Patrol to participate in this Coast Guard rescue case. Although Mr. Ruks committed a technical error in not getting a mission number prior to takeoff, he was in communication with the Coast Guard during the entire incident and was not ordered to terminate the rescue or specifically not to land. Although an experienced pilot in this region and although taking several precautionary approaches to the area, Mr. Ruks hit a soft spot in the beach when he touched down that caused his plane to flip and sustain damage.

The Federal Government provides volunteer opportunities through the Civil Air Patrol and the Coast Guard Auxiliary. Stephen Ruks is just one of the thousands of volunteer members of these organizations that the Government calls upon to perform valuable rescue services for the public and the Government. Their history of

injury to their own members and loss of life and property for rescue cases where they provide assistance appears to be an excellent one. Thus, they provide an effective service to the citizens of this country.

Recently, President Reagan has made several speeches on volunteers and their role in America. He has stated that "volunteering is an old American Tradition." Indeed, volunteer service has been a traditional means by which individuals and organizations help meet the needs of citizens in our society. Asking for volunteer help for search and rescue from organizations such as the Civil Air Patrol is a common occurrence in Alaska. This is brought about by the fact that Coast Guard resources are spread too thin along the coasts of Alaska and throughout the United States. In fact, it is only this year that, in the specific location where this incident occurred, Cordova, Alaska, the Coast Guard intends to set up a seasonal search and rescue unit to respond to the ever-increasing demand for search and rescue as our fishing activities expand. Thus, the safety of those who go to sea are literally in the hands of volunteers like Stephen Ruks who are called on by the Government when the need arises.

I believe that members of the Civil Air Patrol should not be asked to perform volunteer rescue missions for the Coast Guard on a basis that would prevent them from recovering any losses they would incur. They perform too valuable a service for the public and the Government. Further, I would like to note here that the Government is a double winner. Not only is the rescue mission carried out for them, saving them the use of their own limited resources, but the individual provides his time and aircraft free of charge.

I believe that we can all see that the facts and circumstances prove this case to be meritorious, one warranting compensation for the damage. Thus, I applaud the adoption of H.R. 745 today.●

THE STATE OF THE AMERICAN FAMILY

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WOLF. Mr. Speaker, as a member of the Select Committee on Children, Youth and Families, I want to share with my colleagues the powerful and alarming testimony of Dr. Armand M. Nicholi, Jr., as presented to the committee on Thursday, April 28.

Dr. Nicholi is currently on the Harvard Medical School faculty and the Massachusetts General Hospital staff. He is a former chairman of the Massachusetts Governor's Commission on Children and Family. His statement during the first day of proceedings before the committee revealed shocking trends in society which are threatening the survival of the American family unit.

Following is the text of his statement:

RECENT TRENDS IN THE AMERICAN FAMILY: THEIR IMPACT ON THE INDIVIDUAL AND SOCIETY

(By Armand M. Nicholi, Jr., M.D.)

If one factor influences the character development and emotional stability of a person, it is the quality of the relationship he experiences as a child with both of his parents. Conversely, if people suffering from severe nonorganic emotional illness have one experience in common, it is the absence of a parent through death, divorce, time-demanding job or absence for other reasons. A parent's inaccessibility either physically, emotionally, or both, can exert a profound influence on the child's emotional health. These impressions come from a vast body of research which began over three decades ago and that led the World Health Organization over twenty years ago to make this statement: "What is believed to be essential for mental health is that the infant and young child should experience a warm, intimate, and continuous relationship with his mother . . ." and then presented evidence that many forms of psychoneuroses and character disorders are to be attributed to the absence of the mother or to discontinuities in the child's relationship with his mother. In the years following that statement, research throughout the world has demonstrated that a separation from the mother, even for brief periods of hospitalization, and the quality of the mother's relationship with the child, can profoundly affect both the child's physical and emotional development. And more recent research has demonstrated the full emotional impact on the child of the missing or inaccessible father. What has been shown over and over again to contribute most to the emotional development of the child is a close, warm, sustained and continuous relationship with both parents. Yet the accelerating divorce rate and several other trends today in our society makes this most difficult to attain.

The ever-increasing divorce rate subjects an ever-increasing number of children to physically and emotionally absent parents. The divorce rate has risen 700 percent in this century and continues to soar. Over a million children a year are involved in divorce cases; 13 million (over half of all U.S.) children under 18 have one or both parents missing. Within three years after the divorce decree half the fathers never see their children. Because of divorce, an increasing number of homes have only one parent. One parent families are growing at 20 times the rate of two parent families.

The increasing numbers of married women who have joined the labor force and work outside of the home—especially those mothers with young children—have a profound effect on family life. In 1948, 18 percent of the nation's mothers worked outside of the home. In 1971 this figure jumped to 43 percent. Today it is over 50 percent. The frequent articles describing how this phenomenon has increased marital stress and contributed to the high rate of divorce have become all to familiar. What I find most disturbing about this phenomenon is that an ever-increasing percentage of the mothers who work are mothers of very young children, and who must work because of economic necessity.

The obtrusion of the televison set into the American home has had an effect on the American family that we have not yet even begun to fathom. Parental inaccessibility contributes to children spending enormous amounts of time watching television. The television set has become a babysitter in many homes. Television acts as a two-edged sword. It both results from and causes parental inaccessibility. When parents are home physically, television often interferes with the meaningful interaction between members of the family.

We are just beginning to experience the first generation brought up completely on television. Some studies have shown that the average viewing time of the American child from 6 to 16 years of age is between 20 and 24 hours per week. If he lives to be 80, and that continues throughout his life, he will have spent 8 to 10 years of his life watching television. Or to put it another way, if he lives to be 80, he will have lived a little less than 30,000 days. Because he sleeps one-third of that time, he lives about 20,000 days. One-fifth of his waking life or about 4,000 days will have been spent watching television. We have only begun to realize the full impact of this phenomenon on family life. Research showing the effects of TV violence on the behaviour of both children and adults has been less than encouraging.

These are only a few of several trends contributing to a change in child-rearing that has been taking place in this country during the past few decades. The change is this: in American homes today child-care has shifted from parents to other agencies. A home in which both parents are available to the child emotionally as well as physically has become, in some areas of our society, the exception rather the rule. And I refer not only to the disadvantaged and divorced home where the father is missing and the mother works. I refer to even the most affluent homes. Cross-cultural studies show that United States parents spend considerably less time with their children than almost any other country in the world. Although both Russian parents work and although Russian children spend a great deal of time in family collectives, emotional ties between children and parents are stronger and time spent together considerably greater than in the Untied States; there is relatively little juvenile deliquency in Russia. Some Russian fathers have said they would never let a day go by without spending two hours with their sons. A study in a small community in this country of how much time fathers spend with their very young sons shows that the average time per day is about 37 seconds.

From my clinical experience and from my research with college students, I began to notice (1) that a large number suffered from an incapacitating symptomatic or characterological conflict, (2) that they seemed to have in common a number of traumatic early experiences with a rejecting, inaccessible or absent parent, and (3) when we looked at their histories carefully, there appeared to be some causal relation between the earlier experiences and the emotional illness they were suffering as an adult. About 15 years ago I began studying several

hundred young men who had dropped out of Harvard for psychiatric reasons. Two characteristics of the group were (1) a marked isolation and alienation from their parents, especially their fathers, and (2) an overwhelming apathy and lack of motivation. In addition, among those who had the most serious illness, that is, those hospitalized and diagnosed as schizophrenic, a large number lost one or both parents through death; when compared with several control groups, this finding proved highly significant statistically. This provided me with my first clue that there might be a relation between a missing parent and emotional illness. As I begin to work with patients clinically, I begin to realize that absence through death was the most severe kind of absence, but that there were many other kinds of absence. Recent studies we conducted among school children this part year in a Boston suburb indicated that children who had experienced divorce or death within the family had a statistically significant, strikingly higher incidence of emotional disorder than children from intact families. Over the past few years, research studies have been carried out throughout the world trying to refine our understanding of this phenomenon and trying to understand why some children are paralyzed by the loss of a parent through divorce or death and others seem to be unaffected (in the same way some people are paralyzed by polio and others not). The research is fascinating and we could spend several hours discussing it.

Studies on missing fathers have been carried out in several different countries. One published in the Archives of General Psychiatry, studied the periodic absence of the father on 200 children seen at a military medical clinic where the father's absence was due to his military occupation. The children ranged from 3 to 18 years of age.

The researchers found early reaction to the father's departure resembled reactions to children who lose a father by death: (1) rageful protest over desertion, (2) denial of the loss and an intense fantasy relationship with the parent, (3) efforts at reunion, (4) irrational guilt and a need for punishment, (5) exaggerated separation anxieties and fears of being abandoned, (6) a decrease in impulse control, and (7) a wide variety of regressive symptoms.

When the father left home, the child was often allowed to do things not otherwise permitted. This made it difficult for the child to internalize a consistent set of standards for controlling his behavior. In several instances, the father's leaving was followed by disobedience, decline in school performance, and aggressive antisocial behavior. The child seemed unable to control himself and this loss of control is especially interesting in light of the observation that more people today come to psychiatrists because of a lack of impulse control.

Several other recent studies bear on the absence or inaccessibility of the father and all point to the same conclusions: A father absent for long periods contributes to (a) low motivation for achievement, (b) inability to defer immediate gratification for later rewards, (c) low self-esteem, (d) susceptibility to group influence and to juvenile delinquency. The absent father tends to have passive, dependent sons lacking in achievement, motivation and independence. These are general findings with, of course, many exceptions.

Most children experience an absent parent as rejection and rejection inevitably breeds resentment and hostility. The child may express this outwardly in the form of violence or inwardly in the form of self-injury. The suicide rate in 10 to 14 year olds in the United States has doubled and in children 15 to 19 has tripled during the past 20 years. These trends have resulted in our society producing a staggering number of angry, depressed and suicidal children. Research indicates that the loss or absence of a parent predisposes a child to a variety of emotional disorders that manifest themselves immediately or late in the child's life.

What about the future? What can we expect if the divorce rate continues to soar? First of all, the quality of family life will continue to deteriorate, producing a society with a higher incidence of mental illness than ever before known. Ninety-five percent of our hospital beds may be taken up by mentally ill patients. The nature of this illness will be characterized primarily by a lack of impulse control. In this impulse ridden society of tomorrow we can expect the assassination of people in authority to be an every-day occurrence. All crimes of violence will increase, even those within the family. Because battered children—if they survive—tend to become parents who in turn abuse their children, the amount of violence within the family will increase exponentially. Aggression turned inward will also increase and the suicide rate will continue to soar.

What can we do about them? We must take steps to reverse this process of producing empty and angry young people whose rage erupts either in uncontrolled violence or in depression and self-destruction. When a family disintegrates—to reduce it to its simplest terms—both children and adults suffer a form of intense loneliness—the most painful and most frightening of human experiences. Loneliness is so painful to even contemplate that modern psychiatry has pretty much avoided the study of it. People suffering from nonorganic disorders prevalent today—drug addicts, alcoholics, workaholics, and even psychotics—may in large measure be attempting to avoid the pain of loneliness. When a person is left alone on a raft or in a chamber for long periods of time, he will often develop hallucinations and other psychotic symptoms to avoid this pain. In addition, the first terrifying fear we experience as a child is the fear of being abandoned, of being left alone. Also, according to research at the Massachusetts General Hospital on dying patients, fear of being abandoned is one of the last fears we experience in this life. And it is my conviction that because of divorce and family disintegration millions struggle with loneliness at some level throughout their lives—regardless of how closely they work with people. For professional relationships can never give us the emotional sustenance and support that the close, warm, personal relationships a healthy family life provide.

CONCLUSION

In a brief look at research in this area we have observed the high divorce rate and other trends in this nation have a profound effect not only on children but on all aspects of our society. As this divorce rate exploded upward in the late 60's and throughout the 70's, clinical and laboratory research indicates that it is no coincidence that this trend was followed closely by a parallel increase in juvenile violent crime and the tendency of a huge segment of our society to use psychoactive drugs. This drug taking began in the early 60's among a few college students on the east and west coasts. Today it involves between a quarter and a half of our entire population. Twenty million people smoke marijuana daily. A vast body of research has shown that the drug-taking population today, like this same population in the early 60's when it was much smaller, is comprised of people of disaffection and rebellion who tend to come from broken and disorganized homes. This same vast body of research has shown that the absence of a parent through death, divorce or time-demanding job, contributes to many forms of emotional disorder—especially the anger, rebelliousness, low self-esteem, depression, poor academic performance, and antisocial behavior that characterizes drug users. Time limits discussing any detailed recommendations for action. (1) Suffice it to say that the government must recognize fully that families are the vital cells that constitute the flesh and blood of our society. When one family disintegrates, so does a part of our society. (2) Government must attempt through the media and through every means possible to change the nation's attitude toward the family so that it is given the highest priority. (3) Government must encourage and sponsor research into the causes of divorce. Because human behavior is complex and multidetermined, research must come from many disciplines. (4) The government must help the nation become aware that poor academic performance, susceptibility to peer influence and delinquent behavior as well as suicide and homicide have been found to be higher among children from divorced homes in which one or both parents are missing or frequently absent.

The disruption of families not only imposes a vast economic burden on the nation but inflicts upon individual citizens more sorrow and suffering than war, poverty and inflation combined. Once these facts are comprehended, the government and the entire nation will realize that the problem of divorce can no longer be neglected. To spend vast sums of money in other areas while neglecting the area of divorce is like placing an expensive roof on a house while neglecting a raging fire in the basement of that house. I commend this committee for beginning an exploration of this problem.●

SOCIETY'S LEAGUE AGAINST MOLESTERS

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1983

● Mr. SCHAEFER. Mr. Speaker, I would like to take this opportunity during "National Child Abuse Month" to bring to the attention of Congress and the Nation the fine achievements on behalf of America's children of an organization of citizens in Colorado—Society's League Against Molesters (SLAM).

SLAM's goal is to assist in the creation of a healthier environment for our Nation's children. Their special focus is the problem of child molesting in my home State of Colorado.

Of course, one of the most significant obstacles the group has to overcome is public lack of awareness of the problem. The Justice Department esti-

mates the number of children who are sexually abused is between 100,000 and 500,000 annually, often causing irreparable harm to those children. Yet, this is an area of child abuse that most people are unaware of or would rather not talk about.

SLAM has a community outreach program to make the public aware of the tremendous proportions of the problem, and I commend their spirit and tenacity.

But their efforts only begin with their educational work. They also have an active and effective legislative program, encouraging and working for implementation of legislation to help solve the difficulties we have.

I have firsthand knowledge of their hard work. While serving in Colorado's Legislature, I worked with SLAM in a successful effort to toughen the State's laws protecting children against molesters.

I intend to continue the efforts we began in Colorado here in Washington, and I am looking forward to working with SLAM on these new challenges.

The responsibility of protecting our children, the future of this Nation, is immense. Thankfully, due to SLAM's work in Colorado and to SLAM chapters in other States, we are making nationwide progress in heightening public awareness and finding solutions to the many serious problems involved.

I encourage any interested party to get in touch with my office if they would like additional information on SLAM.●

WE NEED A STRONG SEALIFT CAPABILITY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. FLORIO. Mr. Speaker, today in our Nation we are witnessing a drive by the administration to see to it that our armed services are abundantly equipped to defend democracy.

The procurement of thousands of M-1 tanks, Bradley fighting vehicles, spare parts, munitions, and the rest will be of great use only if we ever need to defend ourselves from our Canadian or Mexican friends. For while we are procuring these technologically advanced marvels of modern warfare, we lack the ability to sealift this equipment throughout the world.

Most notedly we lack even a minimal roll-on roll-off capability. This is another example of how the administration continues to demand tax dollars for defense things without first putting the pieces together by formulating a global strategic and tactical plan that would provide any hope for successful completion of a military expedition. This lack of maritime industry preparedness could singularly scuttle any attempt of ours to equip the forces of democracy throughout the world.

Defense analysts have stated that less than 10 percent of our wartime supply needs could be maintained by our airlift capability. This leaves us with one conclusion, we must rebuild our maritime sealift fleet.

Our sealift capability must be improved if we are going to honor our commitments to our allies and adequately protect our vital interests worldwide.

Let us not let the lessons learned in the Falklands by our British friends pass without having some effect on our maritime planning.

I commend the following article to each Member's attention. The article follows:

[From the Washington Post, Apr. 16, 1983]

SUPPLY-SHIP SHORTAGE MAKES NAVY FEARFUL

(By Jack Anderson)

Naval planners in the back rooms of the Pentagon have their fingers crossed hoping that the United States doesn't have to fight a conventional war far from home.

The reason is simple, if embarrassing: we don't have the ships needed to keep our troops and allies supplied.

Top-secret Pentagon assessments make frighteningly clear how low our sealift capability has sunk since World War II, when the U.S. Navy and Merchant Marine carried the military output of American industry to battle fronts around the globe. That, basically, is what won the war.

The estimates, seen by my associates Donald Goldberg and Dale Van Atta, also show that the Soviets' ability to supply armies on distant battlefields has been growing as ours has withered away.

What makes this woeful lack of transport ability important is that the stocks of munitions now on hand in western Europe aren't enough to keep a war alive.

As one top-secret Pentagon report puts it: "Both U.S. and allied war reserve stocks in Europe continue to be inadequate. A 'high-risk' situation exists in NATO today because a strong initial defense in NATO cannot be sustained until the supply pipeline, supported by the U.S. industrial base, is established."

In other words, the United States is still the "arsenal of democracy" that it was in World War II, but there is no longer a way of shipping the arsenal's output to where it's needed.

The importance of a sealift capability—if it was ever in doubt—was made clear by the Falkland Islands mini-war, which the British won largely because they were able to press into service their civilian ships, including the Queen Elizabeth II.

Unfortunately, the United States has no QE II or enough other civilian ships to draft for wartime duty. Here's what we have available to rely on in case of a national emergency:

The Military Sealift Command Controlled Fleet of 134 government-owned ships. Unfortunately, "less than three dozen ships are estimated to be ideally suited for sealift of military supplies," according to an internal White House document, which adds, with some understatement, that the fleet's "principal weakness is that it can only carry a small share of the military cargo likely to be needed."

The National Defense Reserve Fleet of 254 ships that supposedly will be ready to go within three to eight weeks. As of October, 1981, 130 of these ships were at least 30 years old.

The U.S. flag Merchant Marine of 578 privately owned ships. But only 36 percent of this fleet is considered useful for the food and munitions that fighting forces need.

The 343-ship "effectively U.S.-controlled" fleet owned by American companies or individuals and registered with foreign countries. But only about 15 of these ships are capable of carrying dry cargo, and only 52 of the tankers are suitable for military use. Furthermore, these foreign flag ships are manned by non-American crews, whose enthusiasm for getting shot at in an American war is understandably suspect.

Free world shipping, some 600 ships. About 400 of these might be available, but there's no estimate of how many would actually be militarily useful.

Some 20,000 ships owned by non-communist nations, capable of carrying 600 million tons of cargo. But few are likely to come rushing to America's aid—at least in time to do any good.●

THE SOUTH SHORE RECORD—30 YEARS OF SERVICE

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. McGRATH. Mr. Speaker, on Long Island, in the five towns which lie within my congressional district, is a weekly newspaper known as the South Shore Record. It is not your typical weekly. It is a hybrid newspaper that provides its readers with all the local news, but with a style and competence of major daily publications.

In a sense, the South Shore Record has too. While not in direct competition with daily newspapers, the South Shore Record nevertheless publishes in the shadow of the Nation's largest circulating daily, the New York Daily News, as well as the New York Times, which many consider the finest newspaper in the world. In addition, one of the Nation's top afternoon newspapers, Newsday, publishes on Long Island. So the people of the five towns and the surrounding area served by the South Shore Record are used to fine newspapers. If a weekly were to succeed in the Fifth Congressional District, it would have to be good.

The South Shore Record, which this year reached its 30th birthday, has shown it can publish alongside the best. Year after year, it receives its share of journalism awards. This year, the weekly newspaper garnered no less than three top statewide journalism

prizes. There were 108 major newspapers competing.

The South Shore Record was a first-prize winner for advertising excellence and copped two second-place awards for best editorials and best humorous writing. The editorials were written by the publisher, Florrie Schwartzberg. The South Shore Record's Harrier Lesser wrote the humor columns.

I ask my colleagues to join me in saluting the South Shore Record as an example of hometown, local journalism at its best.●

MIDEAST MAPS REVISED AT STATE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BARNES. Mr. Speaker, for over 1 year I have been corresponding with officials at the State Department on behalf of one of my constituents, Mr. Martin Miller, concerning the manner in which the Department maps depict the area know as the West Bank. In a January 1983 response to my latest inquiry, the Acting Assistant Secretary for Congressional Relations, Alvin Paul Drischler, says that under the now current guidelines;

The West Bank and Gaza Strip are not depicted as the territory of any Middle Eastern States.

It had in the past been shown as part of Jordan.

Recently, Mr. Miller wrote an article on this subject, which appeared in both the Baltimore Sun and the Jewish Week. I would like to share with my colleagues Mr. Miller's article.

[From the Jewish Week, Apr. 21-27, 1983]

STATE DEPARTMENT REVISES MIDEAST MAPS

(By Martin H. Miller)

The United States Department of State has reluctantly decided to change the new official maps of the Middle East. It took months of questioning of State Department mapping practices to elicit the decision.

The State department will cease showing Samaria and Judea as part of the Kingdom of Jordan. The State Department geographer issued a directive to that effect last fall, but the department has been unwilling to announce its action.

While the change is historic, the State Department persists in its refusal to portray accurately the correct status of Jordan or of the territories King Hussein lost to Israel in the 1967 Six-Day War. Maps and their accompanying written descriptions will continue to employ the political misnomer "West Bank."

A GENERATION MISINFORMED

The State Department can take credit for misinforming a generation of Americans about the status of an area which has been vital to United States foreign policy. To presidents of the United States, secretaries of state, members of congress, directors of the Central Intelligence Agency, national security advisers, journalists, students, and the general public, the 2,200 square miles on the West bank of the Jordan River has seemed to be part of the kingdom of Jordan. For this is the way the area has been presented on official U.S. government maps and write-up even though it has been taken by Jordan's British-armed, British-trained Arab Legion in the War of 1948 in contravention of a United Nations resolution calling for the partition of Palestine.

In small State Department maps the area has simply been shown as part of Jordan. In larger maps, the area has been shown within the boundary lines of Jordan with markings to indicate that it is Israeli-occupied.

This is the way the area has been presented, too, in atlases, encyclopedias, almanacs, dictionaries, textbooks, and other reference works. Non-government publishers have followed the lead of the State Department's Office of the Geographer and Bureau of Near Eastern and South Asian Affairs.

The result of the misinformation from every side is that an American who looks at a map of the area or reads about it could ask consciously or subconsciously, "What is Israel doing here? It belongs to Jordan." Immediately Israel is labelled as a transgressor. President Reagan's "Middle East initiative," which called for the transfer of the "West Bank" and the 140-square-mile Gaza Strip into a confederation with Jordan, seems reasonable to such background.

EXPOSED IN ARTICLE

The State Department's role in disseminating the erroneous perceptions about Israel, Jordan, and the "West Bank" was related in an article by this writer in The Jewish Week for March 4-10, 1982, introduced with the headline, "How State Department's maps contradict history."

The article told how Dr. Lewis M. Alexander, director of the State Department's Office of the Geographer, had acknowledged that only Great Britain and Pakistan had ever recognized the sovereignty of Jordan over the so-called "West Bank." The United States did not, nor did the United Nations, nor even the members of the Arab League. The article noted that Alexander failed to explain why the State Department had nevertheless given the area to Jordan in perpetuity or until Jordan would be willing to meet with Israel, Egypt, the United States, and representatives of the Arab residents of the "West Bank" and agree upon boundaries.

The article asked why Alexander made no attempt to explain why his map of the world showed Russian-occupied Latvia, Esthonia, and Lithuania as a solid part of the Soviet Union but his office refuses to recognize the change in the Middle East as a result of the War of 1967. "Surely, if the Office of Geographer is applying morality to its cartography, it should acknowledge that Jordan had no legal claim to the 'West Bank' in 1949; that it had even less after 1967 when it attacked Israel after being urged by Israel not to, and lost the area to Israel, and most certainly none after 1974 when King Hussein renounced Jordan's claims to the area at the Arab League's Rabat Conference."

DIRECTIVE ISSUED

On Sept. 30, 1982, the Department of State acknowledged indirectly the accuracy of the charges in The Jewish Week article by issuing a directive from Dr. Alexander to the CIA and ten other government agencies "to ensure that all United States government maps of the West Bank, Gaza Strip, and Golan Heights clearly and consistently reflect the United States' legal position." The government map makers were told, "maps should not designate or depict (the West Bank and Gaza Strip) as sovereign territory of any Middle Eastern country."

The government agencies were not given even a hint that the directive represented a change from 15 years of providing incorrect information, nor was guidance given for correcting the written descriptions that would accompany the new maps.

The State Department initially promised to correct the maps in a letter to Rep. Michael D. Barnes dated July 13, 1982. This was in response to a letter Barnes had written on March 11. Assistant Secretary for Congressional Relations Powell A. Moore wrote, "We certainly agree with Mr. Miller that maps prepared by the U.S. government should be consistent with U.S. policy." Also, "You may be assured that as new editions of maps of this region are prepared we will make every effort to see that they accuratedly reflect U.S. policy." However, it was not possible to tell from Moore's letter—despite it having taken four months—what the State Department was actually going to do.

FOLLOWUP BY BARNES

Barnes' next letter, dated Aug. 9, included a plea to release accurate data in time for the publishers of 1983 almanacs to correct their maps and texts. It took two full months for the polite but non-informative State Department reply.

Barnes has written additional letters. His latest, on Dec. 3, provided the State Department with text to assist the CIA in correcting its report on Jordan in the CIA 1983 World Factbook. The CIA's director of media relations told me that the State Department had not supplied the material.

The consequence of the State Department's failure to act is that the CIA may correct its maps but nevertheless perpetuate for still another year misinformation about Jordan. In the text of the 1982 CIA World Factbook, for example, East Jerusalem and the so-called "West Bank" are part of Jordan.

Dr. Alexander's directive for changes in the new maps of the Middle East raises questions the State Department ignored in its letters to Rep. Barnes. For example, why does the State Department follow one practice where the Soviet Union is concerned but a different practice where Israel is concerned even though, unlike the Soviet Union, there is no question about Israel's being the legal administering power over the territory mapped?

Why does the State Department treat Israel differently from the way it has treated Jordan since the War of 1948?

Why has the State Department refused for more than a year to provide a forthright statement of just what constitutes Jordan?

AN HISTORIC MAP

On Dec. 10 Dr. Alexander gave me a sketch map incorporating the changes ordered by his directive. This is an historic map. In my presence Dr. Alexander drew in a series of dashes to separate the "West Bank" from Jordan. This is the first map to leave the State Department which does not depict the "West Bank" as part of Jordan. Alexander wrote in his signature and the date on the bottom of the map.

In the opinion of this writer, the new maps of the Middle East drawn according to the geographer's directive will project serious flaws. A fully accurate map of the "West Bank" would show by color harmony

and boundary lines that the area is administered by Israel. In actual fact, the U.S. has no legal right to designate the area as the "West Bank" as this was never an official designation by the nations governing the area, including Jordan and Great Britain. Moreover, the legal administering authority, the State of Israel, designated the area in February, 1968, as "Judea" and "Samaria."

Also, any reference the State Department feels compelled to make to the future status of the area should be presented not on the body of the map but in the same way as with other countries, as a footnote. This is the place for any notation that the Camp David Accords call for negotiations to settle the future sovereignty and boundaries of the area.

The Department of State Bulletin. "The Official Monthly Record of United States Foreign Policy," dated March 1983 and distributed during the first week of April, contains a map which includes the Middle East. It follows Alexander's directive. Jordan is shown accurately on a published State Department map for the first time in more than 15 years.

But the Department continues to refuse to provide a statement of what constitutes Jordan. When I asked John Herbst, political officer of the Bureau of Near Eastern and South Asian Affairs, why Alexander was not permitted to issue a simple statement to enable writers to correct the descriptions of Jordan in government and nongovernment publications, his answer was, "the matter is under consideration."

When I reminded Herbst that the question had been settled in May 1982 when his Bureau agreed to correct the maps, he did not lose equanimity but repeated, "the matter is under consideration."●

DEATH OF LOWELL DAVIES

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BATES. Mr. Speaker, I call on my colleagues in the House of Representatives to take a few moments to note the death of a prominent San Diego attorney and a longtime leader with Old Globe Theater, Lowell Davies, who died Friday, April 29, at the age of 86.

Mr. Lowell Davies, who was honored as "Mr. San Diego" in 1979 by the San Diego Rotary Club, served on the Old Globe's board of directors for 43 years, 31 of them as president. He became chairman of the Globe's board of directors in 1976 and honorary life chairman in January.

Though confined to a wheelchair, he greeted Queen Elizabeth II when she visited the Old Globe in February. It was one of the highlights of his life.

Former Congressman Clair Burgener said Davies "was a giant of a man who made the Old Globe Theatre what it is today."

To his wife Darlene, his sons, Thomas and John, and his daughters, Estelle and Helen, and other family members, our heartfelt sympathy for your loss and the loss to San Diego and America.●

RECOGNITION OF ARMENIAN MARTYRS' DAY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. ACKERMAN. Mr. Speaker, I rise to pay tribute to the 1.5 million Armenian men, women, and children who were victims of a premeditated campaign by Turkish authorities from 1915–23 to exterminate the Armenian population.

It is imperative that their persecution and their murders not be forgotten. If anything worthwhile can come of such a tragedy, it is that it must serve as a lesson for all mankind. Many of my colleagues have already noted that Hitler pointed to the world's indifference to the Armenian slaughters when he set forth on his own genocide of the Jewish people. Both of these dark chapters in the history of humanity must be imprinted again and again on our memories so we are never allowed to forget. It is appropriate, therefore, that the U.S. Holocaust Memorial Council has unanimously resolved to include the Armenian genocide in its museum and educational programs.

This 13th congressional recognition of Armenian Martyrs' Day is important for another reason, too. And that is to pay tribute to the accomplishments of the approximately 600,000 Armenian Americans living in the United States today. Most of them lost relatives and loved ones in this attempted annihilation, and yet they have not allowed themselves to become incapacitated by their tragedy. Many of them have become active leaders in their communities. Their will to live and to flourish, while keeping their heritage alive, is a testament to the truth of the words spoken by William Faulkner as he received his Nobel Prize in 1950: "I believe that man will not merely endure: he will prevail."●

COMMENDING MR. ED WALTON STACK AND MR. HENRY THOMAS MURPHY

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BONER of Tennessee. Mr. Speaker, I would like to commend Mr. Ed Walton Stack and Mr. Henry Thomas Murphy of Cedar Hill, Tenn., for being awarded the prestigious Carnegie Medal during the recent meeting of the Carnegie Hero Fund Commission. The medals, which were accompanied by grants of $2,500, were awarded in recognition of their heroic rescue of two passengers from a fiery airplane crash in September 1981. After seeing the plane crash, Mr. Stack, a highway maintenance foreman and Mr. Murphy, a mechanic, both ran to the plane. As fuel leaked from one of the plane's tanks, the two men forced open the plane's door. Mr. Murphy pulled a passenger, Mr. Curtis R. Cothran, from the wreckage as the plane caught fire. Despite rapidly spreading flames and increasing heat, Mr. Stack then partially entered the plane, seized another passenger, Mr. Charlie H. Cothern, and pulled him out. Cothern recovered from extensive second-degree burns, and Stack recovered from lesser burns.

Mr. Speaker, these men are to be commended for their bravery in this rescue. Putting aside their own safety, these men risked their lives to save two people they did not know. Clearly these heroes exhibited the biblical scripture which is inscribed on the Carnegie Medal:

> Greater love hath no man than this, that a man lay down his life for his friends.

I would like to congratulate Mr. Stack and Mr. Murphy for receiving this medal and also would like to commend the Carnegie Hero Fund Commission. Established April 15, 1904, by Andrew Carnegie, the Carnegie Hero Fund Commission was created to recognize outstanding acts of selfless heroism performed in the United States and Canada. We sometimes hear the question asked: "Where have all the heroes gone?" The courageous acts of Mr. Stack and Mr. Murphy and the recognition given by the Carnegie Hero Fund Commission to heroic deeds in the United States and Canada, serve as reminders that the heroes have gone nowhere; they are still among us ready and willing to act when the occasion requires.●

RETIREMENT OF COACH CHARLES R. SCHMITTER

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. CARR. Mr. Speaker, Charles R. Schmitter, the varsity fencing coach at Michigan State University, is retiring this month after coaching the Spartans since 1938. Coach Schmitter leaves Michigan State with a long tradition of service to the school and to the sport of fencing.

Mr. Schmitter was the first varsity fencing letterman in the history of the University of Detroit, graduating from that school in 1930. In 1956, he became the first American-born recipi-

ent of a fencing master's diploma from the National Academy of Naples, Italy.

During his 45 years as Michigan State's coach, Charles Schmitter served the sport of fencing with distinction. He was a member of the NCAA's rules committee for 11 years; a coach of the 1959 Pan American team; and a member of the 1960 and 1964 Olympic fencing committees. His teams twice won Big Ten championships.

In 1970, Coach Schmitter was named to the Helms Foundation Fencing Hall of Fame, having earlier been named Fencing Coach of the Year by the National Fencing Coaches Association.

As a coach for 45 years, Coach Schmitter has contributed immeasurably to the lives of the hundreds of athletes he trained and to the entire Michigan State community. I join with his many students, friends, and colleagues in extending my thanks for his service and my best wishes on the occasion of his retirement.●

TRICENTENNIAL OF GERMAN SETTLEMENT IN AMERICA COMMEMORATED

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. DYMALLY. Mr. Speaker, I am pleased to bring to the attention of my colleagues that today marks the tricentennial anniversary of German settlement in America. To commemorate this occasion, Germany and the United States have issued jointly a commemorative stamp. On the occasion of the issuance of the stamp, His Excellency the Ambassador of the Federal Republic of Germany, Dr. Peter Hermes made the following remarks:

Today we witness the presentation of the Stamp dedicated to the commemoration of the German-American tricentennial. The design shows the "Concord," a sailing ship which carried those thirteen families from Krefeld, Germany over to the shores of Pennsylvania. Her sails are all set and full-blown. She was a sturdy ship, as we can see, solid as the German-American friendship which shall carry us into the Future.

Today, the descendants of those immigrants and the seven million that were to follow form the largest single ethnic group in America. Their number is 60 millions. Not all of the German immigrants have set to sea with "fair winds and following seas." In fact, many chose or were forced to leave a continent plagued by wars, political turmoil, crises and oppression. They found a home, freedom and opportunity this side of the Atlantic. They have been absorbed into the mainstream of American social fabric and life. Today they are Americans. But what makes it so encouraging for all of us is that those Americans still remember their European roots. This awareness creates a transatlantic dimension which comes from the heart.

Just like the ship we see here and like many others that sailed from Europe bringing immigrants over to America our friendship sailed through rougher seas and smoother waters. As President Reagan said in his proclamation regarding the tricentennial anniversary: "Despite the legacy of two world wars which found us on opposing sides, West Germany and the United States have forged an exceptionally close relationship during the past three decades. The success of the Marshall Plan, the Berlin airlift, and the ensuing NATO partnership have led to a recognition of our common democratic ideals and joint interest in Western economic and political strength."

This stamp then will be a messenger. It will carry these historic facts to all corners of the world. Let it be known everywhere that by commemorating this tricentennial, American and Germans pay tribute to their common culture, to shared values, traditions and aspirations.●

INTERNATIONAL EDUCATION AND NATIONAL SECURITY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. PANETTA. Mr. Speaker, I have always felt that knowledge of foreign languages is as vital to our national security as the development of new weapons or the training of our servicemen. Adm. Bobby Inman, a former Deputy Director of the CIA with a lifetime's experience in intelligence work, shares this view, declaring in 1981 hearings that "The importance of adequate foreign language capability in the intelligence community cannot be overstated. . . . The foreign language capability of our country is poor and getting worse." This concern was reiterated in the final report of the President's Commission on Foreign Language and International Studies, which noted a "serious deterioration in this country's language and research capacity, at a time when an increasingly hazardous international military, political, and economic environment is making unprecedented demands on America's resources."

This concern has already been acted on by my colleagues in the Congress. The Department of Defense, under instructions contained in the 1983 defense authorization, is currently preparing a report on the need for study and understanding of foreign languages and nations. But our efforts have been hampered by the current administration, which has persisted in attacking the international education programs authorized under the Higher Education Act and the Fulbright-Hays Act. These programs were funded at $26 million in 1983—rejecting the administration's proposed 57 percent cut from 1982—but for 1984, the administration has requested that they be zeroed out entirely.

I would like to advise my colleagues today that support for these programs has come from an unexpected source: Defense Secretary Caspar Weinberger. In a March 11 letter to Secretary of Education Terrel Bell, Secretary Weinberger expressed his serious concern, shared by "distinguished leaders in . . . the defense and academic communities," over the proposed elimination of the international education programs. In fact, the Secretary concluded his letter by urging Secretary Bell "to consider restoring, and if possible, increasing" funding for these programs.

To note one example of the dangerous imbalance which faces us: There are currently more teachers of English in the Soviet Union than there are students of Russian in the United States. In view of the almost inconceivable stakes involved in our relations with the Soviets, I believe it is both foolish and foolhardy to tolerate this situation. Yet as Secretary Weinberger's letter notes, the zeroing-out of the international education programs would eliminate funding for 90 foreign language and area studies resource centers, 14 of which focus on the Soviet Union and Eastern Europe. Despite its concern over the state of our national security—a concern which I believe is justified, and which is shared by all of us—the administration is asking us to abandon what meager efforts we are making to better understand our most important adversary. Frankly, if our own Secretary of Defense questions the wisdom of this course, we should certainly think twice about pursuing it—and, I believe, should seriously consider increasing funding for these vital programs.

Mr. Speaker, I would like to insert Secretary Weinberger's letter in the RECORD for my colleagues' reference, and I hope it will help enlighten them as to the importance of international studies—not only for our children's education, but for our defense and for our Nation's security.

THE SECRETARY OF DEFENSE,
Washington, D.C., March 11, 1983.

Hon. T. H. BELL,
Secretary of Education,
Washington, D.C.

DEAR TED: I recently learned that the proposed 1984 budget for "International Education and Foreign Language Studies," (Title VI of the Higher Education Act of 1980 as amended and Sec. 102(b)(6) of the Fulbright-Hays Act), has been reduced from its 1983 level of $26 million to zero.

I am seriously concerned about the zero-funding of this program, and would urge you to consider restoring these funds at least to the 1983 level. My concern is shared by other officials within the Department of Defense, and members of the academic community on whom we depend for both a solid research base in area studies, as well as for production of foreign language specialists.

The erosion of our national expertise in foreign languages and area studies is also of

concern to House and Senate Armed Services Committees. The Conference Report accompanying the Department of Defense Authorization Act of 1983 requires Defense to undertake an assessment of the need for "a national research resource base which promotes the study and understanding of foreign languages and nations, in particular, the Soviet Union. . . ."

We are now in the process of conducting this study as required by the conferees, and expect to have a report of our findings and recommendations available within a year. We will be happy to keep you or your staff informed of our progress. Working with us on this project is a group of distinguished leaders in this area, drawn equally from the defense and academic communities. It was the consensus of this group that the elimination of funds for International Education and Foreign Language Studies will seriously impair the nation's ability to maintain even a modest program in this area. I understand that this cut eliminates funding for the nation's 90 Foreign Language and Area Studies Resource Centers, 14 of which focus on the Soviet Union and Eastern Europe; 700 fellowships for students to pursue advanced degrees; the nation's entire research program devoted to developing teaching materials for 170 different foreign languages; and funding for four Fulbright-Hays programs that in the past have annually supported more than 1,000 scholars, teachers, and prospective teachers in foreign languages and area studies.

Consequently, I would urge you to consider restoring, and if possible, increasing the funds for International Education and Foreign Language Studies.

Sincerely,

CASPAR WEINBERGER.●

WESLEY VILLAGE—NATIONAL OLDER AMERICANS MONTH

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. HARRISON. Mr. Speaker, nonprofit facilities for the aging in Pennsylvania are providing skilled and compassionate care for older Americans. Through this care they recognize the dignity and intrinsic worth of these older Americans and provide community support for the aging through their facilities.

It is fitting and appropriate, therefore, Mr. Speaker, that during the month of May, which has been designated as "National Older Americans Month," we recognize and pay tribute to the services rendered by these nonprofit facilities.

In particular, Mr. Speaker, I want to recognize and pay tribute to the Wesley Village, located in Luzerne County, Pa., for the excellent, caring, and compassionate service which it has rendered so many people in the few years since it has been established.

I think it is particularly appropriate that we acknowledge Wesley Village and its counterpart nonprofit facilities during the week of May 8 through 14, which has been proclaimed as "Homes for the Aged Week" in many of the municipalities throughout the 11th District of Pennsylvania.

It is an honor for me, Mr. Speaker, to join with the many municipalities in my district in recognizing Homes for the Aged Week and in wishing to Wesley Village and its counterpart facilities many, many more years of good fortune in the service of mankind.●

CUBAN POET ARMANDO VALLADARES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BARNES. Mr. Speaker, I submit for the RECORD an article that appeared in the February edition of Matchbox on the release of Armando Valladares from a Cuban prison. Matchbox is a monthly publication by Amnesty International U.S.A. which describes the plight of political prisoners throughout the world.

On a number of occasions I wrote to Cuban authorities on Mr. Valladares' behalf. After more than 22 years in prison, Mr. Valladares was released last October. The article which I am submitting for the RECORD includes examples of Mr. Valladares poetry and recounts some of his experiences in prison.

The article follows:

CUBAN POET FREED AFTER 22 YEARS

(Cuban poet Armando F. Valladares Perez was released from prison last October after serving more than 21 years of a 30-year sentence. He had been adopted as a prisoner of conscience by Amnesty International and was the focus of a special worldwide appeal in June 1980.)

(By Emilie Trautmann)

"Man is a marvel of nature. To torture him, to destroy him, to murder him for his ideas must be, more than a violation of human rights, a crime against all humanity," wrote Armando Valladares from his Cuban prison cell. He was arrested in 1960 at age 23, when he was a minor bureaucrat in the Cuban Communications Ministry. Last October, at age 45, he was released.

During his 22 years of imprisonment, which began the year before Amnesty International was founded, Valladares' impassioned pleas were heard worldwide through smuggled poetry and prose. From cell after cell, he called for freedom to say what he thought, to practice his religion, and to live without bars and armed guards. His messages had much in common with the messages written by AI volunteers, for 21 years now, to government and prison authorities.

Despite torture, solitary confinement, and other punishment intended to silence him, Valladares continued to write. In a poem entitled "The Best Ink," he wrote: "They have taken everything away from me/pens/pencils/ink/because they do not want me to write/ . . . but I still have life's ink/my own blood/and with it I can still write poems." With ink more easily procured, AI group members also continued to write. They called for the release of Valladares, their adopted Prisoner of Conscience.

In 1975, after 15 years of imprisonment, Valladares wrote, "The first word of encouragement from the outside world has come to me from members of Amnesty International. But we are already physically wasted, nearly ghosts." Yet "ghosts" with hope speak, as Valladares has so eloquently done.

The story of Valladares' arrest—specific names, places and ideologies notwithstanding—is not a new one to AI members. When Fidel Castro came to power in Cuba in 1959, Valladares was investigated by a revolutionary commission and given a low-level job in the Communications Ministry. A year later he was arrested. During a recent visit to the US from his Paris home-in-exile, he explained that "in my workplace, in assemblies, I had spoken out against communism. I refused to join the militia. I wouldn't put on a uniform. I'm not a criminal or a terrorist. I was never involved in violence."

Three months and two 15-minute interviews after his arrest, he was convicted of "conspiratorial and terrorist acts." No evidence of his possessing firearms or subversive literature was produced, and no witnesses spoke against him. Government officials claimed that he was "a potential enemy of the state," Valladares said.

He was given a 30-year sentence. After serving half of that term, he wrote: "Fifteen years ago today/they surrounded me with fences,/bayonets and locks./They forbad me/time and space/light/sun/air./...Today/ in the darkest corner/of my fifteen years of isolation/I close my eyes/and then I have sun."

The same year a letter from Valladares reached AI. "Friends," he wrote, "I have received several Christmas messages from members and delegations of Amnesty International. They have deeply moved me. I shall never forget them. I will always remember such an attention, such consideration, such a demonstration of human solidarity. I am grateful for your words of encouragement, but my chances to be freed, in spite of my being seriously ill, are so remote that actually I believe it impossible."

Further on in the letter he explained the reason for believing that he will not be released: "I will not renounce the beliefs of which I am proud and which define me as a person." After his release, he said that his beliefs had sustained him throughout the 22-year ordeal.

In his poetry, Valladares frames descriptions of appalling prison conditions with images of intensely personal suffering. Concurrently, he anchors individual pain in a structure of systematic repression. After witnessing a massacre in the Boniato prison in 1975, he wrote: "The prisoners were taken out one by one/kicked and shoved by rifle butts/beaten like animals/ . . . Everything was done with perfect order/the dead were perfectly murdered/the wounded were perfectly wounded/the heads were perfectly broken."

The year before he wrote these verses, he had passively resisted a prison authority order that political prisoners wear the uniforms of common criminals. He had also refused to take part in a "prisoner rehabilitation" program. In reprisal, authorities deprived him of food for more than 40 days, after which he was unable to walk because of a progressive muscular atrophy known as polineuropathy. The dutch section of AI sent him a wheelchair, which prison officials at first refused to let him use. His first collection of poems, published in the U.S. in

1976, is entitled "From My Wheelchair." In one poem he writes, "My wheelchair will be a winged dream/ without the alienating obsession of the prison bars."

Much of his poetry was smuggled to his wife, Marta. He had met her in 1961 while she was visiting her father, who was also a political prisoner. They were married in a 15-minute prison ceremony eight years later. When Valladares refused to be "rehabilitated" in 1970, he was denied visitors. Marta left Cuba two years later, and since that time, she has worked to bring her husband's plight and words to world attention.

In addition to letters and poetry, she once received a Valentine card which Valladares had made from a matchbox. A released inmate had managed to carry the matchbox card out of the prison. The message inside the box was *te amo* (I love you).

In 1979, other members of Valladares' family received the documents necessary to leave Cuba. But as they packed and made other preparations to leave, government officials told them that their departure had been forbidden. Valladares later concluded that the publication of the French edition of "From My Wheelchair" precipitated the departure prohibition.

In a letter received by the international writers' association PEN, Valladares explained, "A high official of the political police has notified me that my family's departure from the country is entirely in my hands; that for it to happen I have to draft a letter denying my friends among intellectuals and poets abroad; that I have to forbid everyone, including newspapers or organizations, to speak or write about me and my literary works and even mention my name; and that I must disavow and deny every truth they have spoken in defending my situation. To write that letter would be to commit moral and spiritual suicide. I shall never write it!"

Later he wrote, "My situation is difficult, but I am not afraid for myself. I am an idealist. Death, for me, is not the end. It is the beginning of true life. I am afraid for my family."

Valladares also expressed fear for other prisoners. During the testimony before the US House Subcommittee on Inter-American Affairs last December, he described some of the people he met while in prison. One, a 12-year-old boy, had grabbed a pistol from the seat of an unlocked car belonging to a major of the Cuban Ministry of the Interior. The boy was sentenced to six years' imprisonment and "rehabilitation" for the crime. He was incarcerated with common criminals, raped by four men, and then confined to a section reserved for homosexuals.

Valladares also spoke to the Subcommittee about religious persecution. "If someone is caught with a Bible in prison, he is punished harder than if he had been caught with a weapon," Valladares said.

Punishment also consistently followed publication abroad of Valladares' writing. In 1979, probably because of international pressure, he was transferred to a hospital for the therapy needed to restore use of his legs. But with the appearance of his second book of poetry, "The Heart with which I Live," he was sent back to prison and held incommunicado while the therapy was successfully completed.

Last October he was suddenly transferred to the Cuban security police headquarters. He remained there for a week before being taken under heavy guard, to a Soviet jet bound for Madrid. "They didn't even let me see my family before I boarded the plane," he said. In Madrid, he boarded a French government jet which took him to Paris.

Repeated pressure on the Castro government had culminated in an appeal made on Valladares' behalf by the Spanish writer Fernando Arrabal to French President Mitterrand. Regis Debray, Mitterrand's adviser on Third World affairs, passed on the appeal to Castro. Eighteen months later, with full use of his legs restored, Valladares was released.

Miguel Sales, who met Valladares—first while they were both imprisoned and then shortly after Valladares' release, wrote in an article appearing in The Miami Herald, "If a lesson can be obtained from Armando Valladares' case, it is that keeping silent about what goes on in Cuban jails only benefits Castro." The names of the prisoner, place, and government authority may change, but the message remains the same.

THE BEST INK

They have taken everything away from me
pens
pencils
ink
because they do not want me to write
and they have buried me
in this punishment cell
but they will not stifle
my rebellion
this way
They have taken everything away from me
Well, almost everything—
for I still have my smile
my pride in feeling a free man
and in my soul a garden
of small, undying flowers
They do not want me to write
They took away the pens
the pencils
but I still have life's ink
my own blood
and with it I can still write poems.

AND MY BARS FLOWER

(To my unforgettable wife)

Fifteen years ago today
they surrounded me with fences,
bayonets and locks.
They forbad me
time and space
light
sun
air.
For fifteen years
rifle butts and boots
have been memorizing my body
and the deranging spectrum
of psychological tortures
has been terrifying every cell
of my brain.
Today
in the darkest corner
of my fifteen years of isolation
I close my eyes
and then I have sun
and happiness and love
and my bars flower with tenderness
because I have you.●

DEFICIT SPENDING AND THE 98TH CONGRESS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. HUBBARD. Mr. Speaker, I have received an excellent letter from one of my constituents, Dr. Robert L. Hoffman, of Madisonville, Ky., that I believe my colleagues will find interesting. Dr. Hoffman indicates his interest in congressional efforts to lower our Federal deficit and the necessity to keep our economy moving forward. Selected excerpts of his letter to me follow:

MADISONVILLE, KY.

Hon. CARROLL HUBBARD, Jr.,
Washington, D.C.

DEAR SIR: I am in favor of a balanced budget. It is time for our elected representatives to have the courage to come out and tell people that one receives little for nothing and that the nation can no longer spend at the present rate without increasing the tax burden. I would like to see the budget brought under control now—not ten years from now.

I would also like to think that our representatives had the best interest of the nation in mind rather than reacting to each issue on the basis of political expediency.

Sincerely,

Dr. ROBERT L. HOFFMAN.●

ENCOURAGING NEWS FOR DULLES AIRPORT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WOLF. Mr. Speaker, I want to share with my colleagues some encouraging news about the growth of Dulles International Airport as reported in the Monday, May 2, 1983, Journal newspaper.

The article follows:

[From the Journal, May 2, 1983]

FIVE AIRLINES TO INCREASE FLIGHTS AT DULLES AIRPORT

(By Jim Wolffe)

In the past two weeks, five airlines have announced plans to beef up their service at Dulles International Airport.

No new cities have been added to the list of those served from Dulles, according to officials at the Washington Dulles Task Force, but service to several cities will be improved.

On April 24, American Airlines added a sixth non-stop, round trip flight to Dallas/Fort Worth International Airport, the airline's hub. From Dallas, American serves numerous in the west, Mexico, the Caribbean and South America. Rio de Janiero is a new destination for American.

On Sunday, Continental Airlines added a third daily non-stop flight between Dulles and Houston. This will be the only non-stop morning service from Houston to the metropolitan Washington area. Continental also flies non-stop from Dulles to Denver, Philadelphia and Baltimore.

And beginning June 1, Continental will substitute two larger DC-10 aircraft on their Denver and Houston routes, effectively doubling their capacity on these flights.

Western Airlines will add a third non-stop flight between Dulles and Salt Lake City, its western hub. The westbound flight will serve Salt Lake City, Los Angeles and on to Honolulu. The eastbound flight will contin-

ue on to John F. Kennedy Airport in New York City, from Dulles.

"These additions of service to these major carriers' hubs increase the availability for the Washington-area traveler to use quick non-stop flights and to make convenient connections to virtually unlimited destinations," said Carrington Williams, chairman of the task force.

Transatlantic service at Dulles also is improving. On April 24, Pan American began serving Brussels, Begium, and Stuttgart, Germany, with same-plane connections on existing Dulles-London service.

Trans World Airlines has renewed its seasonal Paris service out of Dulles. TWA cancels the service every year during the winter and restarts the flights, using L1011 service, on April 24.

British Airways has changed the times for its Concorde Supersonic Transport service, departing Dulles at 10:15 a.m. The earlier schedule allows Washington-area travelers to make same-day connections to Europe, the Middle East and Africa.

"The major carriers are responding to the demand for additional service at Washington Dulles," said Williams. "Public awareness of Dulles' service is growing. Monthly domestic passenger traffic has risen by an average of 26 percent since May 1982," Williams said.●

ARMAGEDDON: THE STAGE IS NOW SET

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. OTTINGER. Mr. Speaker, I rise today to call to the attention of my colleagues an article that appeared in my hometown newspaper, the Mamaroneck Daily Times, by David Carsen. Mr. Carsen, a resident of Mamaroneck, N.Y., was an engineer on the Manhattan project in Oak Ridge, Tenn., from 1943 to 1945.

Mr. Carsen's article correctly outlines the danger of the Reagan administration's defense policy—indeed, the stage is now set for Armageddon. This administration has abandoned the policies of every administration since the advent of nuclear weaponry. We now hear talk of fighting a protracted nuclear war, reversing the standing policies of mutual-assured destruction, and planning first-strike strategies. These policies are insane and they are dangerous. The windows of vulnerability that the President speaks of simply do not exist; both the United States and the Soviet Union have in their possession the capability to destroy the world many times over. Yet, the President continues to insist that billions of dollars be spent on nuclear weapons that succeed in only destabilizing the situation between the East and West and further escalating the arms race.

I commend Mr. Carsen for his valuable insight and recommend this sensible essay to all my distinguished colleagues:

[From the Gannett Westchester Newspapers, Apr. 26, 1982]

ARMAGEDDON: STAGE IS NOW SET

(By David Carsen)

It is impossible for any rational person to accept the thought that the world could be ended; that the human race, as we know it, could die in an act of mass suicide and murder. There are no words in the English language to describe the level of lunacy that the political and military leaders of the United States and Soviet Union have attained in their useless attempt to outwit each other in the name of the protection from the power of the atom.

Present plans call for the deployment of new, high speed and very accurate missiles in Western Europe this winter. While the Christian world will be celebrating the birth of Christ this Christmas, the curtain of darkness will be lowering in Europe on the launching platforms of the Pershing 2 ballistic missiles, the ground and sea-launched cruise missiles and the ICBM SS-17s, SS-18s, SS-19s and SS-20s.

For more than three decades the doctrines of mutual assured destruction (for which the acronym MAD is so appropriate) and no first-strike capability have maintained a balance of terror that has kept the peace. Under President Reagan, this policy is undergoing a reversal.

In the name of preserving deterrence, he has started a new round of proliferation. But this time the missiles do have a first-strike capability. Compounding this danger, instructions were given to the Department of Defense to "prepare to fight a protracted nuclear war with the Soviet Union."

In order to sell this policy to a worried and fearful public, "windows of vulnerability" were suddenly found in every wall of the nuclear defense structure. In very short order, the possibility of a future conflict became immediate and moved to the highest level of political and military priority.

There can be no question that the Soviet counterparts of our decision makers have done nothing to halt this program of protection unto death. Their paranoia is partly inherent in their dictatorial political structure, but there is another factor. They live with the knowledge of what happened to them in World War II: 20 million dead; 15 major cities and 70,000 villages destroyed; millions of buildings and thousands of industrial plants demolished. It was a devastation far beyond anything that happened to any other combatant in the war. Even Japan, left with two atom-bombed cities that were totally destroyed (Hiroshima and Nagasaki), didn't begin to approach this level of ruin.

This, then, is the world we live in. At a time when the military-industrial complex is the single most powerful entity in the United States and the Soviet Union, political leaders who know that peace is the only alternative are desperately needed. They must be people who see human well-being as the only goal, thus enabling them to cope more rationally with international and societal antagonisms. Reactionaries and ideologues cannot. They get lost in their own spittle and lose sight of the human condition. Tragically, we are led today in the United States and the Soviet Union by reactionaries and ideologues.

As a result, both peoples are fed a constant stream of invective, rather than facts, balanced by honest judgments.

President Reagan tries to convince the American people that a surprise Soviet attack against the entire Western world is a serious possibility. The more convincing he becomes, the more the Soviet leaders enter his conspirational world and strengthen this self-fulfilling prophecy.

Conversely, the Russian people have been led to believe that a surprise attack by the United States is being planned, if not imminent. Yet the simple, stark truth is that there is one common bond that supersedes all others: survival.

Most Americans know that our nuclear arsenal has "overkill" capabilities. But there is little specific knowledge beyond that general understanding. In order to establish an accurate image, let us use a simple mathematical procedure. If we were to assign the unit of "1 Hiroshima" to the 15 kiloton bomb that destroyed that city, then any multiple thereof can be easily described.

A detailed geographical analysis shows that European and Asiatic Russia has 15 major population centers with cities of over 1 million people and 259 cities with more than 100,000 people each. Using one nuclear submarine to measure the destructive force needed, it can then be determined what is required to destroy most, if not all, of Russia.

One Poseidon sub carries 16 Trident I missiles.

One missile is armed with 10 nuclear warheads, that can be individually targeted.

One warhead has a 50 kiloton yield equivalent to 3 Hiroshimas.

Therefore, one Poseidon submarine equates to 160 missiles, or 480 Hiroshimas, enough to destroy more than half of all Russian cities. The United States has 31 such subs (of which 20 are under constant patrol), giving us a fleet strength of 14,880 Hiroshimas.

In addition, the British have four Polaris subs with a fleet strength of 2,500 Hiroshimas. The figures for the French nuclear submarines are not readily available, but we can assume they approximate the British.

Since only three Poseidon submarines can destroy the Soviet Union beyond human use and repair, why in the name of anything rational do we need 12 new Trident II subs to become operational in 1990? Incidentally, the nuclear missiles carried by these new submarines will be equal to 18,000 Hiroshimas, or the equivalent of the entire existing NATO fleet.

All told, between nuclear submarines, long-range bombers, ICBMs and thousand of smaller "theater" and "battlefield" warheads, the total destructive force, at the ready, is one million Hiroshimas. Since this total is almost equally divided between NATO forces and the Soviet Union, the hope for the continuum of life hangs by a very fragile thread.

Military analysts have estimated that a total of 5 million tons of explosives were used in World War II. In our nuclear math this would be equal to 5,000 kilotons, or 350 Hiroshimas, a minute part of the destrutive capability available today. Certainly the gods of war should be eminently satisfied with this amount of "overkill" and we should stop paying them homage.

At this point, one can only ask what are we buying with our billions of dollars that are steadily impoverishing us all? The scenario is clear for those who care to see it. We are buying time to hit them, if they hit us first (or vice-versa). How much time? Possibly seconds, but probably not more than 15 minutes. It is difficult to believe that our military leaders are convinced that they are actually buying us protection. They must know that they are only buying minutes to

the tune of billions of dollars per minute. In the entire 5,000 years of the history of arms and the man, there has never been an expenditure of wealth for so little real protection.

The introduction of the Pershing 2 and cruise missiles to counter the Soviet's SS-20s, changes the illusion that man is still in control. The speed and accuracy of these missiles is so great that there is only a 6 to 8 minute flight path to the heart of Russia. There will be no time for them to manually counter this attack. A computerized signal switch that would be part of a "launch on warning" system would have to take over automatically and dispatch returning missiles as soon as radar (or any alternate early warning system) detected incoming missiles. This of course, will only increase the risk of mechanical, electrical or instrumental malfunctions leading to a nuclear exchange.

The stage is now set for Armageddon. At first the living will kill the living in the first strike. Then the "launch on warning" system will trigger the return and kill the living. As the frenzy grows, the previously programmed machines will take over and the dead will kill the living—or the few that are left.●

ARNOLD CHAMBER CITES DISTINGUISHED CITIZENS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. GAYDOS. Mr. Speaker, on Sunday, May 15, 1983, the Arnold Chamber of Commerce, one of the most active organizations in southwest Pennsylvania, once again will honor a group of distinguished citizens for their service to the community.

The occasion will be the chamber's 18th annual past presidents testimonial dinner and the principal honoree will be Mr. Frank M. Tosto, who has just completed his term as the top official in the organization.

Mr. Tosto was singled out for special recognition in view of his outstanding leadership in the chamber and his achievements as director of the community development program for the city of Arnold.

Eight other individuals also will be honored for their contributions in their respective fields. They include:

Merchants Award—Anthony Capo of Automatic Heating & Supply Co.

Communications Award—Monica Matviko of KDKA-TV.

Humanitarian Award—Rev. Emil Lavcek, pastor of the John Huss Lutheran Church.

Professional Award for Community Service—Arnold Volunteer Ambulance Service.

Professional Award in the Practice of General Medicine—Dr. Manmohan S. Luthra and Dr. Damyanti N. Luthra of Luthra Medical Associates, Inc.

Professional Award in the Practice of General Surgery—Dr. Mario Mazziotti.

Professional Award in the Practice of Cosmetic and Family Dentistry—Dr. Sam Lanzino.

Mr. Speaker, the Arnold Chamber of Commerce has worked closely with local, State, and Federal officials to provide for the citizens of their community improved public facilities, housing schools and health care. It intends to continue its efforts in the development of industrial parks, the promotion of better transit facilities, and the attraction of new businesses.

The continuation of those projects now rests with the new officers of the chamber: Louis H. Ceraso, president; John Tedorski, executive vice president; Frank Ziccarelli, vice president; Domenic A. Saulle, secretary, and M. A. Frabotta, treasurer.

I consider it a privilege, Mr. Speaker, to formally recognize these gentlemen and on behalf of my colleagues in the Congress of the United States to extend to the Arnold Chamber of Commerce our sincerest wishes for continued success in improving the lives of their fellow citizens.●

U.S. FISH AND WILDLIFE FOUNDATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. AuCOIN. Mr. Speaker, I rise today in support of the bill sponsored by our colleague from Louisiana, the Honorable JOHN BREAUX. The bill establishes a U.S. Fish and Wildlife Foundation for the purposes of promoting fish and wildlife conservation. This Foundation would aid such fish and wildlife programs as hunter education, ethics, and safety and recovery of endangered species. This bill has broad, bipartisan support and has been warmly endorsed by the Interior Department.

All of us owe a debt of gratitude to Ted and Francoise Gianoutsos, the guiding lights behind this legislation. It is through their generosity and patriotism that a Fish and Wildlife Foundation is possible.

I hope my colleagues will join Mr. BREAUX, myself, and others in supporting this very worthwhile legislation.●

RLS: A MODEL PROGRAM

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WORTLEY. Mr. Speaker, there is an organization based in Syracuse, N.Y., that has provided a most valuable service since its start in 1974. The story of the Regional Learning Service is one worth telling because it is relevant everywhere.

Recognizing the increasing desire among adults of all ages for more education and more satisfying careers, RLS was created to help individuals become what they are capable of becoming. It provides adults with information and counseling for their educational and occupational planning.

The Regional Learning Service is neither an educational institution nor an employment office. Rather, it serves as a go-between, filling the gap between the numerous learning resources and potential users. Through a combination of counseling, facilitating, and assessing functions, RLS links the growing number of adult learners with the growing number of learning opportunities.

Many RLS users are women who want to return to school, return to work or—of necessity—enter the world of paid work for the first time. Some are young people who have been drifting from one thing to another and are seeking a sense of direction. Some are clerical or blue-collar workers who want more education in order to advance themselves on the job. There are midcareer professionals who are ready for a change, laid-off workers and persons on welfare who want to get off of it. There are also men and women who want to take a course or learn a new skill for the sheer joy of it.

An especially noteworthy aspect of the program is the fact that RLS is a not-for-profit entity funded mostly by the private sector. It is shining example of a private group shouldering more of the responsibility for citizens who seek assistance. Under the capable guidance and dedication of Jean B. Kordalewski, RLS executive director, a program has evolved that is short on bureaucracy but long on helping people.

As the economy of the United States continues to undergo fundamental change, away from the smokestack industries and toward the service and information processing sectors, programs like the Regional Learning Service are going to be increasingly needed. Persons interested in setting up a program that offers opportunity need only look to the Regional Learning Service as a model. In the last 8 years, more than 32,000 people have been served well by it.●

BROADCAST REFORM LEGISLATION

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. LUKEN. Mr. Speaker, today I am introducing, along with my col-

league from Ohio, Mr. OXLEY, a bill that passed the Senate in each of the last two Congresses with strong bipartisan support. This bill amends the Communications Act of 1934 to reform and deregulate parts of the commercial broadcast industry. The only difference between this bill and the Senate passed bill is my decision not to include the fee for regulation schedule the Senate had incorporated.

I believe that the time has come for the Congress, in particular the House to address the question of broadcast reform proposals. For too long a comprehensive approach has been left without action while the world around us has changed dramatically. Today broadcasters, and here we are talking about commercial television broadcasters, are faced with a whole series of competitive ventures, some using the latest technologies, many if not available now will be in a few short years. Yet due to congressional inaction, broadcasters are tied to rules and regulations promulgated under a 1934 act. The availability of cable television, subscription television, video cassette recorders, and in the future direct broadcast satellites all have expanded the potential and consumption of video programing.

It is my opinion that today no one would argue over the need to codify radio deregulation proposals that the FCC finalized action on slightly more than 1 year ago. The remaining question deals with the level of deregulation for commercial television. My approach is fairly modest. It removes the dual track license renewal approach and removes the licensee from having to deal with promises versus performance standard. Under current law, anyone can file a competing claim for a license at the time of renewal, and the FCC is forced to compare the two. This becomes a long drawn out and costly process for the broadcaster who is responsible and sensitive to his or her service area. By eliminating the comparative renewal procedure we do not remove the responsibility the broadcaster has to his or her service area, the broadcaster still must serve the public interest.

This should be a noncontroversial proposal. During the 96th Congress, the Energy and Commerce Committee, then the Interstate and Foreign Commerce Committee approved legislative language mandating elimination of comparative renewals. As I mentioned earlier, the Senate on at least two occasions has supported both deregulation of radio and elimination of comparative renewals. There does not appear to be any substantive reason for failure to enact this legislation. I would urge all of my colleagues to join with me in working for passage of this important proposal. The advent of new technologies and the growth of the video marketplace point to the need for passage of this bill.●

U.S. CITIZENSHIP FOR SOVIET ATHLETE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WAXMAN. Mr. Speaker, today I am introducing legislation that would allow Marina Kunyavsky to become a U.S. citizen.

My view has always been that private immigration bills should only be a remedy if no other alternative exists and there is an extraordinary justification for speedy action. Marina Kunyavsky presents such a case.

Marina is a 17-year-old Russian immigrant who has lived in the United States for almost 2 years. She is a gifted athlete. While in the Soviet Union she toured with the U.S.S.R. National Rhythmic Gymnastics Team. During the last 2 years she has further developed her skills, and is now one of the world's premier rhythmic gymnasts.

Although rhythmic gymnastics has been an international athletic event for over 20 years, it was not until 1980 that it became part of Olympic competition. It is a beautiful and demanding event that requires agility, balance, and grace.

Marina's rhythmic gymnastic skills are worthy of a place on our Nation's 1984 Olympic Team. But, as one of her coaches has pointed out to me, unless she is a citizen of the United States, "she cannot participate in any of the national and international competitions which are conducted according to the International Olympic Committee Rules (IOC)." In short, Marina must be an American citizen to compete on behalf of the United States in the 1984 competition. If she is granted citizenship, she is virtually certain to be named to our team and the chances are excellent that she will be competing against Soviet athletes, giving her an added incentive to win for the United States, the Nation that is offering her a new life.

We all know the 1984 Summer Olympics are still more than 1 year away. But the qualifying meets will be completed within the next 6 months. Marina's opportunity to compete on behalf of the United States hinges upon our approval of a private bill.

Roger Counsil, the executive director of the U.S. Gymnastics Federation, has urged me to become involved as an expression of support for American Olympic efforts. I think Mr. Counsil is right; certainly this situation extends to our support for America's Olympic Team. But there is something more. We have the ability to open an opportunity that is presently closed through political constraints. I hope my colleagues will join me in this effort.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Marina Kunyavsky shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of that Act, may be naturalized at any time after the date of enactment of this Act if otherwise eligible for naturalization under the Immigration and Nationality Act.●

MILK, COOKIES, AND NUCLEAR WAR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. STUDDS. Mr. Speaker, we who have chosen for one reason or another to spend a large part of our time in Washington, D.C., arguing about the details of public policy on issues great and small need to be reminded occasionally of how these issues—and we ourselves—appear to others.

The issue of nuclear war is the single greatest problem of this or any other period of human history. On the floor of the House of Representatives in recent weeks, we have seen how even an issue of this magnitude can be robbed of meaning via filibuster, a devotion to minutiae, and the intentional distortion of perspective. The debate on the nuclear freeze resolution has, accordingly, been a disappointment and a frustration to all who care deeply about instituting meaningful and mutual restrictions on the production of nuclear arms.

The following letter from a young schoolgirl in my district illustrates with character and precision the extent to which the debate in Washington has gone astray, and I thought it might be of interest—and instruction—to all Members of the House:

DEAR MR. STUDDS: Wait! I want you to read this! Please don't give this to your secretary!

Yes, my letter is one of thousands of letters you get on the issue of Nuclear War. In my past I learned not to argue with grownups, they have their own ideas, and views of life. But just listen to me, I have one simple question:

Why?

Why, do all of us children have to die because of the problem with Russia? Why, do all us children have to live in mortal fear? Will there be a tomorrow?

Sometimes I think children should rule the world! We don't try to make one country think we're better than them! Why don't you and Mr. Reagan go over to Russia and just talk it over milk and cookies?

Last night I saw a T.V. show on Nuclear War. It was gross! Dead bodies were everywhere! Please don't let that happen to us! We didn't make up nuclear power.

Stop this madness before it's too late! Stop this insanity before all the helpless children and animals die!

DARIA WALLS.●

NATIONAL VOLUNTEER WEEK

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. THOMAS of Georgia. Mr. Speaker, last year our Nation observed National Volunteer Week in recognition of the nearly 100 million Americans who work to help their fellow citizens in various capacities.

I am very proud of the fact that many residents of the First District of Georgia actively participate in volunteer projects of all kinds. In that connection, I would like to highlight the specific efforts of the Glynn Art Association in Glynn County, Ga. Without objection, I would like the text of a letter from the associate director of the association, Mrs. W. C. Hendrix, to be placed in the RECORD at this point:

GLYNN ART ASSOCIATION,
St. Simons Island, Ga., April 12, 1983.
Representative LINDSAY THOMAS,
427 Cannon Building,
Washington, D.C.

DEAR REPRESENTATIVE THOMAS: April 17th through the 23d is National Volunteer Week, and I am writing to share our pride in what we consider to be unusual volunteer support. We feel that both the numbers of volunteers, as well as total numbers of hours contributed, substantiate the oft-heard statement that volunteers are truly the backbone of American quality of life efforts.

The Glynn Art Association, as providers of multidisciplinary programs, services, and resources both through its facility, the Island Art Center, and the community at large as well, is supported primarily through citizens, business friends, and organizations of our area. While we suffer an increasing critical financial situation due to uncontrollable inflationary expenses of operating a facility, we are wealthy in terms of people support.

In attempting to document volunteer hours, beginning last Fall, and to give special recognition to those individuals who give their most valuable asset, their time, we have compiled a most impressive record of over 100 community individuals with a total of over 6,000 volunteer hours. In view of this incredible support, both the City and County governments have pledged to proclaim the week of April 17th through the 23d as Glynn Art Association/Island Art Center Volunteer Week, indicating that these volunteers are representative of the thousands and thousands of volunteers all over America who are the backbone of the cultural, charitable and humane efforts which help make the good things in life happen.

I thought that you, as the legislative representative for our citizens, would be pleased to know that volunteerism is certainly alive in your areas.

Yours truly,

Mrs. W. C. HENDRIX,
Associate Director.●

PRIVATE BILL FOR PATENT RELIEF

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. ROSE. Mr. Speaker, today I am introducing a private bill for patent relief in a unique hardship case. It will, in essence, restore 16 years of patent life to a patentholder subjected to a false and grossly misleading licensing test report by a Federal agency, USDA. Evidence for this claim was presented to me in a hearing on animal health I held as chairman of the Subcommittee on Dairy and Poultry of the Agriculture Committee on September 27, 1978.

The subject of the hearing was Impro Products, Inc., a small Iowa firm producing immunocompetent factors in the udders of cows which are then harvested from the milk and used as products in animals and man. It is a therapy that leaves no residue nor side effects. The company followed normal procedures to get its patent and Federal license. The agency, however, conducted a false test and denied their license. The company sought congressional review at our hearing.

As a result of this hearing the patentholder was able to prove there was a falsehood, an ultra vires act, committed by this agency so injurious that a court injunction was issued on September 2, 1982.

The injunction restrains USDA from continuing to release copies of the test report which contained the false and misleading statements. (Pertinent portions of the court decision are enclosed.) It is this report that discouraged use of the patentholder's product as disclosed and claimed in the patent. I might also add that the patentholder's license was canceled based upon the false and misleading information.

It is because of agency action that this patentholder has been prevented from exploiting her patent. USDA's action also provides the appropriate basis for this private relief legislation: that legislative relief is to be used to provide equity for a private party whose interests have been impaired by an act of the United States. Passage of this bill will grant such equity once and for all—no other legislation is needed. There is no cost attached to enactment of this bill.

A basic principal of patent law enables patentholders the exclusive right to make, use and sell their inventions in return for disclosing their inventions and to encourage research. In this case, that right is in immediate danger of being lost forever. Sixteen years of the prescribed 17-year term of patent life have expired along with millions of dollars lost during the struggle for justice. Every avenue of relief has been explored by the patentholder, including congressional review. It was only in the past year that we, too, in Congress discovered we had been furnished the same false information. (See enclosed letters, May 6, 1982, p. 2, par. 1; Sept. 23, 1982, p. 1, par. 2.)

The time period for this bill starts from April 2, 1968, and extends 17 years. This is necessary because USDA's false and misleading report caused this company to have their license to do business interstate terminated, thus denying them the right to freely market within the contract life of its patent.

In many instances, the false report was the basis for adverse action by the States which further deprived the patentholder of use of the patent. USDA also sent a copy or reference to the false and misleading report on the test to anyone inquiring about Impro or its products and routinely distributed the report through the USDA Extension Service offices throughout the United States. Abstracts of the report were published in an international dairy science publication translated into 42 languages and distributed worldwide. Consequently, Impro was specifically denied marketing opportunities in Europe and Japan.

Because this Federal agency has abused their authority and created an effect which has been to deny the useful practice of the patent, I feel it is of significant importance that we join together in support of this bill. It will send a strong, clear message to civil servants and public alike that such conduct will not be tolerated.

We must keep the equity principals of patent law in this country from becoming a mockery. We in Congress are responsible to and for the people we serve. Faulty reporting of research has become a national scandal with some 20 reported cases involving Yale, Harvard, Sloane-Kettering, Philadelphia, et cetera over the past 10 years. USDA's actions not only effectively blocked the use of the company's patent but has cast a cloud over our Beltsville Research Center which conducted the test and issued the false and misleading test report.

For a governmental agency to be found so guilty that injunctive relief is granted immediately is a strong warning from the courts; a warning which we as the voice of the public must act upon to uphold the impartiality and trust of our government and protect the interests and safety of its citizens.

This bill will not open a Pandora's box because this case represents an equitable vacuum for a single patentholder prevented from practicing its patent.

Finally, this bill is not a class action. It stands as a single case involving agency false reporting of a scientific test. If others in the same class surface as a result of this legislation, it will only serve to highlight a problem this Congress should seriously scrutinize. This bill represents a legitimate, unique problem.

I feel strongly that this wrong must be corrected. It is now in our hands as Members of Congress to see that justice and the lost patent life are finally and conclusively awarded to one whose patent contract with the United States has been deliberately breached by an act of bad faith of the U.S. Department of Agriculture.●

MX AND NATIONAL SECURITY: WHATEVER HAPPENED TO DOUBLE JEOPARDY?

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. MAVROULES. Mr. Speaker, the case against placing the MX missile in existing silos has already been made, the Presidential Commission's endorsement of this questionable deployment scheme notwithstanding.

And the American people have since then been acquitted, freed from a sentence of dread brought on by the enhanced chances of a Soviet, preemptive strike the MX would only foster.

Why then has the case been reopened? Whatever happened to be "window of vulnerability," if not of our own land-based missiles, then the Soviets, who in an effort to protect their own missiles may try to take out ours? Where, indeed, is this Nation's defense against double jeopardy?

Mr. Speaker, I would like to place in the RECORD a paper, published by the Council for a Livable World, entitled "MX Missiles in Minuteman Silos? (or What Administration Officials, Conversative Senators and Others Say about MX in Minuteman Silos)". This paper, which I distributed to every Member of the House last week, provides ample testimony that MX's in Minuteman silos is a losing combination and will in fact undermine our national security.

In today's hair-trigger world, we would do well to consider the arm-race implications of any weapon upon which we vote. Does this weapon accelerate the arms race or is it a stabilizing factor? Under such scrutiny, the MX recommendations of the Scowcroft commission warrant a "no" vote.

The article follows:

In October 1981, President Reagan announced his intention to base between 18 and 100 MX missiles in "superhardened" Titan and Minuteman silos on a temporary basis while proceeding with research on three other basing modes. The plan drew criticism from many quarters. Within months the superhardening plan was junked and the idea of using Titan silos was dropped; by the middle of the following year, the whole plan had been quietly shelved.

On December 2, 1981, the Senate approved by a 90-4 margin an amendment to the fiscal year 1982 Defense Appropriations Bill sponsored by Senators Cohen, Quayle, Mattingly, Rudman and Nunn that redirected the use of MX research and development funds, $354 million, away from the plan of deploying the MX in existing hardened Minuteman and Titan silos toward a more permanent solution. The purpose of the amendment, according to its sponsors, was to "send a strong signal to DOD" that deployment of the MX in Minuteman silos was the "wrong direction to go in."

In March 1982, the Senate Armed Services Committee unanimously refused to approve the first $1.5 billion for MX missile procurement on the grounds that interim deployment in Minuteman silos was unacceptable. The Committee used very strong language to criticize the idea of placing the MX in Minuteman silos. The full Senate went along with that decision without dissent, although a later compromise with the House Armed Services Committee restored the funds.

Below is a series of statements by Reagan Administration officials, conservative Senators and Representatives, ex-government officials and others, who at various times strongly criticized the idea of placing the MX in Minuteman or Titan silos.

These statements should be examined in light of the latest Reagan Administration MX plan—which is in fact a return to the discarded October 1981 proposal for an interim MX deployment in existing silos.

Senator John Tower, November 2, 1981: "By stuffing the MX's into fixed silos, we're creating just so many more sitting ducks for the Russians to shoot at . . . True, the MX missile itself will be more powerful, more accurate—and we need that kind of weapon. But it's of little use to us unless the Soviets are convinced that it can survive an attack. Without that, the Russians will have no incentive to start serious arms-control talks."

Caspar Weinberger, Secretary of Defense, January 6, 1981: "I would feel that simply putting it [the MX] into existing silos would not answer two or three of the concerns that I have: namely, that [the location of] these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces."

Senator Henry Jackson, October 5, 1981: "My main criticism—and I criticized the Carter administration—is that in the 1980's Minuteman and Titan are vulnerable in those silos. I think you and others properly have criticized that deployment. Then after 8 months we come back here; we have looked at all these other things supposedly, but it took 8 months to do that, and we end up with what we have now . . . We have given the Soviets a better target to shoot at."

Senate Armed Services Committee report on the FY 1983 Defense Authorization Bill, April 13, 1982: "The planned interim basing of MX does not redress the problem of the vulnerability of the land-based ICBM force . . . The $715 million requested for research and development on interim basing of the MX is denied. No further work is to be undertaken in support of fixed-point silo basing of MX."

Senator William Cohen, December 16, 1982: "The reason Sam Nunn and I proposed our amendment a year ago was that we were frustrated with what we perceived to be an intention to move forward with an interim basing mode—placing the initial missiles in superhardened silos—that was not survivable, but was costly and probably in violation of the terms of SALT I and II. We specified that the MX funds could not be used for that purpose . . ."

Representative Melvin Price, October 6, 1981: "What is to be gained by deploying just 36 MX missiles in existing silos? If 4,600 silos of the MPS mode would be too vulnerable to proliferation of Soviet ICBMs, how are 36 or even 100 MXs in fixed silos to be more survivable? What technical knowledge do we have now as to the feasibility of deep silos basing?"

William Perry, former Undersecretary of Defense, November 13, 1981: "My concern is that if we had this very accurate, very threatening missile in unprotected silos, and if they do not go to a survivable system themselves . . . that simply increases the hair trigger . . . on both sides.

"I agonized over that and said on balance I would not go ahead with that [MX in silos] because I don't believe we will come up with a survivable basing mode that is acceptable.

"Since I am pessimistic that we will get a basing mode that is both survivable and acceptable, I am opposed to putting a weapon that lethal in an unsurvivable mode, for reasons I have described in terms of hair triggering the alert."

Senate Strategic and Theater Nuclear Forces Subcommittee Report on FY83 Defense Authorization Bill, March 24, 1982 (endorsed by Senators Thurmond, Goldwater, Cohen, Quayle, Jackson, Nunn, Hart and Exon): "The number of additional warheads that would survive an attack upon MX missiles so deployed [in Minuteman silos] does not appear to justify the costs—assessed at $2.6 billion over the next five years—associated with this basing scheme.

"The Committee also is concerned that the possibility may exist that strategic deterrence and crisis-stability could be jeopardized, rather than enhanced, by the deployment of high-value, militarily important weapons in so small a number of relatively-easily destroyed shelters."

General Lew Allen, Chief of Staff, U.S. Air Force, January 29, 1981: ". . . an essential feature of the MX deployment is that the basing mode be survivable. One does not obtain that through placing it in Minuteman silos. Therefore, I do not favor such a deployment."

Dr. James P. Wade, Principal Deputy Undersecretary of Defense, October 27, 1981: ". . . if you focus just on the survivability aspect of the value gained by placing the MX in a hardened silo . . . the value is at best marginal."

Harold Brown, former Secretary of Defense, November 13, 1981: "The October 2 decision adopts an admittedly very vulnerable basing system, and indicates an intention to continue to explore other possibilities for some time in the future. . . . There is talk of further hardening of existing silos for a much-truncated MX force, but since the MX will not be available until 1986, that

further hardening, if it is at all feasible, will not be available before the Soviets can install a new generation of guidance systems. The Soviets, using technology that they have already developed, will surely be able by that time to improve the accuracy of their ICBMs further, so that in the case of a nuclear war the hardened MX silos will find themselves in the fireball and in the crater left by the nuclear explosion of Soviet warheads; the silos would not survive such an experience.

Senator Sam Nunn, December 2, 1981: "The experts who have testified before the Armed Services Committee, and I am sure other committees have had similar testimony, agree that the Soviets today have the combination of yield and accuracy necessary to overcome the levels of hardness contemplated. The MX simply is not survivable in existing silos, whether they are hardened or unhardened. This fact is confirmed by every expert witness who has testified, and it includes also not only governmental witnesses but also knowledgeable outside witnesses, including the Air Force and our intelligence community."

Representative William Dickinson, October 6, 1981: "From my understanding of the physics of the problem, it is almost impossible to guarantee a respectable level of survivability with missiles encased in a silo of ICBM's. In other words, we are trying to address our so-called window of vulnerability, and I am concerned that we are not closing that window of vulnerability but simply pulling down the shade."

Senator William Cohen, December 2, 1981: "If you believe in the window of vulnerability, then putting those missiles [the MX] in unprotected, immobile silos is a very dangerous move. It's inviting of the very kind of Russian strike that we fear . . .

It also, I think can be agreed upon that the hardening of missile silos, as has been recommended by the administration on an interim basis, does very little to improve missile survivability, and that such hardening does not reduce the threat of nuclear conflict or strengthen nuclear deterrence . . .

I think inherently in any decision about having fixed silos, we must deal with the question as to whether or not, by putting these new, bigger, more destructive missiles in a fixed mode we thereby lower that threshold and make them much more targetable, much more attractive for the Soviets to attack in a moment of strategic error, miscalculation, and madness."

Dr. Richard DeLauer, Undersecretary of Defense for Research and Engineering, March 11, 1982: "The reason that I did not relate interim basing [of the MX missile in Minuteman silos] to the survivability problem is that the resulting survivability will be no better than it is now."

Caspar Weinberger, Secretary of Defense, October 5, 1981: "I don't think they [Minuteman silos] can be hardened enough on a permanent basis to warrant putting [MX missiles] in fixed and known silos. I think they can be hardened enough to give added strength for a few years."

Lt. Gen. Kelly Burke, Deputy Chief of Staff, U.S. Air Force, March 15, 1982: ". . . I testified earlier that the Air Force had recommended, irrespective of congressional action, that superhardening was not worth the cost. It had some value. It also had a very big price tag and our recommendation was not to do that."

Senator Dennis DeConcini, December 3, 1981: "By placing our most advanced strategic weapon—the MX—in silos which belong to an earlier era of nuclear technology, the President has reduced—perhaps even eliminated—the usefulness of the MX. Hardened existing silos would make a nice target for Soviet planners; it might even encourage them to contemplate a pre-emptive attack because the payoff—America's MX missile—would be so attractive."

Senator Dan Quayle, December 3, 1981: "The primary justification for a new land-based missile must be that it is relatively invulnerable to a Soviet first strike. If it is not, it will lose its deterrent value, which is the position we are facing with our Minuteman missiles.

It continues to distress me that, despite years of discussion and debate, we still lack an acceptable basing mode for the MX."

Senator James Exon, December 3, 1981: "Probably the most serious of all is the ill-conceived placing of the 10-warhead MX missile in place of the 3-warhead Minuteman III missile or the single-warhead Minuteman II and Titan missiles which would contribute to the unstable "launch-on-warning" doctrine we should instead be trying to avoid. It makes no sense to this Senator to place a more valuable weapon such as the MX in silos which are becoming more vulnerable with each passing month. During time of tension or warning of actual Soviet missile launch there will be a greater tendency to "use them or lose them" rather than having our land-based missiles attempt to "ride out" an attack and them retaliate. This situation does not contribute to crisis stability—one of the administration's own properly stated goals."

Gen. David Jones, then Joint Chiefs of Staff, October 5, 1981: "In my own view, I consider the MX in a very survivable mode to be extremely important to the security of the Nation. I remain to be convinced there is a survivable mode other than MPS. So, if forced with the difficult choice, B-1, ATB, and MX, I would put MX last under the current program slice."

Senator Sam Nunn, December 2, 1981: "There is considerable doubt in my mind about the wisdom of proceeding with an MX program at all if we cannot, at some point, come up with a reasonable opportunity for survivability of the missile."

Conference report on the fiscal year 1977 Defense Department Authorization Bill, June 1976: "The rationale behind the development of a new missile system (MX) is to provide a land based survivable strategic force. The development of an alternate basing mode as opposed to a fixed or silo based mode is the key element in insuring this survivable force. The conferees are in agreement that providing a survivable system should not be constrained for silo basing; that none of this program's funds shall be expended in fixed or silo basing for MX; and that none of the program reduction shall reduce the Department's proposed investigations of mobile deployment."

Senator John Warner, March 24, 1982: "The MX would be too vulnerable to a Soviet first strike under that arrangement [MX in existing silos] and the Subcommittee saw no point in building the missiles until the permanent basing decision was made."

Senator John Tower, October 2, 1981: "I am enormously skeptical to the point of feeling that this plan [MX in Minuteman silos] doesn't give us enough added capability for the money involved and leaves us with a highly vulnerable land-based system."

Senator Mark Andrews, December 2, 1981: "If we spend over $300 million to harden a bunch of silos, to put a 10-warhead missile in a fixed point because we are afraid that the Russians are targets 3-warhead missiles in a fixed point all we do is step up the opportunity for them to take out 10 warheads at a time instead of 3 warheads at a time."

Senator Alan Dixon, December 2, 1981: "I support the MX missile. I think hardening of the silos in permanent basing modes, as presently contemplated, invites disaster and is a terrible mistake."

Admiral Stansfield Turner, former Director of the CIA, March 13, 1983: "For several years now, the immediate problem with the MX has been how to base it. Placed in existing silos, it would be vulnerable to surprise attack by the Soviet Union's beefed-up strategic forces—just as vulnerable as our present generation of land-based missiles."

General Ellis, then Commander-in-Chief of the Strategic Air Command, February 18, 1981: "We must correct our vulnerability by deploying the MX in a mobile basing configuration. . . .

Senator, if we had the mobility in the Minuteman force that we are building into the MX force we wouldn't need an MX force."●

PET-FACILITATED PSYCHOTHERAPY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WAXMAN. Mr. Speaker, 7.7 million Americans aged 65 and older are living alone. Many of them have been forced into seclusion through the loss of their loved ones and endure lonely, isolated existences. As the number of solitary elderly persons increases and depression and despondency become more common among them, doctors are beginning to suggest that pets can improve their conditions. The results have literally been lifesaving.

"Pet-facilitated psychotherapy," a recently coined term illustrating the efficacy of pet therapy, has changed the lives of elderly persons who previously felt they had nothing to live for. Dr. Boris Levinson, a pioneer in the study of the human/animal bond at Yeshiva University, says that animal companionship is crucial to older people and actually can retard the aging process. A study conducted by Dr. Aaron Katcher, a psychiatrist formerly at the University of Pennsylvania, concludes that heart patients who own pets live longer than those who do not. Other studies show that the calmness associated with stroking and talking to pets can lower blood pressure rates.

The emotional and physical benefits to seniors who own pets are tremendous. Unfortunately, however, many older people who wish the companionship of a pet rent their homes and are prohibited from having one. California has recognized this problem and en-

acted legislation allowing the elderly to have pets in public housing. Similar legislation is pending in a number of other States and my colleague, Representative MARIO BIAGGI of New York, has introduced a bill in Congress to make this Federal law.

Studies show that people who live alone suffer premature death rates. Now that there is proof that pets actually can extend the lives of the lonely and sick, my great hope is that older Americans living in all forms of housing will be allowed to own pets so their final years may be longer, happier, and healthier ones. We owe them that much.●

A JOB WELL DONE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. FUQUA. Mr. Speaker, while it is popular today to criticize nuclear energy and utility companies I believe such criticism has been carried to extremes. For example, there is a lot of intelligent hard work that goes into building powerplants that provide electricity for our needs, but we seldom hear about the good things that happen.

I believe it is time to recognize achievements and extend our appreciation to the people who are productive in our society. I would like to share an article entitled, "Nuclear Construction—Doing It Right" which appeared in the April 21, 1983, issue of ENR—formerly Engineering News Record. This article presents insight into the construction of a powerplant called St. Lucie No. 2, built by the Florida Power & Light Co. My sincere congratulations to William B. Derrickson, project general manager for a job well done and to ENR for documenting the information.

The article follows:

[From the ENR, Apr. 21, 1983]

NUCLEAR CONSTRUCTION—DOING IT RIGHT

In the frustrating world of nuclear construction, the losers get all the attention. If it's not the five construction-quality-assurance failures cited by Nuclear Regulatory Commission Chairman Nunzio Palladino in his Dutch-uncle lecture last year, it's the WPPSS fiasco in Washington State, Three Mile Island, scheduling foul-ups and the embarrassing cost spiral that dominate the headlines.

But while most nuclear utilities and contractors have been busy explaining their problems, a tightly knit team working on an island off the east coast of Florida has been busy solving theirs. The result at St. Lucie unit two will be completion of Florida Power & Light Co.'s 810-Mw pressurized-water reactor, at a cost of $1.42 billion, in June, exactly six years after its construction permit was issued.

That's a benchmark in the nuclear construction business these days. By comparision, the lead times for the 10 plants completed since the beginning of 1978—one before the Three Mile Island accident in March, 1979, and the rest since 1980—have stretched out from 96 to 144 months. "When you compare this job to the rest of the business, we're number one," says William B. Derrickson, project general manager for FP&L, "and we can still do better."

Of the plants under construction now, Arizona Public Service Co.'s Palo Verde unit one, a 1,270-Mw power reactor designed and being built in the desert west of Phoenix by Bechtel Power Corp., San Francisco, is running a respectable second to St. Lucie, where Ebasco Services Co., Inc., New York City, is handling design and construction. Palo Verde's construction permit was issued in May 1976, and full power is scheduled for the Combustion Engineering reactor this August, seven years and two months later.

In many ways, St. Lucie two set up for speed:

It is a near twin of unit one, an 810-Mw Combustion Engineering reactor, completed by Ebasco and FP&L on a 78-month schedule—from construction permit to commercial operation—in December, 1976.

Design of the second unit was nearly 75% complete before the start of constuction, and site preparation actually began in June, 1976, under a limited work authorization. That was suspended by the Nuclear Regulatory Commission (NRC) four months later, however, because a new rule required study of other potential sites.

FP&L was one of the early entrants in the nuclear power business with its two Bechtel-built Turkey Point plants south of Miami, which were brought on line in 1972 and 1973, plus St. Lucie one, so it has experience building nuclear plants.

Where some oil-dependent utilities jumped into the nuclear era with both feet, FP&L held back some, canceling two planned 1,140-Mw reactors in 1976. As a result, except for replacing the steam generators in the two Westinghouse steam supply systems at Turkey Point and TMI safety backfits at St. Lucie one, FP&L's nuclear staff has been able to concentrate heavily on St. Lucie two construction.

Because construction started just as unit one was being completed, close to 80% of the skilled laborers and half of the nonmanual staff stayed on to build the second plant.

Where Seabrook had its Clamshell Coalition and Diablo Canyon its Abalone Alliance storming the fences, only a few green sea turtles have shown much curiosity about the construction at St. Lucie. The station is located 45 miles north of West Palm Beach in a remote area on Hutchinson Island, near the retirement communities around Fort Pierce. The generally conservative residents in the area have supported the plant.

Demand growth for electricity in Florida had been growing at 11 to 13% a year in the early 1970s. That has dropped to about 3.8% a year in FP&L's service area, but it is still well above national averages, so there has never been any relaxing on the critical path toward completion. And, while most utilities have found themselves in a cash bind—mainly because of ambitious construction programs during a period of high interest rates and slack demand growth—FP&L has maintained its fiscal fitness over the years.

THE TRUE PATH

At St. Lucie one, says Derrickson, "we discovered what turned out to be the real critical path." Despite industry experience to the contrary, he figures that six years "is what it ought to take to do this job. In 1977, we looked at the man-hours, the work and the logic and came up with a 65-month schedule for unit two that put the start of fuel loading on Oct. 28, 1982."

Crews were bolting the head on the loaded reactor core last week, and Derrickson expects to be at 5% power in three weeks and at full power in mid-June. The slip in the schedule is mainly due to post-TMI safety backfits and other design changes required by NRC or desired by FP&L. To hold slippage to a minimum, a number of changes not required by NRC or for operation of the plant—a condensate polishing system, for example—have been held over for backfitting before and during the reactor's first refueling outage in early 1985. Derrickson estimates the cost of that work at about $46 million.

An important element in making the start-up target was the all-out effort made by FP&L, Combustion Engineering and Ebasco engineers in negotiations with NRC over the final safety analysis report. Getting the safety checkoff needed for an operating license generally takes about 30 months. It took nine months—and more than 40 across-the-table meetings between NRC and project technical staffs—to get the regulatory blessing for St. Lucie two.

"Normally we go back and forth with formal letters asking new questions and requesting detailed explanations of answers," says Victor Nerses, NRC senior project manager for St. Lucie two. "We cut through a lot of misconceptions and misunderstandings by sitting across the table. Our engineers were talking with their engineers and we came away understanding what everyone was talking about."

Also, the negotiations were conducted, for the most part, without lawyers. "I'm suspicious of lawyers," says H. James Dager, vice president of engineering, project management and construction for FP&L. "Once you put things in their hands, you get a lot of legalese and an adversary relationship develops."

CONSTRUCTION ATTACK

Completing the construction and licensing work in 72 months—six months faster than unit one—is no mean achievement. Even though the two units are twins, unit two is much beefier. It is designed to meet higher seismic and missile-impact criteria, for example, and all updated design requirements. In materials alone, that has resulted in placement of an additional 15,000 cu yd of concrete, 1,000 tons of structural steel, 1 million ft of cable, 7,000 ft of large diameter piping and 4,400 more welds on unit two.

A number of scheduling and construction innovations used at St. Lucie two helped crews to get more work done faster. To excavate and pour the foundation mat for the reactor containment building without affecting the operation of unit one only a few hundred feet away, Ebasco designed what it claims is the first nuclear-safety-class cofferdam. The 180-ft-dia circular cell was placed by driving 500 tons of sheetpiling in 72-ft lengths using electrical vibratory hammers. The sheets were braced with internal compression rings made up of 900 tons of wide-flange beams, 36 in. deep, that were installed every 5 ft on vertical centers.

After extensive preparations, the concrete containment shield wall for the reactor was slipformed in a continuous pour lasting 16½ days. The cylindrical, heavily reinforced concrete wall, 3 ft thick, 191 ft high and 74 ft in diameter, required 10,000 cu yd of con-

crete placed around hundreds of embedded conduits, grounding cables and anchor bolts. Conventional step-forming of shield walls can take from 12 to 18 months.

To get an early start on the time-consuming concrete work inside the reactor containment, Ebasco chose to heat-treat the lower sections of the steel containment vessel by capping it with a temporary diaphragm rather than wait until the permanent steel dome could be placed on the top of the vessel. The lower portion of the vessel where the plates are thickest must be heated in place to relieve stress that builds up during erection. The thinner dome plates do not need heat treatment.

Construction of the reactor auxiliary building was done in a phased process that let craftsmen get started installing the control room, electrical cable vault and other critical equipment while other sections of the structure were still being built. The building went up in a stair-step fashion. As each elevation was completed, all major equipment for that level was lifted in before the roof was placed.

THANKS, I NEEDED THAT

During construction of the auxiliary building, on Sept. 3, 1979, Hurricane David hit the site, knocking down a 150-ton derrick being used to lift materials into the containment and auxiliary building. The 180-ft tower, 250-ft mast and 200-ft boom were destroyed. But more important, large sections of the auxiliary building were badly damaged. The initial estimate of lost time to repair the damage and replace equipment was 13 weeks.

After the initial shock, however, the effect of the accident was to shake the project up and put everyone into high gear. "The derrick collapse was probably the turning point in the project," says Leo Tsakiris, Ebasco project manager. "It pulled everyone together."

Ebasco engineers developed repair procedures and expedited orders for replacement equipment. Crews and supervisors put in additional overtime to make up for hours spent on repair projects. By the following November, the 13-week loss on the critical-path schedule was made up.

The key ingredient in the rebound from the crane collapse and in overcoming all other construction problems, Tsakiris says, has been the open and easy communication between his staff and utility managers. The peculiar, matrix-within-a-matrix site organization is partly responsible. Ebasco's construction supervisors manage craft workers and subcontractors, making sure that schedules are met. Where FP&L wants direct control and responsibility—in the areas of quality assurance, cost control, contract administration and start-up, for example—its man heads up the mostly Ebasco staff. In other areas, Ebasco managers take the lead. Everyone, including Tsakiris, ultimately reports to Derrickson, however.

The communication is built on trust. "If Bill tells me go ahead, that's all I need," says Tsakiris, "I don't have to keep looking over my shoulder all the time." And the trust is built on the long association between Ebasco and FP&L managers, many of whom have moved up the ranks together on the St. Lucie station and other FP&L powerplants. Derrickson and Tsakiris, for example, have been associates for 13 years. "We've been working together since we were kids," Tsakiris quips. "We each know what the other is going to say before he says it."

Another factor in the successful construction effort, says R. W. Zaist, Ebasco project superintendent, is the return to basics at St. Lucie two. "Plan your work, get the material here and give the crews solid guidance. A lot of people have gotten overwhelmed with the next best computer system or management philosophy. What happens is that all the managers and submanagers get so busy with their own business that they forget the guy in the field."

UTILITY CONTROL

Where a number of utilities have handed management of nuclear projects over to their architect-engineers, FP&L managers in Miami and at the site took control of St. Lucie and assumed responsibility for their decisions. "If anybody's got a problem on this job, everybody's got a problem," says Derrickson.

The most important exercise of that control has come in FP&L's aggressive start-up program at St. Lucie two. Plant operations staff were brought in during 1979, 35 months prior to the scheduled fuel-load date, to begin accepting systems or components of systems so they could be tested and fixed if necessary. The start-up crew was gradually increased to 64 operations technicians, who assumed more and more control of construction as work progressed toward completion. Eventually, FP&L's fine-tuners took over project management, creating some tension between construction and start-up staffs. But, as Tsakiris says, "It's good tension."

A total of 488 separate systems were identified and scheduled for turnover in a prioritized sequence to meet major project milestones. To support that effort, a computerized punch list of components and work items was developed—including a checklist of inspection schedules for the resident NRC inspector—to keep track of daily targets.

FP&L's aggressive style contrasts sharply with some other utilities that have handed management of their nuclear projects to architect-engineering firms. A number of those plants are in trouble now, Derrickson points out. "You can build all the fancy domes and use the best models and computer programs in the world," he says, "but if the utility doesn't get involved in start-up and make sure the plant is built to run right, all that fancy stuff doesn't make a hoot of difference."●

CITY OF COMPTON, CALIF., COMMEMORATES 95TH YEAR OF INCORPORATION

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. DYMALLY. Mr. Speaker, I am proud to inform my colleagues in the Congress that this month of May marks the 95th anniversary of the incorporation of the city of Compton, Calif. We in Compton have chosen to celebrate this special occasion by dedicating the oldest house in Compton. We call this home, built originally in 1869 by A. R. Loomis, Heritage House. It stands now as a tribute to the early settlers of the community.

Although Compton was not officially incorporated until May 11, 1888, the first settlers, a band of 30 families, arrived in the area 21 years before, in 1867. Their wagon train was led by Griffith Dickenson Compton and Willian Henry Morton. The land they settled had formerly been a part of a 75,000-acre Spanish land grant known as Rancho San Pedro. In the Los Angeles area, Compton is the eighth oldest community founded after California became a part of the United States. Of the 84 municipalities that now make up Los Angeles County, Compton was the 7th to be incorporated.

The early citizens did some experimenting with the name of the city before deciding that Compton, the community's first name, was most preferred. The community was called Compton in 1869. It was subsequently named Gibsonville, and later was known as Comptonville. By the time of incorporation, however, the city had returned to the name Compton.

Almost from the time of its incorporation the economic base of Compton began to change from agriculture to business and industry. This switch from a rural to an urban economy was aided by the opening of the Compton Airport on May 10, 1924, and by the founding of Compton Junior College in 1927. In one disastrous stroke, however, much of the development accomplished in the first quarter of the century was wiped away by an earthquake on March 10, 1933. That earthquake took the lives of many citizens, toppled schools, and reduced the business district to rubble. Slowly Compton recovered from the quake. Its population began to grow and businesses, industries, organizations began again to locate in Compton.

In the third quarter of this century, Compton underwent a very significant demographic and sociological change. Not only did its population increase fourfold over the course of a decade, but also a significant number of that new population was black. Now a majority of Compton's citizens are black, and a large percentage of the remaining population is composed of a variety of ethnic minority groups including Hispanics, Japanese, Koreans, Samoans, native Americans, and East Indians. Compton is proud of this diversity. The richness of many cultures is a part of what makes the city a desirable place to live. But the thing that makes Compton a truly great city is that our citizens work together for the common good. Compton might be considered a model for the Nation because in our community we have worked to blend the beauty of many cultures into one tapestry of cooperation. it gives me great pride to acknowledge the accomplishments of our fine city on this, the anniversary of its 95th year of incorporation.●

DIOXIN'S FIRST VICTIMS

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. PANETTA. Mr. Speaker, as we begin anew the investigation into the long-term health risks of dioxin exposure, I think it is important to keep in mind that the general climate of fear that has broken forth in the agony of Times Beach, Mo., can be traced back to the early 1960's when the U.S. Air Force first tested agent orange and other dioxin-contaminated defoliants in Vietnam. In all, an estimated 2.8 million American GI's were stationed in Vietnam during the period in which the defoliants were used extensively in a compaign to deprive enemy forces of ground cover and food supplies.

It is not my intention to dispute the Federal Government's responsibility to assist the unfortunate residents of Times Beach or other communities that may be contaminated by dioxin. And yet there is a tragic inconsistency in our response to dioxin poisoning. Consider on the one hand the swift evacuation of the residents of Times Beach from their contaminated community and subsequent decision to buy the entire town at a cost of $33 million. On the other hand is our treatment of Vietnam veterans, who while serving our Nation in Southeast Asia were exposed to levels of dioxin up to 20 time the concentrations reported at Times Beach.

In a recent report issued by the Veterans' Administration, it was reported that 16,564 claims had been filed by veterans for disabilities they believed resulted from exposure to agent orange and other dioxin-contaminated herbicides. Of the total, only 1,275 disability claims were allowed, all for reasons other than dioxin poisoning. The VA has as a policy refused to recognize veterans' claims of service-connected disability for chronic illnesses attributed to agent orange except for a rather limited number of cases involving a skin condition known as chloracne. Can it be that dioxin found in agent orange is any less deadly than that found in Times Beach?

Mr. Speaker, I commend to the attention of my colleagues a recent article published in the Los Angeles Times by our distinguished colleague from South Dakota, TOM DASCHLE. TOM has taken a lead on the agent orange issue and my colleagues may be interested to know that hearings are underway on his bill, H.R. 1961, to provide a presumption that occurrence of soft-tissue cancers and certain other disorders in Vietnam veterans is related to their military service and should be, therefore, compensable. I urge my colleagues to support this important legislation.

The article follows:

[From the Los Angeles Times, Apr. 24, 1983]

DIOXIN'S FIRST VICTIMS WAIT IN PAIN

(By Tom Daschle)

(Tom Daschle (D-S.D.) is a member of the House Veterans Committee and the chairman of Vietnam Veterans in Congress.)

For a decade, Vietnam veterans have been stonewalled by their own government. Don't worry about Agent Orange, they've been told. Sure, there was some dioxin contamination in the herbicide we sprayed on you in Vietnam, but the levels weren't that high, and the ill effects of dioxin remain unproven.

That's what vets have been told. What they see is something else again.

They see government agents clad like moonwalkers rushed to Times Beach, Mo., to test for dioxin contamination. They see an entire town instantaneously evacuated after the discovery of dioxin at 1/20th the level that they were exposed to in Vietnam. And they see their own government, the same government that has refused to acknowledge that Agent Orange was responsible for even one disability claim among the 16,000 they have filed, finding $33 million overnight to buy up the town of Times Beach.

If the discovery of dioxin levels at 0.1 part per million justifies the evacuation of an entire American town, why does exposure to an herbicide that contains levels of 2 ppm (according to a 1978 Air Force report) entitle men who fought for their nation to absolutely nothing?

That's the question Vietnam veterans are asking. And the answer, the story of a government poisoning its own troops, then turning a deaf ear to their pleas for compensation, is a national disgrace.

While legislation passed last year makes veterans eligible for medical treatment of dioxin contamination, the Veterans Administration has refused even to recognize the effects of the poison for purposes of determining disability compensation. The VA has so badly botched congressionally mandated studies of the problem that these have now been transferred to the Center for Disease Control. And now, with Times Beach evacuated, VA claims of ignorance about dioxin's effects are doubly unconvincing.

In fact, a number of adverse health effects have been documented based on industrial and other accidental exposure to dioxin. The most serious include lymphatic and soft-tissue-cancer, liver abnormalities, neurological disorders and a host of lesser maladies. Yet the VA holds to its claim that the only proven effect of dioxin is a form of acne.

Do you suppose that Times Beach was evacuated to save its residents from acne?

Veterans don't believe it. More than 16,000 compensation claims have been filed with the VA for dioxin-related illnesses based on exposure to Agent Orange.

But their chances of winning these claims under current rules would be minimal even if the VA acknowledged the dangers of dioxin. That's because a veteran seeking compensation is required to prove that his disability is directly related to his military service in Vietnam.

Unfortunately, it was a rare GI who stopped to take notes when a defoliant plane flew overhead, or kept a diary of physical symptoms that resulted. Herbicides were supposed to kill trees, not soldiers. Yet now, years later, the veteran discovers that he must demonstrate from his service records that his current illness is directly related to that spraying—an obviously impossible task. But at the VA, even these hurdles are not high enough.

The VA is just about the only government agency that can prohibit individuals who trip over its hurdles from seeking outside review. The only recourse for a Vietnam veteran who wishes to contest the agency's rejection of his Agent Orange claim is the VA's own Board of Veterans Appeals. Imagine Interior Secretary James G. Watt's glee if his department's regulations to permit offshore drilling were not subject to environmental laws or judicial review.

Due process of law? Not for veterans.

The treatment of Vietnam veterans exposed to dioxin-contaminated Agent Orange has been a scandal.

Now that we have belatedly constructed a monument to the Vietnam War dead, it's time for us to consider what we are doing for living veterans who fought for their country and were poisoned for their efforts. We leave these veterans without a penny of assistance. We forget their mounting bills and we ignore the agony of their all-too-frequent lingering deaths. (The government has refused even to keep the records needed to document incidents of deaths from types of cancer that have been associated with dioxin exposure.)

Instead, we should offer those suffering the consequences of dioxin exposure the benefit of the doubt. Following our practice with regard to scores of other illnesses, we should presume that Vietnam veterans' maladies are related to dioxin exposure unless otherwise demonstrated. Decisions by the Veterans Administration concerning contamination claims should be subject to independent judicial review. Vietnam veterans who were exposed to Agent Orange should be entitled to the same compensation for lost earnings that we now routinely award civilians under workers compensation and provide veterans of other wars under existing disability laws.

These steps are a matter of simple decency; a way by which we can show our respect for the soldiers who were sent to fight an unpopular war and were poisoned in the process.●

TOXIC SUBSTANCES AND AIR QUALITY STANDARDS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. VENTO. Mr. Speaker, pioneer work and research are developing significant new insights that have far reaching ramifications for national public policy addressing toxic substances and air quality standards.

Published material exists with regard to the lead content of Baltimore City soils. Another soon to be published study which was reported in the Minneapolis Tribune, Sunday, April 3, 1983, strongly supports the goal and tough standards to abolish the use of lead in motor fuel as an octane enhancer.

Clearly, this Congress and National Government must respond to new in-

sights as we draft public policy. The irreversible damage caused by lead poisoning to the greatest resource of civilization, the human mind, demands strong and urgent support for sharply curtailing the amounts of lead in our urban environment.

I commend Prof. Howard W. Mielke and his coworkers for their outstanding efforts within their discipline and the new insights they have provided for public policy direction.

I would like to take this opportunity to bring to the attention of my colleagues, the following article authored by Prof. Howard Mielke.

The article follows:

[From the Minneapolis Tribune, Apr. 3, 1983]

HIGH LEVELS OF LEAD POSE HEAVY RISK FOR MINNEAPOLIS CHILDREN

(By Howard W. Mielke)

People in the Twin Cities are exposed to startling amounts of lead. The element's harmful effects are well understood, so it seems incomprehensible that such high levels of it exist in our urban environment.

Lead is highly toxic and particularly dangerous for children. Because they are growing rapidly and have a large requirement for minerals, children absorb and retain about five times more lead than adults.

Also, children at play frequently place dirt or dirty objects in their mouths. When that dirt contains lead in the levels I have found in the inner city of Minneapolis, it can cause permanent mental retardation, including lower IQs and behavioral and psychological disorders.

I decided to study the Minneapolis lead problem after learning that a group of Hmong children were suffering from lead poisoning. Health officials had been unable to discover the source of the lead exposure in the children's homes. After obtaining the addresses of the afflicted children, an assistant and I took soil samples from the yards of their homes.

The children all came from Minneapolis inner-city neighborhoods. Analysis showed that half of them lived in homes whose yards contained between 500 and 1,000 micrograms of lead per gram of soil, and that 40 percent of them lived in homes where the lead concentration in the soil was even higher. (A microgram is one-millionth of a gram.)

According to standards set by the Minnesota Pollution Control Agency, soil containing that much lead would be classified as hazardous waste.

Researchers at the National Institutes of Health suggest that the maximum permissible intake of lead for a child between 6 months and 2 years of age is 150 micrograms per day. Of the inner-city soil samples I analyzed, half contained more than 700 micrograms of lead per gram of soil.

If a child ate half a gram of this dirt—about one fifty-sixth of an ounce, roughly the amount that would stick on a thumb—he would receive more than twice the maximum permissible lead dose from this source alone.

And there are many other sources. Children are exposed to lead every day in air, food and drink. When a child's lead level rises more quickly than the child can excrete it, the eventual result is lead poisoning.

Most of the urban lead problem probably comes from two sources: leaded gasoline and lead paint on houses.

Lead-based paints were used on homes until 1972, and many older homes have been scraped and repainted several times. The soils around such houses have been covered at various times with paint chips that eventually mixed into the dirt.

Some of the afflicted Hmong children live in brick homes, however. The lead concentrations in the soil around such buildings cannot be explained by paint alone.

The areas where the Hmong children live are near very dense car and truck traffic. Lead emitted from motor vehicles has accumulated in the soil and is especially concentrated in areas near heavy highway and street traffic.

Large quantities of leaded gasoline have been used in Minnesota. In 1982, the nonfarm use of leaded gasoline added about 958 tons of lead to the environment. I estimate that in 1983, under recently implemented changes in EPA regulations, the nonfarm use of leaded gasoline will increase the lead added to the environment by almost 17 percent, to a total of about 1,118 tons.

Scientists at the Center for Disease Control have observed that the average yearly blood-lead levels of the population correspond to the amount of leaded gasoline used. Regulations on the lead content of gasoline do not protect Minneapolis children.

This is by no means a local problem. The Center for Disease Control reports that almost 12 percent of innercity children across the country suffer from lead poisoning. More alarming is that the average blood-lead level of inner-city children is 20 micrograms per deciliter, an amount that British and American researchers have associated with lowered IQ.

Present knowledge of the relationship between lead and IQs suggests that the majority of inner-city children in our country have suffered a permanent loss in intelligence because of their exposure to lead. And inner-city children are not the only ones affected. I have found pockets of high lead concentration in various parts of the city.

To expose our children to such levels of lead is to diminish society. It is the death of intellect and a senseless waste of a human resource. Society cannot afford to raise its children in a lead-hazardous environment.

We should respond to the problem in two immediate ways: Ban leaded gasoline and call in the national guard to deliver clean topsoil to the inner cities. It is essential that we protect our most important resource: the creative and mental faculties of our youngest citizens.

(Howard W. Mielke is a professor of geography at Macalester College in St. Paul and director of the Urban Lead Research and Education Project.)●

CENTRAL AMERICA

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. EDGAR. Mr. Speaker, the national religious leaders have communicated with the President their concern about the administration's policy toward Central America. As a United Methodist minister by vocation, I share their deep distress and hope that the administration would move away from confrontation and toward reconciliation and a just and peaceful resolution of these conflicts. The letter follows:

CABLE TO PRESIDENT REAGAN FROM NATIONAL RELIGIOUS LEADERS ON CENTRAL AMERICA

APRIL 27, 1983.

DEAR PRESIDENT REAGAN: By taking the dramatic step of addressing a special joint session of Congress on the subject of Central America, you will focus the attention of the nation on that troubled region. As religious leaders informed by a long history of mission work with the people of Central America, we affirm that this attention is long overdue.

We believe that your message to Congress permits you a unique opportunity to seek a peaceful and lasting resolution to the region's conflicts. It is our hope that you will announce concrete steps toward ending the U.S. military build-up in the region and that you will promote initiatives for a peaceful resolution to the area's serious problems. We urge you in particular to seek dialogue among all parties to the conflict in El Salvador as proposed by the Conference of Catholic Bishops of that country and affirmed by Pope John Paul II. We also call upon you to respond more positively to the efforts of United States friends and neighbors, including Mexico, Colombia, Venezuela, and Panama, who have recommended alternatives for a just and lasting peace.

Until now, the policies of your Administration have left us anguished and alarmed. The Administration's failure to grasp the nature of the conflicts that are grounded in decades of poverty and repression has led to support for military responses to what are fundamentally political problems. The increase in U.S. military assistance to El Salvador, Honduras, and Guatemala and the support of covert operations against the government of Nicaragua have resulted in a growing toll of human suffering and an increasing danger of regional war. They have violated our nation's principles of democracy and respect for national sovereignty and international treaties.

As Christians and U.S. citizens, we appeal to you, Mr. President, to provide the leadership needed to move our government's Central America policy away from confrontation and toward reconciliation and a just and peaceful resolution of these conflicts.

Father Anthony Bellagamba, Executive Director, Catholic Mission Association; Asia Bennett, Executive Secretary, American Friends Service Committee; Dr. Arie Brouwer, General Secretary, Reformed Church in America; Dr. Robert C. Campbell, General Secretary, American Baptist Churches; Father Ronald Carignan, President, Conference of Major Superiors of Men.

Sister Helen Flaherty, President, Leadership Conference of Women Religious; Sister Janet Gottscholk, Sector Superior, Medical Mission Sisters; Bishop Thomas Gumbleton, President, Pax Christi USA; Sister Teresa Kane, President, Sisters of Mercy; Sister Patricia Lynch, President, Sisters of St. Joseph of Peace.

Bishop H. Coleman McGehee, Episcopal Diocese of Michigan; Dr. Robert Neff, General Secretary, Church of the Brethren; Reverend James P. Noonan, Superior General, Maryknoll Fathers and Brothers; Father John J. O'Callaghan, President,

United States Jesuit Conference; Sister Anne O'Neil, Provincial, U.S. Province of the Religious of the Sacred Heart.

Dr. O. Eugene Pickett, President, Unitarian Universalist Association; Dr. Avery Post, President, United Church of Christ; Dr. Claire Randall, General Secretary, National Council of Churches; Reverend Graham Rights, Executive Director, Board of World Missions, Morevian Church in America; Sister Melinda Roper, President, Maryknoll Sisters.

Dr. Richard Scobie, Executive Director, Unitarian Universalist Service Committee; Dr. Kenneth L. Teegarden, General Minister and President, Christian Church (Disciples of Christ); William P. Thompson, Stated Clerk, United Presbyterian Church USA; Sister Marjorie Tuite, President, National Assembly of Religious Women.

Dr. Paul Wee, General Secretary, Lutheran World Ministries; Dr. Doris Anne Younger, General Director, Church Women United; Joan Chittister, Prioress, Benedictine Sisters of Erie.●

THE HAWAII RIVERS AND HARBORS ACT OF 1983

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. AKAKA. Mr. Speaker, on April 27, I introduced the Hawaii Rivers and Harbors Act of 1983, a bill to authorize the Corps of Engineers to construct projects which would respond to the special flood control and navigation needs of the State of Hawaii.

I have included in my bill construction authority for hydropower production along the Wailua River on the island of Kauai, Hawaii. The energy problems of the island of Kauai are typical of many insular locations. Kauai lacks energy-efficient utility networks and access to inexpensive fuels with petroleum fuels as their major source of electrical energy. This oil dependency may be substantially reduced by tapping the abundant water resources of the island.

To harness this resource, my bill authorizes the construction of a small hydropower facility located in the Wailau River basin, as recommended by the Army Corps of Engineers. This facility would utilize a renewable energy source to provide an additional 11.28 million kilowatts of energy to serve the equivalent of 2,300 households on Kauai.

This bill would also authorize several projects on the island of Hawaii. First, my bill addresses the special flood control needs for Alenaio Stream. The Alenaio Stream flows through the city of Hilo, the big island's largest city and county seat. In 1966, 1979, and again in 1980, the city of Hilo experienced major floodings directly resulting from the poor channeling of floodwaters through the Alenaio Stream. On these three occasions, floodwaters caused extensive property damage to the downtown Hilo area.

The Army Corps of Engineers has developed project recommendations for channel construction to prevent further flooding of the Alenaio Stream. These recommendations are fully supported by the county government and the local community. The proposed floodproofing of the Alenaio Stream would substantially enhance urban planning and development, as well as providing for the economic stability of downtown Hilo.

In addition, this bill would authorize construction of lava-control barriers to provide emergency protection for Hilo residents from eruptions of the active volcanic mountain, Mauna Loa. A rift line along the slope of Mauna Loa extends northeast to the city of Hilo. Because lava flows generally originate from points along the rift, an eruption of Mauna Loa poses a potential threat to Hilo and its residents.

Since 1843, there have been seven major eruptions in Mauna Loa's northeast rift zone. Lava from four of these eruptions advanced to within 7 miles of Hilo, and lava from one eruption advanced to within 1.5 miles of Hilo Bay. The Corps of Engineers has recommended the construction of earthen diversion barriers to direct future lava flows away from Hilo's inhabited areas. This recommendation is part of an emergency reaction plan to be implemented only if volcanic activity poses a significant threat to life and property.

Finally, I have proposed project authority for the modification of the Hilo Harbor facility. Harbors are the foundation of my State's well-being, with 98 percent of all the goods and materials we receive arriving by ship. Hawaii is geographically isolated and consequently is far more dependent upon shipping than is the continental United States. With no effective alternative to shipping, the ocean constitutes our "highway" for transportation of the necessities of life.

Like the highways on the continental United States, our "highway," in particular the Hilo Harbor exit, is in need of repair. The harbor's existing channels are inadequate to serve Hilo's shipping needs. The shallow depths of Hilo Harbor are an obstacle to navigation, preventing larger ships from traversing through and maneuvering within the harbor channels. The hazards to navigation present a substantial impairment to the efficient movement of cargo. In responding to these deep-draft navigation needs of the Hilo Harbor facility, I have proposed in my bill the deepening of this harbor to promote vessel safety and more efficient shipping operations.

Mr. Speaker, I urge the Committee on Public Works and Transportation to give swift consideration to this bill.●

POLLOCK PINES AND THE PONY EXPRESS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SHUMWAY. Mr. Speaker, Pollock Pines, Calif., which I am highly privileged to represent in the Congress, is Pony Express country. The original Pony Express put Pollock Pines on the map, and now Pollock Pines is returning the favor. Members of the National Pony Express Association headquartered in Pollock Pines were pressed into service last week to deliver the mail following a massive landslide. The Los Angeles Times carried an excellent account of that event, which carried the area back into time. I commend it to the attention of my colleagues, and I am certain that they will share my admiration for the ingenuity and spirit demonstrated by all concerned.

The article follows:

[From the Los Angeles Times]

BACK IN THE SADDLE AGAIN FOR THE OLD PONY EXPRESS

(By Ann Japenga)

POLLOCK PINES, CALIF.—A mountain came down during the recent rains and tossed this town back 124 years in time.

So, members of the National Pony Express Assn. headquartered in Pollock Pines were pressed into service last week to carry the mail along a 40-mile stretch of U.S. 50 west of Lake Tahoe where a massive landslide obstructed the mail truck's route. (The truck was forced to travel a 115-mile detour.)

The town of Pollock Pines derives its identity from the Pony Express. Main street is called Pony Express Trail. There is Pony Express Realty, Pony Express Travel, Pony Express Mobile Home Park. The new shopping cluster is called Pony Express Village.

NEWFOUND GLORY

These days anyone involved with the humble task of carrying the mail is enjoying newfound glory. Sportsman's Hall, the old Pony Express stop, is abuzz from dawn until the last piece of pie is served at midnight. Men with chapped faces and sore thighs—the riders who carry the mail—are once again town heroes.

"Pollock Pines is just a little town up here in the foothills," said local Highway Patrol Officer and Pony Express rider Malcolm McFarland, 49, "But what it has going for it is that the Pony Express ran right through here."

McFarland was sitting at the counter at sportsman's Hall. A waitress had taken the old-fashioned phone off the hook, giving McFarland time to finish his hamburger and coffee without being interrupted by phone calls from reporters all over the country.

A TRUSTED COURIER

"The fact is, the pony was a trusted courier," McFarland said. "The pony was a suc-

cess. The pony didn't fail. The firm that supported the pony failed."

After only 18 months of operation, the Pony Express folded in 1861, making way for the telegraph and the modern mail system. But ever since there has been a small group of die-hard Pony Express lovers who wouldn't let that brief moment of American history die. They organize ambitious re-enactments of the run from St. Louis, Mo., to San Francisco, spending thousands of dollars of their own money for the privilege of making the ride.

McFarland—known locally as "the Captain"—and Postmaster Patricia Peterson started the California chapter of the organization 15 years ago. Since then McFarland has ridden in dozens of parades and dry runs.

But now it is the real thing.

McFarland's pony has been out to pasture. "He's fat and soft." McFarland isn't in prime shape either after a long winter indoors.

But he has willingly endured the inevitable aches and saddle sores to get the mail through.

"To me the Pony Express stands for the dedication of the riders," he said. "They were young men. Young boys. They did a man's job back when a handshake and a man's word were good.

"I'm impressed by what these young fellows did with one young man and one horse."

McFarland pushed away his plate of cold french fries and recalled a recent ride. It was just before daylight. McFarland was galloping along the creek bottom, racing to keep on schedule. He rode under Lovers' Leap, across Slippery Ford. . . .

At that moment he said he felt close to the spirit of those brave young boys. "I couldn't see. I had to depend on my horse. It was man and horse."

McFarland wants to see Pollock Pines become a town that respects its horses again. He wants to be able to ride through town along the old Pony Express trail, without his horse's hoofs ever once touching pavement ("Horsemen know that asphalt is terrible," he said). McFarland is working to get the trail established as a National Historic Landmark so that even when the slide is cleaned up and the mail trucks are running again, people won't forget that Pollock Pines was originally a pony town.

Later that evening McFarland joined the Pony Express riders in the back room at Sportsman's Hall. One rider asked how long they could keep this up—taking time off from work and pushing their out-of-shape horses to make the run from Pollock Pines to Little Norway, 40 miles away.

McFarland answered: "We have got a hold of something we have been striving for for 15 years. We are putting Pollock Pines and the Pony Express on the map.

"So you ask me how long we're gonna do this? I've got one horse and I'm going every morning."

He called an informal roll:

Gary? . . . Chips? . . . Ron? . . .

The answer in every case was: "If you need me, I'll ride."

Sandi Linnenbrink was washing the breakfast dishes on a recent morning when she heard an unfamiliar sound: a horse clattering down the road and a rider shouting the beast on. Linnenbrink looked out the kitchen window and saw a man in a red longjohn shirt and chaps astride a galloping horse. Attached to the horse's saddle was a *mochilla*, or saddlebag made to carry mail.

Linnenbrink said later it was the most exciting thing that's happened in Pollock Pines since the landslide.

Sandi and Barte Linnenbrink and their 3-year-old son moved here from Sacramento three years ago when Barte Linnenbrink took a job with Pacific Gas & Electric in Pollock Pines.

Some of their neighbors are loggers and construction workers. A growing number of them, however, are commuters who work in San Francisco or Sacramento. Some residents even commute to Los Angeles from Placerville Airport.

Despite the new stores and shops that are making Pollock Pines look more and more like a suburb of Sacramento, the Linnenbrinks said they have managed to preserve a feel for the history of the region. They live on the Pony Express trail, and outside their door is a monument commemorating a stagecoach robbery.

Down the road in the town of Rescue (so named because the first survivor of the Donner party was discovered at this spot), Lillian Dixon lives in an old Pony Express roadhouse. The lumber for her house was shipped around the Horn, then hauled to its present site on wagons.

Dixon reared nine children in the house. The place is still full of offspring and family friends.

The barn floor, which bears hoofprints from the days when Pony Express steeds were stabled there, today is occupied by a newborn colt named April. Eventually Dixon says she hopes to see the house and barn turned into a Pony Express Museum (a map of the original Pony Express route is carved into the concrete of her front walk) but for now she's too busy living in it.

Where frothing horses once were tethered in front of Sportsman's Hall, television vans were parked on a recent morning waiting for the mail ride to begin.

There were a couple of historical markers out front identifying this as the place where "at 8:01 a.m. on April 4, 1860, Sam Hamilton, first eastbound rider, was relieved by Warren Upsom who carried the initial mail over the storm swept Sierras."

The second marker said the time of the mail transfer was in fact 7:40 a.m.

Bob Cox, an architectural engineer, was having breakfast inside at the counter. Cox said he has traveled the world but he hasn't found a place that compares to Pollock Pines.

"California started right here," he said.

He pointed out that Mark Twain once compared sights he saw in the Holy Land to the countryside between Placerville and Virginia City. "I'm big on Mark Twain."

Cox said his firm advertises houses in Los Angeles papers and sells many of them to city people who are ready for a change. Despite all the newcomers, Cox said, Pollock Pines has not lost its flavor.

Just then a group called the Boullion Bend Band marched into the hall. They were dressed as dandies and prostitutes, decked out in Old West attire and carrying pistols.

Cox nodded his head as if to say, "See what I mean."

The Pony Express Oath: "I do hereby swear, before the great and living God, that during my engagement I will, under no circumstances, use profane language nor drink alcoholic beverages; that I will not quarrel or fight with any other member of the association; and that in every respect, I will conduct myself honestly, be faithful to my duties, and so direct all my acts to win the confidence of my associates, so help me God."

The members of the California chapter of the National Pony Express Assn. are for the most part men in their 50s and older. They take their oath seriously. (Only once did a member of the California chapter slip—he drank a beer while waiting for the mail.) They maintain these standards not only for themselves but to set an example for young boys.

Walt Harmon, a food consultant formerly from the Los Angeles area and currently owner of Sportsman's Hall, ran away from home at age 15 to fight in the Korean War. He said he saw boys his own age shot down and killed.

He feels his mission is to let children know about the important part young people have played in history. That's why he has devoted himself to the Pony Express.

Two years ago when Harmon purchased Sportsman's Hall with the intent of restoring it, he took a trip to the University of the Pacific in Stockton to research the history of the area. He dug up notices recruiting Pony Express riders: "Wanted: Young skinny fellows willing to risk death daily. Orphans preferred."

He discovered that the majority of the men who carried the mail were 13 to 19 years old. Wild Bill Cody was 13 when he rode for the Pony Express. The horses, for the most part, were wild. They had to be held down long enough for the rider to leap on with the *mochilla*.

"The boys rode those ponies and they rode their hearts out." Harmon said.

He likes to tell a story about a young rider named Billy Tate. When Billy was attacked by Indians, he remembered his oath and held onto the *mochilla* even when he was pulled off his horse. They killed him, but he never surrendered the mail.

"The Indians never touched his body (to scalp him)," Harmon said. "Indians were impressed by a boy who would stand up and fight."

Harmon wants every child in every school in El Dorado County to know what children their own ages accomplished on the Pony Express.

Cody Glenn skipped classes at El Dorado High School a couple of mornings recently to carry the mail through snow and mud.

One night after a particularly wild run, 14-year-old Cody sat down before a red-checked tablecloth at Sportsman's Hall and ordered a big steak and a milkshake. (The hall serves a 40-ounce steak that one customer described as being bigger than a roast.)

At dinner everyone teased Cody about his spectacular dismount: At one point he had touched his spurs to his green mount and was bucked off.

Cody's uncle Ron Fritzmeier slapped him on the back and shined with pride as he said: "I bet that's not the first time a boy by the name of Cody got bucked off carrying the mail through Pollock Pines."●

HONORING HENRY FUNK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. MURTHA. Mr. Speaker, it is a pleasure to insert these remarks into

the CONGRESSIONAL RECORD as a fitting additional honor for Henry Funk.

A great deal of the history of our great Nation is written not in legislation, but in the individual acts of our citizens. The greatest strength of America has always been the individual drive, commitment, and compassion of our citizens. Henry Funk's life has been dedicated to that great tradition.

It is difficult to go through Henry Funk's years of service and pick out one or two items for particular designation because the list of outstanding efforts is so long. But I think I was particularly struck by the work Henry has done with the youth of our country. His work with the Jeannette Baseball Association, the Midget Football Program, the Westmoreland County Coaches Association, and the Norwin School District has literally affected the lives of thousands of young people whose lives were developed productively and positively by Henry.

To paraphrase a public slogan, a man never stands so tall as when he helps to develop a young person's life, and by that measure, Henry must stand as one of the tallest human beings in the country.

Henry has also been one of the most active people in the State of Pennsylvania in the Fraternal Order of Eagles, and his work locally and statewide has concentrated on the ability to help the community and spread the spirit of the Eagles.

It is a pleasure through these remarks to join in honoring a very deserving American, a man who has made our community and our entire Nation stronger, a man of dedication, honor, and commitment—it is a pleasure to join in honoring Henry Funk with these remarks to add to the very deserving award and recognition he will receive on May 14. Henry is a man about whom we can safely say, that all our lives and the strength of the Jeannette community is improved because of his work.●

CALL TO CONSCIENCE VIGIL FOR VIKTOR BRAILOVSKY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. LEHMAN of Florida. Mr. Speaker, the worsening situation of Soviet Jews is most recently marked by the formation of an anti-Semitic campaign to label anyone who wishes to emigrate from the Soviet Union to Israel as an enemy of the state. The "Anti-Zionist Committee of the Soviet Public" demonstrates to what extent the Soviet Government will go to deny Jews in the Soviet Union the right to emigrate or to live openly as Jews without being punished for maintaining Jewish identity and culture. Anti-Zionism is synonymous with antisemitism in the Soviet Union as it is elsewhere by those who refuse to legitimize the existence of Jews or the Jewish state.

Viktor Brailovsky has long been victimized for being a Jew and for daring to exercise his right to emigrate from the Soviet Union to Israel. He is serving the third year of a 5-year sentence to internal exile following a conviction on charges of defaming the Soviet state. His crime was not his application 11 years ago to go to Israel which has been repeatedly denied, but his involvement as a Jewish scientist with other Jews who have been harassed and persecuted, isolated from their professions. As a prominent computer scientist, Dr. Brailovsky organized the Moscow Seminar for Jewish Scientists, a group of eminent Soviet refuseniks and western scientists that met each Sunday to discuss recent advances in their respective fields. Dr. Brailovsky's publication of a cultural journal entitled "Jews in the Soviet Union" and his signing with 200 other refuseniks a written appeal to the late President Brezhnev requesting free emigration for Soviet Jews resulted in his last conviction.

Dr. Brailovsky's declining health has caused great international concern. He was recently informed by Soviet authorities that his sentence will not be shortened. He will remain in exile until September 1984.

The 11-year history of Soviet anti-Semitic abuse toward the Brailovsky family is indeed tragic. The lives of Viktor and Irina Brailovsky and their children, Leonid and Dahlia, have for over a decade been subjected to severe harassment and unjust treatment. His arrest and sentence to 5 years internal exile are only recent examples of the persecution suffered by Viktor Brailovsky over the years since he and his family decided to apply to emigrate from the Soviet Union to Israel.

Mr. Speaker, I hope that every one of our colleagues in the House will speak out for Soviet Jews who are at this moment enduring an anti-Semitic campaign reminiscent of Nazi era legitimization of government-sanctioned anti-Semitic policies. I also ask that our colleagues join with me and 82 other Members of Congress who have cosponsored House Resolution 118 which I have introduced, urging the Soviet authorities to allow Dr. Viktor Brailovsky and his family to emigrate from the Soviet Union to Israel.●

JOB PRAYER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mrs. SCHROEDER. Mr. Speaker, Ambrose Bierce enterprisingly defined prayer as "To ask that the laws of the universe be annulled in behalf of a single petitioner confessedly unworthy."

The Reagan administration is confessedly unworthy of the votes of working class Americans. Prayer, however, appears to be the administration's only hope for salvation, or its earthly equivalent, reelection. That's the message from the newest drove of healers at the White House public liaison office, led by someone appropriately named "Faith."

In the absence of jobs, they propose to offer the unemployed school prayer. As an additional beneficence, tuition tax credits. If you don't like the prayers at your public school, appears to be the logic of the White House pulpiteers, send your children to a private school where the Government cannot require prayer. There is no room in this scheme for getting the unemployed back to work. (See the April 30 National Journal, pp. 884-887, for all the details.)

It seems to me, upon reflection, that President Reagan is mesmerized by unrelated alternatives. Jobs or prayer. In the meanwhile, I have a suggestion—it is not a miracle, which is what the President will need to save his job—just a suggestion. Job prayer. The 11 million unemployed Americans could start each day with a moment of silent prayer. Ask the Almighty to bless this land with more jobs. And, as a hedge, pray for a Democratic victory in 1984.●

THE UNITED STATES NEEDS A BROAD, INTEGRATED STRATEGY TOWARD CENTRAL AMERICA

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WORTLEY. Mr. Speaker, it is now apparent just how crucial Central America is to our interests. As to how the United States can best protect its interests, there is considerable debate. I commend to my colleagues' attention an article in the April 22 Wall Street Journal by William J. Casey, Director of the Central Intelligence Agency. Mr. Casey points out that the Congress and the executive branch must work together to develop a plan for

countering the Soviet presence in Central America.

I believe a careful reading of the article will prove helpful to my colleagues in the days ahead as we consider issues that relate to Central America.

The article follows:

REGROUP TO CHECK THE SOVIET THRUST

The effects of American defeats in Vietnam and Iran undermined the confidence of U.S. friends and allies in the Third World (and Europe and Japan) and ensured that the Soviet Union would see in the Third World its principal foreign-policy opportunities for years to come.

The Soviets themselves suffered setbacks in the 1960s and early '70s in the Third World. They suffered one setback after another in Africa. They saw their hopes in South America dashed by the overthrow of Salvador Allende in Chile and they were humiliatingly expelled from Egypt in 1972. When they turned again to the Third World in 1975, it was with a strategy designed to minimize the chance of a repetition of those setbacks. The strategy, enriched and strengthened over several years, is realistic and calculated to exploit effectively both events and opportunities.

First, shown the way by Castro in Angola, the Soviets helped him consolidate the radical power of the MPLA there, creating a government dependent on Soviet and Cuban support for survival. This was followed by the dispatch of thousands of Cuban troops to Ethiopia. Unlike Sadat, neither the MPLA nor Mengistu could afford to order the Cubans and Soviets out.

In the new strategy, the principal, obvious role in Third World countries would be played by another Third World state—Libya, Vietnam, Nicaragua. No superpower would be seen to be guiding or arming or directing the radical forces at work; the host government would be maintained by foreign advisers and troops who couldn't be expelled in the event of a change of heart. Additionally, it was a strategy that made (and makes) any direct response by the West appear neo-imperialistic.

Second, when radical governments came to power, the Soviets directly or through their surrogates helped establish an internal-security structure to ensure that any challenge from within would be stamped out. There would be no more Allendes. Sometimes it worked, as in Ethiopia and Angola, and sometimes there was not enough time, as in Jamaica.

Third, the Soviets supplemented these tactics with their more traditional offerings, such as technical and political training in the U.S.S.R., the rapid supply of weapons and the use of propaganda and subversion to support friends or help destabilize unfriendly governments.

LAUNCHING ITS OWN FORCES

Fourth, where a vacuum existed or the costs and risks were low, the U.S.S.R. proved still willing to launch its own forces at targets on its periphery—Afghanistan, and perhaps elsewhere when and if circumstances seem right.

Fifth, the Soviets advised new radical regimes to mute their revolutionary rhetoric and to try to keep their links to Western commercial resources, foreign assistance and international financial institutions. Moscow's ambitions did not cloud recognition that it could not afford more economic dependents such as Cuba and Vietnam.

This strategy has worked. A Soviet Union that had found itself in 1972 without major successes—except for the survivial of the Castro regime—and with many failures in the Third World after two decades of effort could count the following achievements by the end of 1982:

Victory in Veitnam and Hanoi's consolidation of power in all of Indochina.

New radical regimes in Ethiopia, Angola and Nicaragua.

Possession of Afghanistan, a Russian goal for over a century.

Cuban control of Grenada (and new military facilities there for support of further subversion).

An active insurgency in El Salvador, where U.S. support of the elected government has rekindled old Vietnam memories.

Nicaraguan support of revolutionary violence in Honduras and Guatemala, as well as El Salvador.

U.S. expulsion from Iran, which, though not through any Soviet action, represented a major strategic gain for the U.S.S.R.

Rapid progress toward Cuban control of Suriname, the first breakthrough on the South American continent.

Pro-Western regimes under siege in Chad and the Sudan.

Beyond these successes, the Soviets could see opportunities, actual or potential, to achieve their objectives in many other places.

The U.S. needs a realistic counter-strategy. Many components of that strategy also are familiar, though they must be approached and linked in new ways. The measures needed to address the Soviet challenge in the Third World have the additional appeal that they represent also a sensible American approach to the Third World whether or not the U.S.S.R. is involved:

1. We have too often neglected our friends and neutrals in Africa, the Middle East, Latin America and Asia until they became a problem or where threatened by developments we considered hostile to our interests. The Third World now buys 40% of our exports; that alone is reason enough to pay greater attention to the problems of the less developed countries (LDCs) before we confront coups, insurgencies or instability. The priority of the Third World in our overall foreign policy must be raised and sustained. The executive branch must do more to educate the public, the Congress and Third World governments about Soviet strategy in the LDCs generally.

2. The U.S. must establish priorities in major commitments. President Nixon wanted to rely on key regional states as bulwarks for stability and peace. There are some dangers in this approach (Iran was to be the key state in the Persian Gulf), but it is generally sensible. If our early help fails to prevent serious trouble, for which countries are we prepared to put our chips on the table? We should choose ahead of time and in consultation with key members of committees of Congress so that their support at crucial moments is more likely. Great losing battles for foreign military sales and economic assistance, played out on the world stage and at critical times, represent devastating setbacks for the U.S. with ramifications going far beyond the affected country.

WE NEED A CONSTANT POLICY

3. We must be prepared to demand firmly but tactfully and privately that our friends observe certain standards of behavior with regard to basic human rights. It is required by our own principles and essential to political support in the U.S. Moreover, we have to be willing to talk straight to those we would help about issues they must address to block foreign exploitation of their problems—issues such as land reform, corruption and the like. We need to show how the Soviets have exploited such vulnerabilities elsewhere to good effect to make clear we aren't preaching out of cultural arrogance but are making recommendations based on experience.

4. We need to be ready to help our friends defend themselves. We can train them in counterinsurgency tactics and upgrade their communications, mobility and intelligence services. We need changes in our foreign-military-sales laws to permit the U.S. to provide arms more quickly. We also need to change our military procurement policies so as to have stocks of certain basic kinds of weapons more readily available.

5. We must find a way to mobilize and use our greatest asset in the Third World—private business. Few in the Third World wish to adopt the Soviet economic system. Neither we nor the Soviets can offer unlimited or even large-scale economic assistance to the LDCs. Investment is the key to economic success or at least survival in the Third World and we, our NATO allies and Japan need to develop a common strategy to promote investment in the Third World. The Soviets are helpless to compete with private capital in these countries.

6. Finally, the executive branch needs to collaborate more closely in the setting of strategy with key members and committees of Congress. Too often opportunities to counter the Soviets have been lost by clashes between the two branches. The independent stand of Congress is a fact of life, and any effort to counter the Soviets in the Third World will fail unless Congress is a party to the executive's thinking and planning—all along the way. Support for a Third World policy must be bipartisan and stable.

Without a sustained, constant policy applied over a number of years, we cannot counter the relentless pressure of the U.S.S.R. in the Third World. It is past time for the American government—executive and Congress—to take the Soviet challenge in the Third World seriously and to develop a broad, integrated strategy for countering it. It will be the principal U.S.-Soviet battleground for many years to come.●

RUTH SMITH: A LIFE OF CARING

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. GILMAN. Mr. Speaker, there are among us those individuals whose own life experiences cause them to contribute in a parallel fashion to others. Men and women, who share a common experience, come together for a dual benefit, for themselves as well as for the community at large. Ruth Smith, of Westchester County, is one such caring person.

For over a decade, Ruth Smith has been involved in aiding the indigent, alcoholic, and incarcerated individuals rehabilitate their lives and gain reentry into society. For Ruth herself, this struggle for achievement was a

single-minded goal that was accomplished through dedication, hard work, and study.

Born in New York City, Ruth Smith grew up in Harlem, where children were often left to attend to themselves without adult supervision. Her involvement with the other children of the neighborhood evolved to the point where Ruth was known as the street attorney, who would negotiate with neighborhood adults on behalf of groups and gangs who wanted to use various facilities for their activities.

Determined to make a life for herself, Ruth scrimped and saved in order to provide for her fatherless children, and she established herself in the work force as a secretary to a law firm. Increasingly, Ruth found it more and more difficult to cope with life's problems, and joined Alcoholics Anonymous in 1969.

That route led to her eventual involvement with a rehabilitation agency, where she served on a voluntary basis. In 1971, Ruth Smith was offered the position as acting assistant director of Rehabilitation Phase Halfway. In her capacity there, Ruth organized self-help workshops, family counseling seminars, and carried out various tutorial and counseling programs. After establishing her reputation, Ruth then became an alcoholism counselor for the Rockland State Hospital's alcoholism unit, where she distinguished herself as a therapist in the detoxification and rehabilitation program for inpatients, and as the facilitator of a coping skills group.

Mr. Speaker, for the last 6 years, Ruth Smith has very ably served as executive director of an intervention and treatment program for the City Court of Mount Vernon known as honor court. This program includes the professional education of court staff and presiding judges who deal with the alcoholic within the criminal justice system, and Ruth's responsibilities include the design and development of comprehensive treatment programs for those alcoholics.

The service Ruth Smith has rendered to the community continues in other forms as well. Ruth serves as a member of the National Black Alcoholism Council's public policy committee, a minority group representative of the New York Federation of Alcoholism Counselors, and as an executive board member of the Westchester Council on Alcoholism.

Although Ruth Smith is an accredited alcoholism counselor and a certified addiction specialist, she is currently a candidate for a master's degree in social work at the State University at Stony Brook, and expects to complete her degree this summer. This legacy of achievement is impressive indeed, Mr. Speaker, and it is to the credit of Westchester County that a woman of Ruth Smith's dedication and experience is among us. Ruth is highly deserving of our appreciation, and of our desire that she continue to serve our community in the years to come.●

CENTRAL AMERICAN REFUGEES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. AuCOIN. Mr. Speaker, the Reagan administration continues to act out a charade, trying to convince Congress that government brutality in El Salvador is actually human rights improvement. It is a cruel game, especially for the more than 500,000 Salvadoran refugees who have poured into this country over the past 3 years.

The vast majority of these refugees are civilians caught by the violence rocking their country. They are innocent bystanders to a bloody civil war who have been pushed from their homes, from their farms, from their homeland. They are people who have too often had to watch as government forces murdered members of their family, their neighbors, their friends.

But these refugees have fallen victim for a second time—to a U.S. immigration policy that does not acknowledge their need for temporary shelter.

Over the past 2 years, the U.S. Immigration and Naturalization Service has been deporting Salvadoran refugees at a steady clip, nearly 1,000 a month. Of the over 16,000 refugees who have applied for asylum in the United States, only 72 have had their applications granted.

Growing numbers of principled American people refuse to condone this situation. To date, over 30 churches across the United States have offered sanctuary to central American refugees—mainstream denominations such as the Catholic Church and the Baptist Church.

And 86 Members of Congress have signed a letter, sponsored by my good friend Congressman JOE MOAKLEY, to the Departments of State and Justice asking that they institute a policy of extended voluntary departure status for Salvadoran refugees.

Mr. Speaker, this is a problem of increasing magnitude and of concern in communities all over the United States. It is a concern illustrated by the following article from Willamette Week, a weekly newspaper published in Portland, Oreg.

CIVIL DISOBEDIENCE AND THE REFUGEES

(By Peter Dammann)

Over the telephone, which she fears may be tapped, Barbara won't talk about what she is doing to help four Salvadoran refugees settle into a new life in Portland. She rarely discusses the refugees or their stories with anyone other than close friends, and when she does, she chooses her words carefully—too much information might give away their identities or the location of their safe house.

Barbara (not her real name), a Portland social services worker in her early 30s, is cautious not only because of the five-year prison term and $10,000 fine she would face if convicted of aiding and harboring illegal aliens, which the Salvadorans are; she knows that should the federal immigration officers ever nab the Salvadorans, the consequences would be far worse for the refugees she has committed herself to protect.

Barbara met them two years ago, shortly after they arrived in Portland, at a meeting of local political activists and religious workers concerned about U.S. policies in Central America. Toward the end of the meeting, a Hispanic man who had been sitting quietly in the back of the room rose and told the group his story.

Like the estimated half-million other Salvadorans who have spilled illegally into the United States since 1980, the man, his two brothers, and a friend had fled the destruction and the dying in El Salvador. The speaker and one brother who had been working for political reforms there had narrowly escaped the reign of terror by El Salvador's right-wing military junta, whose security police and shadowy death squads, armed by the United States, are believed to have murdered at least 30,000 Salvadoran men, women and children in the space of three years. The four were running for their lives, and their flight had not ended when they crossed the U.S. border.

The Reagan administration, which is now trying to muscle through Congress $110 million in new military aid to the government the Salvadorans are fleeing, has not welcomed the refugees with open arms. While the United Nations refugee committee—and every other nation that has considered the question except junta-run Guatemala—has recognized the fleeing Salvadorans as "political" refugees, the Reagan administration has insisted, with few exceptions that they are "economic" refugees who have entered this country illegally and are not deserving of asylum. Of the thousands who have already been apprehended and deported by the U.S. Immigration and Naturalization Service, three in every 10, according to Amnesty International, have been "disappeared," tortured or murdered on their return to El Salvador.

Relatively few of those who have successfully eluded the INS have fled to the Northwest. Efforts by Barbara and others in Oregon to help those on the run have until recently been informal, individual. Washington State's Salvadoran population is estimated at 2,000. Federal Immigration officials are uncertain of the numbers in Oregon, as are those secretly organizing here to assist the refugees. "We have no idea how big a problem this is," says one Portland church worker, "and at this point we have no way of finding out."

All agree, however, that there has been a small but steady flow of refugees through the State during the past three years. Some have headed to Canada, where they have had somewhat better chances of receiving political asylum. Only a handful have chosen to stay here, for the most part in outlying agricultural areas where seasonal farm work is available.

But in coming months, as the INS steps up its raids on migrant work camps and other pockets of Salvadorans in the southwestern states, many more refugees are likely to begin moving into Oregon. Indeed,

dispersing this population is seen as one of the primary functions of the newest links in the underground railroad. In recent months, a coalition of Oregon churches, religious groups and human rights organizations has been meeting to prepare for the influx.

In January, safe houses, which secretly provide temporary shelter and refuge to those fleeing north, were established in Medford, Eugene, Salem and Portland, filling in the missing links of an "underground railroad" from Mexico to Canada. In coming months, several Oregon churches will consider establishing public sanctuaries, following the example of the University Baptist Church in Seattle and some 50 other churches nationwide. Other individuals here are working to secure that there will be adequate food, clothing, blankets—and bond money—available for the stream of refugees.

The people making these efforts are doing so inconspicuously. Many of those willing to talk to us requested, as Barbara did, that their identities be protected. But all agreed that the Reagan administration's support of the government in El Salvador, and its callous treatment of the refugees U.S. policies are driving across our borders, had left them no choice but to break the law.

"People are outraged," says Barbara. "The Reagan administration has seen the polls, they've seen the volumes of mail pouring in, they've heard the public outcry against its policies in Central America. And yet they are determined to send more weapons to El Salvador, no matter how great the public opposition."

"What are we supposed to do, write more letters to (Sen. Bob) Packwood?" she asks, referring to a member of the Oregon Congressional delegation who has consistently supported the administration's line in Central America. "People's lives are in jeopardy."

Says a Portland minister, "I hear a scream of pain out there, it is muffled, but it will get louder. From a Christian perspective, this is a clear call for responsibility and action."

EXODUS

Salvadoran refugees began spilling across the Mexican border into California, Arizona and Texas during the mid-1970's. But in the past four years—as U.S. military aid to El Salvador has soared—the Salvadoran government, far from winning the hearts and minds of its citizens has reacted to the growing unrest with murderous frenzy against its own people. The trickle of refugees has swelled to a torrent.

Some of those fleeing are trade unionists, church workers, educators and students who, because of their political and human-rights activities have been declared enemies of the government; although they may not support the left-wing guerillas, they would probably have been murdered and tortured by the Salvadoran security forces had they remained. Many other young men of draft age have fled rather than fight for either side in the struggle.

But most of the refugees are peasants caught in the crossfire whose villages, in combat zones or in areas held by the guerillas, were bombed and strafed by government helicopters.

Hard numbers are difficult to come by, but some estimate that one in four of El Salvador's 4.7 million people are now homeless and on the run. Some 250,000 Salvadorans are refugees in their own country, and live in camps run by international church groups. Many more have fled to Honduras, Nicaragua, Costa Rica, Mexico, and Guatemala, where the refugee camps are now overcrowded and lack adequate medical care and food.

Between 200,000 and a million Salvadorans have continued north into the United States, according to the U.S. government and various church groups. The range of estimates attests to the difficulty of counting those who are in hiding. Most of them live in the border states of the Southwest. Los Angeles, whose refugee population is estimated by some church groups at 240,000, is thought to be the second-largest Salvadoran city in the world.

For those who successfully elude the INS (which, under administration pressure to stem the flow of illegal aliens into this country, has been deporting Salvadorans at the rate of between 500 and 1,000 a month), life in this country is steeped in confusion, culture shock, paranoia. Many of the refugees speak no English, and are illiterate in their own language. They must learn fast about such mundane aspects of Americans as pedestrian cross-walks—some of those deported were first apprehended on jay-walking charges.

They bring with them an accumulation of traumas. They have been uprooted from their villages and are fearful that their names may be on Central America's longest hit list; they have witnessed the violent deaths of family members, survived massacres and life on the run, settled in this country where they must dodge immigration officials and live in abject poverty because they are ineligible for food stamps or welfare, tried to become acclimated to a society they don't understand, whose language is incomprehensible. This is stress on such a scale that it must remain abstract and alien to most of us. Certainly, it has aroused little sympathy with the Reagan administration.

For the four refugees she has helped settle here, says Barbara, life has not been easy. For several months after they first arrived, the four Salvadorans were shuttled between various churches and private homes, where they were provided with food, clothing and a place to sleep. Eventually, Barbara helped them find a place of their own, "a dingy, one-room apartment in Northwest Portland." (A few months later, the Salvadorans were suddenly evicted without notice; "If you are here in this country illegally," she says, "you don't have much recourse.")

The refugees were a little less likely to be nabbed by immigration officials here than they might have been in the Southwest where the INS routinely targets Salvadorans in their raids of migrant work camps. On the other hand, notes Barbara, the small size of Oregon's Hispanic community makes them more conspicuous here, and they lack the community and support systems they would find in areas with larger Salvadoran populations.

"They were sort of hidden away, and socially disconnected at first," says Barbara. "They were afraid even to leave their apartment."

In the meantime, Barbara found a local school that would accept the youngest brother: "Children not in school are very suspect." After a year in Portland, they were beginning to settle in. Their fake identification papers might not have fooled immigration officials, but at least they provided them an identity on the streets.

Despite Oregon's depressed labor market—a consideration that has discouraged more Salvadorans from settling here—Barbara was able to help one of the brothers eventually find work. "They were odd jobs, very long hours, for minimum wage," she recalls, "But you sort of make a tacit agreement with the employer that they will accept horrendous working conditions."

That the U.S. State Department could consider Salvadorans like these "economic" refugees strikes Tom Cipolla, director of the Greater Seattle Church Council's refugee project as absurd. "Hundreds of thousands of Salvadorans haven't come to this country to become rich capitalists. They're here because they have no place else to go. If they weren't certain they'd be shot dead as soon as they got there," he asserts, "most of them would return to Salvador tomorrow."

NO ASYLUM

Luis Gomez may be headed back a lot sooner than he had hoped.

Gomez, a 24-year-old Salvadoran, was arrested on March 8 in Hillsboro for shoplifting a pack of cigarettes. After serving seven days in Washington County jail on that charge, he was handed over to federal immigration officials in Portland. He told the authorities he had sneaked over the U.S. border in Arizona in July 1982, but refused to say how long, or with whom, he had been staying in the Portland area.

Gomez contacted an immigration lawyer in Seattle, and was moved there late last month to fight his battle for political asylum with immigration officials in that city. Soon after he was transferred to a jail in Renton City, where he was to be held pending the outcome of the deportation hearings, he was joined by six other Salvadorans whom the INS had apprehended in a raid of orchard workers near Wenatchee.

None of this went unnoticed by the Rev. Donovan Cook, the Baptist minister whose church in Seattle has been harboring five Salvadoran refugees. Within days, members of his and other congregations in Seattle had raised $16,000 in bond to spring Gomez and the others, pending the outcome of the their applications for political asylum which they plan to file at a deportation hearing scheduled later this month.

The jubilant Cook, upon presenting the immigration office with a stack of $100 bills, called it "an expression of the religious sensitivity and compassion of the people of this city."

"If these people are deported, the Baptist minister predicted to the Seattle Times, "there is at least one person who wouldn't make it out of the airport in San Salvador."

But the Salvadorans' chances of being granted a political haven here are slim at best, according to those who have handled such cases in the past. "The business with Latin America is very, very bad," says Margaret Godfrey, who works with the immigration Counseling Service in Portland. The service, funded by the Archdiocese of San Salvador, provides legal counsel to Hispanics and others who have problems with the INS, and has presented several refugees from El Salvador.

"We hear the same stories over and over again," says Godfrey. "You can see the terror in their faces and you know there is almost nothing you can do for them. We are convinced that they are indeed fearing for their lives. But the U.S. government obviously doesn't agree with us."

The Reagan administration, having recently certified that El Salvador is making progress in cleaning up its human-rights problems (a certification necessary before Congress may approve further military aid),

has been rather embarrassed by the thousands of Salvadorans fleeing soldiers and death squads armed with U.S. supplied weapons. To begin granting wholesale political asylum to these refugees, explains Cipolla, "would be to admit that human rights of the most basic kind are not available in El Salvador under the regime we support."

The figures speak for themselves. By the end of 1982, 18,447 Salvadorans had applied for political asylum in this country. Of the 1,051 cases that the INS had processed by the year's end (the remainder are still pending) only 65 had been approved.

Refugees requesting political asylum in this country must prove that they will be persecuted on political, religious or racial grounds upon return to their homeland. For Salvadorans, the burden of proof is particularly high, according to Godfrey. "It is almost impossible," she says, "unless they have truly fantastic evidence."

Many, she notes, have fled under extreme conditions—a massacre, perhaps—and could hardly have been in a position to gather whatever evidence might exist that could later help them prove that their lives are in danger. In one case Godfrey handled, a refugee had death certificates showing that three members of his family had died of gunshot wounds on the same day, at the same time, in the same place. But Godfrey doubts that even this evidence would convince the State Department to approve an application for political asylum.

Refugees fleeing countries on less friendly terms with the United States have an easier time convincing the Feds they are political refugees. "Refugees from the communist Eastern Bloc countries tend to have a much better chance of getting their applications approved," says local immigration lawyer Phil Hornik. "It's not automatic, but their word tends to be accepted by the INS at face-value."

By now, Salvadorans in this country have learned that applying for political asylum is a card not to be played unless they have already been apprehended by the INS and deportation is imminent. There have been some reported cases in which information contained in asylum applications has mysteriously ended up in the hands of the Salvadoran security forces, the refugees' family members still in El Salvador soon thereafter "disappeared."

Canada has been much more willing to grant political asylum to Salvadorans, and many have already fled there. Increasingly, however, this is being viewed as an avenue of last resort, to be reserved for refugees who have unsuccessfully applied for asylum in this country and face deportation. Canada, reeling from the effects of a sour economy and high unemployment, has recently said it will now grant immigrant status to only 2,000 Guatemalan and Salvadoran refugees each year.

To Godfrey, political asylum is not the issue anyway. "The decent solution," she says, referring to refugees from Guatemala as well as El Salvador, "is to help those people straighten out things back home."

FIRE POWER

The Reagan administration's determined efforts to straighten out El Salvador's problems by supplying its ruling junta with more fire power has run into stiff opposition in Congress.

Last week, a House Foreign Affairs Subcommittee rejected Reagan's supplemental request for $50 million in military aid to El Salvador. (That request, which must eventually be approved by both houses of Congress, next goes to the Foreign Affairs Committee.) The administration's proposal for another $60 million in reprogrammed funds (aid already earmarked for other nations that would be diverted to El Salvador) has run into trouble in the House appropriations subcommittee; earlier this month, the administration rather than risk a certain defeat there, asked for delay while it attempts to line up the votes.

While efforts flounder to rearm the Salvadoran military—a stategy few doubt will help make more chaos for the U.S. border patrols—the administration is pushing legislation that would make life much tougher for many refugees who have already slipped into the country.

The Simpson-Mazzoli bill, the most massive reworking of U.S. immigration law since the 1950's, passed the Senate and then bogged down in the House during the final moments of Congress' 1982 lame-duck session. The bill has been reintroduced, in somewhat modified form, with the administration's blessings.

Described as an "amnesty bill," the Senate version would grant permanent residence to undocumented aliens who entered the United States before 1977, and temporary residence to those who arrived later but before 1980. A more "liberal" version recently passed out of the House Judiciary Committee, would grant permanent residence to all those who entered before 1981. Neither version would help the tens of thousands of Salvadoran refugees who have been in the country less than two years. For them, life would get tougher, the bill would provide new funds for stepped-up INS actions against illegal aliens, and would set up civil and criminal penalties against employers who hired them. The bill would also repeal many of the due process provisions in existing law protecting refugees' rights to hearing and appeal, and to present evidence in applying for political asylum.

"This bill," says Hornik, "will institutionalize the unwritten law of asylum, if the country you are fleeing is on good terms with the State Department, tough luck."

However, liberal members of Congress are attempting an end run around Simpson-Mazzoli. A letter drafted by Rep. Joe Moakley (Mass.), now circulating for signatures, asks the U.S. State and Justice departments to grant Salvadoran refugees "extended voluntary departure status" until the conflict there ends. Nearly 100 House members are expected to have signed when it is presented to the administration some time next week. Although most believe it is unlikely the administration will grant this request, many hope that, at the least, it will force the INS to back off somewhat in its actions against Salvadoran refugees.

Says Sue Kirchoff, an aide on Central American affairs to Rep. Les AuCoin, (Oreg.), who has signed the letter. "With 100 signatures, I don't think the administration can very well ignore it."●

BRITISH LABOR PARTY CALLS FOR IRISH UNITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs with over 100 members, I wish to share with my colleagues an article from the April 23 edition of the Irish Echo entitled "Labor Party Calls for Unity."

The article relates to an action by the Labor Party to include a strong reaffirmation of their commitment to Irish unity as part of their official platform in the next elections which may be held as soon as next month.

The Labor Party as part of this document does register strong opposition to present British policy in Northern Ireland which they label "a disaster for the Northern Ireland economy." Unemployment has soared. The economy is in ruins. Housing and the social services are in desperate straits.

The Labor Party is to be commended for at least taking a strong stand in support of a political solution to the Northern Ireland crisis. For too long British policy has been motivated by a misguided belief that a military solution is the answer to the problems. As a result—there has been a veritable political vacuum in the North of Ireland which has impeded the ability to develop political solutions.

One hopes that the Labor Party action is the beginning of a trend among all political parties to advocate for a nonviolent political solution for Northern Ireland. That has been the hope of the Ad Hoc Congressional Committee for Irish Affairs since its inception in 1977. We maintain that a political solution can never be achieved while the atmosphere is clouded with violence. All violence whether civilian or official must be ended if there is to be a sincere commitment to peace and justice in the north of Ireland.

It is my hope—and I will be shortly developing a letter to President Reagan that he would advocate for the cause of peace in Ireland when he meets later this month with British Prime Minister Thatcher for the summit at Williamsburg, Va.

At this point in the RECORD I insert the article from the Irish Echo which I would point out is the largest Irish-American newspaper:

[From the Irish Echo, Apr. 23, 1983]

LABOR PARTY CALLS FOR UNITY

LONDON.—The British Labor Party recently reaffirmed its commitment to Irish unity by consent.

The party's campaign document, which will form the basis of its manifesto for the next general election, pledges the next Labor Government to holding early discussions with the Irish Government and the North's political representatives on how best to proceed with a policy of reunification by consent.

The statement of policy, which is very much in line with the policy adopted by the party's 1981 annual conference. further promises to repeal the Prevention of Terrorism Act and to provide a "massive injection" of public money to help the Northern Ireland economy.

The document's section on Northern Ireland reads as follows:

"Labor believes that Ireland should, by peaceful means and on the basis of consent, be united, and recognizes that this will be achieved with the introduction of Socialist policies.

"We respect and support, however, the right of the NI people to remain within the UK, although this does not mean that Unionist leaders can have a veto on political development; and we accept that to achieve agreement and consent between the two parts of Ireland we must create greater unity within the NI community.

"In our 1981 conference statement and in Labor's program 1982, we set out in full Labor's policy on NI. We will aim to establish an agreed devolved administration. In the meantime we will continue with direct rule. We will also initiate early discussions between the British Government, the Irish Government, the Irish Labor Party and trade unions on both sides of the Border, and political representatives of the people on NI on how best to proceed with our policy of unification by consent.

"Tory policies have been a disaster for the NI economy. Unemployment has soared. The economy is in ruins. Housing and the social services are in desperate straits. Labor will give new hope to NI. We will create jobs and provide investment. We will use all of the economic planning powers and institutions set out in this document, together with a massive injection of public resources, to rebuild the economy.

"We will also act on security and civil rights along the lines set out in our 1981 statement. We will repeal the Prevention of Terrorism Act and the Payment of Debt Act, and reform the system of Diplock courts. We will provide equal rights for women, including the right to abortion, and make progress towards an integrated comprehensive system of education."●

ACTIVITIES AT NASA

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. AKAKA. Mr. Speaker, on April 27, 1983, the Administrator of NASA, Mr. James M. Beggs, gave an address to the National Space Club. This speech contains an overview of NASA's activities over the past year, as well as a look at what the future holds for our space agency. Every Member of this body should read the text of Mr. Beggs' remarks to the National Space Club. I therefore include the text of Mr. Beggs' speech in the RECORD immediately following my remarks.

REMARKS: NATIONAL SPACE CLUB, WASHINGTON, D.C., APRIL 27, 1983

(By James M. Beggs, NASA Administrator)

I am delighted to be here this afternoon.

I must admit, though, that I had second thoughts about accepting Chuck Tringali's invitation. The reason is that today is exactly 15 months to the day since we last met. And any public official worth his salt knows that it is the better part of valor not to come back to speak before the same organization unless and until a decent interval has elapsed—say, two or three years. In that way you don't have to write a new speech!.

Today, however, I welcome the opportunity, since I didn't get to say everything I wanted to last time. And so, to paraphrase Shakespeare's Lear, I will "mend my speech a little, lest it may mar my fortunes."

I thought you might be interested in a brief progress report on NASA's activities over the past year and where we hope to be going the rest of this year and in fiscal 1984.

The year 1982 was indeed a turning point in building America's future in space. It was a year in which the American people began to understand the real potential of space. It was a year that space emerged as not merely a place for people to visit, but, rather, as a frontier for extensive human activity on many fronts.

With each successful Shuttle flight, there has come increased public understanding that space is an extension of our environment—a place where we can pursue scientific research, commerce and industry, expand knowledge, strengthen our national security and yes, even have fun.

There were some extraordinary achievements for this nation in both space and aeronautics during 1982 and I will highlight them in a moment. But first I think it important to recall that President Reagan underlined his strong commitment to what NASA does in two significant policy statements last year on space and aeronautics.

Both statements emphasized the President's renewed commitment to a strong national space and aeronautics program. Inherent in both are two major principles consistent with NASA's Congressional mandate. The first is our obligation to help strengthen the national security. The second is the need to maintain United States leadership in space and aeronautical technology by continuing to foster innovation, creativity, public-private sector cooperation and international cooperation.

Last year we flew three successful Space Shuttle missions. The last of them, in November, marked the Shuttle's entry into operational service. On this fifth Shuttle flight we launched two commercial communications satellites and made the transition from orbital flight tests to flying payloads for hire.

The success of the electrophoresis experiment flown on the Columbia's fourth mission is, I think, one of the most important events of the year. It heralds a new era of commercial pharmaceutical processing in space. The equipment performed with a high degree of efficiency and much better than expected in near-zero gravity. It produced material much purer and in much greater quantity than on earth.

Indeed, so pleased were McDonnell Douglas and Johnson and Johnson, who invested heavily in this experiment, that that they may well be operating a for-profit electrophoresis manufacturing facility in orbit as early as the late 1980s. Such a facility, of course, would be serviced and supplied by the Shuttle. It could produce serums, hormones, vaccines and a variety of other products, including interferon, which could alleviate or eliminate many dread diseases.

Small wonder, then, that we are proud of the Shuttle and of the opportunities it gives us to exploit the space environment.

American entrepreneurs, never known to shrink from potential profit, have been quick to see this potential. Some, I might add, have been quicker than others. But the year saw increasing expressions of interest from other commercial firms for venturing in the space environment for profit. A company proposed and is still trying to buy a Shuttle orbiter in exchange for commercial marketing rights. And others are looking at private ownership of expendable launch vehicles and operating them in competition with the Shuttle and other government-owned launch vehicles.

There were some other notable events of the year.

One of the most important was the establishment of the Space Telescope Science Institute at Johns Hopkins University in Baltimore. With the future launch of the Space Telescope, the institute, which will be formally opened next month, will become the world's primary center for space research, and probably remain so, for decades to come.

Two other important events come to mind.

One was the launch of Landsat-D, the first of a new generation of space systems capable of providing timely, accurate and reliable Earth resource data. Equipped with the new thematic mapper, the satellite transmits images of the earth's surface with three times the spatial resolution and four times the sensitivity to reflected light than the three previous Landsats. We are highly encouraged by the results and feel that this satellite will be a great boon to urban planners, geologists, crop surveyors, hydrologists and other earth resource scientists.

The second event is the delivery from Europe of the first of two Spacelabs to the Kennedy Space Center. The European Space Agency built this reusable orbiting scientific laboratory under a cooperative agreement with NASA. The Europeans' investment totaled more than $1 billion.

We plan to launch Spacelab this September, as scheduled. In addition to its scientific importance, it is significant in other ways. It underlines the Europeans' confidence in the Shuttle's potential and their strong commitment to international cooperation in space.

The year 1982 was also one of considerable progress in aeronautics and towards our goal of making both civil and military aircraft safer, more energy-efficient, more economical and more environmentally acceptable.

The Highly Maneuverable Aircraft Technology program, or HIMAT, completed several major milestones during 1982. HIMAT provides valid advanced information on stability, control, aeroelasticity and maneuverability at transonic speeds. Data from the program will be extremely valuable to designers of future high-speed aircraft.

Another versatile new technology, embodied in our experimental tilt-rotor aircraft, stirred considerable interest in both the Defense Department and the private sector during the year.

All in all, not a bad year for NASA. What's on our platter for the rest of this year and into fiscal year 1984?

Well, we have already had a spectacular success: the January launch from an expendable launch vehicle of IRAS, the Infrared Astronomical Satellite. This observatory is performing magnificently. In fact, in only one minute of observation, shortly after it was launched, it taught us more about the Large Magellenic Cloud, the nearest galaxy to our own Milky Way, than in all our previous observations.

The Shuttle will be flying five times this year. The first mission, early this month, deployed the first Tracking and Data Relay Satellite, one of a series in a system that

will provide a new space-borne and data relay link with the Shuttle and all NASA satellites.

We expect delivery of the third orbiter in September and completion of the fourth orbiter during Fiscal Year 1984. All in all, I think, we are moving closer to our goal of making the Shuttle system fully operational as quickly as possible and expanding its operational capabilities to the fullest.

Last month we launched our first Search and Rescue Satellite. This will be part of a world-wide system enabling us to pinpoint ships and aircraft in distress. Over the past year, a Soviet satellite of this type helped to save the lives of several people from sinking ships and aircraft crashes.

With Congressional approval in Fiscal Year 1984, we expect to have four initiatives which will stretch the scope of our program in science, applications and aeronautics.

The first is the initiation of hardware development for the Tethered Satellite System. This is a cooperative U.S.-Italian project designed to provide a new capability for conducting experiments in space at distances of up to 100 kilometers from the Shuttle orbiter.

The second is a plan to map the surface of Venus, using radar imaging techniques. The Venus Radar Mapper replaces, at a much lower cost, the Venus Orbiting Imaging Radar mission authorized by Congress in Fiscal Year 1982. We expect this new mission to Venus to provide valuable scientific insight into that planet's physical properties and processes and, in doing so, help us better to understand those of earth.

The third new activity we plan is a project known as the Advanced Communications Technology satellite. This involves the development and flight-testing of the high-risk technology needed to ensure continued United States preeminence in the field of satellite communications.

The fourth initiative—the Numerical Aerodynamic Simulation capability project—is the centerpiece of our proposed aeronautical research and technology program. The NAS is a large computer system to be developed over the next few years. It will have a major impact on aircraft design methods, by improving accuracy and reliability. At the same time, it will cut down on expensive wind tunnel and flight testing.

The President has proposed a NASA budget of just over $7.1 billion for Fiscal Year 1984. That is just about eight-tenths of one percent of the total Federal budget. That has been our share of the pie for the past two years, at least, and we have not done too badly. But I have made no secret of the fact that I believe the NASA budget should be one percent of the total Federal budget, which would give us about $8.5 billion in Fiscal Year 1984. That is about the right amount for an R&D agency charged with maintaining the preeminence of the United States in space and aeronautics. And we take that charge very seriously.

On the whole, though, I believe we will go into Fiscal Year 1984 in very good shape. With the new starts and the increased Shuttle flight rate, we expect to begin to reap the benefits of what we have achieved in finally reaching the end of the Space Shuttle development phase.

This is NASA's Silver Anniversary year. It will be a great year in space. And it is fitting, I think, that an unprecedented event should occur this year. Even though it will happen almost 3 billion miles from earth, it should lift our spirit and stir our imagination.

Just 47 days from today, on June 13, a man-made deep space probe will leave our solar system for the first time. It is called Pioneer 10, and was launched in March of 1972 to fly by Jupiter. Its journey to the farthest reaches of the universe, is symbolic, I think, of where mankind could be going if we continue to explore the wonders that await us at the edge of our understanding.

We can only imagine where we will be in space 25 years from now. But just as we couldn't conceive of where we would be today when we began this adventure 25 years ago, so a quarter century from now, when another NASA Administrator stands at this podium, he or she will speak of wonders, adventures and dreams that we cannot even envisage today.

And people will ask then, as they have in the past, in the words of Edward Arlington Robinson:

"Where was he going, this man against the sky? You know not, nor do I."

One thing I do know, however. We will have the answer only if we continue to pursue the great adventure and magnificent dream that is space exploration.

As a great nation, we owe it to ourselves to do no less.

Thank you very much.●

EXPORT ADMINISTRATION ACT AMENDMENTS

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. ZSCHAU. Mr. Speaker, last week I was pleased to cosponsor H.R. 2761, the Export Administration Act Amendments of 1983, introduced by Congressman BONKER of Washington. H.R. 2761 contains proposed changes to the Export Administration Act which should help to increase our exports of high technology products while preventing transfer of our critical technologies to potential adversaries around the globe.

The Export Administration Act is the legislation that provides the President with the authority to restrict exports of products from the United States in order to achieve foreign policy objectives, protect our national security, or preserve our resources that are in short supply. Although H.R. 2761 deals with amendments to the current law in all three areas, I will confine my remarks here to export controls on technology and technical products for national security reasons.

My congressional district in northern California includes the area often referred to as "Silicon Valley." I have in my district about 700 electronics companies manufacturing high technology products. Most of these companies are subject to the Export Administration Act in the regular conduct of their business. Based on the experiences of these companies, as well as my personal experience as president of a small electronics manufacturing firm, I believe that the thrust of the revisions proposed in H.R. 2761 will improve the export performance of our high technology companies and, at the same time, focus the export control procedures on those items and activities that really should be controlled for national security reasons.

On the surface, the Export Administration Act appears to be dealing with a conflict between the objectives of greater exports of technology products and our national security. However, I submit that these two objectives are not necessarily in conflict. I know of no executives in high technology companies who wish to help the Soviet Union improve its military might. In fact, very little of our trade actually goes to the Soviet Union or Warsaw pact countries. However, it is most frustrating for U.S. exporters to lose business destined to friendly nations merely because their shipments are delayed by time-consuming licensing procedures while their foreign competitors are able to respond quickly to customer requests with similar products.

Most export license applications are approved. It just takes time. Out of the more than 80,000 validated license applications made in 1982, less than 900—slightly more than 1 percent—were denied. This high approval ratio suggests that the licensing procedures can be streamlined and focused without increasing the risk of losing critical technology. In fact, streamlining the control procedures could enable the controls that are applied to be tighter and more effective.

H.R. 2761 has several provisions designed to streamline the licensing process and thereby permit greater attention to be focused on controlling truly critical technologies. Among them are:

Codifying licensing procedures currently written in regulations which substantially reduce the number of individual license applications that must be made. For example, the distribution license, which enables companies with a single license application to make repeated shipments to the same customer or distributor, would be authorized in the act.

Authorizing a new license, called the comprehensive operations license. This special license would exempt companies from separate licensing of exports to their own foreign subsidiaries so long as they maintain in their organizations certain control procedures.

Prohibiting the denial of a license application merely because a product contains a microprocessor.

Streamlining the export licensing procedure to our allies who have agreed to control the export of those technologies.

Defining more precisely and operationally the criteria under which a

product or technology is judged to be available from other countries and, therefore, not subject to U.S. export controls.

Although I am proud to cosponsor H.R. 2761 because I believe its thrust is proper, I feel that it will be desirable to consider additional changes that will strengthen it further. For example, it might be desirable to amplify the congressional intent on the circumstances under which the comprehensive operations license or the distribution license could be used. Also, the criteria for foreign availability could be further clarified. Finally waiving the license requirement for exports to certain of our allies—referred to in the act as COCOM countries—should probably depend upon corresponding strengthening of our multilateral agreements with those countries regarding export controls.

It should be pointed out that there are also several important elements of the current act which have not yet been implemented. We still do not have a militarily critical technologies list required by the current act. We appear to lack good criteria for preparing such a list and for revising it as technologies become obsolete. Also, we have not yet implemented the concept of indexing provided for in the current act that would exempt technologies from export controls as they become obsolete. I am hopeful that the Congress will, in the review and rewrite process, seek amendments that will insure the provisions of the act are actually implemented.

Mr. Speaker, it has been 4 years since Congress reauthorized the Export Administration Act. This year we have an opportunity to take a constructive step forward to enhance the performance of our Nation's exporting companies while at the same time insuring that our Nation's technologies are not transferred to our potential adversaries. I urge my colleagues to become familiar with the Export Administration Act and to suggest ways in which it might be improved.●

FINANCIAL STATEMENT—1982

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. STUDDS. Mr. Speaker, I am today inserting in the RECORD a copy of my 1982 financial statement:

CONGRESSMAN GERRY E. STUDDS' 1982 FINANCIAL STATEMENT

PART I—INCOME 1982 (SUMMARY)

	Amount
Salary	$60,662.50
Dividends—See Pt. II for detailed explanation	1,148.47
Interest—See Pt. III for detailed explanation	987.64
Newspaper fee—San Jose Mercury—For column written	75.00
Total income	62,773.61

PART II—DIVIDEND INCOME 1982

Security	Number of shares	Income derived 1982
Burlington Industries	40	$60.80
Exxon	347	1,040.00
Tucker, Anthony Cash Management Fund	447	47.67
Total		1,148.47

PART III—INTEREST INCOME 1982

	Bonds	Income derived 1982
Security:		
Loew's Theater 6⅞ debenture	$3,100	$213.13
U.S. Treasury 12 percent, May 15, 1987	3,333	400.00
Bank accounts:		
Shawmut Bank of Cape Cod (NOW)		14.48
Cape Cod Five Cents Savings Bank (savings)		8.04
First National Bank of Boston (NOW)		65.89
Capital City Federal Savings (CD)		255.83
American Security Bank (NOW)		30.27
Total		987.64

PART IV—ASSETS

	Explanation
1. Beatrice Studds Irrevocable Trust	My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the 3 of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own ⅓ of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my ⅓ interest in the trust.

COLIN A. STUDDS III, TRUSTEE BEATRICE STUDDS, IRREVOCABLE TRUST, UNDER AGREEMENT DATED AUG. 1, 1973

Security	Number of shares	Market value as of March 24, 1983
U.S. Treasury 13.875 note, due Nov. 15, 1986	5,000	5,500
Wang Labs 10 percent conv. deb., due Nov. 15, 2006	3,333	5,628
Common stocks (shares):		
West Point Pepperell	133	6,118
Xerox	66	2,706
Gulf Oil	60	1,860
W. R. Grace	67	2,747
Middle South Utilities	100	1,550
General Motors	50	3,100
IBM	50	5,100
Washington Energy	200	2,800
A.T.&T.	40	2,680
OKC Limited Partnership	200	3,550
Computer Devices	100	1,375
2. I own the following securities:		
Bonds:		
Loew's Theater 6⅞ debenture	3,100	2,200
U.S. Treasury 12 percent, May 15, 1987	3,333	3,530
Tucker, Anthony Cash Management Fund	447	447
Common stock (shares):		
Burlington Industries	40	1,360
Exxon	347	10,410

Note.—100 Square D sold Nov. 23, 1982 for $3,307.

	Amount
3. Our family home in Cohasset, Mass., with an estimated market value of approximately $125,000 is owned jointly by my brother, my sister, and me. My interest in the house, therefore, is roughly	$41,666
4. Bank accounts:	
(a) NOW account, First National Bank of Boston	724
(b) NOW account, American Security Bank	1,500
(c) Money market account, American Security Bank	16,000
5. 55 percent share in undeveloped lot, Provincetown, Mass., estimated market value	47,000
6. 2 room condominium apartment, Provincetown, Mass., estimated market value	90,000
7. 1981 Chevrolet Caprice	
8. 1974 Saab	
9. IRA—Fidelity Magellan Fund	4,000

PART V—LIABILITIES 1982

	Amount
1. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank, approximately	$46,000
2. Automobile loan—American Security Bank	4,800

PART VI—1982 TAXES PAID

	Amount
1. Federal income tax	$9,307.00
2. Massachusetts income tax	2,837.23
3. Local property taxes	2,928.14
4. Automobile excise and personal property taxes	75.05
Total taxes	15,147.42

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NEW YORK CITY'S HEALTH CARE SYSTEM: A STATUS REPORT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. RANGEL. Mr. Speaker, in February, Joseph V. Terenzio, the president of the United Hospital Fund of New York, addressed the New York City congressional delegation. At the time, he sought to provide the city's congressional delegation with a situation report of the health and health care of New York City.

Mr. Terenzio's report to the delegation highlights both the strides we have made and the problems we still face in urban health care in general, particularly in New York City. He outlines the health status of New York City residents and provides a thumbnail sketch of the services available; the number and kind of beds available; the condition of the physical plant and equipment in the city's health care system; the impact of our teaching hospitals on our health; and the financial status of health care in New York City.

In addition, Mr. Terenzio provides us with his insights on some of the major health care issues that we will be addressing during the 98th Congress.

I would like to take this opportunity to thank and commend Mr. Terenzio for providing this excellent status report. I recommend his remarks to all

my colleagues because they succinctly detail the status of urban health care while at the same time providing a greater appreciation of the health care delivery problems our cities are facing.

A synopsis of Mr. Terenzio's remarks follows:

REMARKS OF JOSEPH V. TERENZIO, PRESIDENT, UNITED HOSPITAL FUND OF NEW YORK

At this time of recessive and deteriorating economic conditions, a major social policy question before our government is whether our health care system and the health status which it has brought will be allowed to fall victim to our recessionary economy. With the federal government facing predictions of enormous deficits in its budget, it is reasonable for us to assume and expect that substantial and significant efforts will be undertaken by it, the major single purchaser of health care, to find methods which can effectively reduce or at least contain the rising costs of providing health services to the public.

While we cannot ignore the fiscal considerations related to health care, it is important to recognize the societal benefits made possible by the current system. In the past two decades the population of the United States has benefitted from significant innovations in health care technology and treatment which have brought important gains in health status. Overall death rates, for example, have been declining both nationally and for New York City and dramatic gains have been made in the reduction of infant mortality, both classical measures of a society's overall health status. With these factors in mind, I believe it is incumbent upon us to evaluate cuts in our health care budget not only in terms of potential short-term dollar savings, but also in terms of the impact on our health status.

POPULATION AND HEALTH STATUS

In examining where we have been and where we are now, Health and Health Care in New York City shows that the city's population has declined over the past decade, in contrast to a steadily continuing national growth rate. However, the city's elderly population, and particularly those aged 75 years and older, has increased significantly.

The health status of New York City residents has seen improvement in recent years as compared with earlier this century. Strides in medical diagnosis, treatment and technology have permitted declines not only in our overall death rate, but also in rates for infant and neonatal deaths. Our infant death rate of 26 per 1,000 live births in 1955 dropped to only 16 per 1,000 in 1980; however, this is still above the national average. Sadly, many of these health status improvements have been accompanied by emerging problems relating to environmental, social and other conditions. Homicides per 100,000 population, for example, have risen from 7.6 during the period from 1961-1965 to 27 in 1980; and cancer rates in some areas near heavy industry have increased.

HEALTH FACILITIES AND MANPOWER

Since 1960, New York City has lost over two-fifths of its hospitals and 11 percent of its beds, producing the nation's highest hospital closure rate. Not surprisingly, the remaining hospitals have high occupancy rates and declining lengths of stay. These phenomena are significant, especially when coupled with long overdue capital renovation and replacement for aging hospital physical plants and increased demands placed on the city's hospitals, voluntary and municipal alike, to provide greater community service.

New York State's number of nursing home beds per 1,000 population aged 65 and older still falls below the national average despite gains made in recent years. Office-based physicians increased in numbers in New York City, as in the nation as a whole, between 1970 and 1980, but the number of general practitioners in our city has declined.

HEALTH CARE FINANCES

Between 1975 and 1981, operating deficits in voluntary hospitals in the city rose 88 percent and to offset these losses, their reliance on non-operating sources of income has increased by 119 percent, according to information provided by the Hospital Association of New York State. Not withstanding these efforts, bottom line deficits increased by 65 percent. The municipal hospitals, plagued by the same problems, have had to resort to substantial local tax levy support to be able to continue to respond to community needs.

Stringent regulations enacted in the last several years in New York State have resulted in a lower inflation rate for medical care in this area than in the nation as a whole. Although no one could seriously quarrel with the cost containment goals of such fiscal constraints, the real measure of the savings attained must be viewed over time. Deferred maintenance and postponed capital plant replacement and modernization can produce encouraging but misleading results over a few years. The more subtle impact of these measures on programs for the elderly and other physically and fiscally at risk groups may be even more difficult to gauge, but not less real.

HEALTH CARE FOR THE AGED

The federal government spent almost $50 billion for Medicare in the last fiscal year alone. Although there were millions of recipients, 5.4 percent of those eligible accounted for over 57 percent of the program's resources. By 1990 most of our nation's 30 million persons over age 65, particularly those from age 65 to 75, will have achieved a fairly good health status. Experts have predicted that no more than one out of every 10 to 15 such persons will need assistance in daily living, and even fewer will need acute care or institutionalized long term care.

Columbia University Professor Eli Ginzberg, in a special study for the United Hospital Fund, suggests that "The preferences of the elderly as well as the imperatives of public finance point the directions for policy—a lessened reliance on institutionalization particularly in hospitals which provide more intensive levels of care. Progress toward this target requires improved local planning. In addition, it points to the desirability of expanding home health care services both for paying and Medicaid patients."

These observations are particularly poignant for New York City, where by 1990 at least one out of every eight persons will be age 65 or older. Some advocate the need for increased numbers of long term care beds in response both to present demands and in anticipation of these increased needs in the years ahead. Others argue for new alternatives to institutionalized long term care, such as transitional placement programs, social-health maintenance organizations, expanded home care arrangements and other innovations. I would suggest that both approaches are correct and that both must be pursued if we are to continue to be responsive to the needs of our aged.

HOSPITAL PLANT AND EQUIPMENT

Access to capital funds needed to replace and modernize aging and outmoded facilities presents hospitals in New York City with a challenge which ultimately may affect their viability. It may also affect the availability, the quality and the cost of health care for New Yorkers.

Before World War II the role of philanthropy was dominant and shortly thereafter, the government infused massive amounts of capital into the nation's hospitals. Since World War II, both philanthropy and government subsidy have considerably lessened in importance, while at the same time the costs of the principal sources of capital financing, construction and technology have soared and hospitals have had to depend on borrowing for capital projects.

As reliance on debt financing has increased, hospitals' financial conditions have become prominent factors in the determination of capital distribution and acquisition. This trend is highly significant for our present position and our future capital accumulation efforts.

Coming into 1983, we find ourselves facing a scramble for long term capital in the competitive bond market. New York hospitals arrive at this point considerably disadvantaged by their low and most often negative operating margins which severely limit their ability to leverage badly needed capital. One recent analysis has revealed that while the national average annual hospital operating margin for the years 1977 through 1979 was 2.7 percent, the New York average was −2.98 percent, the lowest in the nation, for the same period. In my judgment, the most significant factor contributing to this situation has been the cumulative effect of stringent hospital reimbursement policies and the inability of hospitals to effectively control escalating costs.

According to a study by the ICF Corporation for the Federation of American Hospitals, $163 billion will be needed nationwide for hospital expansion, renovation or replacement, and modernization during this decade. However, the study suggests that $54 billion of the total will not be funded due to the inability of hospitals to attract capital because of their poor financial operations. This shortfall will not fall evenly upon the nation's hospitals. Seven states, including New York and New Jersey, will account for $43 billion of these current unfunded needs. The study projects capital investments of no more than $2.9 billion in New York State over the remainder of the decade. This figure represents less than the projected costs of the capital projects anticipated in New York City alone.

However, improvement on the bottom line, either by serious and stringent efforts at cost savings or through increased revenues or both, could effect dramatic results. If, for example, the aggregate margin could be improved merely up to break-even, these experts believe that New York State hospitals could raise almost $9 billion in the capital market over the same period.

However, we should closely and seriously examine what long term effect the costs of such large and heavily debt-financed projects will have on aggregate health care costs and reimbursement rates, as well as on the various payers' willingness or ability to continue to fully support them. I also urge scrutiny to see how effective the Medicare waiver experiment in New York and the Diagnosis Related Group (DRG) experiments elsewhere will be in addressing this problem

so as to allow hospitals sufficient margins or return-on-equity to successfully attract investment capital.

MEDICAL EDUCATION

There is another problem which I believe has serious implications for New York City with its six academic health centers. That is the financing of medical education. The comingling of patient care and medical education costs has contributed to higher health care costs for patients at these academic medical centers and to skewed estimates and confusion in the long term financing of health care and hospital capital projects. Financing medical education at these academic medical centers out of patient care funds simply compounds the problem. Six percent of all of the country's medical students are trained here and we are in fact providing physicians for the rest of the nation. Our city's ill and injured should not be, in effect, penalized because our city is a national resource for medical education. Both equity and clarity argue for a separately identified treatment of the costs of medical education.

HEALTH LEGISLATION

Significant legislative initiatives affecting health and health care which are likely to come before the Congress this year include the budget, taxation of health insurance benefits, DRGs and prospective payment for hospital services, physician oversight and reimbursement, and health planning.

BUDGET

With federal budget deficit predictions running as high as $200 billion dollars for the fiscal year 1984, there is considerable pressure again to make deep programmatic reductions. Defense spending and funding for social programs, mainly Social Security and Medicare and Medicaid, are likely targets for further budgetary cuts. Likely methods for achieving health cutbacks could include regulation, such as through the Medicare Part A—Section 223 hospital reimbursement limits, new co-insurance payments for the elderly under Medicare and a continuation of a 4.5 percent reduction in federal matching funds to the states for Medicaid.

TAXATION OF HEALTH BENEFITS

Taxation of employer-paid health insurance premiums is seen by many as both a revenue enhancer, since it could bring in an additional $16 billion this year if fully taxed, and a cost containment device since it may tend to encourage shopping around for less expensive benefit plans by the employee and discourage purchase of rich, first-dollar coverage plans which many feel promote over-utilization of services. In addition to the problems inherent in raising taxes under present conditions, careful study should be given to the issue of equity under such a scheme. Since both health insurance premiums and incomes vary geographically for many reasons, some employees would be required to pay inequitably higher taxes than others for the same or similar health coverage. Furthermore, the plan could also give rise to an incentive for the persons least able to pay to buy the plans offering the least coverage, featuring higher deductibles and co-insurance. We must be careful not to rush into a scheme which cannot differentiate between discouraging unnecessary utilization and creating barriers to care for lower income workers.

PROSPECTIVE PAYMENT FOR HOSPITALS

As required by the Tax Equity and Fiscal Responsibility Act (TEFRA), the Department of Health and Human Services has sent to Congress its plan for the prospective payment for hospital services under Medicare. Covering only Medicare payments, the plan would use diagnosis related groups (DRGs) to establish target payment rates for hospitals all over the country. Hospitals would be paid on the basis of each patient's diagnosis rather than the current cost-based retrospective reimbursement methodology. Prospective payment in theory should foster greater control by hospitals of their financial condition and encourage more efficient management practices. Some states are already experimenting with similar plans and others have set rates prospectively for many years, although not all use the DRG method. Prospective payment and DRGs are clearly worthy of close examination and consideration. Among the issues crucial to the success of a prospective payment plan is a closer cooperation between hospital management and physicians. Furthermore, a prospective payment plan, in my option, must account for the shifting of Medicare costs onto other payers, the capital needs of hospitals and the provision of charity care by our hospitals. Also, special consideration should be given to our financially distressed hospitals and, as already mentioned, the costs of medical education provided in our academic medical centers.

TIGHTER PHYSICIAN CONTROLS

As courts have eroded the "professional exemption" from anti-trust laws, the Federal Trade Commission in recent years has focused more and more attention on physicians. Although the American Medical Association lost its battle last year to win a special statutory exemption for doctors and dentists, the matter undoubtedly will appear on your agenda this session. Along with it may come attempts to scrutinize more closely physician reimbursement under Medicare. Hospital-based physicians will see further attempts to clarify their reimbursement rules this year under Part A, the hospital component of Medicare. Tighter reimbursement rules under Part B, the medical component, will at least be the subject of hearings, if not proposed legislation. State-wide negotiated fee schedules for reimbursement payments, mandatory assignment and other devices long loathsome to physicians will be considered.

HEALTH PLANNING

Finally, the subject of health planning will come before this body again shortly. I have not by coincidence saved it for last in my commentary. Federally supported health planning may well be our last hope in imposing a degree of order and reason upon our rather fragmented industry. The far reaching fiscal impact of the hospital capital dilemma to which I have already alluded can be controlled only if we rationally plan for the future allocation of scarce health care resources, facilities, technology and manpower. For financially distressed hospitals and disadvantaged and underserved communities, it may not be advisable simply to allow the bond financing marketplace to allocate capital and hospital renovation, modernization and replacement. Similarly, it may not be efficient or desirable in areas like New York City with dozens of hospitals within relatively close geographical boundaries for every hospital to offer the full array of services from the spectrum of modern medicine to essentially the same populations. Health planning, in my opinion, offers us perhaps the only vehicle by which we can avoid unnecessary duplication of services and facilities and which can ensure, to the extent possible, an equitable distribution of available sources. Past Congresses have given high priority and strong bi-partisan support to health planning and the certificate-of-need concepts, yet the program now limps along on a $64 million dollar continuing resolution with its future in doubt.

I would like to close by urging continued support for health planning on all levels. If next year's and the next decade's health care situation report is to reflect an improvement over the present one, and if our health care delivery system, both in New York City and elsewhere, is to continue to be able to respond to the varied and shifting needs and demands of our population, we must redouble our efforts and reaffirm our commitment to sound and rational health planning.●

TIMES ERRED IN REPORTING LOCKHEED OVERRUN ON C-5B

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. McDONALD. Mr. Speaker, the fallout from the release of the erroneous report on the C-5B by the project on military procurement continues. Perhaps the press will learn to be a little more careful about some of these professional antidefense organizations that do not know how to shoot a rifle, yet alone which end the bullet comes out. As the Los Angeles Times reported on April 27, 1983, this false story caused an abrupt drop in Lockheed stock and no end to public relations problems. So that my colleagues may have the benefit of more details on this matter, I am placing the Los Angeles Times story in the RECORD at this point:

[From the Los Angeles Times, Apr. 27, 1983]

TIMES ERRED IN REPORTING LOCKHEED OVERRUN ON C-5B

(By David Wood)

WASHINGTON.—An internal Air Force report on the cost of Lockheed Corp.'s C-5B program was a "worst-case" projection by government cost analysis, not a report on actual cost overruns as The Times reported Tuesday. In fact, the Air Force said, the cost of the program may run under estimates.

Russell D. Hale, assistant Air Force secretary for financial management, said in a statement Tuesday that "to suggest that there is a $566-million cost overrun on a program which is less than six months old is preposterous.

"There is no cost overrun in this program today and we do not anticipate an overrun in the future," Hale said.

The Times report Tuesday was based on an independent Air Force study of the C-5B program predicting that the total cost of the 6-year Lockheed effort could be $566 million more than the $7.8 billion provided in the contract signed Dec. 31, 1982.

The Times misunderstood the report, believing it to be an analysis of actual cost overruns rather than an assessment of what the total cost of the C-5B project could turn

out to be over the life of the Lockheed contract.

As a result, The Times incorrectly indicated that during the first three months of the contract, costs had already exceeded Lockheed's projections by $566 million.

Hale said in an interview Tuesday that the independent analysts intentionally take the "gloomier" view in projecting costs. "What their estimate (suggests) is that if you take the high estimate, (the cost) could be higher than the firm fixed-price contract which includes their profits," he said.

Copies of the report were released Monday by the Project on Military Procurement, a nonpartisan watchdog group that focuses on military spending. It is an offshoot of the Fund for Constitutional Government, a nonprofit group founded during Watergate to investigate corruption in government. Its financial backers range from liberal philanthropist Steward Mott to the Rockefeller Family Fund.

In an interview at the company's Burbank headquarters, Lockheed Chairman and Chief Executive Roy A. Anderson vigorously denounced what he termed "irresponsible" and "inaccurate" reporting of the C-5B cost situation.

Anderson said the reports about a cost overrun have damaged unfairly Lockheed's credibility among investors, whose large imbalance of orders to sell Lockheed stock caused the New York Stock Exchange to suspend trading of the issue for all of Tuesday. Initial leaks of the reports contributed to the price of Lockheed stock falling $3.25 per share, to $120.25, in Monday's trading, Anderson said.

He said the company could not now be $500 million over budget on the C-5B because Lockheed hasn't even spent that much yet.

The Air Force analysis warned that because Lockheed is building 50 of the giant cargo planes under a firm fixed-price contract, higher-than-anticipated costs could mean a reduction in Lockheed's profit.

The report further warned that the Air Force should be wary of reopening the contract, an action that the government analysts said "would give the contractor the opportunity to renegotiate the contract value under conditions less favorable to the Air Force."

Such an analysis, formally called an "independent cost analysis," is routinely performed while a major contract is being negotiated as a check on the costs estimated by the contractor and the military managers of a program such as the C-5B.

Hale said the Air Force had "negotiated down" Lockheed's proposed contract price and therefore was "not about to open that thing up." He also pointed out a conclusion in the cost analysis report that if the Air Force adheres strictly to the terms of the firm fixed-price contract, the C-5B program could be completed for $206 million less than the currently approved price. He asserted that this reduction "will be realized" because of a reduction in the projected requirement for Lockheed to provide initial spare parts.

ESTIMATE IN DISPUTE

The Air Force officials negotiating the contract did not agree with the cost estimate in the independent analysis. But Hale said the report, a "worst-case" estimate, was close enough to the negotiated contract cost to validate the contract.

In the interview Tuesday, Hale said the independent analysis cost estimate had included several possible costs not included in the Lockheed contract. He said it projected inflation over the next four years at a slightly higher rate than the 7 percent to 8 percent inflation on which the contract is based. In addition, Hale said, the analysis used a higher estimate of the costs associated with ordering engineering changes on the C-5B after the contract has been signed.

In the Lockheed contract, Hale said, potential engineering changes were estimated at 3 percent of total contract costs, while the analysis used 5 percent.

Five engineering changes have been approved, of which four involve no cost change and one will save an estimated $15 million, according to Hale. He said two additional proposed engineering changes could be absorbed within the 3 percent allowance for such changes.

In the interview, Lockheed's Anderson said, "If their (worst-case) facts were realized, we could lose half of our profit. But the Air Force didn't say (that) this in fact was going to happen. Under certain circumstances we could underrun on costs." The contract calls for Lockheed to make a profit of 15 percent of the program's cost.

In fact, Anderson said, Lockheed so far is below budget. "But we don't say that's representative because the contract is only 3 months old" and many things can happen over its eventual 6-year term, he said.

The entire contract cannot be renegotiated unless the Air Force asks for modifications exceeding 3 percent of the value of the whole contract, or unless Congress delays or speeds up the program, Anderson said.

"We'd like to see the contract stay right as it is," Anderson said. "We hope it (an unchanged contract) can show how well we can perform."●

IN TRIBUTE TO WILLIAM T. "WIMPY" HIROTO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. MATSUI. Mr. Speaker, it is with great pleasure that I rise to address my colleagues in this Chamber today regarding the achievements of William T. "Wimpy" Hiroto. It is most appropriate that we pause and recognize the valuable contributions Wimpy has made to his community.

While Wimpy's distinguished career has spanned several professions, he has dedicated his efforts to improving the quality of life in the Japanese-American community. This commitment is demonstrated by his involvement in all facets of life in Los Angeles' Little Tokyo area. His activities include developing the City View Hospital and the Keiro Nursing Home as well as sponsoring the events of numerous youth groups.

In 1975, Wimpy undertook the fundraising drive to construct the Gardena Valley Japanese Cultural Institute. Under his direction, $1.5 million was raised to complete the institute by 1978. As a result of his efforts, the Japanese Cultural Institute is now home to a 100-unit senior housing project and the scene of expanding cultural and community oriented programs.

In conclusion, I am certain that all Members of this House, and particularly our California delegation, will join me in extending best wishes to Wimpy Hiroto. As the Representative of the Third Congressional District of California, I am proud to pay tribute to Wimpy's selfless philosopy of community service.●

THE TAX REFORM DEBATE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. PAUL. Mr. Speaker, a massive tax revolt has begun in this Nation, and with good reason. One has only to look at the thousands of pages of the Internal Revenue Code or the hundreds of different tax forms to know that something is wrong with our current tax structure. The IRS has become so abusive in its tax collection policies that my colleague, Representative GEORGE HANSEN, has introduced H.R. 171, the Taxpayers Protection Act, a bill that I have cosponsored.

The tax revolt has taken on many forms, ranging from open rebellion to the furtive actions of so-called tax cheaters. The growth of the underground economy, estimated to range between 14 percent and 30 percent of the above-ground U.S. GNP, is directly related to huge tax increases in the past 10 to 20 years.

In recent years, the demand for a major tax reform has captured the attention of legislators and the media. Various alternatives have been proposed, such as a national sales tax, or a value-added tax. The most popular proposal, however, is the flat rate income tax.

The greatest appeal of a flat rate income tax is its simplicity. By eliminating graduated tax rates and many of the deductions, most plans greatly simplify the preparation of tax returns.

While simplicity is an asset of these plans, the elimination of deductions could eventually prove to be a liability. By eliminating many or all of the deductions, these plans increase the percentage of an individual's gross income that is eligible for taxation. This might be acceptable so long as the tax rate remains low; that is, 10 percent or less. Unfortunately, several of the flat rate income tax bills pending in the Senate call for tax rates from 27 to 30 percent, with no deductions.

For this reason, I cannot lend my unconditional support to the concept of a flat rate income tax. Certain proposals merely substitute one oppressive tax system for another. They are designed to maintain or increase Gov-

ernment revenues, usually at the expense of the middle income taxpayers.

Flat rate income tax plans calling for high marginal tax rates are no salvation for the overburdened taxpayer. Indeed, I would only support flat rate tax proposals calling for tax rates of 10 percent or less.

Prior to a genuine tax reform, the American people must decide what type of government they want. The sole reason for levying taxes is to support the activities of the State. If our taxes are too high, it is because the Government is too large.

The Federal Government is currently funding many activities that have no constitutional justification. For example: In 1982, $130 billion of our defense budget actually went to subsidize the defense of Europe. The President's 1984 budget request contained a 67-percent increase in foreign aid. Income security and other welfare programs, which now comprise 45 percent of the Federal budget, will cost the American taxpayers over $400 billion this year. But there is no constitutional warrant for such transfer programs at the Federal level.

If Americans want to continue with big government, they are going to have to pay the cost. Even as high as our taxes are, we are not paying the full price for our modern welfare state. Instead, we are bankrupting our future to avoid making necessary budget cuts today. The deficit for fiscal year 1983 alone is expected to be $260 billion.

Genuine tax reform, and lower tax burdens, will only occur after a return to limited government. I have introduced two separate tax bills in the 98th Congress, each with a slightly different approach to reducing the tax liabilities of most Americans. I have introduced both bills in order to present the American taxpayers with a choice of how to reduce their taxes.

The first bill, H.R. 1664, reduces the marginal tax rate for all taxpayers to 10 percent, while leaving the entire deduction structure intact. The bill also increases the personal exemption from $1,000 to $2,500.

H.R. 1664 has several strong points. It would eliminate the current graduated income tax system, replacing the graduated rates with a flat 10-percent rate. Further, the retention of all deductions would help protect taxpayers from any future increase in the tax rate. The text of the bill is as follows:

H.R. 1664

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Flat Rate Tax Act of 1983".

SEC. 2. 10 PERCENT INCOME TAX RATE FOR ALL INDIVIDUALS.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals), as amended by section 104 of the Economic Recovery Tax Act of 1981, is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) IN GENERAL.—There is hereby imposed on the taxable income of each individual (including an estate and trust) for each taxable year a tax equal to 10 percent of so much of such taxable income as exceeds the zero bracket amount.

"(b) ZERO BRACKET AMOUNT.—For purposes of this section, the term 'zero bracket amount' means—

"(1) $3,400 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $2,300 in the case of an individual who is not married (as defined in section 143) and who is not a surviving spouse (as defined in section 2(a)),

"(3) $1,700 in the case of a married individual (as defined in section 143) filing a separate return, or

"(4) zero in any other case.

"(c) INFLATION ADJUSTMENT OF ZERO BRACKET AMOUNT.—

"(1) IN GENERAL.—Not later than December 15, 1984, and each subsequent calendar year, the Secretary shall prescribe zero bracket amounts which shall apply in lieu of the amounts contained in paragraphs (1), (2), and (3) of subsection (b) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING NEW ZERO BRACKET AMOUNTS.—

"(A) IN GENERAL.—The zero bracket amount which under paragraph (1) is to apply in lieu of the amount contained in paragraph (1), (2), or (3) of subsection (b), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed by increasing the amount so contained by the cost-of-living adjustment for such calendar year.

"(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (2), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1983.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) TECHNICAL AMENDMENT.—Subsection (f) of section 151 of such Code (defining exemption amount) is amended by striking out "section 1(f)(3)" and inserting lieu thereof "section 1(c)(3)".

SEC. 3. PERSONAL EXEMPTION INCREASED TO $2,500.

(a) IN GENERAL.—Subsection (f) of section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions), as amended by section 104 of the Economic Recovery Tax Act of 1981, is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$2,500".

(b) TECHNICAL AMENDMENT.—Subsection (e) of section 104 of the Economic Recovery Tax Act of 1981 is amended by striking out "1984" and inserting in lieu thereof "1982".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1982.

The second bill I have introduced in H.R. 2137. This bill would institute a flat rate income tax on all individual income in excess of $10,000, with no exclusions, no deductions, and no exemptions. By allowing the $10,000 exemption, the effective rates of taxation—the percentage of gross income paid in taxes—would actually be less than 10 percent.

This will would allow for greater simplification of the Tax Code than H.R. 1664. In addition, by increasing the exemption for each taxpayer to $10,000, the bill eliminates the need for deductions. Under H.R. 2137, every taxpayer's filing status and tax liability would be the same, regardless of their marital status.

The text of H.R. 2137 reads:

H.R. 2137

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Flat Rate Tax Act of 1983".

SEC. 2. 10 PERCENT INCOME TAX RATE FOR ALL INDIVIDUALS.

Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"There is hereby imposed on the gross income of each individual (including an estate and trust) for each taxable year a tax equal to 10 percent of so much of such gross income as exceeds $10,000."

SEC. 3. REPEAL OF ALL SPECIAL DEDUCTIONS, CREDITS, AND EXCLUSIONS FROM INCOME FOR INDIVIDUALS.

Chapter 1 of the Internal Revenue Code of 1954 is amended by striking out all specific exclusions from gross income, all deductions, and all credits against income tax to the extent related to the computation of individual income tax liability.

SEC. 4. EFFECTIVE DATE, ETC.

(a) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1983.

(b) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

It should be noted that neither of these bills provides a definition of the term "income." None of the flat rate tax proposals currently pending in Congress give such a definition. The

definition is already contained in the Internal Revenue Code and the regulations issued pursuant to that code by the Department of the Treasury.

Neither of the tax bills I have introduced would affect the business tax structure, nor would they change the tax-exempt status of churches or foundations.

I believe that the time has come for a major reform of our tax structure. Any such reform, however, must be accompanied by a return to limited government, as mandated in the Constitution. Changing the tax laws will not be enough. There must be a revolution in the hearts and minds of the American people as well, a revolution in favor of freedom and against the notion of big government which makes high taxes inevitable.●

CLINCH RIVER A BOONDOGGLE?

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WEBER. Mr. Speaker, Ms. DeeAnn Sime from Kiester, Minn., has asked the question if the Clinch River breeder reactor is a boondoggle or a necessary component of the energy system in America. I believe her essay is well worth reading.

A NUCLEAR REACTION IN CONGRESS: THE CLINCH RIVER PROJECT

Nuclear technology has the potential for providing clean, efficient fuel far into the future; the technology of the nuclear breeder reactor, however, promises not only sufficient energy for the present, but increasing supplies of fuel for the future. Upon closer inspection, however, the breeder reactor falls somewhat short of the miraculous fountain of energy science once hoped it was.

A source of political conflict and social tension over the past decade, the Clinch River Breeder Reactor Project has been hailed as both "a stepping-stone to an era of endless energy" and "a costly, ill-conceived technological turkey." Conceived in the early years of the Nixon Administration, the CRBRP today is little more than parts assembled in warehouses along the Clinch River near Oak Ridge, Tennessee. Delayed by environmentalist's lack of confidence in nuclear technology, appropriations battles in Congress, and the original inaccurate economic projections, the Clinch River Project has little more than a long history of tension and strife to show for itself.

Public concern has been well founded in regard to breeder technology. While conventional reactors such as Three Mile Island threaten the safety of the environment, not to mention personnel and the public, breeder reactors pose the much greater danger of a possible nuclear explosion. In its use of fissible plutonium as fuel, the breeder reactor design requires liquid sodium metal to be used as a coolant. Sodium is extremely reactive in both air and water; in the event of a loss of coolant, not only would the sodium metal cause incredible damage, but the nuclear reaction itself would speed up, resulting in an actual nuclear explosion.

The economics of the project must also be considered when examining the impracticality of the Clinch River breeder reactor. Estimated at a cost of 699 million dollars in 1970, the project has ballooned to well over 3.5 billion dollars and is expected to reach possibly 9 billion before its completion. It was intended that private industry contribute a sizable portion of construction costs, namely 257 million dollars, yet the federal government has received only 122 million dollars and had been forced to undertake all cost overruns; many utility companies have refused to contribute further funds for the completion of the breeder reactor.

Such a dramatic rise in cost is due mainly to inaccurate predictions that the price of uranium would rise drastically in the future because of small supplies and high demand. In reality, the price of uranium has dropped as a result of a lower demand for nuclear power. In fact, since 1978, no new nuclear power plants have been ordered; on the contrary—many previously planned reactors have actually been cancelled. David Stockman, former representative from Michigan and current budget director for the Reagan Administration, withdrew his support from the project as early as 1977, stating, "The breeder reactor is not the mythical cornucopia of boundless, free energy supplies . . . The breeder reactor will not produce power more cheaply than conventional reactors . . . until the price of uranium rises substantially above its current level.

Political support for Clinch River has waxed and waned throughout its thirteen year history. President Richard Nixon considered the breeder reactor to be the "best hope for meeting the nation's growing demand for economical, clean energy." Yet during the Carter Aministration, executive support for the project totally disappeared; President Carter suspended licensing for Clinch River, successfully preventing construction for four years. President Reagan, a long supporter of nuclear power, has however shown support for the CRBRP by resuming licensing and requesting 252 million dollars for the project in the 1983 budget. It has been speculated that the President, in exchange for his support of the breeder reactor, received the backing of Senator Howard Baker of Tennessee, Majority Leader in the Senate, for his economic recovery program.

In their support of this "nuclear Concord"—a technologically appealing but economically unfeasible project—Senator Baker and his colleague from Tennessee, Marilyn Lloyd Bouquard, have become a key factor in the continuation of this "colossally mismanaged boondoggle" known as Clinch River. Richard W. Wilcke, President of the Council for a Competitive Economy, concludes, "The tragedy of the nuclear power industry is its reliance on the political process rather than the market for guidance. . . The Clinch River Project reveals how far afield an industry can wander when economic reality is replaced by political caprice."●

THE PLIGHT OF THE BLACK FARMER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. TOWNS. Mr. Speaker, today the House passed H.R. 1190, the Emergency Agricultural Credit Act of 1983. In their supplemental views to the report on this legislation, several of our colleagues discussed the findings of the U.S. Commission on Civil Rights report on "The Decline of Black Farming in America." The findings in this report suggest the agricultural credit programs of the Farmers Home Administration (FmHA) may be contributing to the loss of black-owned farms. As a member of the Government Operations Subcommittee on Government Information, Justice, and Agriculture, I hope that our subcommittee can examine the Commission's findings through hearings in the near future. I would like to share our colleagues (Mr. DASCHLE, Mr. BROWN of California, Mr. HARKIN, Mr. BEDELL, and Mr. PENNY) supplemental views on this topic with the Members of the House.

SUPPLEMENTAL VIEWS OF HON. TOM DASCHLE, HON. GEORGE E. BROWN, JR., HON. TOM HARKIN, HON. BERKLEY BEDELL, AND HON. TIM PENNY

We note with particular interest a report issued in February 1982, by the U.S. Commission on Civil Rights entitled, "The Decline of Black Farming in America." The report examines problems confronting black farmers and the historical and current conditions—racial discrimination, lack of institutional economic support, commercial lending practices, commodity and income supports, and tax structures geared to benefit large farm operations, and others—that have contributed to the loss of black-owned farms in the United States. It reviews the agricultural credit programs of the Farmers Home Administration (FmHA) in light of its role as the principal public lending institution for Rural America, and evaluates civil rights policies and enforcement activities at various administrative levels within the U.S. Department of Agriculture (USDA) and assesses their impact on loan services provided to black farmers in its farm credit programs.

In a transmittal letter accompanying the report when submitted to Congress, the Chairman of the Commission, Arthur S. Fleming, stated, ". . . FmHA credit programs have the capability to provide immediate direct assistance to black farmers to make their farms more viable and to prevent further loss of their lands."

However, we are alarmed that, according to the Commission's report, since 1920, blacks have left agriculture at a rate 250 percent greater than that for white farmers. Only 57,271 black farmers remained in agriculture in 1978, a dramatic decline from 916,000 in 1920. In addition black farm income in 1978 averaged only $7,584 compared to $17,323 for white farmers. We are concerned that if current rates of loss continue, by 1990, fewer than 10,000 black farmers will remain in the United States.

With these figures in mind, we are especially troubled by the Commission's finding that FmHA has not given adequate emphasis or priority to the crises facing black farmers. Again, according to Chairman Fleming:

"* * * despite their disproportionate need, black farmers are not fully benefiting from FmHA loan programs. In some cases, FmHA may have hindered the efforts of black small farm operators to remain a

viable force in agriculture. Furthermore, as the Commission has found in the past, USDA and FmHA have failed to integrate civil rights goals into program objectives and to use enforcement mechanisms to ensure that black farmers are provided equal opportunities in farm credit programs."

In light of the Agency's mission as the lender of last resort for low income, minority, and otherwise disadvantaged farmers, we believe that FmHA should play a central and leading role in promoting and encouraging viable black-owned farm operations. However, we are dismayed that FmHA apparently has not embraced its responsibilities in this regard, and in fact, has shown little desire to do so. As noted in the Commission's report, only 2.5 percent of the total amount loaned through FmHA farm credit programs in fiscal year 1981 was awarded to black farmers. Moreover, in each farm loan program, the proportion of loans made to blacks declined between 1980 and 1981.

We are especially concerned with the less than satisfactory record of FmHA's limited resource loan program in providing due assistance to eligible black farmers. Created in 1978, the limited resource loan program has among its specific purposes and goals the assistance, through low interest loans, to minority farmers who might otherwise be unable to enter or continue farming. In fact, the Commission's report contains findings which bring into question whether FmHA is fulfilling its obligations under both civil rights laws and federal farm credit program statutes.

"* * * Even the limited resource loan program has not been administered to the benefit of black farmers. The majority of black FmHA farm loan borrowers are not provided these low-interest, limited resource loans, but instead receive their loans at regular interest rates. In some states, black borrowers receive proportionally fewer limited resource loans than white borrowers.

"There are indications that FmHA may be involved in the very kind of racial discrimination that it should be seeking to correct. Perceptions held by black farmers and community-based organizations, along with complaints and compliance review findings and analysis of limited resource loan data all suggest that FmHA, in some instances, contributes to the problem rather than to its amelioration."

Such findings by the Commission were supported in testimony received during hearings held by the Subcommittee on Conservation, Credit and Rural Development on H.R. 1190. Ms. Kathryn Waller, Executive Director of the National Sharecroppers Fund, described individual instances of discrimination against black farmers in her home state of North Carolina. She explained the unspoken, though effective, FmHA lending policies in predominantly black counties which prevent blacks from taking advantage of credit opportunities to which they should be entitled. She urged the Subcommittee "to examine the administration and future direction of the limited resource loan program, to ensure that it is fulfilling the purpose Congress intended."

Concerned by the allegations contained in the February 1983 report, the Chairman of the Subcommittee on Conservation, Credit, and Rural Development, in a letter to Agriculture Secretary John Block, inquired as to the Department's official response to the U.S. Commission on Civil Rights, and what steps were being taken to address the problems uncovered in the report. In August, some seven months after the report's release, Secretary Block in his response to Commission Chairman Fleming and in separate correspondence to the Subcommittee Chairman indicated that USDA did not accept the findings of the report. He maintained that FmHA provides only a small percentage of farm credit in the first place and, therefore, should not be expected to make the difference for black farmers. In addition, the Secretary noted that, given the small number of black farmers, FmHA does not in fact serve black farmers well. He also noted that USDA was at that time overhauling its civil rights procedures and its Office of Minority Affairs. Secretary Block stated that the Civil Rights Commission could expect full cooperation from the Department under the leadership of newly-appointed Office of Minority Affairs Director, Isidoro Rodriguez.

During deliberations on H.R. 1190, USDA's commitment to its civil rights enforcement responsibilities regrettably became further clouded. In a memorandum brought to the public's attention during a Presidential news conference in February 1983, it was learned that USDA Office of Minority Affairs Director Rodriquez was suggesting that all USDA regulations be "purged of any reverse-discrimination aspects. . . ." Rodriquez went on to assert that the Administration has not been supported politically by the groups which benefit from civil rights policies and that "non-ethnic groups which have not received special benefits are making it clear in a number of ways they are tired of ethnic favoritism." Under the tenure of Director Rodriguez, the Office of Minority Affairs experienced a reduction in the number of investigations of discriminatory practices from 90 in 1981, to none in 1982, and the number of compliance field reviews from 92 to one.

To the credit of USDA and the Administration, Mr. Rodriguez was dismissed soon after this disgraceful episode was publicly uncovered. Secretary Block has since re-affirmed publicly his support for civil rights laws, and we fully expect incidents of this nature not to occur again.

However, because of the laxity with which the Secretary responded to the report from the U.S. Commission on Civil Rights, and the Department's apparent disregard for the findings and recommendations contained in the report, we must state for the record our concern that USDA improve drastically and immediately its enforcement of civil rights laws and its attitude toward them. We urge a new investigation by the Department of the findings of the Civil Rights Commission report to ensure that black and other minority farmers are being afforded fair and equal treatment under the law. Furthermore, we urge the Department to carefully monitor the implementation of all its programs at all levels, especially the local level, and to re-institute the thorough investigation of all charges of discrimination as well as its regular civil rights compliance field reviews.

Subsequent to Committee action on H.R. 1190, and prior to the filing of the Committee Report on the legislation, we were notified that the Civil Rights Commission Chairman, Clarence M. Pendleton, had once again contacted Secretary Block to express the Commissioners' concern about the Department's handling of its civil rights enforcement responsibilities. In a March 14, 1983, letter, Chairman Pendleton noted that USDA has failed to implement any of the specific recommendations included in the Commission's February 1982 report. In fact, the Commission states that the conditions highlighted in their report one year ago, rather than improving, actually have worsened.

We are now convinced more than ever the validity of the concerns we have expressed in these additional views. Following is a copy of Chairman Pendleton's recent letter to Secretary Block:

U.S. COMMISSION ON CIVIL RIGHTS,
Washington, D.C., March 14, 1983.

Hon. JOHN R. BLOCK,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: A year ago the Commission issued a report, "The Decline of Black Farming in America", documenting the unparalleled rate of loss of black-owned and operated farms in this country (a rate of loss 2½ times that for white-operated farms over the last decade). The report also reviewed the role of the U.S. Department of Agriculture and the Farmers Home Administration in providing assistance to black farmers. It expressed our belief that the Farmers Home Administration, with an historical mission to preserve the family farm, a mandate to provide supervision and loans to farmers who cannot obtain credit elsewhere, and a farm loan budget exceeding $6 billion annually, is in a unique position to assist black farmers. The report found, however, that despite their disproportionate need (which it documented extensively), black farmers received only a small fraction of FmHA loans, and moreover, that the majority of blacks who did receive FmHA farm loans, did not receive them at the low interest rates intended for limited resource farmers. We also found that USDA was not enforcing civil rights laws effectively to ensure that minorities receive equal opportunity in FmHA's farm credit programs.

A year later, we are deeply concerned that the conditions highlighted in our report, rather than improving, actually have worsened. FmHA's farm loans to blacks have declined steadily, FmHA minority employment has fallen despite increases in overall agency employment, and civil rights enforcement has come to a virtual standstill.

Examination of FmHA farm loan beneficiary data reveals that the proportion of loans to blacks has continued to decline steadily since 1980 in every FmHA farm loan program except one. (The exception, the Disaster Loan Program, as you know, awards loans based on geographically defined disaster areas.) Loans to blacks under the Farm Ownership Loan Program declined from 3.1 percent in 1980 to 1.9 percent in 1981 to 1.4 percent in 1982; Operating Loans to blacks declined from 7.9 percent in 1980 to 5.8 percent in 1981 to 4.5 percent in 1982; Soil and Water Loans declined from 2.9 percent in 1980 to 2.6 percent in 1981 to 2.3 percent in 1982. As a proportion of the total dollar amounts loaned in 1982, blacks received only 1.0 percent of the Ownership Loans, 2.5 percent of the Operating Loans, and 1.0 percent of the Soil and Water Loans.

FmHA data also reveal that the likelihood of black borrowers receiving loans at special low interest rates under the Limited Resource Loan Program, which Congress expressly intended to benefit minority farmers, is declining even more dramatically. While the total number of Operating Loans made to blacks declined by 20 percent between 1980 and 1982, the number of initial

Limited Resource Loans made to blacks declined by 68 percent. (This analysis is restricted to "initial" Limited Resource Loans because FmHA does not provide "subsequent" or total Limited Resource Loan data by race.) Thus, in 1982, only one black borrower received his loan(s) at low interest rates for every ten Operating Loans made to blacks. (In 1981, one black received low interest loan(s) for every five Operating Loans made to blacks, and in 1980, one black received low interest loan(s) for every four loans made to blacks.) In some States, the chances of a black receiving a Limited Resource Loan are particularly poor. For example, while 113 Operating Loans were made to blacks in Arkansas and 96 in Virginia during 1982, only one black borrower received a low interest loan in each of those States. In Georgia, while blacks received 92 Operating Loans, only three blacks received their loans at low interest rates under the Limited Resource Loan Program.

A review of FmHA employment data reveals a downward trend in minority employment in the agency. Between March 1981 and October 1982, total agency employment rose by 440, or five percent. During this same period of time, however, minority employment fell, bringing the agency's rate of minority employment down from 11.2 percent to 10.7 percent, well below the Federal government's average rate of minority employment.

We are particularly concerned that the Department's efforts to enforce civil rights laws have deteriorated over the past year. In your August 16, 1982 letter responding to our report, you stated that the Department had "taken a number of steps internally to improve . . . civil rights enforcement programs. . . . [and] recently completed a reorganization of the Office of Minority Affairs [OMA] in order to ensure more timely and effective complaint investigations and compliance reviews . . ." Our staff, however, in meeting with then OMA Director Isidoro Rodriguez, found that OMA's reorganization was still in process (and, we understood, not to be completed until February 20). It appears, in the meantime, that most of OMA's functions came to a halt during 1982.

For example, in prior years, OMA conducted approximately 80 onsite compliance investigations annually, one-quarter of which covered county and district FmHA offices. In 1982, OMA conducted only one onsite compliance investigation. No onsite compliance reviews were conducted of FmHA field offices by OMA or FmHA headquarters in 1982.

Similarly, in 1982, OMA discontinued its practice of conducting onsite investigations of complaints. In prior years, OMA investigated (onsite) about 100 complaints annually. In 1982, responsibility for complaint investigations was transferred, without concomitant staff or funding, to the agencies charged with discrimination in each respective complaint. Thus, for example, FmHA staff are to handle, by written correspondence or telephone inquiry, the more than 200 complaints filed against FmHA annually. We understand the backlog is such that staff have not yet begun to respond to complaints received in 1982. No complaints against the Farmers Home Administration are being investigated onsite.

In 1982, OMA also discontinued its report, "Equal Opportunity Programs in USDA," which has been issued annually since 1972. The report provided a summary of USDA civil rights activities, compliance review findings, complaint resolutions, minority program participation data, and agency employment data. No comparable summary or analysis has been issued in its place, making it difficult to evaluate agency and Department-wide civil rights progress.

Mr. Rodriguez refused to cooperate with government-wide efforts to coordinate civil rights enforcement activities to make them more efficient and effective. Under Executive Order 12250, which vests coordination authority for enforcement of certain civil rights statutes in the Department of Justice, Federal agencies are required to submit Implementation Plans to the Justice Department. These annual plans describe each agency's civil rights accomplishments in the previous fiscal year and project goals and objectives for the coming year. Mr. Rodriguez did not submit the 1983 Plan which was due in November 1982.

Mr. Rodriguez stated that he also did not intend to submit a 1983 Affirmative Action Annual Accomplishment Report and Update required by the EEOC. He indicated that he intended to develop an affirmative action plan under his own, unspecified, criteria. In the meantime, Mr. Rodriguez discontinued statistical reporting of USDA employment by race, ethnicity, and sex and trends in minority employment. He did not develop a 1983 Federal Equal Opportunity Recruitment Program (FEORP) plan required by the Office of Personnel Management (OPM) and, according to staff, left vacant the positions of Hispanic Program Manager and Federal Womens Program Manager.

The concerns summarized above lead us to the conclusion that the Department has dismantled, in 1982, the few civil rights enforcement mechanisms developed by USDA over the past decade, without instituting alternative mechanisms to ensure equal opportunity in USDA programs. We are apprehensive about the consequences of the Department's lack of civil rights leadership and the resultant message conveyed to your agenices and their field offices—a message that signals a waning concern for civil rights at USDA. Declining farm loans to blacks may be but one manifestation at the county level of an increasing disregard for the rights of minorities.

Most government commodity, research, and tax programs are geared to, and overwhelmingly benefit, middle and upper income farmers, who are predominantly white. Nonetheless, Federal programs are often the only viable assistance available to minority farmers. It is, therefore, of critical importance that all USDA programs, and especially those which have great potential for assisting black farmers, such as FmHA's loan programs and particularly the Limited Resource Loan Program, be available to minorities on a nondiscriminatory basis. At the very least, our nation's laws require this.

As Secretary of Agriculture, you have the responsibility and the authority to take actions which will strengthen civil rights enforcement and significantly influence the lives of minority farmers. We strongly urge you to reconsider the direction your Department has taken in civil rights. In following up on the recommendations in our report, we also are urging the Congress to take a more active role in the oversight of FmHA's services to minorities and USDA's overall civil rights enforcement program. It is our hope that you will take this opportunity to assert strong, effective leadership to assure that minorities are provided equal opportunity in all programs offered by the U.S. Department of Agriculture.

Please advise us of any action you plan to take in response to our concerns.

Sincerely,

CLARENCE M. PENDLETON,
Chairman.
(For the Commissioners).
TOM DASCHLE.
GEORGE E. BROWN, Jr.
TOM HARKIN.
BERKLEY BEDELL.
TIM PENNY.●

"LIVE FREE OR DIE," AND . . . THE NUCLEAR FREEZE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. McDONALD. Mr. Speaker, as most of my colleagues know, the motto of our neighbors to the north in the State of New Hampshire is: "Live Free or Die." I think that not only a fitting motto for all of these United States today, but most assuredly is an apt reply to those who look at the Communist menace today and still insist on being, "Better Red Than Dead."

It seems that some outstanding examples of a resurgence of patriotism among our young men and ladies of today are coming from the college students of New Hampshire. A few weeks back, we found an excellent example of their patriotism when a poster found its way to the Halls of Congress by the New Hampshire College Republican Federation. It depicted in absolute truth the present dictator of Communist Russia: Yuriy Andropov. These young people of New Hampshire pointed out that Andropov, as Director of the KGB—Soviet Secret Police—was not only guilty of participation in the attempted assassination of the present Pope, but as well, we can thank Andropov for Hungary, Czechoslovakia, suppression of freedom-lovers in Poland, the invasion of Afghanistan, the use of chemical warfare in both Afghanistan and Laos, and much more.

Now comes more patriotism from the young people of New Hampshire with an item from Dartmouth College titled: "15 Questions for Your Nuclear-Freeze Friends." I commend these 15 questions to my colleagues for there is indication here that some Members are misreading what the grassroots of America are really thinking on this issue. Reader's Digest issue of May 1983 evidently thought these 15 questions should be shared with all America. I could not agree more and accordingly would like to share these "to the heart of the problem" "15 Questions on the Nuclear Freeze" with my colleagues. The Dartmouth Review item, as condensed by Reader's Digest, follows:

[From the Reader's Digest, May 1983]

15 QUESTIONS FOR YOUR NUCLEAR-FREEZE FRIENDS

(Condensed from Dartmouth Review)

It was interesting, for a week or two, to contemplate the negotiation of a joint and verifiable (emphasis on the latter) freeze of nuclear-weapons deployment along with our friends in Moscow. You knew the Russians would never agree to verification anyway, so you relaxed and indulged the impulse to daydream.

But now it's time to politely change the subject. If you find yourself getting bogged down in the freeze debate, pop one of these 15 questions:

1. Describe in 100 words or less the Soviet monument to détente that stands in Berlin.

2. Name the last three arms-control treaties upheld by the Soviet Union. (This is a trick question.)

3. Estimate the total number of deaths in Soviet Prisons from 1917 to 1923. (Hint: up to five million.)

4. Illuminate the vigor of the Soviet election system to comparing it with such "fascist" American allies as El Salvador, Chile and Guatemala.

5. Outline the many differences between now and 1963, when the United States unilaterally pulled its nuclear missiles out of Turkey, Italy and Britain—but the Soviets neither cut back nor froze, but expanded.

6. Give the total number of Soviet citizens murdered in the Gulag Archipelago from 1936 to 1950. (Hint: some 16 million.)

7. Compare the military budget of the U.S.S.R., a mere 13 percent of Soviet gross national product, with that of the NATO countries, a provocative and militaristic 4 percent of GNP, and of the United States, a whopping 6 percent of GNP.

8. State the Soviet bill of rights.

9. Outline the many differences between now and 1976, when the United States began unilateral disengagement of its anti-ballistic-missile program—but the Russians neither cut back nor froze, but expanded.

10. Narrate the stunning success of the Soviet "Chemicals for Peace" program in Afghanistan, Cambodia and Laos.

11. Place a check by each country in which the Soviets established a military presence in recent years: a. Mozambique, b. Nicaragua, c. Iraq, d. Angola, e. Ethiopia, f. (All of the above, and more.)

12. Review the Russian policy of providing support for world peacemakers, such as Muammar el-Qaddafi, Fidel Castro, Yasir Arafat.

13. Relate the progress of Soviet good-will missions to Poland, Czechoslovakia, Hungary, Angola and South Yemen.

14. Examine America's aggressive, jingoistic withdrawal from the Panama Canal as a contributing factor in defensive Soviet actions in Nicaragua and El Salvador.

15. Trace the development of Russia's nuclear-freeze movement, including the many protest marches, pamphlets, Soviet TV specials advocating a nuclear freeze. (Another trick question.)

That should provide you with enough ammunition to blow up your friends' world 15 times over. We might as well stop there and see if the other side will reciprocate—i.e., stop talking about a nonsense freeze and come back to the earth on which there lies a Soviet Union.●

ARMENIAN MARTYRS REMEMBERED

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. MOAKLEY. Mr. Speaker, when we read about the horrors of a cold-blooded murder or the violation of another individual's person or property, we generally respond with anger and outrage at the injustice, and the senseless, unprovoked, and unnecessary harm which has occurred. Sometimes our indignation leads us to public action to protest these wrongs and try to insure such acts will not be repeated. It is with such anger and yet with a most sincere respect for the victims that I join my colleagues in commemorating the over 1½ million innocent men, women, and children who needlessly lost their lives in the Ottoman genocide of the Armenian people between 1915 and 1923.

The Turkish Empire began their genocidal purge of the Armenian population within its borders in 1894, when 200,000 Armenians were massacred during the reign of the Ottoman Sultan Abdul Hamid II. An additional 21,000 Armenians were killed during 1909. Most infamous though were the brutal executions, deportations, and mass exiles inflicted upon the Armenian people of Turkey during the mid-1910's. Beginning on April 24, 1915, when over 200 Armenian religious, political, and intellectual leaders were arrested and either exiled or killed, a carefully executed Government plan of genocide was undertaken which saw over 1,500,000 Armenians perish, and more than 500,000 exiled from their homes in the Ottoman Empire. The methods of this plan involve some of the harshest treatment and inhuman conditions ever imposed on a people. Perhaps the most obscene aspect of these actions is that it was done without cause; an Ottoman document, dated September 16, 1915, makes it clear that the regime's purpose was "to destroy completely all the Armenians living in Turkey".

Precious little has been done to investigate this atrocity, and even as we remember those who died so needlessly 68 years ago, few people are aware of the tremendous suffering and deprivation which the Armenian people underwent. Yet the crimes committed against them deserve the same attention as would be received by a murder or other crime committee today. The U.S. Ambassador to Turkey during the period of Armenian extermination, Henry Morgenthau, wrote of the massacre in 1918. "I am confident that the whole history of the human race contains no such horrible espisode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915." As we pause to remember those who lost their lives to the selfish whims of their rulers, let us make it our resolution never to allow such an event to happen again. As we protest the human rights violations in other countries, and express our anger over the increasing crime at home, let us not forget this systematic persecution and massacre.●

"CITY OF MEDICINE" BECOMES 18TH NORTH CAROLINA ALL-AMERICA CITY

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. VALENTINE. Mr. Speaker, it should come as no surprise to those familiar with the city of Durham, N.C., that it was recently named an "All-America City." Long recognized for its distinguished medical and scientific facilities, this proud city in recent years has surpassed even itself with major advances in education, industrial development, cultural opportunities, the sciences, and above all, the quality of life of its people.

An article recently published in North Carolina magazine outlines the impressive attributes that contributed to Durham's "All-America" designation. I ask that it be inserted in the RECORD and I commend it to my colleagues.

The article follows:

[From the North Carolina magazine, April 1983]

"CITY OF MEDICINE" BECOMES 18TH N.C. ALL-AMERICA CITY

DURHAM.—Winning an All-America City designation is no easy job. It requires a deep-seated commitment on the part of a community's leaders. It requires heavy investments of time, money and dedication. And it requires a strong sense of purpose on the part of a city or town in the process of trying to improve itself.

Durham is the latest of several Tar Heel cities to enter the select All-America list. The accompanying article tells of the specific projects which brought Durham the recognition. But in truth, Durham has been pulling itself upwards by its bootstraps for many years. Its progress has been remarkable, especially when one recalls that a decade or so ago some Durham citizens were concerned that their city might not share fully in the urban growth and progress that was sweeping North Carolina.

The city's leaders, its public organizations and its citizenry banded together to make sure Durham was not left in the economic backwaters. Perhaps the major group that spearheaded not only the city's advancement, but also the public recognition of that advancement, has been the Greater Durham Chamber of Commerce.

A DECADE OF GROWTH—DURHAM CITY AND COUNTY

Population	Jan. 1, 1983	Jan. 1, 1973	Change (percent)
Durham County (estimated)	154,783	140,078	+10
Durham City (estimated)	101,328	100,764	+0.004
Retail sales	$902,014,324	$387,967,352	+132
Assessed valuation [1]	$4,590,893,835	$1,509,414,825	+204
Building permits	101,739,256	71,474,673	+42
Postal receipts	$14,965,369	$4,329,469	+246
Air passengers (in and out)	1,884,410	1,142,704	+65
Telephones	144,511	89,924	+61
Motor vehicles	109,320	81,443	+34
Labor forces	91,500	66,030	+39

[1] Until 1974, property was assessed at 75 percent of market value for tax purposes. Since then, a 100-percent evaluation has been used.

Source: Greater Durham Chamber of Commerce.

Composed of most of the city's leading residents, the Durham Chamber has worked closely with city and county government, with business and industry, and with the local educational and other public institutions. The results have been notable. Some of them of recent years include:

Downtown revitalization: Durham's inner city business district would hardly be recognizable to someone who hadn't been there for the past few years. In 1977 Durham's downtown historic district was placed in the National Register of Historic Places.

City of Medicine: A couple of years ago, members of the Durham Chamber launched a campaign to promote the city and environs as one of the nation's major centers of medical and scientific treatment and research. It was a valid slogan—City of Medicine, what with the opening of Duke University Hospital North in 1980, the dedication of a new Durham County General Hospital four years earlier, the long-time presence of the Duke Medical Center, the Veterans Administration Hospital, the vast medical research institutionalized at the Research Triangle Park in Durham County, and many other medically-related facilities. (See North Carolina Magazine, October 1981.)

Cultural advancement: Durham's Life and Science Museum is a monument to local effort. A new county library opened in 1980. The Duke Homestead was renovated and opened to the public a few years ago, along with the adjacent North Carolina Tobacco Museum. And Bennett Place is where the Civil War ended in 1865.

Education: James B. Duke's bequest to Trinity College in the 1920's gave birth to one of America's finest institutions of higher education. Duke University continues to grow and diversify. North Carolina Central University, a state institution, has made impressive strides in recent years. In 1978, after offering the old Watts Hospital Building as housing, Durham was chosen as the site for North Carolina's School of Science and Mathematics, the first of its kind in the country.

Public Facilities: Last year Durham citizens passed a Civic Center and water bond issue, and strongly supported the successful vote for Raleigh-Durham Airport's new runway bond issue.

Industrial Development: Long a regional center for tobacco manufacturing, Durham's economy still lists tobacco as a major component. But industrial diversification has brought a large variety of new employment opportunities, a substantially broadened tax base and millions in added payroll. New industrial parks, shopping centers and other manifestations of a swelling economy are evident in Durham. The city is home to two telephone corporate headquarters, and both Liggett & Meyers and American Tobacco Companies manufacture cigarettes and other tobacco products. The Durham industrial base is hugely bolstered, of course, by the research and manufacturing facilities in the Research Triangle Park. N.C. Mutual Insurance Company has stood for years as a national example of how black-owned business enterprises could thrive in the South. Nello L. Teer Company is one of the world's largest contracting firms. Wright Machinery Company, a division of Rexham Corporation, is a major manufacturer of packaging machines.

Amenities: Durham has become one of the state's cultural centers. The American Dance Theatre, the arts available from Duke University, the Duke and Durham Symphonies are a few examples of aesthetic nourishment available to the city's residents. And Durham, as part of the Raleigh-Durham-Chapel Hill Triangle metropolitan area, ranked in a recent survey of business executives as the country's second most desirable business site. The 1982 Rand McNally Places Rated Almanac listed the same area as 9th best in the country as an area to live in.

People don't need to worry about Durham's future any more.●

A TRIBUTE TO THE LADY JUGGLERS

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BOEHLERT. Mr. Speaker, I am proud to have in my district the New York State Federation Class A girls' basketball champions.

The Notre Dame High School team, the Lady Jugglers, became State champions on March 27. Their 57 to 43 victory was a fitting end to their brilliant 26 to 0 season. The entire team is to be congratulated.

Mr. Speaker, I am especially proud because the Notre Dame team includes Shelly Pennefather, who has won a staggering array of national honors.

Most recently, she was named to the Parade Magazine All-America High School Basketball Team. But top honors are nothing new for Shelly. She is a four-time AAU All-American, and she played last summer for the U.S. National Junior Women's Basketball Team.

What is most impressive about all this is that Shelly's excellence has not gone to her head. She is an unselfish player who is liked and respected by her teammates.

As one of her teammates told the Observer-Dispatch, "Shelly makes everyone around her a better player. When we first learned that she was coming here, there was no resentment. We were psyched. We knew that she would help make us even better."

That is a tribute not only to Shelly, but to the entire team. They deserve our praise.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—NEW MEXICO WINNER FOR 1982-83

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SKEEN. Mr. Speaker, I would like to enter into today's CONGRESSIONAL RECORD an exceptional speech written by a New Mexican high school student, Mr. Kevin D. Shahan.

Mr. Shahan wrote this speech for the annual Veterans of Foreign Wars Voice of Democracy contest. It was the winning speech in New Mexico. I am pleased to submit this speech and hope you enjoy it as much as I have.

The speech follows:

How do we know that the children of today will become the good productive citizens of tomorrow? Can we be sure that the hopes and dreams of America's youth will continue to expand the principles of this great country? I believe American heritage guarantees it!

To prove my point, let me utilize your imagination for a few minutes and let's pretend to plant a field of corn. First, we must have good vigorous corn seed to put into the God-given soil. The outer covering or hull of the kernel dies, so that the germ or young embryo corn plant may spring forth. The rest of the kernel is made up of starch that provides the young plant with its first food as it begins to grow and put down roots. Now the good corn seed is like our forefathers who took pride in being Americans. They helped the country and its people survive many challenges and hardships—including dangers in the wilderness, wars, social turmoil, and economic depressions. They set about establishing a government, created the Constitution with the Bill of Rights, expanded into new frontiers and shaped a nation with a strong spirit and hard work. They gave their lives so that their descendants might be born into a nation dedicated to the principles of democracy, freedom under God, equality, and opportunity for all.

The new corn plants represent America's youth, rooted well in our pioneer heritage, reaching out for nourishment and growth, basking in the sun of God's blessings.

When our corn field is up, we then must cultivate and water and protect the tender plants from weeds. The cultivator is democracy. Watering represents education; therefore, democracy and education work hand in hand. A democracy needs educated citizens who can think for themselves. They must be able to vote intelligently and make decisions on important issues. Education can strengthen democracy by teaching students how to think and not what to think.

The weeds represent a dictatorship or any rule by force that ignores moral and human issues. Democracy clears them away so they do not rob the youth of their heritage of freedom and equality.

Soon our corn plants become young stalks and reach up and out for the opportunity to mature and produce more corn. So also is the youth of today looking for their opportunity and no other country offers more opportunity than America. The opportunities that await today's youth are increased standards of living, more educational advan-

tages, automation, advancement in science bringing better health and longer lives.

Our imaginary field of corn has produced perfectly because it has had all the advantages and necessities for growth.

The youth of America has all the same advantages. A history and heritage that set in motion and produced the principles of this great country: democracy, education, and the opportunity for life, liberty, and the pursuit of happiness.

An unknown author once wrote:

"If freedom is a great stream, reddened by the blood of the millions who have died for it, hindered by snags and backwaters which must be constantly cleared out, rushing toward what end we do not yet know, may not the clear springs of this great free river lie in the artless dreaming of a child?"

I believe I have shown that this great nation produces responsible youth. New ideas, new inventions, and dreams of a better way lie in the productive minds of today's youth—and therein lies America's strength.●

SBA QUESTIONED

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WEBER. Mr. Speaker, Mr. Michael Henle of Marshall, Minn., has posed some important issues for Congress to consider when we enact legislation designed to assist small business. I believe that we must curb the abuses in the program pointed out by Mr. Henle and look to legislation which does not adversely affect small business in the future.

Thank you, Mr. Speaker.

Does our federal government, by creating more agencies to help the small business, actually hurt small business?

In 1953, Congress established the Small Business Administration (SBA) "to aid, counsel, assist, protect, and to preserve free competitive enterprise."

Thirty years later, the SBA is a large administrative agency, but it often shows little concern for the real problems of small business.

Statistics show that our economy is made up of more than 13 million small businesses. They create more than half of our nation's goods and services, and provide 50 to 87 percent of all new jobs.

In contrast to these statistics, the federal government awarded only 3.5 percent of its research and development grants in 1979 to small business. In 1981, small business received only 21.6 percent of the total procurement purchases by the government, even though it makes up 50 percent of our business economy. In truth, the SBA has been ineffective in promoting fair treatment of small business by the federal government.

The SBA has the power to provide loan guarantees. The purpose of these loan guarantees is to create venture capital for small business, but many of these loans are misused. A few examples include the SBA loans toward promoting rock concerts, the funding of X-rated movie houses and also a chain of homosexually oriented Turkish bathhouses, in southern California.

Is this truly promoting venture opportunity for the small businessman? The SBA's decisions for providing loan guarantees are strongly influenced by political pressures. Small businesses are generally operated as a proprietorship, and therefore do not have the heavy political power wielded by corporations and big businessmen.

In a recent survey, it was found that among small businessmen, the actual number who have had dealings with the SBA was barely 1 percent of all small businesses. Most other businessmen have only heard of the SBA through scandals and misuses reported in the newspapers.

The question remains: Is small business being represented and protected by the agency designed for that purpose, or is the SBA another agency established by government to boggle the minds of small businessmen by creating endless mounds of paperwork just to create more bureaucratic jobs?●

ARMENIAN MARTYRS' DAY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. RUSSO. Mr. Speaker, we have recently observed the 13th congressional recognition of Martyrs' Day in memory of the 1.5 million Christian men, women, and children who died in that awful year of 1915, when a final solution was arrived at on the Armenian question by the gluttonous Ottoman Empire. On that infamous day of April 24 it began. Armenians in Turkey were arrested and later deported to various parts of that country—only to be executed there. For years prior to this the brave people of Armenia, the first Christian nation, were beaten, starved, executed, suffering persecution almost unparalleled in modern history. This because they were an obstacle to the Ottoman concept of a pure state of Islam.

Such brutality and inhumanity must be recalled to remind ourselves of what is possible in a supposedly civilized world. We must commemorate Martyrs' Day in recognition of the millions of murdered Armenians because justice has never been served here. We owe this debt to those who did survive this catastrophe and who preserved their traditions and faith. Their contributions have enriched the communities and nations in which they reside.

There is the power of evil and the power of good in the world. Martyrs' Day serves to remind us that even the most blatant evil could not wipe out the good of the Armenian people. As we remember those who died and pay tribute to the Armenian people, we do so with a sense of renewal and rededication to the principles of justice, to courage, to hope.●

H.R. 723

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. FORD of Michigan. Mr. Speaker, I am very pleased that the House has passed H.R. 723, a bill I introduced for the relief of Marsha D. Christopher, one of my constituents. My colleagues have taken an important step toward remedying the injustice Mrs. Christopher has suffered, and I hope the Senate will follow swiftly in our path.

I would like to express my special gratitude to SAM B. HALL, JR., who as chairman of the Administrative Law Subcommittee, has given this bill very careful consideration and expeditious treatment. Without Chairman HALL's concern and his conviction that Mrs. Christopher deserves relief from the normal workings of the law which have affected her so adversely, today's action would not have been possible.

Mrs. Christopher, the mother of five children, was a temporary letter carrier who, through the contributory negligence of the U.S. Postal Service, was mauled by a vicious dog and horribly disfigured. Mrs. Christopher was awarded workers' compensation by the Labor Department, but because she received a settlement from the dog's owner, the Labor Department later reduced her award by nearly $40,000. This reduction left Mrs. Christopher with totally inadequate compensation for her pain and suffering, disfigurement, loss of work, future psychological and employment problems, and the trauma of 14 surgical repair operations.

H.R. 723, which the House passed today, would suspend the operation of 5 U.S.C. 8132, which compels the reduction of Federal workers' compensation awards where a settlement is obtained from a third party tort feasor. The Treasury would be directed to repay to Mrs. Christopher the portion of her workers' compensation award which she returned to the Labor Department, as well as the amount by which her subsequent compensation payments have been reduced.

As I said at the time I introduced this legislation, H.R. 723 is only the second private bill I have introduced in almost two decades of service in the House of Representatives. I think that provides some measure of how strongly I feel about the unfairness of the Government's treatment of Mrs. Christopher and how strongly I feel about her suffering and misfortune.

I thank my colleagues for approving this legislation.●

FULL FUNDING FOR WIC

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. MOAKLEY. Mr. Speaker, in my past few years in the House of Representatives, I have consistently spoken out in support of one particular Federal nutrition program which to me has been exceptional. This program is known as WIC, the women, infants, and childrens supplemental food program. This excellent program provides nutritious food and nutrition training to low-income mothers and their children—up to 5 years of age—who are also high medical risks. In a Harvard University study, WIC was shown to save $3 in direct medical costs for each $1 spent on the program. Yet, in spite of its documented success and cost effectiveness, this program has continuously been attacked by the Reagan administration with budget cuts and programmatic changes. This year has been no exception, funding cuts are again proposed for WIC. The following article on WIC, from the May 1, 1983, Washington Post, was written by my good friend Dr. Jean Mayer, president of Tufts University and Jeanne Goldberg, R.D. These two individuals are certainly well known by many of us, as well as throughout this country, as leading experts on nutrition. Their article best describes this outstanding program and the need for our support for full funding for WIC:

NUTRITION

Of all the silly ways to budget, cutting back on pennies that save pounds is the silliest. Yet once again, the administration has sent Congress a proposal that skimps on the WIC program. The decision will be made very soon. One of us (Dr. Mayer) recently testified twice on the program before congressional committees.

WIC stands for Women, Infants and Children. Of the special supplemental food programs that benefit children, WIC is the best documented for effectiveness. The program provides food packages for low-income pregnant and lactating women, infants and children up to 5 years old who are determined by physicians, nutritionists, nurses and other health professionals to be at risk because of low incomes and inadequate nutrition.

Pregnant women and fast-growing infants and children need an especially nutritious diet. (Most of the participants in WIC are getting food stamps, but for them, it is not enough.) The WIC food packages provide those foods that are especially necessary: iron-fortified infant formula, infant cereals, milk, cheese, eggs, iron-fortified breakfast cereal, fruit and vegetable juices high in vitamin C, dry beans and peas, and peanut butter.

However, WIC is far more than a supplemental feeding program. Along with foods, it stresses health care and nutrition education. Put them all together, they spell healthier mothers and healthier children.

Evaluation studies have shown a reduced incidence of anemia, improved growth patterns for infants and children, increased levels of immunization, more mothers breast-feeding and better dietary patterns in the women who participate in WIC.

Most important is the evidence that more women on WIC have an acceptable weight gain during pregnancy, and that their infant mortality rates are lower. Low-birthweight and premature infants are the most vulnerable to death in early infancy and, if they survive, to physical handicaps such as blindness and deafness or to mental retardation. Women who eat a poor diet during pregnancy and do not gain enough weight are the most likely to have premature or very small babies (under 5½ pounds at term).

There is an almost 50 percent reduction in the number of babies with low birth weights born to mothers who were enrolled in WIC more than three months before delivery. One study has found that children born to WIC mothers had IQs about 16 points higher and fewer behavioral problems than their older brothers and sisters who had been put in WIC after they were a year old.

The studies show that every dollar spent on the WIC food packages can save as much as $3 in immediate medical costs. Funding a WIC participant through pregnancy runs to about $50. At this point the cost to the government in extended care in a neonatal unit could come to $40,000.

In our own state of Massachusetts, the cost of lifetime care for a retarded person is now between $2 million and $3 million. In Louisiana, the potential savings in educational expenditures for "learning disabled" children had been estimated at over $3.5 million a year. Then there are the uncalculated costs to the nation of lost taxes and production from fully competent, healthy adult citizens.

It takes very few of the dollars saved to pay for the WIC program, just as it does not take many complications of measles to pay for the preventive innoculations. Yet in the past two years, the administration has proposed severe funding cuts for WIC. Congress has kept funding steady, but with inflation even this means a significant reduction. This fiscal year, the administration is asking only for the amount authorized by Congress in fiscal year 1983.

The contents of the food package are mandated by law. If food prices keep rising, say by 5 percent, then 5 percent of the participants will have to be dropped. Thousands of eligible women and children are already on the waiting list.

This is ridiculous. Let's ask our senators and representatives to stop wasting money and give full funding to WIC and the food stamp program that supports it. Our most precious asset is the nation's children. Helping them is not only important to the nation's pocketbook. It is also important to our national future—and to our national conscience.●

WE NEED TEETH IN OUR TRADE POLICY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. CORCORAN. Mr. Speaker, in discussions with my constituents, I am constantly being made aware anew of the cost to our Nation's businesses and economy of our current trade policy. We have enabled foreign firms, particularly Japanese firms, to trample domestic businesses, diverting customers through trade tactics that amount to conspiracies to destroy domestic competition. In well-organized assaults on American markets, Japanese firms have a history of undercutting American competitors, charging prices so low that our companies cannot reasonably compete. This tactic drives domestic firms out of business or forces sales to Japanese firms.

One could argue that this is the free market and it benefits American consumers if this were the whole story. Unfortunately, it is only the first chapter. Once American competition has been eliminated, prices rise, and rise, and rise, completely offsetting any previous benefits to consumers. With no competition, Japanese firms have a captive market, the result of our self-destructive trade policies. This has happened in too many industries—auto, motorcycle, electronics, television, steel.

I am a firm believer in free trade, but not foolish trade. While we have maintained very open markets, Japan has not opened its markets in reciprocal fashion. We are sacrificing our Nation's industries to a policy harking back to the days when America stood alone in trading strength and could afford to go more than halfway to meet our trading partners. We need to relinquish the role of indulgent big daddy of international trade and establish policies that reflect the realities of trade today and that establish America as an equal trading partner.

The time has come to reevaluate the GATT, which hamstrings American industry and provides inadequate, impotent mechanisms for redressing trade violations. We need to put teeth into our responses to trade violations, and we need to establish equitable ground rules to begin with.

Finally, we must negotiate with Japan a more equitable exchange relationship between the yen and the dollar. The extreme undervaluation of the yen vis-à-vis the dollar reflects the actions of the Japanese Government to discourage the free flow of yen outside the country. Restrictions placed on the use of the yen in international trade reduce its value and artificially raise the relative value of the dollar. This further impedes fair trade and aggravates the unfair trade advantage realized by Japan.

I urge the administration and my colleagues in both Houses to reconsider our role in international trade. We should not be content to be less than equal trading partners, and we should not stand for continued infringements on our trading rights.●

LOVINGTON HIGH WILDCATS

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SKEEN. Mr. Speaker, in a nation where the biggest underdogs often succeed and are encouraged to do so, I would like to point out a successful underdog that everyone in my district is proud of.

The Lovington High School Wildcats were invited to participate in the New Mexico State AAA Basketball Tournament. Possessing a record of 11 wins and 14 losses prior to the tournament, many felt that the Wildcats had no business playing in the State tournament. However, Lovington High displayed their enormous will to succeed by defeating three heavily favored teams in the basketball playoffs. On behalf of the people of Lovington and my district, I join in congratulating this team for their tremendous accomplishments.●

SALVAGING EL SALVADOR

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. EDWARDS of California. Mr. Speaker, last week President Reagan addressed a joint session of Congress to explain his rationale for present U.S. foreign policy with respect to Central America. After listening to his testimony, and studying it carefully afterwards, I cannot help but note the striking similarities between his remarks and those given to the American people as reasons for our involvement in Vietnam.

Like Vietnam, the problems in El Salvador have been brewing for many long years. They cannot be solved by more weapons and more fighting. This conflict was not suddenly brought about because of an influx of weapons, nor because of the supposed influence of the Nicaraguans on the guerrillas. President Reagan appears to be falling into the same traps which caught President Johnson and President Nixon in Vietnam: If only they have a little more military aid; if only we send them a few more military advisers; if only.

The conflict in El Salvador began as a direct result of huge inequities in that society—thousands of people living in abject poverty, with 10 percent of the population controlling 90 percent of the land and the wealth. This imbalance can only be resolved through many years of constant effort. The best solution at this time is to begin negotiations between all parties involved in the conflict. This destruction and devastation of a people cannot be allowed to continue, regardless of what President Reagan says the results will be.

Following is an editorial from the San Jose Mercury News, on Friday, April 29, 1983, in this matter. I think the points made in the editorial are very valid and I feel that my colleagues will find it both interesting and informative.

The editorial follows:

SALVAGING EL SALVADOR

The Great Communicator put on a great performance Wednesday night; with his usual verbal brilliance, he drew together the most cogent arguments yet advanced for stepping up U.S. aid to the beleaguered Salvadoran military. Yet he still failed to convince.

Three propositions underlay his plea for $110 million in supplemental aid: the notion that "the national security of all the Americas is at stake in Central America"; the assumption that "our credibility would collapse" if we withdrew our aid; and a feeling of "moral duty" to help the Salvadorans decide their future free of coercion from armed guerrillas. Only the third proposition really carries weight, but Reagan's continuing policies jeopardize the chances of realizing such a future.

United States security is not at stake in El Salvador. Reagan's claims to the contrary will not change the fact. Whatever happens in El Salvador, the Soviets already have a base in nearby Cuba and a friend (but not a puppet) in Nicaragua; the addition of tiny El Salvador to the Soviet camp would be uncomfortable but not of paramount consequence. That country doesn't even face onto the Caribbean, the sea whose military significance Reagan stressed at length during the speech.

A Soviet-backed revolt in Panama or Mexico might be a different story, but revolutions cannot succeed where social conditions don't permit. Neither country faces the extremes of poverty or social injustice that bred violence in El Salvador. U.S. security would be better served by shoring up our important friends, and pursuing a diplomatic rapprochement with Cuba and Nicaragua to lure them out of the Soviet camp, rather than financing a fruitless war in El Salvador.

Nor is American credibility on the line—except as Reagan puts it there by his insistence on backing a corrupt and vicious junta whose soldiers have at best a mercenary's commitment to their struggle. The blind determination to pursue mistakes to their bitter end in the name of credibility was the salient feature of the Vietnam disaster. Our allies warned us then that the pursuit of misplaced goals would weaken their faith in us, not strengthen it. Today our allies in the region—Mexico, Venezuela, Panama and Colombia—plead with us to sponsor negotiations rather than continue fighting. By ignoring them we truly cast doubt on our wisdom and good sense.

A quick pullout, even at the expense of a Marxist victory, would be better from the point of view of the United States, and many Salvadorans, than infinite prolongation of the bloody conflict. But there is an alternative, a compromise of little risk, that would give peace a chance. Congress should give Reagan a fraction of his aid request—the $30 million already passed by the House foreign operations subcommittee—along with an ultimatum: No further aid will be forthcoming until he seriously pursues a military cease-fire and negotiations among the warring parties, with participation from neighboring states.

The system has reached an impasse. Congress can't make or implement foreign policy, but neither can it permit the administration to recklessly throw millions of dollars down the drain on a no-win policy. The administration's own military studies—long suppressed from public view—confirm the hopelessness of ever salvaging the military situation. The Salvadoran military is too corrupt and unmotivated, the guerrillas too popular and clever, for the civil war to be won on the ground.

Distasteful as it may be to negotiate with Marxist guerrillas, no other course offers as much hope of bringing the bloodshed to an end and perhaps—just perhaps—giving the Salvadoran people another chance at political self-determination. In a country that has never known democracy, that is a big if. But it's a chance worth pursuing.

This compromise won't be easy to impose on the administration. The White House approaches the idea of negotiating with the El Salvador guerrillas much as it did the idea of negotiating arms control with the Soviets—reluctantly, and then only as a propaganda maneuver to defuse growing public dissatisfaction with its unyielding stance.

The president's nomination Thursday of former Sen. Richard Stone, also a former registered foreign agent for the right-wing government of Guatemala, as his new ambassador at large to Central America, offers little encouragement that Reagan seriously intends to seek a diplomatic solution in the war-torn region.

As one high administration official told The New York Times, "The feeling never was that we could negotiate an agreement on El Salvador or Nicaragua. Notwithstanding, we decided in February that we needed to move on the diplomatic side to deflect the perception of our only going for a military solution."

President Reagan promised in his speech to "lend U.S. support to the efforts of regional governments to bring peace to this troubled area . . ." Yet only two months ago he slapped down the hawkish assistant secretary of state for Latin America, Thomas Enders, for proposing just such negotiations. Secretary of State George Shultz specifically rejected pleas for international talks during his recent trip to Mexico. Congressional arm twisting will be essential, therefore, to ensure that the administration's new commitment to negotiations goes beyond mere rhetoric.

A compromise cap on further aid should especially appeal to Congress, by limiting America's commitment to the struggle while denying the administration an easy political issue in 1984 over "who lost El Salvador." El Salvador, needless to say, is not, and never was, ours to lose. What the White House risks losing by its current course is not that country, or our own national security, but our reputation for decency, fair dealing and plain common sense.●

FOUR BRAVE BOY SCOUTS HONORED FOR SAVING A LIFE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SMITH of New Jersey. Mr. Speaker, I rise this afternoon to bring to the attention of my colleagues in the House of Representatives the courage, resolve, and poise exhibited by a group of Boy Scouts in New Jersey who were responsible for saving the life of one of their fellow Scouts.

The account of their heroic efforts was brought to my attention by their Scoutmaster, Tom Kilkenny of Boy Scout Troop 10, in South Orange, N.J.

On the afternoon of February 6, 1983, Andrew Pierson, Mario Piccinini, David Wilms, and John Germann, all age 13, and John's first cousin, Timothy Germann, age 11, were hiking in South Mountain Reservation at about 2 p.m. It had begun snowing. They had paused above Hemlock Falls for a rest, and were seated, talking, about 15 feet from the edge of the cliff. Timothy got up and started to walk around. He was about 10 feet from the edge, examining some ice formations, when he slipped and fell. The spot where he fell was icy and sloped toward the cliff. He began sliding, desperately trying to grasp anything solid. He slid 10 feet to the precipice, and his momentum carried him over. He fell approximately 35 feet, apparently striking a protrusion in the cliff face on the way down.

The other boys scrambled to Tim's side. They found him unconscious, lying face down on the ice that covered the pool at the base of the falls. The impact of the fall had forced his head through the ice and his face was down in the water. Although their hike was not an official Scout function, all five boys are members of troop 10, BSA, sponsored by Our Lady of Sorrows Church. The four older boys put their first aid knowledge to work at once. Andrew was not even all the way to the bottom of the falls when it became obvious that Tim was seriously injured and would require medical assistance.

Andrew went immediately for help, taking the shorter, cross-country route in what were now near-blizzard conditions. He went to Gruning's Restaurant, a distance of about 1¼ miles, knowing there was a phone there. Mario helped the other boys pull Tim out of the water and off the ice, then went back up to the top of the cliff and to the road to flag down a car—which he did hoping that he could get to a phone faster than Andrew. The two boys arrived at Gruning's at about the same time. They called the South Orange Police, who told them that Maplewood took care of the reservation. They then called Maplewood and the first aid squad was soon on its way.

When David and John got Tim off the ice, they realized that he was not breathing. Knowing that this could lead to brain damage or even death, they instituted the correct procedures to get Tim's breathing started again, laying him down and hyperextending his neck by tilting his head back to open the airway. They found his jaws were locked, so it would have been impossible to resuscitate him. After a few seconds, however, his jaws unlocked and he began to breath. The two rescuers took off their jackets and placed them over and under Tim to keep him warm and to help ward off shock. David put his gloves on the injured boy. Tim regained consciousness after a little while, and the boys kept talking to him to keep him from slipping into unconsciousness again. During this entire time, snow continued to fall heavily.

By the time police, the Maplewood first aid squad and the St. Barnabas Hospital paramedics arrived, almost an hour had elapsed since Tim fell. He was taken to St. Barnabas, where he was given emergency treatment, had his spleen removed in emergency surgery the next day, and proceeded to make a remarkable recovery. On March 7, only a month and a day after his accident, he returned to school—though with a cast on his arm. Tim, by the way, is a sixth grader at South Orange Middle School. The other boys are in the eighth grade at Our Lady of Sorrows.

While Tim was in the emergency room, the paramedics from St. Barnabas told his mother, Mrs. Mary Jones, several times that the timely application of first aid by Tim's companions was responsible for saving her son's life.

The medics also took the other boys to St. Barnabas to check them over. They found that David had incipient frostbite on his face from being out in the cold so long, but it was treated and found not to be serious. John Germann missed several days of school due to a severe cold he caught during the episode.

The efforts of these brave young men has earned them nominations for the prestigious Scout Lifesaving Award, which I feel they will surely receive.

Mr. Speaker, I share this remarkable story with the Members of this House in order that you may join me in paying tribute to these courageous young men. I believe their quick, effective action in the face of tragedy reflects well upon their parents and troop 10. As an Eagle Scout myself, Mr. Speaker, I can attest to the fact that Scouting teaches a young man not only to be willing but also to be able to assist a victim in an emergency situation. All Scouts are taught to "be prepared." I am proud that these Scouts have lived up to the high standards and ideals of the Boy Scouts of America. They deserve our praise and honor for a job well done.●

PUBLIC LIBRARY SERVICES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. SIMON. Mr. Speaker, today I am introducing a bill to reauthorize and amend the Library Services and Construction Act (LSCA). Over the past 2 years the Subcommittee on Postsecondary Education has held a series of hearings across the Nation on the impact of LSCA on public libraries. Over 200 witnesses testified and each of them expressed strong support for the act. At the same time we received excellent recommendations on needed changes. It became clear during the hearings that libraries play a vital role in communities all across America—a role that has changed to meet the needs of citizens as they arise. Libraries are no longer mere depositories for books. They have become community information centers providing not only information but a variety of services to their users. The bill I am introducing today incorporates these findings and recognizes the expanded role libraries have assumed.

When the first Library Services Act was passed in 1957 its goal was to provide libraries for all geographic locations. To a large extent that goal has been reached and it is currently estimated that over 95 percent of the country has access to a library. However, as the information explosion began the demand on public libraries increased dramatically. In response to these new demands for service the reauthorization bill includes the following revisions:

The role of libraries has been expanded to include providing programs to meet the needs of special populations, providing literacy training programs for illiterate and functionally illiterate adults and sharing resource materials among a wide variety of libraries;

The use of construction funds allows for remodeling for handicapped access, and energy conservation;

Expanded resource sharing between libraries is encouraged;

Funds are made available directly to Indian tribes for developing library services under title IV of the act;

Funding for libraries to purchase foreign language materials, is authorized under a new title V; and

Funding to allow libraries to participate in literacy programs is authorized under a new title VI.

These new initiatives will allow public library services to be expanded to citizens who thus far have been denied those services. They also set the stage for libraries to enter the ever expanding areas of information transfer. I urge my colleagues to join me in cosponsoring this important legislation.●

ACQUIRED IMMUNE DEFICIENCY SYNDROME

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. ACKERMAN. Mr. Speaker, an unusual and frightening disease has stricken more than 1,300 Americans. Approximately 38 percent of the victims have died. No victim has fully recovered.

Since this relentless illness suppresses the immune system, leaving the victim susceptible to certain types of cancer and infectious diseases, it is called acquired immune deficiency syndrome, or AIDS.

The number of reported cases has increased phenomenally from one case per day in January 1982 to three to four cases daily in early 1983.

In New York City and San Francisco the number of cases reported is 10 times greater than anywhere else in the country. In New York City alone, there have been 595 cases—228 were fatal.

In essence, we are witnessing the evolution of a new disease.

What are the causes? We do not know.

What are the treatments? We do not know.

Who will be stricken next? We do not know.

Physicians are stymied because they cannot provide more answers. More so, they are frustrated that they cannot provide a cure. A patient who asks, "What can I do?" cannot be answered.

Instead, the victim must watch and suffer as a host of diseases inexorably takes over his or her body.

What makes the illness so treacherous is that the initial symptoms mimic those of less dangerous diseases—fever, diarrhea, fatigue, and swollen lymph nodes.

So far, it is believed that AIDS passes through initmate contact or injections. But, it is possible that it is more contagious during the initial stages which may begin 2 years before more serious effects are seen. People who feel fine today and are experiencing no discomfort, may show advanced symptoms next year or the year after. Before they have been diagnosed, they may be unknowing carriers of a sinister and deadly illness.

The lethal disease was first reported in homosexual communities in New York, Los Angeles, and San Francisco. As time goes by, it is spreading to more and more groups. It is creeping out of well-defined social groups to hemophiliacs, Haitian immigrants, and children. A sobering thought is that some of the cases do not fit into any of these groups. We do not know how to prevent the disease from spreading because we have not figured out exactly who is susceptible.

Inadequate funding has crippled our attempts to attack the problem head on. The proportion of deaths to reported cases is much higher than for either Legionnaires disease or toxic shock syndrome, yet a lot less effort has been extended to find out why or how AIDS happens.

To track the path of the disease from its earliest stages, funds are needed so groups which have developed the illness in the past can be studied to identify early-appearing abnormalities and to figure out how AIDS is transmitted.

But, that is just the beginning of the burgeoning need. Care for each patient demands $1,000 for immunological studies, let alone the finances for special isolation in hospitals, drugs, and tests, which may go on indefinitely unless a treatment is found.

And, of course, research is expensive. Experts must be employed, research animals must be cared for with each costing $25,000 annually, plus expensive chemicals and equipment must be purchases. Right now, at research centers, funds and personnel are pulled away from other projects in order to meet the needs for AIDS research.

Why do we treat this affliction as a stepchild and punish the victims by offering them no more than a long road going nowhere? It seems that the public evaded the problem—a serious and lethal problem—when it was confined to Haitian refugees and homosexual men. Concern did not surface strongly until the outbreak exploded into the general population.

This cannot go on. We can intervene before we ignorantly step into a quagmire.

Before this growing disaster escalates any further, we must help researchers and doctors chart a course out of this crisis. No matter who is afflicted, no matter how great the cost, every person suffering from a disease deserves the best treatment and hope for recovery.●

WALTER MONDALE AND THE F-16'S TO ISRAEL

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. HARKIN. Mr. Speaker, Walter Mondale, former Vice President of the United States, has recently written a very thoughful essay on United States-Israeli relations.

Mondale notes that at that time when the Reagan administration has suspended the sale of F-16's to Israel, the Soviet Union is engaged in an unprecedented buildup in Syria, including thousands of soldiers, SAM-5 missiles never deployed outside the Soviet Union, and direct control via satellite to a command post in Moscow itself.

The suspension is the wrong signal and the wrong policy. If the administration truly wants to pursue peace, it must follow Mondale's advice and return to certain basic principles, the first of which is: "(The United States) must never undermine Israel's security."

Mr. Speaker, I wish to insert the whole article for the Members' attention.

[From the Los Angeles Times, Apr. 5, 1983]

UNITED STATES THREATENING OF ISRAEL UNDERMINES OWN INTEREST

(By Walter F. Mondale)

Any Administration that uses the threat of reappraising our relationship with Israel as an instrument of policy doesn't understand our historic commitment to that nation.

During the past year, the Reagan Administration has created the impression that it neither understands nor values this relationship. It announced a peace plan after consulting with Arab nations but not with Israel. It has refused to establish adequate liaison with Israeli forces in Lebanon, contributing to a series of disturbing confrontations between Israeli and U.S. troops. It has exerted pressure on Israel to forgo essential security guarantees in southern Lebanon. President Reagan has received virtually every major Arab leader in the past six months, but Prime Minister Menachem Begin has been told that he is not welcome until he complies with our dictates. To back up this threat, Reagan recently made the delivery of long-promised F-16s to Israel conditional. In short, the Administration is acting on the premise that Israel is the main obstacle to Middle East peace.

This one-sided policy overlooks the Soviet Union's continuing effort to restore its influence in that area. At this moment, the Soviets are placing missiles in Syria, linked via satellite to a Moscow command post. Thousands of Soviet troops are entering Syria to operate them, building military enclaves that not even the Syrian army is permitted to enter. These missiles can threaten not only much of Israeli air space but also flights from U.S. bases in Turkey and U.S. aircraft operating over the eastern Mediterranean.

This major Soviet escalation requires a tough U.S. response. We should reactivate the U.S.-Israeli agreement on strategic cooperation, which has been suspended for more than a year. We should take full advantage of Israel's offer to share with us its irreplaceable battlefield knowledge of Soviet weaponry. And we must finally authorize the sale of the F-16s promised to Israel in 1978 to offset aircraft that we have already delivered to several Arab countries. The President's refusal to do this not only breaks faith with Israel but also undermines

essential U.S. strategic interests throughout the Middle East.

We also should move to get peace negotiations back on the track. We should disentangle Lebanese and West Bank issues by appointing two high-level presidential envoys to serve as honest brokers in two separate negotiations. We should reaffirm our commitment to the removal of all foreign forces from Lebanon, to effective security along Israel's northern border and to the progressive normalization of relations between Israel and Lebanon. And we should expand our efforts to restart negotiations under the aegis of the Camp David accords.

To achieve this objective, America must return to certain basic principles:

First, it must never undermine Israel's security. It is all too easy to forget that Israel is a small state with few natural resources, ringed by adversaries, badly outnumbered, reliant on numerically inferior military forces whose technological edge is eroding. Simple prudence motivates Israelis to minutely scrutinize the effect of every move on their national survival. Rather than imposing one-sided pressure, the United States must understand Israel's need to live behind secure borders—including the one with Lebanon. And we must not disrupt the military balance and impair Israel's security by selling sophisticated military equipment to its neighbors.

Second, the United States can promote peace in the Middle East only if it retains the confidence of all parties. Camp David succeeded because both sides trusted the United States to facilitate the discussions without dictating to or negotiating for any party. By offering a peace plan that, however it was intended, was inconsistent with our role as honest broker, the Administration has diminished Israeli confidence in our reliability as an ally, strengthening the hand of those who argue that Israel must go it alone. It has also weakened the position of Arabs who urge a realistic approach, while bolstering those who oppose the concessions that peace will require.

Third, the basis for a broader peace in the Middle East is and must remain the Camp David accords—not shaded or modified to placate any other party, but just as they were signed by Begin and Egyptian President Anwar Sadat and witnessed by President Jimmy Carter. Leaders of other Arab countries must emulate Sadat's courage and vision by meeting Israel face to face at the bargaining table, without pre-conditions.

Finally, the legitimacy of the state of Israel is beyond question or discussion, and no progress can be made until other parties in the Middle East acknowledge it. We must continue to insist that we will neither recognize nor negotiate with the Palestine Liberation Organization or any of its members until they recognize Israel, abandon terrorism and accept U.N. Resolutions 242 and 338.

We cannot benefit from weakening our special relationship with Israel. Policies that seek new alliances by antagonizing our oldest ally can end only by undermining out real interests throughout the Middle East.●

THE HIGH PRICE OF LIBERTY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. McDONALD. Mr. Speaker, if there is one lesson we need to learn and relearn it is that the price of our liberty comes very high. You cannot repel a tank attack with a wall of food stamps. Ambassador Walter H. Annenberg has written a fine editorial on this subject that appeared in the TV Guide for April 16, 1983. I commend it to the thoughtful consideration of my colleagues.

THE HIGH PRICE OF LIBERTY

(By Walter H. Annenberg)

Freedom is inevitably costly, but to Americans it has always been a necessity—whatever the price. Much as we may disagree on other matters, few of us would argue against maintaining strong defenses. The question before the Nation today is not *whether* we should spend huge sums to strengthen those defenses, but exactly how *much* we should spend.

President Reagan insists that the Soviet military buildup in recent years has won the USSR leadership in nuclear as well as conventional weaponry. Many in Congress disagree, arguing that we are stronger than the President admits, that it is not necessary to spend as much as he has requested in order to regain arms equality with the Soviets. A number of these same senators and representatives support a nuclear freeze. They say we and the Soviets already have enough nuclear weapons to blow up the world and making more would not add to either side's strength.

With the national debt increasing at a tremendous rate, with the Soviets reacting violently to Mr. Reagan's defense rebuilding plans and with our European allies wavering, questions about the wisdom of the Administration's arms program are taking an increasing amount of time and space in our media. We even have NBC's *Today* show calling upon a Soviet propagandist, Josef Adamov, to provide the Communist Party line on the American President's arms program. It was an interesting fillip to television coverage of opposition that has all but obliterated Mr. Reagan's basic position: we are well behind the Soviets in armed strength and they are ready, willing and able to increase their pressure for dominance throughout the world.

What is most frightening about the situation is the admitted inability of television to present more than bits and pieces of the arms controversy. With the best of intentions, the newscasts that are the chief source of information for nearly two-thirds of our population cannot take time enough to broadcast a thorough exposition of what is going on. That would be true even if they could get all the facts, many of which—as the President hinted when he showed a few declassified photographs during a recent speech—must remain secret to protect sources.

We do know that in at least three areas of the world the Soviets are delivering huge amounts of weapons far beyond the defense needs of their allies, and we know too that when the Soviets supply weapons they tend to be used. It is common knowledge, for example, that in addition to a naval maintenance facility in Ethiopia, the Soviets have either given or sold that country large stores of modern weapons—much more than is required for the Ethiopians in their continuing wars against Somalia and various regional secessionists.

We know that in Libya the Soviets have sold Qadhafi more arms than he has men to operate them, and that he gives paramilitary training to workers from neighboring Chad, Sudan, Tunisia, Niger and Egypt. There is no shortage in those countries of dissenters willing to fight with the Libyans against their governments. Qadhafi already has made threats against Egypt, as well as moves against the Sudan that he has been forced to abort. He has tried to occupy Chad, and it is no secret that the Soviets support his designs on other countries in the region. It is equally well known that he has sponsored and supplied Soviet arms to terrorist groups throughout the world. The Soviets can hardly be unaware of his activities in this area.

We know that arms shipped first to Cuba and then forwarded to Nicaragua are being used to supply guerrillas throughout Central America. We know that Cuba is supplying Cuban workers and Soviet equipment to build an air base in Grenada—"for tourism," declared the Marxist dictator of that tiny Caribbean island on ABC's *World News Tonight*. We know that it was Soviet-supplied Cuban solders who helped seize the government of Angola. And, of course, it was the Soviets themselves who invaded and still occupy Afghanistan.

Certainly no American can still doubt Soviet willingness to use force to achieve their declared purpose—a Communist world. Czechoslovakia, Hungary and Poland found to their distress that once initiated into the Soviet orbit, they could not escape. Yet many here and abroad still believe the Soviets can be contained by words, by diplomacy, by sweet reason.

There is a curious process taking place in our country today. Soviet arguments that we have parity in nuclear potential and that President Reagan is "bellicose" in proposing to strengthen our defenses and strive to devise more effective antimissile weapons are given as much time on television as the Administration's position, if not more. Network news departments want to be objective, and objectivity involves presenting both sides of a controversy. The fact that one side has a history of lies and aggression carries little weight in network evening news presentations of today's headlines.

This sort of coverage has an effect on the public and its representatives in Congress, representatives who understandably are more concerned with the number of unemployed than the number of nuclear warheads we should have as a deterrent. It is politically expedient to demand that we must spend more on jobs, less on arms; and it is quite true that jobs appear to be a more immediate and a more pressing problem for all of us than arms parity. Still, it is no overstatement to say that the future of our country, the future of the world, does depend upon whether we have the strength to face up to the Soviets, the power to counter their obvious buildup to "first strike" capability. That, incidentally, is an answer to the "freeze" argument that both sides have enough nuclear bombs now: if the Soviets strike first, we may not have enough missiles left to strike back.

The freedom of the American press, a cornerstone of our system, is an ideal setting

for outside manipulation. The Soviets can orchestrate a reply to our President and be certain that their arguments will receive as much attention, as much emphasis, as the President's. Their expert propagandists can count on our party out of power to provide domestic opposition and can concentrate on finding ways to intimidate our allies and manipulate our press with the always newsworthy "Soviet press reaction" and statements by Soviet leaders, such as Andropov's recent tirade against President Reagan's arms plan. His declaration that Mr. Reagan's quest for laser and other defensive techniques was "insane" was a particularly interesting bit of attempted manipulation in view of news accounts that for several years have reported both Soviet and American spending on basic research into just such techniques.

Thus the cost of liberty cannot be measured in dollars alone. One heavy cost is in permitting our potential enemies to use modern propaganda techniques within our borders, of giving them the same access to our people that the Administration has. This can often be more than an annoyance. It can be a serious danger to our unity, to our vision of a better America in the future. We are at a disadvantage because we cannot counter this Soviet manipulation. We cannot reach the Soviet people as the Soviet leaders reach the American people; indeed, our broadcasters cannot even send taped reports into or out of the Soviet Union without prior examination by Soviet censors.

We have always lived with this possibility of being manipulated by outside forces. It is part of enjoying the blessings of a free press. Television, with its immediacy and its pervasiveness, increases by many times the danger of manipulation. Still, we would have it no other way. We can only hope that, by exercising their good judgment, the men who decide what to put on the evening news broadcasters will be able to place Soviet propaganda in perspective for their viewers and give the Administration's arguments for strengthening our national defenses the time we believe they deserve.

The danger we face from a military buildup throughout the world by a nation that has a consistent history of using the arms it distributes is more serious, more potentially disastrous, than any we have ever before encountered. We cannot ignore it, and we have no alternative but to reduce that danger by increasing our deterrent power.

We certainly are willing to pay the psychic price of liberty by maintaining our free press, whatever the cost. We must be equally willing to pay the dollar price of liberty by making our defenses second to none.●

IN MEMORY OF BARBARA WICKS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. KEMP. Mr. Speaker, my hometown of Hamburg, N.Y., lost a valued friend and leader this week when our town supervisor Barbara Wicks passed away. She will be sorely missed by all of us who knew her, for her boundless energy and dedication were always tempered by wisdom and compassion. She was a remarkable woman, and I am proud to be among her many friends and admirers. She was a loyal Democrat, indeed ran against me in 1974 for Congress, but I valued her friendship.

Barbara Wicks was a native of Hamburg, and her ancestors were among the pioneers of our community. Barbara always had a keen interest in current events, and after graduating from Hamburg High School she earned her degree in social studies from Buffalo State College. She then began to pass on her appreciation of, and interest in, good government to the young people of our community by becoming a teacher of history and American studies at Kenmore East High School, Maryvale High School, and Buffalo State College.

Barbara's interest and appreciation of community events turned to activism in 1974, when she became the first woman to be elected to the Hamburg Town Board. She served on the town board until 1981, when she was elected town supervisor on a platform of good government over good politics. Perhaps all of us should take a page from her book as we pursue our responsibilities in Congress. We most certainly should follow her example of leadership and dedication to serving the people who elected her, and her desire to do what is right.

Barbara's family mourns her, and those of us who knew her will miss her greatly. But we are better for having known her, and our greatest tribute to Barbara will be to follow her example of compassionate leadership and dedicated activism.

My prayers and fondest regards to Harry Wicks her husband and her family.●

POLISH CONSTITUTION DAY, MAY 3, 1983

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. ZABLOCKI. Mr. Speaker, it is an honor and privilege for me to rise to commemorate the 192d anniversary of the Polish Constitution of May 3, 1791.

As we recall that historic event—and the principles it represents—freedom, justice, dignity of man—we cannot help but call to mind the plight of the people of Poland who today are still denied these basic God-given rights.

The postwar Government of Poland bans the celebration of the May 3 constitution. Instead, it joins other Soviet bloc nations in the observance of May 1 as a day dedicated to workers. Last Sunday, thousands of Polish citizens risked physical abuse and prison by answering the call of the underground leaders of Solidarnosc—now officially dissolved—to boycott Government-sponsored observances of May Day, and demonstrated peacefully to protest the military regime's continued denial of fundamental freedoms. They were attacked by uniformed riot police.

The imposition of martial law in Poland at midnight on December 12, 1981, was in itself an illegal act, not justified by any public emergency.

It was the most massive suppression of human rights in recent history and continues today despite the so-called suspension of last December.

Thousands of Poles remain in prison for offenses against marital law—the possession of Solidarity literature—public statements in support of Solidarity—joining in peaceful strikes—and other nonviolent actions which the government has labeled as crimes.

These arbitrary arrests and convictions by military courts are in violation of every basic legal principle including the present-day Constitution of Poland.

Conscription into military forced-labor camps has been substituted for internment—freedom of speech is effectively denied—censorship of the press is enforced—journalists and professors who are suspected of disloyalty to the military government are dismissed from their jobs. The list of offenses against human dignity and freedom being perpetrated by the Polish military regime seems endless. The grim reality of life under a repressive government seeking only to perpetuate itself helps us view the May 3 Constitution in its proper perspective.

Man's desire to be free inspired the Constitution of May 3, 1791—that same desire inspired the leaders of the Solidarnosc movement and the courageous men and women who took part in it—and that same spirit will inspire other Polish patriots in the future—the Polish nation has not only a will to live but moreover, to be free.

Mr. Speaker, in Milwaukee in my congressional district, the anniversary of the Polish Constitution of May 3, 1791, was observed traditionally as it has been for generations. Following a Mass of Thanksgiving, dozens of marching units paraded to Kosciuszko Park where a memorial ceremony was held. The dinner program in the evening was highlighted by a stirring and inspiring address by our distinguished former colleague, and present-day Chicago alderman, Hon. Roman Pucinski. Honored also at the Polish Constitution day banquet sponsored by the Pulaski Council of Milwaukee was its president, Mr. William Kowalkowski. Mr. Kowalkowski received the Pulaski Council's coveted Polish Heritage Award in recognition for his leadership role in Milwaukee's civic, patriotic, and fraternal organizations, and for his many contributions to the wel-

fare of both his community and the land of his forebears.

Mr. Speaker, during the course of the Pulaski Council's observance of Polish Constitution Day, a resolution was adopted, which I was asked to share with our colleagues.

Mr. Speaker, the resolution follows:

RESOLUTION

Whereas the People of the Polish Community in Milwaukee, Wisconsin and vicinity assembled on May 1, 1983 at Kosciuszko Park for the purpose of commemorating the 192nd Anniversary of the THIRD of MAY Polish Constitution, and

Whereas we Americans of Polish descent gathered under the auspices of the Pulaski Council, the umbrella organization of Milwaukee, at the Monument of General Thaddeus Kosciuszko, hero of two worlds, and

Whereas the Polish tradition of liberty and democracy found brilliant expression in the most dramatic constitution to have been promulgated to that time expressing the tradition of the Polish people recognizing the equality of all men, proclaiming religious liberty and establishing by basic law the freedom of thought and speech, and

Whereas for almost two centuries in bondage and in freedom Poles have commemorated Constitution Day as the symbol of their unflagging devotion to human rights, and

Whereas in the opening days of World War II, President Roosevelt called Poland "an inspiration to all nations" although the victorious end of this war did not bring the richly deserved and longed-for freedom and independence to the Polish nation, and

Whereas the Roosevelt Administration had been a party to the betrayal of Poland at Teheran and Yalta and agreed to turn Poland over to Soviet bondage, and

Whereas today the Polish nation under the Jaruzelski puppet communist regime knows full well the tyranny of junta dictatorship and the Soviet slave-labor system since the Yalta decisions enslaved half of Europe and encouraged Soviet Russia for further expansion over all continents, and

Whereas the Yalta Agreement is unconstitutional, never having been ratified by the United States Senate, and as a violation of the Atlantic Charter it should be denounced and repudiated. Therefore,

Be it resolved, That we here assembled appeal to President Reagan that he take a historical initiative and appoint a special commission to investigate all problems connected with Yalta. Further, we urge Chairman Zablocki to introduce a resolution expressing the sense of the Congress that the Yalta Agreements be repudiated and declared null and void, and be it further

Resolved, That we urge our government and all free world governments to use diplomatic and economic pressures that Soviet Russia withdraw her military and secret police forces from Poland and other captive nations and that the Jaruzelski Regime release all Solidarity prisoners who struggled for human rights and liberty, and be it further

Resolved, That we demand Solidarity be restored as a free and independent labor union in Poland and its leaders with Lech Walesa be restored to their leadership roles, and be it further

Resolved, That we reject the convenient Soviet pretense that the crisis in Poland is purely an internal matter since no fight for freedom against tyranny and oppression is ever an internal domestic matter, as freedom is indivisible and the world cannot exist in half free and half enslaved status, and be it further

Resolved, That we fully support the United States Government in its defense program to prepare for the perils confronting us, that we also support the upgrading of Radio Free Europe/Liberty and the Voice of America on the list of American strategic priorities since radio is a powerful tool for freedom which may play a more important role than missiles at the present time, and be it further

Resolved, That we urge the Federal Government to take stronger measures against the Soviet Union and the Polish regime if the crisis in Poland worsens in repression of the Polish people, and be it further

Resolved, That we join Our Holy Father, John Paul II, with all our hearts and prayers in his efforts and those of Cardinal Jozef Glemp to bring about peace and justice for his self-determined and deserving countrymen when he visits Poland in June, and be it further

Resolved, That we want to assure the people of the world that as long as Poles live on this earth their hopes of freedom shall never die, and be it further

Resolved, That we pray to God to bless America and give our leaders the courage and vision to take the proper steps to save this great country of ours from evil sources seeking its destruction. Long live the Holy Father, John Paul II—Long live the United States of America—Long live a true free Poland, and be it finally

Resolved, That copies of this resolution be sent to the President, Ronald Reagan, the Secretary of State, Honorable George Schultz and Congressman Clement J. Zablocki.

Unanimously adopted by all freedom loving people present in observance of Polish Consitution Day held on this 1st day of May in the year 1983 in Milwaukee, Wisconsin.

EDMUND BANASIKOWSKI,
HARRIET KAMINSKI,
LECH MALKOWSKI,
Resolution Committee.●

PORTRAIT OF A COMMUNITY LEADER

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. DONNELLY. Mr. Speaker, permit me to share with my colleagues a classic American story. It is the story of one citizen of Quincy, Mass., whose tireless public service for three decades has made that community substantially better for thousands of people, especially for the young. It is the story of Richard J. Koch, as it was told in the Patriot Ledger of Monday, May 2, 1983:

PORTRAIT OF A COMMUNITY LEADER

(By Robert Preer)

QUINCY.—They had just come home from World War II and were tired of hanging around street corners.

So, in the spring of 1948, a group of men in their early twenties got together some softball teams and started playing at North Quincy's Cavanaugh Field.

They named one team the "Koch Club" after the 25-year-old milkman who organized it.

It was the launching of a remarkable public career of Richard J. Koch—best known as the founder of the Koch Club recreation program, but also an influential Democrat and an important city administrator.

Now 59, the square-jawed, heavy-set father of seven looks back and credits his accomplishments to a series of accidents.

"I don't think I ever had anything in my mind," he said in an interview. "It just seemed to grow by itself. You wake up one morning and say to yourself, what have I got?"

The men's softball led to men's bowling, then boys and girls softball, basketball, charity fundraising and many other activities. More than a thousand people participate in Koch Club softball, basketball, bowling and other activities each year.

The organization has expanded to almost all parts of the city.

"I estimate that over the years, we have touched 100,000 lives," Koch said.

But Koch's influence extends beyond the Koch Club. He was one of the founders of the city's modern Democratic Party. In the early 1950's, Koch and several other men—including James R. McIntyre, Arthur H. Tobin and John M. Gillis—organized the "Young Democrats."

After nearly a decade of struggle, this group took power from the Republicans in the early 1960's and dominated city politics for the next 20 years.

Koch was one of the first to jump on the Kennedy bandwagon. He was a ward coordinator for John F. Kennedy in the 1952 U.S. Senate election. Koch directed Kennedy's senate campaign in Quincy in 1958 and his presidential campaign in 1960.

He worked for Robert and Ted Kennedy, too, but his greatest fondness is for the late president.

"I knew Teddy better." he said. "I knew Bobby, but there was only one Jack. Jack had the qualities of each of them."

Although Koch is no longer active in politics, he is still an important political figure in the city.

"He just has so many friendships, so many people who come to him for advice," his son, City Councilor Richard J. Koch Jr., said. "He certainly is a political animal, a force to be dealt with in Quincy."

"He is a political force without being political," City Councilor James A. Sheets said. "He is a factor, but not in the way of pushing buttons like some other people have done historically."

In 1962, Mayor Amelio Della Chiesa appointed Koch city park director. "A number of people may have thought it was a political appointment, but I think they were surprised to find I intended to make more of it," Koch recalls.

Since then, he has earned a reputation as a competent, hard-working administrator. The six mayors for who he has worked often have turned to him to solve difficult problems.

Last year, when Mayor Francis X. McCauley was being criticized for the poor condition of the city's cemeteries, he asked Koch to take over the cemetery department. A dozen years earlier, Mayor Walter J. Hannon had put the forestry department under Koch's control.

"Every time something comes along, they throw it my way," Koch said.

About 10 years ago, some people asked him to run for mayor. They offered to bankroll his candidacy and provide campaign workers.

Although he had run for office before—he lost city council elections in 1948 and 1951—Koch concluded that to re-enter politics would be a mistake. He felt people would look at him differently if he ran for mayor, and he turned down the offer.

"I think I portray an image to the people of public service," Koch says. "I think I stand in a different image—a public figure who has been involved in public service."

His son is mindful of that image. "The name stands for something. When something comes up on the council I have to remember that. It comes into play in every decision I make. It's like a chain around your neck, but where would I be without it?" Richard Koch Jr. said.

He acknowledges that his father's name was a big factor in his election to the council in 1981 and helped him to make a respectable showing in 1979.

"I lost to Joe LaRaia, a former mayor, by 200 votes in 1979," the younger Koch said. "A newcomer, a kid going around knocking on doors, doesn't do that."

Two other Koch children also have political ambitions. Thomas, 20, who managed his brother's city council campaign, may run for state representative. And married daughter Karen Bowes is considering a run for school committee.

The senior Koch observes with fatherly pride, "I'm happy to see them all participating. I like to see them get involved in things they undertake."

Another member of the family who has been involved is his wife, Simone. When the Koch Club was first getting started, she was almost as active in it as her husband.

"When we were courting, she would come down to fields and watch us play. We'd go to the various activities together," he recalls.

In 1952, the Koch Club added a girls softball league. "The wife was responsible for that. It's the thing to do now, but we were like pioneers back then."

Simone Koch is deeply religious. She has been a companion and source of strength to her husband. She also has softened his drive and quick temper.

"I'm kind of strong-willed. The wife—hers is a much smoother personality," he said.

The Koch Club very much reflects its founder's values—family, self-reliance, patriotism, charity—and having some fun in life.

Anyone can join and everyone plays.

"Our philosophy has always been the enjoyment of the youngster is paramount and the competition secondary. It's more like a carnival. We may have seven guys in the outfield," Koch says.

By keeping things simple, the cost of participating in club activities is low. The softball program fee is $6, and for that a youngster gets a hat, a shirt, use of bats, balls and fields and a picnic at the end of the year with free hot dogs and ice cream.

Club activities are held Monday through Thursday. "We always felt weekends should be left for the family," he said.

Once a year, the kids march in the city's Flag Day parade. At different times during the year there are fundraising drives for scholarships and aid to the poor.

This year, the club collected toys for needy children, food baskets for the poor and clothes for the homeless.

The club has never received any aid from the government or United Way.

"I love that," Koch grins. "You see some agencies, if you took their government aid away, there would be no volunteers."

There has been a general decline in the Koch Club's sports activities in recent years. The youth population is declining, and there are many more similar organizations around than 30 years ago.

"We met a need with the post-war baby boom," Kock says. "Now it's a different ballgame. The Little League has a farm league; there's youth soccer."

Koch has a network of people who help him run the club. In addition to coaches, he has coordinators for each program and in each section of the city.

Still, the Koch Club is very much his organization. He has resisted setting up a board of directors because he didn't want to lose his personal control.

And Koch doubts that the club will have a life beyond his own.

"I think about the time I put into it. I don't expect my own kids to make that sacrifice."

Richard Koch Jr. agrees. "As much as it runs on its own, when it comes down to the organizing, ordering the jerseys, getting the teams together, it's him. When he goes, it's very difficult to say it would continue."●

THE MORALITY OF MONEY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. PAUL. Mr. Speaker, economics is a subject that very few people feel knowledgeable about. Yet, economic life touches every one of us every day—it is one of the central dynamics of our social order, just as language, morality, and obedience to natural law make up the essential process of civilization.

I have emphasized in my work as a Member of this House the economic issues, particularly money and banking questions, because I discovered long ago people do understand the close connection between economics and morality. Every Member of Congress receives mail from people asking questions about economics and money, and asking for some congressional action to take the monetary system out of the hands of technicians and manipulators, and restore it to a foundation of some integrity, like gold coinage.

I recently came across an entire issue of a local newspaper, published fortnightly in Montgomery County, Md., devoted to a discussion of money. The County Express of Germantown, Md., published and edited by Marty More and Karl Spain, is an excellent example of the grassroots interest in questions that we in Congress so often treat casually.

I would like to place one article from this newspaper in the RECORD. I have selected this article because it demonstrates how well people do understand the important issues of economics.

The article follows:

[From the County Express, Apr. 20, 1983]

THE MORALITY OF MONEY

(By Harold E. Thomas)

Inflation in some of the Latin American countries is in excess of 50 percent per year. In Israel the inflation rate was over 100 percent during 1982. In any economy where inflation is rampant the morals of the people are affected. The following story is true:

During the year 1960, F. Harvey Popell, an American, was just starting out in business in Buenos Aires, Argentina. The inflation rate at that time was over 40 percent per year. Popell's Argentinian secretary commented one day that her father was a fool—a fool for not taking bribes in his business. His income was not keeping up with prices and his family was under increasing financial pressure but he refused to take bribes offered him. Popell responded with a sermon on how right her father was to stick by his high moral principles. The secretary looked at Popell as if he were out of his mind and her only comment was that he was an American and, therefore, could not understand.

Today, after 20 plus years of firsthand experience with Latin American economies, Mr. Popell understands. What his secretary was telling him is that the constant insecurity created by an inflationary economic system had made her father's morals a counter productive strategy for personal survival.

In a country that has a relatively price-stable economy in combination with a republic-type political system, there will exist a good measure of individual freedom and social mobility—and as a result, confidence in the future. We saw it in the USA during the 50s and 60s. How far an individual was able to go depended largely on his ambition, judgment, ability, and fortune (luck). Most seemed to know and appreciate instinctively that if they were honest and industrious and saved, their future would be secure. In short, for most people (not for all), the system worked. As a result those values that reinforce and maintain the system—integrity, hard work, saving, long-term investment—were held in highest esteem.

In an inflationary economy, however, moral values of honesty, industry, and saving are not only no guarantee at all of a solid future, but such values may indeed represent an irrational course of action. Take savings. Why save for a rainy day when one's savings won't buy an umbrella when needed? Take honesty as another example. Why be scrupulously honest (such as the father mentioned wanted to be) and keep one's nose to the grindstone seeking long-term personal growth when there is no long term on the horizon? A more rational approach would be to try to get as much as you can, as fast as you can, with as little effort as you can, almost any way you can.

What does this mean and what will be the long-term effect on the people and a nation? For an average working man it means throwing out the door the "old" concept of a fair day's work for a fair day's pay. What pay is fair when you are constantly playing (and invariably losing) catch-up with prices and/or rising taxes. For the business man it means a more cautious approach to capital investment. For the investor, it means channeling funds away from productive investment into inflation hedges and tax hedges.

For everyone it means saving less and spending more—as fast as you can—with the predictable negative consequences for long term growth. Most important it undermines

and causes a lowering of the standards against which personal and business ethics are measured. To say it concisely, the Golden Rule is abandoned.

The real tragedy of inflation is that it creates an economic framework that makes it almost impossible to achieve a unity of interests and purpose between the individual and society as a whole. When an economic system works to the benefit of the individual in proportion to his effort and skill, a set of moral principles and values develops that both reinforces the overall strength of society and enhances the individual's position in it. Conversely, when an economic system does not work, as is the case when inflation continues unabated, moral values develop that justify and rationalize the individual's struggle for survival in an increasingly hostile environment—values that tend to aggravate the very conditions against which the individual is trying to protect himself.

This is happening in other countries today and it is happening somewhat here, by the grace of God, to a lesser degree.

The paramount question is what can the average citizen do to work on stopping inflation. That can be done in the following ways: become knowledgeable about money—its history, its functions, its purpose, and our system of money in the USA.

We, the citizens must insist that our representatives understand money (and its relationship to morality) much better than they apparently do. The money system (the Federal Reserve) is a system designed so that money can be created when deemed politically expedient. Is this moral? Is this affecting the morals of our nation. The answer is obvious.●

HONORING NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT EMPLOYEES

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. TORRES. Mr. Speaker, on May 12, 1983, at a special reception, the Norwalk-La Mirada School District will be honoring 13 people who have served the district as loyal employees for 30 and 35 years.

These fine and dedicated people will be retiring from public service on May 12. After serving so many years with much distinction, these admirable people will be honored by their peers, their school district, and their communities.

It is with great honor and pride that I rise to recognize them on the floor of the U.S. House of Representatives.

Education is an extremely important subject to me. The people who educate and tend to the needs of our young are very special. As we commend these retirees let us also commend all those who serve in our educational system.

I would like to point out that these employees have served in one of the finest school districts in the country. The Norwalk-La Mirada School District has an outstanding record of high educational quality.

Mr. Speaker, I ask my fellow colleagues of the House to extend best wishes and heartiest congratulations to the following retiring persons who have added so much to enhance this fine school district and the youth of our country.

Evelyn T. Farquharson, La Pluma School, teacher; Jean Haygood, Eastwood Elementary School, teacher; Donald R. Downs, Foster Road Elementary School, teacher; Eldon Edwards, La Pluma School, teacher; Priscilla J. Kadelbach, Nuffer Elementary School, teacher; Lucy E. Kuster, Waite Elementary School, teacher; Ivan Naumann, maintenance, mechanical foreman; Damaris Neel, food services, director; John H. Newman, John Glenn High School, teacher; Wayne M. Petersen, transportation, busdriver; Edward J. Phillips, Foster Road Elementary School, teacher; Melvin Sanford, food services, utility man; Dino R. Tiritilli, Moffitt Elementary School, teacher.●

IRVING KRISTOL CAUTIONS US ABOUT SOVIET INTENTIONS AND THE "FREEZE"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. KEMP. Mr. Speaker, Irving Kristol is one of this Nation's most distinguished academics. His insights are invaluable to both Democrat and Republican alike, because of his tremendous appeal as an objective observer of the social, economic, and political scene in America, and of America's interests throughout the world.

His comments in today's New York Times provide a brilliant summary of the compelling case against the nuclear freeze. As he points out, the West tried a freeze in theater nuclear weapons in Europe and it did not work. The Soviets exploited our restraint and only now when they have a huge advantage against our allies and friends in NATO do they favor a freeze.

I ask my colleagues to please read Professor Kristol's cogent analysis of the serious flaws in the freeze resolution as it would pertain to the defense of Europe.

[From the New York Times, May 3, 1983]

SOVIET INTENTIONS

(By Irving Kristol)

In the heated controversy over emplacement of intermediate-range nuclear missiles in Western Europe, one simple but crucial question seems never to be asked: Why did the Soviet Union provoke the controversy by deploying several hundred of its intermediate-range missiles, each with three nuclear warheads?

There is no obvious answer, or at least no answer obvious to an outsider. This, in turn, leads to some rather chilling speculations about Soviet perceptions or Soviet intentions, or both.

The Soviet Union's action cannot possibly have anything to do with deterrence, as we understand that concept. Soviet conventional forces in Europe are markedly superior to the North Atlantic Treaty Organization's—even Moscow does not dispute that. True, NATO also has tactical nuclear weapons, but these are battlefield weapons of relatively short range. And, in any case, the Soviet Union also has such tactical nuclear weapons, which, in numbers and quality, are an easy match for NATO's.

It is also true, as the Soviet Union keep emphasizing, that Britain and France have some 150 nuclear weapons of their own, outside of NATO's command. But these are (by now) familiar ballistic missiles, capable of obliterating cities but of little use, since they are not very accurate, against military installations. The Soviet Union, for its part, has 10 times that number of such missiles. So it is absolutely impossible to believe that the Soviet Union was, or is, genuinely concerned about the possibility that France or Britain will launch any kind of pre-emptive nuclear strike.

The SS-20's that have been deployed by Moscow are, in one important respect, a new order of nuclear missiles. These intermediate-range missiles are extremely accurate. They can destroy not only cities—they are not needed for that—but also missile sites, military installations, communications centers and troop concentrations far beyond the battlefield. They are not merely "holocaust" weapons, of which the Soviet Union has more than enough. They are also powerful military instruments.

It is important to note that these missiles involve no very novel technological breakthrough that Moscow is exploiting. We could have built them at any time. We refrained from manufacturing and deploying them because we feared it would destabilize the balance of forces in Europe and would accelerate the arms race. The Russians, apparently, did not feel the need for any such self-restraint.

Why? Why weren't they satisfied with the status quo in Europe—a status quo clearly tilted in their favor militarily, though not to a degree that annulled deterrence?

Two possible answers come to mind.

First, the Soviet military establishment has concluded that any conflict in Europe will be nuclear from the outset, and has provided itself with a first-strike capability against all military centers in Western Europe. The SS-20's have exactly that capability. Since the Russians bitterly oppose deployment of comparable missiles by NATO, they obviously consider it important that they have such a first-strike option—this despite official proclamations that they would never exercise it. In short, the Soviet Union's definition of its "national security" involves a Western Europe in a condition of radical military inferiority and vulnerability. It does not accept the notion of a balance of power or even a balance of terror in Europe.

Second, the Soviet political establishment is persuaded that such a disproportion between the military strength of the Warsaw Pact and NATO will enable it, without actual military conflict, to intimidate the nations of Western Europe into policies more congenial to Soviet ambitions. These would include the dissolution of NATO, the removal of American military forces and favorable financial and trade arrangements

between Western Europe and the Soviet Union.

Are there any other explanations, perhaps less alarming, for the Soviet Union's conduct? It would be nice, but is not easy, to think of them. And unless one can think of them, then it is fair to say that the nuclear freeze movement is precisely the kind of response to Soviet acceleration of the nuclear arms race that the Russians would most earnestly wish for, and may even have anticipated.●

ADMINISTRATION SEEKS TO RENEGE ON HOSPICE CARE REIMBURSEMENT UNDER MEDICARE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BIAGGI. Mr. Speaker, I was greatly disturbed to read in yesterday's New York Times a front page article by the highly respected writer Robert Pear entitled, "'U.S. Acts to Cut Benefit to Dying in Hospice Care."

At issue are draft regulations being developed by the Health Care Financing Administration to implement the legislation passed last year to permit first time medicare reimbursement for hospice care services. At the time the bill was passed, the House Ways and Means Committee envisioned that the extent to which medicare would provide reimbursement might be as high as $7,000. However, the rules being developed by HCFA would set a ceiling of closer to $4,330.

I am concerned that the intent of Congress is being thwarted even before the program takes effect. It is sometimes the case that regulations to implement legislation do not always follow congressional intent but to diviate in this fashion—and to do it in such a way to such a vulnerable group of our citizenry is bureaucratic heartlessness at its very worst.

I wish to insert the New York Times article at this point in the RECORD.

The article follows:

[From the New York Times, May 2, 1983]

UNITED STATES ACT TO CUT BENEFIT TO DYING IN HOSPICE CARE

(By Robert Pear)

WASHINGTON, May 1.—The Reagan Administration has drafted rules that would reduce the value of a new Medicare benefit for the terminally ill to about 60 percent of the level envisioned by Congress.

The rules set standards and establish the maximum Federal payment for a combination known as hospice care, medical, social and psychological services, available to elderly people with a life expectancy of six months or less.

Hospice care emphasizes the alleviation of pain and suffering rather than the cure of illness. It permits patients to remain at home with family and friends, for as long as possible. Ninety-five percent of hospice patients have cancer. At present, there are 40,000 hospice patients, but the Congressional Budget Office estimates tht 270,000 would be eligible for the new benefit each year.

Congress last year authorized coverage of hospice services under Medicare, the health insurance program for the elderly and disabled. It was one of the the very few new Federal benefits extablished in an era of cutbacks and fiscal austerity.

The House Ways and means Committee, in a report on the bill, said it envisioned a ceiling on hospice services "in excess of $7,000 per beneficiary." Even at that level, it said, the hospice program would save money because the maximum payment was to be set at 40 percent of the total costs for conventional Medicare services for cancer patients in the last six months of life. The committee report said that those conventional costs "would on average exceed $19,000 in 1983."

However, the new rules, approved by Carolyne K. Davis, head of the Federal Health Care Financing Administration, say that the maximum payment for a hospice patient "will approximate $4,332.'

Robert A. Streimer, an official of the health care financing agency who worked on the rules, acknowledged that the limit "is not at the level that Congress thought it would be." But, he insisted, the Administration used the formula prescribed by Congress, which was 40 percent of the expected costs, for computing the limit. He said that actual Medicare costs for the last six months of a cancer patient's life turned out to be closer to $11,000 than to the $19,000 that Congress had assumed.

Donald J. Gaetz, president of the National Hospice Organization, a nonprofit group representing more than 1,000 hospice programs, said that the rules "play a cruel joke on dying people, violate the intent of Congress and do not fulfill the promise of the legislation."

"The $4,332 payment level is so low that it will create a disincentive for hospices to take sicker patients who need more care," Mr. Gaetz said. "This payment system will drive the terminally ill back into the hospital, drive hospices out of business and, ironically, drive Medicare costs up instead of down."

SAVINGS WERE EXPECTED

Supporters of the legislation and analysts at the Congressional Budget Office had predicted that the new program would save money by substituting home care and hospice services for acute hospital care. The Reagan Administration disagrees with those estimates.

A recent study by the Blue Cross and Blue Shield Association, done under contract with the Government, found that health care costs for terminally ill cancer patients in the last six months of life averaged nearly $16,000 in 1980. The authors said this figure would have to be increased by at least 30 percent to reflect medical inflation in the last three years. Total costs in 1983 would then exceed $20,000, which is close to the cost assumed by Congress. However, Administration officials contend that costs for the Blue Cross patients where higher than the costs for Medicare patients.

The Administration opposed creation of the hospice benefit program last year, saying that Congress should wait for the results of 26 demonstration projects. The preamble to the new rules says "Medicare beneficiaries may use traditional forms of treatment before seeking hospice care." The Administration predicts that the new program will increase Medicare costs $320 million over the next three years.

OUTLAYS RISING 18 PERCENT A YEAR

Total Medicare outlays have been increasing at an average rate of nearly 18 percent a year since 1970. Medicare spending last year totaled $50 billion. Government statisticians said that 28 percent of all Medicare outlays for the elderly went to people who were in the last year of life.

The limit on hospice reimbursement reflects, in part, an effort by the Government to control the costs of the program. David A. Stockman, director of the Office of Management and Budget, has observed that the cost of Federal health programs almost always grows faster than the creators expected.

Government lawyers have privately raised questions about the legality of the new hospice payment system, which fixes reimbursement rates in advance rather than paying for the costs actually incurred. Congress established a system of fixed rates for hospitals and directed the Secretary of Health and Human Services to study the feasibility of a similar system for hospices. The Government has only a limited data to use as a guide in setting hospice rates.

In a memorandum describing the hospice program, Mrs. Davis said that the department's "Office of General Counsel advises us that the proposal for a prospective system of reimbursement would face risks if challenged in court." The memorandum was addressed to Margaret M. Heckler, the Secretary of Health and Human Services.

Officials at the Department of Health and Human Services said that the rules would be printed soon in the The Federal Register, a Government publication. The public then has 60 days to comment on them before they take effect.

According to the preamble to the rules, there are now 1,200 entities that describe themselves as hospices. Of these, 450 are linked to hospitals, 200 operate under the auspices of home health agencies and 478 are independently operated. The 72 others are affiliated with nursing homes or social service agencies.

The hospice law provides that when a person signs up for hospice care, he or she waives the right to other Medicare services related to treatment of the terminal illness. But Government will still pay for the services of a family physician and for medical care unrelated to illness.

The law authorizes hospice services for up to 210 days. The rules say that "a hospice may not discontinue or diminish care provided to an individual because of the individual's inability to pay for that care."

The hospice itself must provide nursing care, medical social services, physician services and pastoral or psychological counseling. It must either provide or arrange for institutional care for short periods of time when the patient cannot be adequately treated at home. The Government pays for those services, as well as for physical therapy, drugs, medical equipment, home health aides and "homemakers" to do household chores.●

COMMENDATION OF MR. DICK GARRISON

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. FAUNTROY. Mr. Speaker, I would like to bring to the attention of the Congress, Mr. Dick Garrison, a District of Columbia businessman who has made many major contributions to Washington, D.C.

As president of Advertising Novelty Co., Inc. (ANC), Mr. Garrison has creatively, astutely, and effectively built it into a leading national distributor of advertising specialty items. In addition, under his leadership ANC has diversified into the fields of convention and political conference management.

What is remarkable about Mr. Garrison is that he has also channeled so much energy into many civic and charitable organizations. He is a longtime active member and leader in the Silver Spring Boy's Club, the Rotary Club, and the Lions Club. He is a veteran member of the Touchdown Club of Washington having served on its board of directors and as chairman of many of its committees. He is a member of the board of trustees of the D.C. Chapter of the Leukemia Society of America. Finally, and in my eyes most importantly, Dick Garrison has been an active supporter of the Shaw Community Center Food Committee, an organization, of which I am a part, which seeks to feed the hungry in the neighborhood of my childhood.

That Mr. Garrison has so much energy to give to our community is not surprising considering the fact that in college Mr. Garrison lettered in both basketball and golf. Speaking of sports, I must mention that he is also director of our world famous Redskinetts who cheered our Super Bowl champions to victory.

The generosity of such men as Mr. Garrison serves as an outstanding example to us all. They deserve our recognition, thanks, and encouragement.●

VITAL ROLE OF PUBLICATIONS AND RECORDS COMMISSION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. WEISS. Mr. Speaker, I would like to express my strong support for a fiscal year 1984 appropriation level of $3 million for the National Historical Publications and Records Commission, over and above the appropriations level for the National Archives.

The Commission plays a vital role in collecting and transmitting original records of U.S. history. It is a remarkably cost-effective operation. The Commission's limited Federal funding is used to draw support from universities, foundations, and other organizations. In fact, the average non-Federal contribution to an NHPRC project is only 53 percent of the total cost. In addition, all administrative overhead is picked up by the sponsoring institution rather than by the Federal grant.

Moreover, its work often results in cost savings because bulky, insignificant records occupying expensive storage space can be destroyed, and the more valuable records can be identified, organized, and made accessible.

Since 1976, more than 400 historical societies, archives, libraries, and other organizations have received grants to preserve our national heritage. The Commission also makes small grants to university presses and other nonprofit publishers to defray the cost of publishing NHPRC documents, which are usually more time consuming and expensive to print than other books. In addition, the NHPRC plays a leadership role in editorial training and setting standards for paper preservation and microfilm publication.

The sum of $3 million is a small price to pay for preserving national records that could be crucial in understanding our past and helping develop policies and programs for the future.●

NAISMITH MEMORIAL BASKETBALL HALL OF FAME'S 16TH ENSHRINEMENT DINNER

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BOLAND. Mr. Speaker, last night in Basketball City, U.S.A., Springfield, Mass., the Naismith Memorial Basketball Hall of Fame welcomed six new members.

The Hall of Fame's Honors Court membership roll now numbers 138 individuals and four teams whose contributions to the game of basketball have made it the exciting, fast-paced game that has thrilled millions of people throughout the world. The names of the six new inductees are familiar to basketball fans everywhere:

Dean Smith, the head coach at the University of North Carolina, and one of only two coaches to win the "Triple Crown" of basketball championships.

BILL BRADLEY, our colleague in the Senate and a former All-American at Princeton and a star on the New York Knicks;

Dave DeBusschere, a teammate of BILL BRADLEY's on two Knicks championship teams, and an eight-time NBA All-Star;

Jack Twyman, an All-American at the University of Cincinnati and one of the best shooting forwards in NBA history, whose contributions to friends in need marked him as a great humanitarian as well as a great athlete;

The late Louis G. Wilke, who made innumerable contributions to the growth of amateur basketball in the United States and to the development of our Olympic basketball program; and

The late Lloyd R. Leith, known as "Mr. Basketball" on the west coast, who made the training and grading of basketball officials his life's work and did much to improve the art of officiating.

The accomplishments of these six individuals certainly merit their inclusion in the Hall of Fame. Their careers have affected the most important aspects of the game of basketball—coaching, playing, administering, and officiating, and the excellence of their efforts has properly been recognized with the game's highest honor.

In addition to the induction of the six new members of the Hall of Fame, yesterday's ceremonies included the presentation of awards to other individuals for their achievements in, and contributions to, the sport of basketball. Former Boston Celtics star Bob Cousy received the John W. Bunn Award, given annually in recognition of outstanding contributions to basketball and to sports in general. The Pomeroy Naismith Award, given to collegiate basketball's best player under 6 feet tall was presented to Ray McCallum of Ball State University. Six players were selected as Players of the Year in their respective divisions, and I would like to include their names at this point in the RECORD:

Division I—Anne Donovan, Old Dominon University;

Division II—Jackie White, Cal Poly Pomona;

Division III—Margie O'Brien, Clark University;

NAIA—Kelly Litsch, Southwest Oklahoma State University;

National Junior College—Jackie Glosson, Moberly Junior College;

Spalding NABC Divison II (Men's) Player of the Year: Earl Jones, University of the District of Columbia.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—CALIFORNIA WINNER FOR 1982-83

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BOSCO. Mr. Speaker, I would like to share with my colleagues a speech by one of my constituents, Miss Michelle Nuszkiewicz of Crescent City, Calif. Michelle's speech on the theme, "Youth—America's Strength," was the

California winner in the Veterans of Foreign Wars' annual Voice of Democracy contest, a scholarship program that attracted entries from more than 250,000 secondary school students this year. I am sure my colleagues will find Michelle's speech as refreshing and inspirational as I did.

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—CALIFORNIA WINNER

Is youth America's strength?

Are they the vitality that spark the drive of Americans?

Are they the effervescence that add the sparkle to life?

Before you answer that question, let me cite several accomplishments of noteworthy—yet typical—American citizens.

On 4 separate occasions within the last 5 years, Dewey Hudlow has risked his own life, for the sake of saving someone else's.

Bill Kemper bicycled 919 miles over the Colorado mountain passes in only 10 days.

Marila Salsburry began jogging only 3 years ago and has since competed successfully in world class races.

Now what is it that makes these individuals so extraordinary?

The local lifeguard saves many lives in the course of his job. We are all familiar with teen-agers and their ten-speeds and joggers are a common sight on city streets and country roads.

But, Dewey is 51, Bill is 77, and Marila is 73 years of age.

These people acquired the fountain of youth not by counting their birthdays but by remaining young at heart.

I believe that America has also discovered this secret. Youth is America's strength, but youth isn't only confined to the young—for what is youth?

Is it those chronologically 15-20 year old?

Youth is actually enthusiasm, endurance, and enjoyment.

The enthusiasm our Founding Fathers possessed when creating our country cannot be surpassed.

Remember these were not youthful men, but men of wisdom—the wisdom of years—but their ideas were the revolutionary troughts of youth.

The zeal and zest they attained over 200 years ago has since been transfused into the mainstream of America and has been passed along to the youth of today.

America leads the race of endurance—for who could ever have more vigor and vim than the 1980 American Hockey Team?

It was the youth that possessed the physical endurance to win the game but it was the knowledge of the not-so-young coach that gave them the winning strategies.

The dedication of team members to a single goal added another historical incident for us to be proud of.

Man's first walk on the moon marked another chapter in the endurance of an idea: The scientists had dreamed of this moment for decades. Engineers had built and rebuilt.

Astronauts had trained for years, and when it came together, the country rejoiced with youthful exuberance over their latest victory. This was a victory of teamwork—truly a giant step for mankind.

The enjoyment citizens of the United States feel in achieving milestones that are important to them is outstanding.

It was the beatitude and bliss of thousands of Americans fighting for a single cause that led the United States to their global path of peace.

It is in the strength of unity that America has achieved excellence. It is the unity of the aerospace team that has put the Columbia into orbit.

Youth is only a relative term—by other cultural standards, America herself is still in her infancy. Compared with China, her 200 years of existence is still the age of the young.

I would like to make a pledge, and hope that the entire nation will also dedicate itself to remaining young.

Never to allow our mainstream to grow old and harden with senility. Never allowing our muscles to grow tired and atrophy or allowing our spirit to drain out with exhaustion—for youth to America's strength.

It has been said that "youth is wasted on the young"—but Americans have proved this false for it is those that think young that are America's strength.●

THE SCOWCROFT COMMISSION REPORT

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. GORE. Mr. Speaker, I am submitting for the RECORD the text of a letter on the future of the recommendations of the Scowcroft Commission Report which was sent to the President after signature by nine Members, including myself. Fortuitously, a letter similar in basic concept was sent earlier the same day by three distinguished Members of the other body.

The burden of both letters is fundamentally the same: All other arguments on behalf of the MX having been tried and found inadequate, the sole remaining case of substance and merit, is that deploying this missile would be consistent with and arguably necessary in order to begin a process moving us toward realizing the long-term goals described in the Commission report.

Mr. Speaker, we are at a special moment. The long-term objectives of the Commission report make sense: We would be better off aiming both weapons procurement and arms control decisions at a stable United States-Soviet nuclear relationship; one in which the fear of a first strike would be substantially allayed. MX gravely detracts from the support these ideas would otherwise have. Congress must define the conditions under which it will be prepared to make concessions to the President's views: The President must consider the responsibility of the Congress not to proceed, unless it has reason for confidence that we are really moving toward an effort whose ultimate goal is real stability; not just the deployment of a new weapon.

Both letters stress that even those Members of Congress who are prepared to remain open-minded about the case for the MX, must expect greater clarity as to its function in the long-term proposals of the Commission, and more assurance that the administration is indeed committed to the Commission's objectives in their entirety.

With such assurances, it may be possible to reestablish a durable working consensus on the proper course for American nuclear weapons and arms control policies. Without such a consensus, even an administration victory on the deployment of MX would offer the Soviets little incentive to negotiate seriously: They would be better off waiting for what the next swing of the political cycle in this country might bring.

I urge my colleagues to consider the case put forward in this letter, which speaks as much to the role of the Congress in working through this decision, as to the opportunities now open to the President.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 2, 1983.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: Your endorsement of the Scowcroft Commission report gives us reason for hope that it may be possible to move American policy on nuclear weapons and arms control forward, based on a durable bipartisan consensus.

We believe that the policy which the Report recommended, and which you have made your own, is correct—in its long-term dimensions. Arms control and force posture decisions should be integrated, and organized around the pursuit of stability. Stability, in turn, requires that neither the United States nor the Soviet Union possess the means to conduct a theoretically advantageous first strike. To achieve this condition requires that both sides reverse the trend toward more highly MIRVed ICBMs, and move toward a less threatening force based on single-warhead missiles, ideally in a program orchestrated through arms control.

The problem is that the Commission report asks us to accept not only its attractive long-term concept, but its immediate recommendation for the deployment of 100 MX. That missile has been mired in controversy for so long, and opposition to it is so entrenched, that its presence in the Commission report seriously endangers the entire enterprise. Some of us have voted against the MX on more than one occasion, but we are prepared to consider new arguments for it on the merits, and we are asking our colleagues to be similarly open-minded. But we must tell you in all candor, that of all the arguments presented in the Scowcroft report, on behalf of MX, only one is both new and of interest: that deploying the MX is a step which is consistent with, and necessary in order to begin, the long-term process towards stable forces.

In our view, the future of the MX turns precisely on whether this asserted connection between it and the process on long-run stabilization can be demonstrated. To do so requires at a minimum, assurances from you on certain key points:

That the United States' negotiating position in START will be speedily updated, in order to bring it into line with both the technical recommendations and the long-

term objectives of the Scowcroft Commission report;

That in doing so, the United States will be able to show how the deployment of a given number of MX fits in with these objectives, in terms of its impact on the force posture of both countries;

That, in principle, plans for the deployment of MX, including both numbers and timing, can be influenced by the results of arms control; and,

That, a major effort will be promptly undertaken to bring sharper focus to the proposed single-warhead ICBM, and to allay concerns that it cannot be realized in a reasonable period of time, at acceptable cost, in deployment modes that are both technically and politically realistic.

With the submission of your recommendations on MX basing, the legislative clock has begun to tick; moving towards a decision on flight testing and an acceptable basing mode which must be taken one way or the other, in the next month and a half. In isolation, the proposal to base MX in silos is one which has already been rejected for good reason. What changes the prospects for MX flight testing is the context for MX created by the Scowcroft Commission report. That context, however, is not strong enough as it presently stands to be decisively persuasive. We believe that affirmation and assurances from you on the points we have raised would greatly help, and that we need such assurances before deciding whether or not to support congressional approval of flight testing.

We wish, moreover, to make clear that in our view, a decision to flight test the MX is both legislatively and logically distinct from a decision to procure the missile in any number for actual deployment. The question of deploying the MX should be dealt with only when and if it becomes possible to see: (1) that START has been brought into line with the recommendations and long-term goals of the Commission report; (2) that a case can be made showing in explicit terms how MX would fit into stable US-Soviet nuclear relationship; and (3) that the Department of Defense is finding sensible answers to engineering and cost questions related to the single-warhead ICBM. A follow-on to the Scowcroft Commission, of bipartisan nature, charged with advising you in the conversion of the Scowcroft panel's recommendations into arms control proposals, would also be highly desirable.

You may feel, with some justice, that the report and your endorsement speak for themselves. Unfortunately, neither the report nor your endorsement clearly answer the questions we think are critical. Meanwhile, statements in the press—attributed to "high ranking officials" in the Department of Defense and others, have already raised a suspicion that there are some in the Administration who embrace the Scowroft Report not in its entirety, but only as a means to the end of securing Congress approval for the deployment of the MX.

Mr. President, the effect that MX is likely to have on the Soviet Union will be determined by the effect it has on opinion in this country. We can agree with you that the Soviets are not altruists, and will have little incentive to bargain seriously if we voluntarily solve their problems for them. But if we pursue a decision on MX in a way which destroys, rather than consolidates a national consensus, then the Soviets are best advised to play a waiting game.

We believe achieving a bipartisan consensus is critically important to a successful arms control effort. All our past progress in arms control has been predicated on such a bipartisan approach. A debate limited to MX alone, without explicit clarification of its role in the long-term course recommended by your Commission on Strategic Forces cannot lead to such a bipartisan consensus, and will result in no real winners. We are prepared to make a good faith effort, in which we urge you to take the lead.

Sincerely,

Albert Gore, Jr.; Norman D. Dicks; Les Aspin; Vic Fazio; Thomas S. Foley; Richard A. Gephardt; Dan Glickman; Joel Pritchard; George O'Brien.●

SCIENCE AND MATH: LEARNING HOW WE LEARN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

● Mr. BROWN of California. Mr. Speaker, the House has recently passed the Emergency Mathematics and Science Education Act, intended to improve the teaching of science and mathematics in this country. I wholeheartedly supported this measure, but I believe that there is still much to be done before we can solve the problems that have arisen from the neglect of the quality of basic education. A recent article in Science magazine highlights the need to reassess the very fundamentals of the way science and mathematics are taught. It reminds us that we still have much to learn about how learning itself occurs. I find it particularly interesting that this research shows that learning science and math requires not merely the acquisition of new information, but the prior demolition of erroneous assumptions and beliefs about the way the world works. All of us, from time to time, might do well to reflect on this. I commend the article to my colleagues.

[From Science, Apr. 29, 1983]

MATHEMATICS AND SCIENCE LEARNING: A NEW CONCEPTION

(By Lauren B. Resnick)

In the last few years a new consensus on the nature of learning has begun to emerge, stimulated by research in the field that has come to be known as cognitive science. The emerging conception of learning has a direct bearing on how science and mathematics can be taught most effectively.

I will sketch here a few examples of recent findings in cognitive science, many of which support the intuition of our most thoughtful teachers. In physics and other sciences, according to these studies, even students who do well on textbook problems often cannot apply the laws and formulas they have been drilled on to interpreting actual physical events. This observation has been made on all kinds of students, including gifted middle-school children and students at some of our most prestigious universities. The inability to apply routines learned in school is consistent with recent findings from the National Assessment of Educational Progress showing that mathematical problem-solving skills of American children lag far behind their calculation abilities.

Another well-supported finding is that all students, the weak as well as the strong learners, come to their first science classes with surprisingly extensive theories about how the natural world works. They use these "naive" theories to explain real world events before they have had any science instruction. Then, even after instruction in new concepts and scientifically supported theories, they still resort to their prior theories to solve any problems that vary from their textbook examples. Some studies have shown that students' prior theories can actually interfere with learning scientific concepts. The students' naive theories affect what they perceive to be happening in classroom demonstrations or laboratory experiments, and they continue to attach their naive meanings to technical terms (for example, the term acceleration).

Several studies show that successful problem-solving requires a substantial amount of qualitative reasoning. Good problem-solvers do not rush in to apply a formula or an equation. Instead, they try to understand the problem situation; they consider alternative representations and relations among the variables. Only when they are satisfied that they understand the situation and all the variables in it in a qualitative way do they start to apply the quantification that we often mistakenly identify as the essence of "real" science or mathematics.

These demonstrations of the potent role of naive theories in science learning, and of the central role of qualitative understanding of a situation in problem-solving, contribute to a new conception of the learner and the learning process that is emerging from cognitive research in mathematics and science. This research has in just a few years produced a new consensus on the nature of learning that is not yet widely reflected in the way mathematics and science teaching is conducted in the schools.

There are many complexities, but the fundamental view of the learner that is emerging can be expressed quite simply.

First, learners construct understanding. They do not simply mirror what they are told or what they read. Learners look for meaning and will try to find regularity and order in the events of the world, even in the absence of complete information. This means that naive theories will always be constructed as part of the learning process.

Second, to understand something is to know relationships. Human knowledge is stored in clusters and organized into schemata that people use both to interpret familiar situations and to reason about new ones. Bits of information isolated from these structures are forgotten or become inaccessible to memory.

Third, all learning depends on prior knowledge. Learners try to link new information to what they already know in order to interpret the new material in terms of established schemata. This is why students interpret science demonstrations in terms of their naive theories and why they hold onto their naive theories for so long. The scientific theories that children are being taught in school often cannot compete as reference points for new learning because they are presented quickly and abstractly and so remain unorganized and unconnected to past experience.

What does this new understanding of the learner suggest about how we can improve mathematics and science education? First, it

is never too soon to start. From their earliest years, children are developing theories about how the world works. There is reason to believe that naive theories will not take hold so firmly if scientific theories become available to them early. Furthermore, it is becoming clear that it takes a long time, and many different examples, for understanding to develop. It is not reasonable to postpone the beginning of this process to a high school or college course.

Second, teaching has to focus on the qualitative aspects of scientific and mathematical problem situations. Too quick an advance to formulas and procedures will not help children acquire the kinds of analytical and representational skills they need. Extensive qualitative analysis is not common in science or mathematics teaching. It may seem to take too much classroom time, and many teachers are perhaps too inexperienced in these ways of thinking. But the new evidence about learning makes it clear that we cannot avoid taking on this task.

A focus on qualitative analysis and understanding of situations does not mean a retreat from the teaching of computational procedures or scientific formulas, or from the basic factual information in any discipline. There is definitely an important role for the traditional skills of mathematics and science and the facts that underlie them. But the procedures and formulas must be treated as matters that make sense, and children must be involved in the task of making sense of them. Research has not yet told us whether it is better to first become skillful at a procedure and then analyze it, or to allow procedures to grow out of understanding a situation. But research has made it clear that procedures must take on meaning and make sense or they are unlikely to be used in any situation that is at all different from the exact ones in which they were taught.

Finally, since naive theories are inevitable, teachers will probably have to confront them directly. Students may have to be forced to pit their theories against the ones they are being asked to learn, to deal with conflict between theories in much the way that scientists do. This, too, is a new challenge, for only rarely today does teaching explicitly acknowledge children's prior theories (except to mark them wrong) or even recognize the difficult intellectual work entailed in giving them up or substantially revising them.

Research in cognitive science is not only changing our views of how people learn science and mathematics but is also shaping a theory of learning in which the content of what is learned plays a central role. In the past, it has often been difficult for mathematicians and scientists to find in the work done by psychologists and other behavioral scientists much that seemed directly relevant to the problems of teaching their disciplines. The general principles that psychologists produced seemed too far removed from the specific questions of curriculum content that concerned the scientists and mathematicians. That has changed.

A critical theme of the past several years of work in cognitive science has been that a person's intelligent performance is not a matter of disembodied "processes of thinking" but depends intimately on the kind of knowledge that the person has about the particular situation in question. This has led cognitive scientists to recognize that in order to understand complex learning they must study how people learn particular subject matters. As a result, there are now cognitive scientists actively engaged in studying mathematics learning in particular, physics learning in particular, and so forth. At the same time, mathematicians and physical and biological scientists have begun to study the cognitive processes involved in learning their disciplines, often in direct collaboration with psychologists.

This kind of collaboration has been significantly invigorated by grant programs of the National Institute of Education and the now disbanded Science Education Directorate of the National Science Foundation, but these collaborative links are still fragile. In times of retrenchment it is easy to return to traditional alliances and the familiarity of one's own discipline. To keep the collaboration alive, we must give careful attention to supporting vigorous programs of cognitive research in mathematics and science learning. If this is done, the educational payoffs are likely to be large and not unduly long in coming.●