

SENATE—Tuesday, May 1, 1984

(Legislative day of Monday, April 30, 1984)

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

PRAYER

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

Let us pray.

Merciful Father in Heaven, thank You for Your gracious perseverance in seeking and wooing us. Forgive us when we run away as though we are afraid lest You get too close or when we ignore You or find substitutes to replace You. Help us to see the distinction between religion—man's search for God—and Biblical faith—God seeking man. Save us from creating our own gods and diminishing our true humanness which was created in the image of God. Save us from trying to be our own gods—believing only in ourselves and suffering the frustration that self-worship generates. Lead us to Thee, the true God, that we may find ourselves and be fulfilled as the children of God we were meant to be. In the name of the Perfect Man, who served Thee as Father. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the formalities of reopening are over, which includes the special order and the time for morning business, we shall be back on the unfinished business. The Mitchell amendment is the pending question. I have been advised informally that Senator MITCHELL perhaps will not wish a rollcall vote on that amendment until after the two caucuses. If the minority leader confirms that, I am willing to arrange that so that all Senators will be accommodated. I do not want to prolong the debate unnecessarily. It may be possible, if that is the case, if the debate does not require much more time, that we will want to deal with some other amendments temporarily.

I guess I put that rambling question to the minority leader.

The PRESIDING OFFICER (Mr. HECHT). The minority leader.

Mr. BYRD. Mr. President, I shall be happy to respond to the majority leader's inquiry.

Mr. MITCHELL is going to have to attend a committee meeting during the morning. It is my understanding that he is willing to have his amendment set aside temporarily and that debate start thereon at 2 o'clock, with a half-hour to be equally divided, and with a vote to occur at the end of that time. Moreover, I am advised that Mr. HOLLINGS is prepared to come over and talk about his amendment during the morning and I believe that we are prepared to enter into agreement. I think we have an arrangement with Mr. MITCHELL to enter into an agreement dealing with his amendment as I have described it.

Mr. BAKER. I thank the minority leader.

Mr. President, I think that that would be eminently agreeable to this side, but if I could have just a moment to check with the chairman of the Committee on the Budget and our calendar operation, I shall happily put that request.

There is also a Wilson amendment that might be taken up, but I would rather have the Hollings amendment up. I thank the minority leader for that information, that Senator HOLLINGS is willing to do that.

As I understand the suggestion, Mr. President, it will be that when we resume consideration of the unfinished business, the Mitchell amendment will be temporarily laid aside and we would lay down the Hollings amendment. Then, after the recess which will occur today, at 2 o'clock, we shall resume the consideration of the Mitchell amendment on a time agreement of 30 minutes, to be equally divided and, at the end of that 30 minutes, we vote on or in relation to the Mitchell amendment and once again resume consideration of the Hollings amendment.

Mr. BYRD. Mr. President, the distinguished majority leader has stated the position which I shall say I meant to outline and perhaps did not exactly; namely, if I may say, the majority leader used the words "lay down the Hollings amendment." I am not sure Mr. HOLLINGS wishes to lay it down at that point. I meant we shall discuss it before he calls it up. To prevent any misunderstanding, I have not discussed that with him, but if instead of laying it down, Mr. HOLLINGS could be recognized at that point to talk on his amendment, that would be fine.

Mr. BAKER. Mr. President, there will be no problem with me. Indeed, I should be happy to agree to a time certain to go to the Hollings amendment, which precludes the possibility of a tabling amendment or that no tabling amendment would be in order until a time certain. I hoped that we could actually lay it down, because, as the minority leader will appreciate from his experience both as majority and minority leader, I rest more easily when there is something pending.

Mr. BYRD. Especially when it can be tabled.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I am advised by my staff that we are cleared on this side to accept the proposal of the minority leader in respect to the Mitchell amendment. Therefore, I make this request.

Mr. President, I ask unanimous consent that on the resumption of the consideration of the unfinished business, the Mitchell amendment, which is the pending question, be temporarily laid aside and that the Chair then recognize the Senator from South Carolina (Mr. HOLLINGS) for the purpose of discussing an amendment to be offered by the Senator from South Carolina.

I further ask unanimous consent that at the hour of 12 noon today, the Senate stand in recess until the hour of 2 p.m. and that, at 2 p.m., the Senate resume consideration of the Mitchell amendment; that there be a 1-hour time limitation on that amendment, to be equally divided, with control of the time to be in the usual form; and that at the end of that hour, the Senate vote on or in relation to the Mitchell amendment.

That is the request, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I have no objection.

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

Mr. BAKER. I thank the Chair, and I thank the minority leader. I thank Senator MITCHELL, who I believe is attending an Environment and Public Works Committee hearing. While I am at it, I might point out to Senator MITCHELL, if he is listening, there are some good Tennessee projects in there, and I urge he consider them favorably.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are a number of items on today's Executive and Legislative Calendars that I am advised have been cleared on this side for action. If the minority leader is prepared to do so, I am prepared to get those out of the way right now with a minimum of time.

Mr. President, I gather from the minority leader's indication to me that he is prepared to consider some items. I ask unanimous consent that I may proceed as in morning business.

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

THE CALENDAR

Mr. BAKER. Mr. President, I am cleared on this side to take up these matters by unanimous consent: Calendar Order 777, 786, 789, 801, 802, and 803.

May I inquire of the minority leader if he is prepared to consider those or any portion of them and, in the interest of time, to do so en bloc?

Mr. BYRD. Yes. I have no objection.

Mr. BAKER. I thank the minority leader.

Then, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the items just identified en bloc.

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

GOOSE LAKE BASIN COMPACT

The bill (S. 1135) to consent to the Goose Lake Basin Compact between the States of California and Oregon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the Goose Lake Basin Compact between the States of California and Oregon, which compact is as follows:

"GOOSE LAKE BASIN COMPACT

"Index

"Article I.....	Purposes.
"Article II.....	Definition of Terms.
"Article III.....	Distribution and Use of Water.
"Article IV.....	Administration.
"Article V.....	Termination.
"Article VI.....	General Provisions.
"Article VII.....	Ratification.
"Article VIII.....	Federal Rights.

"ARTICLE I. PURPOSES

"The major purposes of this compact are:

"A. To facilitate and promote the orderly, integrated and comprehensive development, use, conservation and control of the water resources of Goose Lake Basin.

"B. To further intergovernmental cooperation and comity and to remove the causes of present and future controversies by (1) providing for continued development of the water resources of Goose Lake Basin by the States of California and Oregon, and

(2) prohibiting the export of water from Goose Lake Basin without consent of the legislatures of California and Oregon.

"ARTICLE II. DEFINITION OF TERMS

"As used in this compact:

"A. 'Goose Lake Basin' shall mean the drainage area of Goose Lake within the States of California and Oregon and all closed basins included in the Goose Lake drainage basin as delineated on the official map of the Goose Lake Basin which is attached to and made a part of this compact.

"B. 'Person' shall mean the States of Oregon and California, any individual and any other entity, public or private.

"C. 'Water', 'waters' or 'water resources' shall mean any water appearing on the surface of the ground in streams, lakes, or otherwise, and any water beneath the land surface or beneath the bed of any stream, lake, reservoir, or other body of surface water within the boundaries of Goose Lake Basin.

"ARTICLE III. DISTRIBUTION AND USE OF WATER

"A. There are hereby recognized vested rights to the use of water originating in Goose Lake Basin existing as of the effective date of this compact and established under the laws of California and Oregon.

"B. Except as provided in this Article, this compact shall not be construed as affecting or interfering with appropriation under the laws of California and Oregon of unappropriated waters of Goose Lake Basin for use within the basin.

"C. Export of water from Goose Lake Basin for use outside the basin without prior consent of both State legislatures is prohibited.

"D. Each State hereby grants the right for a person to construct, and operate facilities for the measurement, diversion, storage, and conveyance of water from the Goose Lake Basin in one State for use within the basin in the other State, providing the right to such use is secured by appropriation under the general laws administered by the Water Resources Director of the State of Oregon or the Water Rights Board of California and the laws of the State from which the water is to be taken shall control.

"E. Should any facilities be constructed in one State to implement use of water in the other State, the construction, operation, repairs and replacements of such facilities shall be subject to the laws of the State in which the facilities are constructed.

"ARTICLE IV. ADMINISTRATION

"No commission or administrative body is necessary to administer this compact.

"ARTICLE V. TERMINATION

"This compact may be terminated at any time by consent of the legislatures of California and Oregon and upon such termination all rights then established hereunder shall continue unimpaired.

"ARTICLE VI. GENERAL PROVISIONS

"Nothing in this compact shall be construed to limit, or prevent any State from instituting or maintaining any action or proceeding, legal or equitable, in any court having jurisdiction thereof for the protection of any right under this compact or the enforcement of any of its provisions.

"ARTICLE VII. RATIFICATION

"A. This compact shall become operative when ratified by the legislatures of California and Oregon and consented to by the Congress of the United States.

"B. This compact shall remain in full force and effect until amended in the same

manner as is required for it to be ratified to become operative or until terminated.

"C. A copy of any proposed amendments to or termination of this compact shall be filed with the Board of Supervisors of Modoc County, California, and the County Court of Lake County, Oregon, at least 30 days prior to any legislative consideration by the legislatures of the States of California and Oregon.

"ARTICLE VIII. FEDERAL RIGHTS

"Nothing in this compact shall be deemed:

"A. To impair or affect the existing rights or powers of the United States of America, its agencies, or instrumentalities, in and to the use of the waters of the Goose Lake Basin nor its capacity to acquire rights in and to the use of said waters.

"B. To subject any property of the United States of America, its agencies or instrumentalities, to taxation by any State or subdivision thereof, nor to create an obligation on the part of the United States of America, its agencies or instrumentalities by reason of the acquisition, construction or operation of any property or works of whatsoever kind, to make any payments to any State or political subdivision thereof, State agency, municipality or entity, whatsoever in reimbursement for the loss of taxes.

"C. To subject any property of the United States of America, its agencies or instrumentalities, to the laws of any State to any extent other than the extent to which these laws would apply without regard to the compact."

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

NAVAJO INDIAN TRIBE CLAIMS JURISDICTION

The Senate proceeded to consider the bill (S. 1196) to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe, which had been reported from the Select Committee on Indian Affairs, with amendments, as follows:

On page 2, line 8, strike "required"

On page 2, after line 17, insert:

"Sec. 2. This Act shall not affect the finality of the judgments entered in Indian Claims Commission Docket Numbers 229 and 353 or alter the effect, if any, of those judgments on other litigation brought by the Navajo Indian Tribe against the United States as third parties in other judicial proceedings."

So as to make the bill read:

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 against United States, Docket Numbered 69, on June 13, 1979, to have been voluntarily dismissed by the Tribe before being considered or decided on their merits, and which 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.

SEC. 2. This Act shall not affect the finality of the judgments entered in Indian Claims Commission Docket Numbers 229 and 353 or alter the effect, if any, of those judgments on other litigation brought by the Navajo Indian Tribe against the United States as third parties in other judicial proceedings.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as amended.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

NATIVE AMERICAN PROGRAMS ACT AMENDMENTS OF 1984

The Senate proceeded to consider the bill (S. 2184) to amend the Native American Programs Act of 1974 to impose certain limitations with respect to the administration of such act and to authorize appropriations under such act for fiscal years 1985, 1986, and 1987, and for other purposes, which had been reported from the Select Committee on Indian Affairs with amendments, as follows:

On page 2, strike lines 10 and 11 and insert:

(2) at the end of subsection (a), add the following: "Every determination made with respect to a request for financial assistance under this section shall be made without regard to whether the agency making such request serves, or the project to be assisted is for the benefit of, Indians who are not members of a federally recognized tribe. To the greatest extent practicable, the Secretary shall ensure that each project to be assisted under this title is consistent with the priorities established by the agency which receives such assistance."

On page 4, line 1, strike "Secretary" and insert "Commissioner".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Native American Programs Act Amendments of 1983".

DISTRIBUTION OF FINANCIAL ASSISTANCE

SEC. 2. (a) Subsection (a) of section 803 of the Native American Programs Act of 1974 (42 U.S.C. 2991b) is amended—

(1) by striking out "including but not limited to" in the first sentence.

(2) at the end of subsection (a), add the following: "Every determination made with respect to a request for financial assistance under this section shall be made without regard to whether the agency making such request serves, or the project to be assisted is for the benefit of, Indians who are not members of a federally recognized tribe. To the greatest extent practicable, the Secretary shall ensure that each project to be assisted under this title is consistent with the priorities established by the agency which receives such assistance."

(b) Subsection (c) of section 803 of the Native American Programs Act of 1974 (42 U.S.C. 2991b(c)) is amended—

(1) by striking out "No project" and inserting in lieu thereof "(1) No project"; and

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

"(2) No project may be disapproved for assistance under this title solely because the agency requesting such assistance is an Indian organization located in a nonreservation area or serving Indians in a nonreservation area."

ADMINISTRATION OF PROGRAMS

SEC. 3. Section 812 of the Native American Programs Act of 1974 (42 U.S.C. 2992b) is amended to read as follows:

"ADMINISTRATION; DELEGATION OF AUTHORITY"

"SEC. 812. (a)(1) The general administration of the programs authorized in this Act shall remain within the Department of Health and Human Services and, notwithstanding any authority under any other law, may not be transferred outside of such Department.

"(2) The Secretary shall administer grants under section 803 through the Administration for Native Americans. The Commissioner of such Administration may not delegate outside of such Administration the functions, powers, and duties of the Commissioner under the provisions of such section.

"(b)(1) Except as provided in subsection (a)(2), the Secretary may delegate to the heads of agencies within the Department of Health and Human Services any of the functions, powers, and duties of the Secretary under this title and may authorize the redelegation of such functions, powers, and duties by the heads of such agencies only to heads of other agencies within the Department of Health and Human Services.

"(2) Funds appropriated to carry out the provisions of this title, other than section 803, may be transferred between agencies within the Department of Health and Human Services only if such funds are used for the purposes for which they are authorized and appropriated.

"(c) Nothing in this section shall be construed to prohibit interagency funding agreements made between the Administration for Native Americans and other agencies of the Federal Government for the development and implementation of specific grants or projects."

DEFINITIONS

SEC. 4. Section 813 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

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

"(4) 'Secretary' means the Secretary of Health and Human Services."

EXPENDITURE OF AVAILABLE FUNDS

SEC. 5. Section 814 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended—

(1) by striking out "1981" and inserting in lieu thereof "1987";

(2) by striking out "There are" and inserting in lieu thereof "(a) There are"; and

(3) by adding at the end thereof the following new subsection:

(b) Not less than 90 per centum of the funds made available to carry out the provisions of this title for any fiscal year shall be expended to carry out the provisions of section 803(a) for such fiscal year.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as amended.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

HELEN KELLER DEAF-BLIND AWARENESS WEEK

The joint resolution (S.J. Res. 261) to provide for the designation of the last week in June 1984 as "Helen Keller Deaf-Blindness Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution and preamble are as follows:

S.J. Res. 261

Whereas the anniversary of the birth of Helen Keller, the most accomplished, respected, and renowned deaf-blind American in our history, falls on June 27; and

Whereas deaf-blindness is one of the most severe of all disabilities, with respect to which some forty thousand Americans are deprived of two primary senses; and

Whereas the rubella epidemic of the 1960's, along with other pathologies, has resulted in deaf-blindness for approximately six thousand of our children; and

Whereas, because of the severity of deaf-blindness the cost of educating, training, and rehabilitating persons who are deaf and blind is high in comparison with other disabilities; and

Whereas this high cost causes many service agencies to be reluctant to serve deaf-blind persons, thus inhibiting the independence and self-sufficiency of such persons, and frequently resulting in their placement in custodial institutions; and

Whereas, although the Helen Keller National Center and its network, and regional deaf-blind centers serve a portion of this population, inadequate education, training and rehabilitation services to the deaf-blind population represents a terrible waste of human lives and resources, imposing a high economic cost on the Nation; and

Whereas it is in the national interest to prevent this waste of human resources, foster independence, create opportunities for employment, and maximize the ability to achieve among our deaf-blind citizens; and

Whereas these objectives can be accomplished only through an increased public

awareness of, and attention to, the needs, abilities, and potential contributions to society of persons who are both deaf and blind; and

Whereas it is highly appropriate to publicize the needs, abilities, and potential of all deaf-blind persons, and simultaneously to recognize Helen Keller not only as a beacon of courage and hope for our Nation, but also as a symbol of what is possible for deaf-blind persons to achieve: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall issue a proclamation designating the last week in June of 1984 as "Helen Keller Deaf-Blind Awareness Week" and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

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

The motion to lay on the table was agreed to.

HONORING COMMANDER ALPHONSE DESJARDINS

The resolution (S. Res. 312) to honor Comdr. Alphonse Desjardins, founder of La Caisse Populaire de Ste-Marie, Manchester, N.H. was considered and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 312

Whereas Commander Alphonse Desjardins observed a lack of adequate banking facilities for most working Americans and undertook an active role in encouraging interested groups to develop a useful community-based alternative,

Whereas the objectives of credit unions are to encourage economy and financial responsibility among members, to promote Christian and humane values, to combat usury, to provide capital for local individual enterprises, and to help borrowers achieve economic independence through self-help,

Whereas the credit union movement in the United States began on a note of high idealism, its purpose service, its motivation religion, and its essence the practicality of the association of individuals, and

Whereas Commander Desjardins responded to the request of Monsignor Pierre Hevey, priest of Saint Mary's parish, Manchester, New Hampshire, to organize a credit union among a group of Franco-American citizens, resulting in the first incorporation of a credit union in this Nation, La Caisse Populaire de Ste-Marie: Now, therefore, be it

Resolved, That the Senate recognizes and honors the efforts of Commander Alphonse Desjardins, who, in this important way, did so much to bring credit unionism to the United States.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

NATIONAL WEEK OF THE OCEAN

The joint resolution (H.J. Res. 478) designating the week of April 29 through May 5, 1984, as "National Week of the Ocean," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

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

The motion to lay on the table was agreed to.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, my executive calendar today also has a number of clearances on it. May I inquire of the minority leader if he is prepared to consider all those nominations under the heading "Nominations," not including those nominations placed on the Secretary's desk, however?

Mr. BYRD. Mr. President, this side of the aisle is ready to proceed with all nominations with the exception of Calendar Order No. 514.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I hope to have cleared the nominations placed on the Secretary's desk early this afternoon. I think I may be able to do that.

I also hope that the minority leader might be in a position to clear Calendar Order 514. The minority leader I am sure will understand what I am about to say. We discussed it privately, and I mentioned it on the floor yesterday. At some point the leadership on this side will feel compelled to move to the consideration of that item. We do not do that often, and I will not do it today certainly. But if the minority leader could reexamine that particular item, I would be grateful for it.

Mr. BYRD. Mr. President, that will be done.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, then I ask unanimous consent that the Senate now go into executive session to consider those items that are cleared on both sides, to wit: Calendar Orders 567, 569, and 570.

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

THE JUDICIARY

The legislative clerk read the nomination of Alicemarie H. Stotler, of California, to be U.S. district judge for the central district of California.

The nomination was considered and confirmed.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Bohdan A. Futey, of Ohio, to be chairman of the Foreign Claims Settlement Commission of the United States for the remainder of the term expiring September 30, 1985.

The nomination was considered and confirmed.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Chapman B. Cox, of Virginia, to be General Counsel of the Department of Defense.

The nomination was considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

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.

Mr. BAKER. Mr. President, that concludes my business for this morning. I thank the minority leader for his assistance and cooperation. I apologize to the Senator from Wisconsin for taking so long.

I yield the floor, Mr. President.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the standing order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may retain control of the time that is left for me, and that the distinguished Senator from Wisconsin (Mr. PROXMIER) proceed with his order, if he so wishes.

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

RECOGNITION OF SENATOR PROXMIER

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin (Mr. PROXMIER) is recognized for not to exceed 15 minutes.

HOLLAND: THE WELFARE STATE GONE WILD

Mr. PROXMIER. Mr. President, on Sunday, April 1, the "60 Minutes" program on CBS carried the most damning indictment of the welfare state pushed to its extreme that this Senator has ever seen. This was a depiction of the economic plight into which Holland has worked in its quest to create a perfect social democracy. It provides subsidies for just about everything: for opera, for art, for marihuana for teenagers. As CBS commentator Morley Safer observed:

By the mid-70's the social welfare system had reached a crescendo of plans and programs, a reverse of Orwell's "1984." Big Brother was not watching; he was asking, "Can I do anything to help?"

In recent years, Mr. President, our country the United States, has begun to show a little restraint in foolish domestic spending. But we could easily lapse back into the bad old habits; "60 Minutes" offered a vivid picture of why we should be very careful about such a lapse.

I ask unanimous consent that excerpts from the transcript of the "60 Minutes" television presentation of Sunday, April 1, on where the social democracy crusade has led Holland be printed in the RECORD.

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

"DUTCH TREAT"

MORLEY SAFER.—The Dutch ideal 20 years ago or so was to create the perfect social democracy, a state that would meet every need but, more than that, a state that would indulge every whim. The "Dutch Treat" is the result. Some of you will see it as something as close to Utopia as can be found on this earth. Others will see it as proof that there are limits to what the state can do, even with the best intentions. And once the state giveth, it is nearly impossible for the state to taketh away. Whatever way you do see it, one fact is it's running out of money. Dutch workers are paying fifty to sixty percent in taxes, the tax base is declining, unemployment in Holland may be the highest in Europe, but the treat goes on.

[Opera excerpt.]

The Dutch treat is for everyone. For the opera lover, it's particularly delicious. If the production wasn't subsidized, it would cost \$85 a ticket, but it only costs \$7 to attend. The government puts up the difference.

In Holland, the government puts up the difference for everything, from tennis lessons to providing a place for teenagers to buy cheap hashish, to paying undiscovered artists a state salary. It pays a retired bookkeeper, age 30, a nice pension for an alleged bad back, giving him time to be a full-time hawker for a sex club. And he pays not a penny in taxes.

By the mid-70's the social welfare system had reached a crescendo of plans and programs, a reverse of Orwell's 1984. Big Brother wasn't watching; he was asking, "Can I do anything to help?" The militant women demanded the government give them a women-only restaurant. The Government gave them money to get one going. And when lesbian women felt they were ex-

cluded from job opportunities as barge captains, the Dutch government put up money, got the Common Market to put up more, and gave them a school and bought them a barge.

[Barge engine revving up.]

The male barge crews objected, predicted disaster—accidents in Holland's delicate canal system. But the women won; the canal walls held.

[Dog barking; women barge workers chatting.]

WOMAN. Have a good time now. [Laughing, kissing.]

SAFER. The homosexual community demanded and got a government-subsidized club and dance hall. The Hell's Angels complained they had no place to meet; so, the government gave them a clubhouse. Youth in general complained that youth was not being served; so, the government started something called "The Happy Family Clubs". Kids from 15 to 24 are provided with free music, sausages and soft drinks. Beer is 35¢ a glass; the hashish and marihuana are sold at discount prices.

[Singers performing Dutch pop music.]

The system is almost self-sufficient. The man who runs this Happy Family told me that the sale of drugs helps to offset the cost of running the clubs. The drugs are half the street price, and they're pure.

Remember, there's nothing clandestine about the sale of drugs in these clubs. This has the approval of the Dutch social welfare system.

[Singers performing.]

For older children and younger adults, the government subsidizes other clubs, like the "Milkey Way". In the Milkey Way, the drugs are sold at booths that give the latest market prices for marijuana and hashish. Everyone goes to great pains to say that hard drugs are not offered for sale, though the government is about to open a center where 300 heroin users will be given free drugs and a clean place to inject themselves.

[Orchestra tuning up.]

Holland is a great haven for musicians and for lovers of music. It pays virtually the entire cost for 19 symphony orchestras, plus operas and ballet companies. The musicians are all on civil service salaries and pensions, given 12 months a year of work, even though some of them put in only eight weeks.

[Orchestra tuning up.]

"The Ysbreaker"—[pronounced ice-breaker]—an Amsterdam cafe and experimental music club—gets a stipend of about a quarter of a million dollars a year from the government. Holland may be the most youth-conscious society in the world. Youth is indulged and pampered and subsidized, right through to middle age and beyond. At The Ysbreaker, just about any kind of music goes.

[Avant-garde violin and trombone music.]

It's also a place to try out new vaudeville acts, even though vaudeville is as dead in Holland as it is anywhere. The performers are, of course, on a government stipend as well. (Trombone blats; vaudeville excerpt)

Pop music is not left out, and here you may have the most enigmatic non sequitur in the history of musicology—the Committee for Non-Commercial Pop Music, designed to make more commercial and more popular non-commercial music. In other words, they're here to find ways of getting the bottom 400 into the Top 20, which of course would then make it no longer non-commercial.

But the most graphic, visual example of the Dutch treat is the way it treats its un-

successful artists and those claiming to be artists. Last year, the Arts Committee of the Dutch Government spent more than \$43-million on artworks from painters and sculptors who could not otherwise make a living. There are 3500 such artists on the government payroll. In return for the money, the artists offer their, quote, "best work", unquote, to the state.

[Chairman of Arts Committee speaking Dutch.]

The state committee is made up of civil servants and artists who are themselves on the nation's payroll. They meet twice a month to select art and artists to be added to the payroll.

The decision will be made today about whether to vote to—

MAN [municipal government employee]. Yes?

SAFER [continuing]. Subsidize that artist or not.

MAN. Right. That's correct. First, they have a general judgment whether the work presented is good enough, qualified to be bought. And then, if they vote yes, then afterwards they vote which part of the work they actually will buy.

SAFER. And are you from the Ministry, or—

MAN. From the municipal government.

SAFER. I see.

[Background comments in Dutch.]

SAFER. Much of what the committee looks at is atrocious. There's just no other word for it. And most members will privately admit it. But, not unlike certain departments of the U.S. government, once you have a budget, it must be spent—so they spend it.

[Comments in Dutch; pounding of gavel.]

SAFER. If the spiritual and esthetic sides of Dutch life seem indulged, what about the more practical side of life? Well, Holland has the most generous compensation for disabled workers anywhere, and it may be no surprise that it has more disabled workers than any other country. One in six people in the Dutch work force is on the "permanently disabled" list, being paid up to 80% of their former salaries. Right now, between the disabled and the unemployed, 41% of the Dutch work force is not working but being paid handsome benefits. And those benefits are not the end of it.

The abuses are not legendary; they are factual. In order to receive the disability pension, the alleged accident does not have to be job-related. One young man wrenched his back skiing, and managed to pull a \$20,000-a-year pension for life. And then again, Willem the bookkeeper, back at his stand, earning, as he says, "luxury money" in Amsterdam's red-light district.

[Willem hawking outside sex shop; dialogue in Dutch.]

SAFER. Willem says doctors have not been able to trace the exact cause of his bad back, but he says it does hurt after a few hours of sitting.

But you look like a very healthy fellow.

WILLEM. Yeah, that's because I have—well, enough money to live in a bit of luxury, to go on—a holiday for a year. Eat good to live good.

SAFER. Where do you go?

WILLEM. Well, depends. I've been through Europe, all over, most countries of Europe. And next year, I plan to go to the highlands of Scotland, this year, in the summer.

SAFER. Can you sit in an airplane for three or four hours?

WILLEM. That's okay, yeah.

SAFER. Or a car?

WILLEM. That's not—that's not hanging over a desk with your back bent.

SAFER. I see.

Dr. Jop Stork is a leading internist. He was the doctor to a former prime minister of Holland. He sees plenty of legitimately ill people, and he sees some others as well.

Dr. JOP STORK. Most of the patients come in to us with—with complaints like headache, backache, irritable colon, hyperventilation. And that's more than 50% of my patients. And then, we are examining everything: laboratory tests, X-rays, endoscopic examination.

At the end we say, "Congratulations! We didn't find anything!" And then we don't see a laugh. They say, "Well, I'm sorry, but I have my complaints. I'm not able to work." And then the problem starts.

Dr. VICTOR HELMBERSTADT. The system is abused, because it has been made to be abused.

SAFER. Dr. Victor Helmerstadt is a world-renowned Dutch economist. He lectures at Leyden University. He's one of the architects of the system, a system he now says has gotten completely out of hand.

Dr. HELMBERSTADT. It has been a terrible blow against morality, against the work ethic, and especially it has been a terrible blow for younger people, because in the past decade lots of young people have seen around them fraud, legal fraud, which allowed workers to obtain a benefit as a disabled person. And that, in turn, made it seem to young people, I think, that, well, trying to get a benefit instead of working was socially acceptable. And that's why we have now brought up generations of people who think that it's quite normal to live on a benefit instead of living on the income made from work.

[Laughter at cafe; Turks playing cards and dominos.]

SAFER. Non-Dutchman take further advantage of the Dutch social welfare system. There are hundreds of thousands of foreign workers in Holland, invited in to do the menial work many Dutchmen did not want to do. These Turkish men, many of them now on unemployment or disability themselves, are entitled to full benefits, plus family benefits for wives and children who've never been to Holland. The system is badly abused. Men claim more children than they have, and in some cases the money's going back to buy up farmland in Turkey.

[Turks playing; clatter of dishes.]

Imdad Ali is a Pakistani who came to Holland seven years ago. He works as a dishwasher in an Amsterdam hotel. On top of a fairly good salary, he gets a whole array of benefits.

[Music—Pakistanis watching Dynasty on TV.]

He lives in a big house which is subsidized by the state. He rents out rooms to other Pakistanis on an unofficial basis. On top of that, the Dutch government sends \$3,000 a year in family assistance to his family in Pakistan, a family he claims numbers nine people. That \$3,000 alone is nine times the average annual income in Pakistan.

[TV excerpt from Dynasty, with John Forsythe portraying Blake Carrington, declaring: "Yes, I'm going to get my grandson back home where he belongs!"]

Dr. HELMBERSTADT. The Dutch system is as generous to those who have—hold a Dutch passport as to those who do not hold a Dutch passport but who have worked here, are still working. That implies that those who return to their own country—because

they have, for instance, entered the disability scheme and have been declared disabled or partially disabled—will get a benefit even in their own country. Some people will, for their specific disability, need a car, as to be able to transport themselves. Now, if this were a foreign worker, and he goes back to his own country, which is perfectly legitimate, he'll be entitled to take that car along and get a replacement for that car after a few years.

SAFER. What's been the net effect on Dutch society of this generosity—I mean, beyond any economic problems? Has there been some other—

Dr. HELMBERSTADT. People consider it quite normal that government finances almost everything, be it education, be it art, be it benefits. And government is not a strange and alien body somewhere; government is us. And now people are finding out that—that they're paying the bill themselves, and that bill today is very high. And that makes a situation whereby more and more workers will say, "We can't accept it." It's not yet a revolt, but there is a strong resistance to an increase in the tax take, only to finance schemes, benefits, for those who don't work.

SAFER. And what about those who do? All those universally unrecognized artists on the Dutch payroll, what happens to all that output? In theory, the work that is selected is sent to public buildings like this one. This building's main purpose is to administer "bad back" benefits. The idea is that state-employed office workers can enjoy the fruits of state-approved art. In fact, most of the art is sent here, to a warehouse. This one is down by the waterfront in Amsterdam. This is the little warehouse. It houses only 40,000 pieces.

Last year, the Dutch government paid \$43-million for this stuff, and who knows how much more to house it. And as I said, this is only part of it. In the Hague, in the big warehouse, there are another 200,000 pieces of forlorn, long-forgotten inspiration.

[Gavel pounding at Arts Committee meeting.]

HOW A BRILLIANT BUREAUCRAT SAVED NATIONAL PUBLIC RADIO

Mr. PROXMIRE. Mr. President, in contrast with the waste and extravagance of social expenditures gone wild in Holland, I want to offer at this point an example of bureaucracy at its best in our Government.

This town has a great time denouncing bureaucrats gone wrong. But when a public official does something brilliantly, no one read about it, hears about it or talks about it. This morning I should like to call the Senate's attention to a bureaucrat who did a superlative job. The name of this public official is Ronald Bornstein. If you have never heard of Ronald Bornstein, welcome to the club. Very few have.

But here is what he did: Last year, National Public Radio was in abysmal financial shape. Its budget crisis was so severe that it appeared impossible for this excellent public service to survive. The usual answer under these circumstances is to pump more public money into the operation. Just hike the old appropriation. But sometimes

Congress says no and a service dies. In this case, Congress did not act, and the service carried on.

In spite of strong public and congressional support for National Public Radio, especially for its excellent "Morning Edition" and "All Things Considered," it appeared that National Public Radio might have to go. At this point, Bornstein was asked to come to the rescue. Why Bornstein? Bornstein has for a number of years run National Public Radio's most successful radio as well as its affiliated television station: WHA in Madison, Wis.

In 1976, Bornstein had come to Washington briefly to head a committee to recognize National Public Radio, a nonprofit programming and distribution organization which serves more than 240 affiliated public stations. He did such a good job then that he won the Edward R. Murrow Award for Distinguished Service to Public Radio. Bornstein also returned to Washington when he served as a vice president of the Corporation for Public Broadcasting for 18 months beginning in 1980.

So when National Public Radio got into trouble, the National Public Radio Board of Directors turned to Bornstein. No other name came up. When Bornstein arrived, he had to do a painful, difficult job. He reduced the staff of NPR by more than 150, including firing more than a hundred, and these were people whom Bornstein acknowledged were good people. As Bornstein told the Wisconsin Business Journal: "There were no financial systems operating at National Public Radio. There was lack of internal discipline, management discipline, erosion of the chain of command." At one point, NPR had \$65,000 in the bank and a \$6.5 million debt. The telephone company repeatedly threatened to disconnect the phones. The landlord threatened eviction. The satellite interconnection system operated only through emergency payments to Western Union. The company had 9,000 checks that could not be sent, because there were no funds to pay them. NPR owed almost \$800,000 in salary withholding taxes to the Internal Revenue Service and was behind in paying withholding tax moneys to the District of Columbia and other tax districts. Bad business practices abounded in the chaotic climate. NPR had issued 110 American Express credit cards for use by its 449 employees. The cards were billable directly to the company. There were no uniform expense reimbursement procedures.

Bornstein moved quickly and decisively to clean up this mess. But he acquired some deep resentment along the way; he was called Attila the Munchkin and the Midwest Hick. The board chairman of NPR, Myron Jones, said that he could not tolerate Born-

stein's style of management. He told the Board: "One of us has to go. It's either Bornstein or Jones." Jones went.

Mr. President, today we still have an excellent National Public Radio, not only by virtue of a regard for the importance of the service NPR brings, but also a sensitivity to hardheaded, sound business practices and accountability, and a remarkable, first-class bureaucrat: Ronald C. Bornstein of Madison, Wis.

I ask unanimous consent that an article from the Wisconsin Business Journal of April 1984, by Joel McNair, entitled "Is Ron Bornstein God? Or Is He Just Damn Good?" be printed at this point in the RECORD.

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

IS RON BORNSTEIN GOD? OR IS HE JUST DAMN GOOD?

(By Joel McNair)

The Madison newspaper headline last November labeled him "Superman." Another anointed him "Savior." Yet another news story said he's "an authentic American hero."

For the press to gush is one thing. For the press to gush over a bureaucrat is quite another.

But to the eight million persons who regularly listen to National Public Radio, balding, 51-year-old Ronald C. Bornstein, at five feet six inches, is a man of heroic proportions. In the space of six eventful months last year, Bornstein quite literally saved NPR—an organization "close to anarchy"—from oblivion. A communications professor with UW-Madison and just recently appointed chief lobbyist and public relations officer of the University of Wisconsin System, Bornstein was directing WHA public television and radio in Madison before he headed east.

When he assumed the temporary presidency of NPR last May, Bornstein discovered the organization was some \$9 million in debt in a total budget of \$26 million. NPR wasn't meeting payrolls. Withholding taxes were not being paid. Employees had to cross the street to borrow paper for the copying machine.

Through massive budget cuts, employee layoffs, programming reduction and a craftily negotiated loan, Bornstein in a summer's time left NPR in a position to survive, if not thrive. Most critics and listeners agree that, despite the cutbacks, the quality of the network's programming was not greatly affected.

And, perhaps most incredibly, "Superman" did all this as a half-time employee.

"The remedies were standard business practice, nothing revolutionary," claims Bornstein in the soft, steady voice that belies his "tough guy" image within the broadcasting industry. His special qualifications, Bornstein feels, were knowing public broadcasting and the political workings of Washington, D.C., where NPR is headquartered.

"No other name ever came up," says Jack Mitchell, a member of the NPR board of directors that selected Bornstein to succeed Frank Mankiewicz as president last May. "There's nobody else quite like him."

Bornstein carved his unique niche through more than a decade of managing

WHA, interrupted by stints at NPR and the Corporation for Public Broadcasting in Washington. In Madison he learned to handle the budget and staff of a highly regarded public broadcasting station that ranks first in the nation in terms of radio listeners and second in television viewers.

In Washington, Bornstein says he learned "the political landscape" of public broadcasting—and where the organization's "corporate bodies were buried."

A Detroit native, Bornstein came to Madison in 1967 to be associate director of television services at WHA, which is part of the University of Wisconsin Extension. He has headed the station's television and radio operations since 1970. Now, he is the chief spokesperson and lobbyist for the University of Wisconsin System.

WHA produces local broadcasts and statewide information and educational services for the Wisconsin public television and radio networks. It also provides educational materials for state and educational agencies.

Under Bornstein's stewardship, WHA radio and television has modernized its facilities and increased staff (to 135 full-time employees) and budget (to a total of \$7.8 million for the current fiscal year). Despite its growth, Bornstein points with pride to the fact that use of state tax money as a percentage of direct operating costs has decreased substantially in the last 15 years.

"Our direct operating costs are supported in the majority by nontaxpayer funds," Bornstein says. The majority of these operations are paid for by providing services to non-profit organizations and by donations from foundations and individuals.

In 1976, Bornstein traveled to Washington to head a committee to reorganize NPR, a non-profit programming and distribution organization which serves more than 240 affiliate public stations. As a result of that effort, he won the Edward R. Murrow Award for Distinguished Service to Public Radio.

He was also instrumental in hiring Frank Mankiewicz as NPR's president.

Bornstein went to Washington again in 1980, taking an 18-month leave of absence from the UW to serve as a vice-president of the Corporation for Public Broadcasting. He says the CPB, an independent non-profit organization which receives federal funding to be used for public broadcasting, acts as an "insulator between the political sector and a First Amendment enterprise."

Despite spending his entire broadcasting career in the public sector, Bornstein says his philosophy is the same as that of any good small businessman. "We believe in the same business-like principles of private enterprise," he says. "We believe in budget integrity, appropriate stewardship of funds and attention to the bottom line and performance."

He says these principles were what NPR lacked last spring.

Jack Mitchell, who is also station manager at WHA, says the 17-member NPR board of directors first realized they had a serious budget crisis in March. The board tried to balance NPR's current (1983) budget. They found, Mitchell says, that this was impossible.

Mankiewicz resigned under pressure. And the board gave Bornstein a call.

Bornstein agreed to help out on a part-time basis—with one stipulation. "I told the board that I would not accept a permanent position," he explains. "I promised my family I would be home in time for Halloween."

For the next six months, he spent three days a week in Washington, generally from Sunday night through Wednesday. He was soon on a first-name basis with crew members of Northwest Airlines Flight 379 out of Washington.

Bornstein's arrival was not greeted with enthusiasm by the NPR staff. Mankiewicz had been popular, particularly with the people who produced NPR's stellar news shows, "Morning Edition" and "All Things Considered."

Mankiewicz, too, had fostered an attitude that the organization's problems were minor and temporary. "Frank was saying that things are rosy, there's a little cash flow problem, but if we just hang tough we'll get through it," Mitchell remembers. "Then the NPR board essentially fires Frank and sends in a guy who has a reputation for toughness."

"Since they had been told there was no problem, the staff thought that 'someone's out to get us.'"

The word at NPR, Mitchell says, was that Bornstein represented President Reagan's plan to kill public radio. Or that the CPB and hostile public radio stations were planning similar deeds. And Bornstein was friendly with NPR's rival, American Public Radio.

He was dubbed, "Attila the Munchkin" and "The Midwest Hick."

Bornstein had his own description of the situation: "Chaos."

"There were simply no financial systems operating at National Public Radio," he says. "There was lack of internal discipline, management discipline, erosion of the chain of command, lack of financial and administrative leadership by some of the principal department heads and officers."

"It was an organization that I thought was pretty close to anarchy."

The results of that anarchy were everywhere. At one point, NPR had \$65,000 in the bank and a \$6.5 million debt. The telephone company repeatedly threatened to disconnect the phones. The landlord threatened eviction. Member stations, Bornstein recalls, were "owed lots of money." The satellite interconnection system operated only through emergency payments to Western Union.

Bornstein more than once had to obtain emergency loans to meet the payroll. The company had 9,000 checks that could not be sent, because there were no funds to pay them. NPR owed almost \$800,000 in salary withholding taxes to the Internal Revenue Service and was behind in paying withholding tax monies to the District of Columbia and other tax districts.

"A series of administrative fiefdoms were built that had their own books," says Bornstein. "These had a tendency not to agree with each other's or the corporate books."

Bad business practices abounded in the chaotic climate. For example, NPR had issued 110 American Express credit cards for use by its 449 employees. "The cards were billable directly to the company," Bornstein explains. "There was no uniform expense reimbursement procedure."

He says employees "would somehow, someday turn in a reconciling piece of paper, but the company would by that time have paid the American Express bill."

When he first stepped into NPR's Washington headquarters, Bornstein realized almost immediately that drastic budget and staff cutting was needed.

"We knew what we had to cut the first week we were there," says Mitchell. "His (Bornstein's) great strength is decisiveness."

Mitchell was part of a transition team, hand-picked by Bornstein to carry out his directives. As the temporary programming specialist, Mitchell was Bornstein's "cutter." Weekend and hourly news programs were terminated and reporters laid off. Four-fifths of arts and performance programming was chopped away.

Steve Symonds, a CPB veteran, was Bornstein's deputy, the man who provided Bornstein with much of his decision-making information. When Bornstein wanted a chief financial officer from the commercial broadcasting sector, Westinghouse Broadcasting offered George Miles, a Boston television station manager.

In the space of a few weeks, the team reduced NPR's staff by more than 150 employees. More than 100 were fired. Mitchell says he was "numb."

"It was absolutely agonizing," Bornstein remembers. "Those people were good people. They were the victims of the problem, not the cause."

Bornstein's axe was criticized within the organization. In what his staff calls the "June 14th Shootout at the OK Corral," NPR Board Chairman Myron Jones said he could not tolerate Bornstein's style of management. "He told the board it was either him or me," Bornstein recalls.

It was "him," Bornstein stayed.

Outsiders like the Washington Post's Jacqueline Trescott say some public radio station managers criticize Bornstein's decision to cut first and seek funds later.

"He stayed away from direct fundraising for so long," says Trescott, who covered the NPR story for the Post. Although more than \$2 million was eventually raised in a "Drive to Survive" broadcast appeal, Trescott says much of the arts and performance division could have been saved if money had been raised earlier.

"In the long run, those cuts hurt NPR," she adds.

Bornstein counters that "Morning Edition" and "All Things Considered" are the heart and soul of NPR, the programming that is demanded by listeners and station managers. To attract foundation support and negotiate a loan with the CPB, he says all other areas had to suffer cuts. Without the cuts, he feels outside contributors would have been "throwing money down a rat-hole."

Once Bornstein felt the situation was under control, he went to the CPB for a loan that would keep NPR afloat. The negotiations were not friendly.

Bornstein is frank in his assessment of the CPB. "(CPB) should have been watching the store while someone took the cookies. They should have watched the financial performance of NPR."

The corporation, he says, was not experienced in negotiating what essentially was a commercial loan. Bornstein also feels the CPB's general counsel was not familiar with broadcast regulation. He says CPB's initial loan stipulations required too much control over NPR, and represented a First Amendment threat.

CPB wanted title to NPR's interconnection system. "Legally, they couldn't do it," Bornstein relates.

"But they maintained they could."

When the two parties decided upon a trust to oversee continued operation of the system, CPB attempted to select representatives of public radio stations as trustees.

This is also illegal, Bornstein says, because trustees cannot be beneficiaries of the trust.

The corporation also wanted tighter control of NPR's budget. "Most people in the business sector clearly understand that if you have control of the budget for one day you have control of the organization," Bornstein says. Elements for CPB budget review were a continuing battle.

"Our position," Bornstein explains, "was that the NPR budget review should not provide the Corporation for Public Broadcasting with any ability to either approve or disapprove the receipt of grants. If you have that, you have significant influence over programming."

"If that had come to push and shove, I would rather have seen the organization stop, if that was the price. Nothing is worth that."

The \$8.5 million loan guarantee came just hours before NPR would have been forced to close its doors for lack of money.

While not guaranteeing NPR's future, Bornstein and his team had at least given it some breathing space with the loan. And Bornstein returned to Wisconsin, where he helped pass out the Halloween candy.

Bornstein has received the praise of the NPR board, the news staff, the CPB and the press. With new President Douglas J. Bennett at the helm, Trescott reports that NPR appears to be staying above water, even to the point of having a small surplus for the first quarter of fiscal 1984. "People there are restless, because the real frustration is coming now in holding to a tight budget," she says.

Despite 10 to 15 percent cuts in the news budget, Trescott feels NPR is still respected. "Morning Edition" uses more pieces from the BBC, so you know they are still stretching," she says. "But the quality of reporting stands with anyone in town."

Though he no longer has the power associated with the presidency of National Public Radio, "Bottom Line Ron" Bornstein is glad to be home. "The job doesn't pay enough" is his flip answer to questions about whether he would want to be NPR's permanent leader.

But Bornstein's feelings for Wisconsin—and Washington—run far deeper. "(In Washington) every act is questioned on the basis of running for office. I do not like to go into a situation like that with hidden agendas," he says. "That is the first thing that paranoid Washington types think about, because it's a hyper-political town. I told the board going in that I didn't want the job."

"I happen to be a great believer in personal choice and lifestyle," he continues. "Madison has been pleasing to me, and the university has been pleasing to me. There are several things that are important to me, and one of them is my family."

Mitchell says Bornstein was "never fully accepted as 'one of them'" by the NPR staff. "He's not one of them."

Bornstein and Mitchell agree that the Madison Ron Bornstein is a completely different person from the one who ran NPR. "The Ron Bornstein here is a lot nicer," Mitchell says. "(In Washington) there wasn't time for that."

"Here, I operate as a collegial manager," Bornstein says. "My talent is hiring good people and giving them a creative environment. I like to manage through others and bask in the glory of my own staff," he says.

In Washington the staff, while talented, was in complete disarray. "In Washington I was much more autocratic," he explains. "In

a situation as critical as NPR's, you don't operate on a plebiscite basis."

"It's like providing policy directives to the inmates. You can't do that."

Bornstein, who says "boredom is my worst enemy," plans to stay active, both on the job and in the community.

He still offers advice when NPR calls from Washington. "I'm glad I was able to do a job," he says. "The entire experience is probably the greatest management challenge I have ever had, and may ever have. I'm really happy that it turned out well."

But he says he is also happy that it is over.

Happy, too, that his staff has stopped greeting him with "Good morning, savior."

DOES THE UNITED STATES HAVE IT WITHIN ITS POWER TO PREVENT A NUCLEAR WAR?

Mr. PROXMIER. Mr. President, is it possible for this country to find and follow military and foreign policies that will sharply reduce the prospects of a nuclear war? This Senator thinks it is. If we have a nuclear war, it will be very largely brought about by forces over which we in the Government have control. It will be the consequence of the failure of the U.S. Government to work wisely enough and hard enough to achieve two objectives: One, a comprehensive mutual, verifiable agreement to stop the arms race with the Soviet Union; two, an international agreement to stop the spread of nuclear arms material or equipment to other nations. Can we achieve either of these objectives? Yes, indeed. We can achieve both.

Are we making progress now in achieving either objective? No. We are losing ground every day. Consider: the limited nuclear arms talks between the United States and the Soviet Union. Both the START talks and the intermediate nuclear force talks have been suspended. The Russians—not the United States—walked away from both. Will they return to the table if the United States proposes to negotiate a comprehensive freeze on all testing, production, and deployment of nuclear weapons? There are strong indications they would. This Senator feels it is highly likely that eventually, and probably within the next year, they would do so. Would such negotiations lead to an agreement we could confidently verify? Of course, we will not know for sure until we try. But the Russians have indicated they will agree to consider to some of the principal and most critical elements such an agreement would have to contain, including verification by locating monitoring equipment within the Soviet Union, unrestricted satellite inspection, and verification of suspicious developments by on-the-spot inspection.

Most Americans and most Members of Congress have paid far less attention to an even more critical threat of nuclear war: the continued prolifera-

tion of nuclear weapons. The United States by itself can make a far more profound contribution to slamming the door shut on this threat than Russia. Russia has not engaged in selling or providing nuclear arms capability to other nations, and for obvious reasons. A nuclear-armed Hungary or Poland or East Germany could and very possibly would turn on their Soviet masters, once any of these Soviet-dominated satellites achieved the strength and independence of a nuclear arsenal.

After all, the biggest Communist defection in history has been the break between the Communist People's Republic of China and the Communist Soviet Union. What was the military basis for that split? Why did China leave the Soviet orbit while other Communist nations stayed under the Soviet wing? Certainly a prime reason was the development of an independent nuclear arsenal by China. Russia has held its international power through puppet governments that rely on the Soviet Union for military strength. The proliferation of nuclear weapons among these Soviet-dominated countries in Eastern Europe and elsewhere would mean a spectacular loss of Russian domination. But it would also mean a far, far more dangerous world. So Russia has tightly resisted the export of any of its nuclear arms technology. Unfortunately, the United States has not. We have provided nuclear materials or equipment to India, Pakistan, and South Africa. None of those countries has ratified the nuclear nonproliferation pact. So none of them permits international inspection to determine whether or not they are building a nuclear arms arsenal. And each of these countries seems determined, with our help, to build exactly that. India already has.

We are about to enter into a nuclear export agreement with the People's Republic of China. China has informally agreed to international inspection to determine whether or not she has diverted nuclear technology to military purposes. Meanwhile, she may have exported nuclear technology to other countries, including Pakistan, which could end up as nuclear weapons.

It is within the power of the United States to change this dangerous proliferation policy decisively. We could and should make an end to the spread of nuclear weapons the number one objective of our foreign policy.

To do this effectively would force this country to take truly radical and drastic action in our trade policies. That action would not only require stringent export controls on nuclear technology. It would also take a policy of tough and strict discipline with those of our trading partners who now sell nuclear technology: the French, the West Germans, the Swiss, the Peo-

ple's Republic of China, and others. This Senator is convinced that we should declare that we will refuse to buy or sell. We should refuse to trade at all with any country that permits trade in nuclear technology with any nation that diverts that nuclear technology to military purposes.

Mr. President, the survival of people throughout the world is at stake here. This country's military intelligence agencies estimate that unless we stop this nuclear proliferation, more than 30 nations will have nuclear arsenals within the next 16 years. If we permit that to happen, the prospect of our children living out their lives free of nuclear war would be nil.

So, Mr. President, it is within the power of the U.S. Government to take the steps we must take to give peace a chance. No one can guarantee that any steps we will take will surely lead to freedom from nuclear war forever. But we can immensely reduce the prospect of nuclear war and give our children a fighting chance to live out their lives.

THE NATIONAL SYMBOL OF THE LIFE OF YURIY SHUKHEVYCH

Mr. PROXMIER. Mr. President, last month, the National Executive Board of the Ukrainian Students Association of Mykola Michnowsky (TUSM) set aside a week of observance and remembrance for the life of Yuriy Shukhevych. The activities surrounding this year's observance are designed to broaden public awareness and bring moral pressure on the Soviet Union to release Mr. Shukhevych from his 32-year incarceration in Soviet Russian prisons, concentration camps, and exile.

Yuriy Shukhevych was arrested in 1948, at the age of 15, because he was born the son of Roman Shukhevych. His father was the commander-in-chief of the Ukrainian Insurgent Army (UPA) which fought on two fronts against Hitler's Germany and Stalin's Russia during World War II and continued the struggle for national liberation well into the 1950's.

Though it is not uncommon to have the relatives and friends of a leader like Roman Shukhevych jailed and tortured by opposing factions, it is unintelligible and senseless to continue his confinement so long. After all, Yuriy Shukhevych's sole "crime" is having been born the son of Roman Shukhevych. Thirty-two years, I am sure everyone will agree, is more than sufficient payment for this offense.

However, just serving a sentence for his crime is not enough for the Soviet regime. What now stands between Yuriy Shukhevych and freedom is the odious demand by the authorities to renounce his father and the Ukrainian National Liberation struggle. For his continued aversion to comply, he has

been subjected to the most repulsive physical and psychological torture that the KGB has devised and only our nightmares can comprehend.

Mr. Shukhevych's case is symptomatic of Moscow's fears of open resistance to its policy denying the most elementary human and national rights. Furthermore, it is indicative of the plight of the thousands of Ukrainian political prisoners who are today languishing in Soviet concentration camps because of their resistance to the occupation and colonization of Ukraine by Soviet Russia.

Mr. President, Yuriy Shukhevych's courageous life is an inspiration to all of us to continue the fight for every group's basic, international human right to self-determination and self-sufficiency, without having that pursuit oppressed.

Let us join the Ukrainian Students Association in not only bringing moral pressure on the Soviet Union to release Mr. Shukhevych and countless others like him, but also in condemning under international law the Soviets' persistent persecution of all of its country's minority groups. We can strengthen our efforts through the ratification of the Genocide Convention.

The Genocide Convention attempts to defend the fundamental right of all national, racial, ethnic, and religious groups to live in this world without being subject to persecution. Ratification of the Genocide Convention will give Mr. Shukhevych a much-needed inspiration to continue his struggle against his senseless, prolonged oppression. His hope, to live without persecution, should not be denied.

QUORUM CALL

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

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10:45 a.m., during which Senators may speak for up to 5 minutes apiece.

The Senator from Missouri is recognized.

Mr. EAGLETON. Thank you, Mr. President.

THE CAREER OF SENATOR HARRY S. TRUMAN

Mr. EAGLETON. Mr. President, next Tuesday, May 8, 1984, will mark the 100th anniversary of the birth of one of America's truly great Presidents, Harry S. Truman.

All across the Nation, Americans will be reflecting on the achievements of President Truman and his enduring legacy as a champion of freedom and democracy, both at home and abroad.

On the eve of the centennial, I will discuss the Truman Presidency here on the Senate floor as part of a series of speeches on the greatness of the man from Missouri, Harry S. Truman.

Today, however, I would like to concentrate on a period in Mr. Truman's life which I believe is of particular significance to my colleagues—the career of Senator Harry S. Truman.

The historical record tells us that Harry S. Truman was "a Senator's Senator"—well-respected and liked by his colleagues for his absolute integrity, fairness, and willingness to go to great lengths to allow other Senators to share the credit for his outstanding work. As we all know, at any time in this body, that is a rare quality.

In 1934, after serving two terms as presiding judge of Jackson County, Harry Truman entered the race for United States Senator from Missouri as an underdog. The pundits did not give him much of a chance of winning then, just as they did not give him much of a chance of winning the 1948 Presidential election against the "unbeatable" Gov. Thomas E. Dewey, of New York.

Instinctively, the Jackson County presiding judge knew that he could win if he took his case directly to the people. He won a tough primary battle by driving himself across the State, speaking to farmers and small-town Missouri at dozens of stops. In November, riding the enthusiasm generated by his feisty campaign he defeated the incumbent, Roscoe C. Patterson, by a whopping 262,000 votes. At the age of 50, Harry Truman was just beginning his Senate career.

During his first term, Senator Truman distinguished himself as a hard worker with a diligent eye for the details of legislation. He painstakingly researched the issues before his committees, wrote his own statements and speeches, and demonstrated an unswerving determination to have all the facts at his command.

These qualities won for him that all-important asset needed for the making of an effective U.S. Senator: The respect of his colleagues.

Despite outstanding work as chairman of the subcommittee that wrote the Civil Aeronautics Act of 1938 and outstanding work on the Transportation Act of 1940, Harry Truman entered the 1940 campaign as an underdog once again.

In fact, talk of his likely defeat was so strong within the Democratic Party that President Roosevelt offered Senator Truman a seat on the Interstate Commerce Commission as an inducement not to run.

Harry Truman, however, was nothing if not a man who believed in himself. He sought reelection in 1940, saying, "I would run even if I only got one vote—mine." He reiterated his firm position when he met with a group of friends in St. Louis on the eve of the 1940 campaign. He said, "I'm going to file. I wouldn't have the guts to go home and face my people if I ran out."

Initially, he lacked even the money to buy the stamps for letters asking for support. But, once again, his unshakable belief in himself prevailed, and Senator Truman won the election. Nevertheless, 1940 was a year of personal disappointment. Despite being reelected to the U.S. Senate, Harry Truman could not prevent his 88-year-old mother's farm in Grandview from being sold out from under her. His political opponents foreclosed on her as a way of hurting him in the campaign, but, he said years later, "Everybody in Missouri had a mortgage, so it didn't do me a bit of harm." Once again, Harry Truman suffered the hard knocks of political life. This time, however, the effects were felt by one of the people he was closest to.

It was in his second term that Senator Truman developed the national reputation which led to his selection as President Roosevelt's running mate in 1944.

The famous Special Committee to Investigate the National Defense Program grew out of a personal investigation Senator Truman performed after being told by Missourians that equipment was being ruined at Fort Leonard Wood from being left out in the rain and snow to rust.

Plunging into the task he set for himself, as was his usual practice, he drove over 30,000 miles in his own car not only to Fort Leonard Wood, but also to military facilities in Maryland, Pennsylvania, New Jersey, Tennessee, South Carolina, and Georgia. Almost everywhere he found wasteful practices that were weakening the Nation's defense and squandering taxpayers' money.

In February 1941, he introduced a resolution calling for further investigation into the pattern of personal and geographical favoritism he had discovered.

Ever the diligent student of history, Harry Truman got the only remaining copy of the hearings of the Civil War Committee on the Conduct of the War.

Before asking for the establishment of a special committee to investigate America's defense in the 1940's, Senator Truman studied the proceedings of

a congressional committee which 80 years previously had done an especially bad job of wartime oversight.

The Civil War Committee's sensational investigations included testimony from President Lincoln over wild rumors of anti-Union activities by Mrs. Lincoln. And, it actually meddled in war strategy.

Senator Truman had no such committee in mind, later saying, "Lee said that committee was worth two divisions to him."

As a former Missouri presiding judge, Harry Truman was interested in the unglamorous, but highly fruitful examination of the contracting procedures, billing procedures, and labor practices used in the defense effort. There was no one better qualified in the U.S. Senate than Harry Truman. The principles of public contracting were fundamentally the same, whether for the construction of defense plants or for roads and bridges for Jackson County.

One of Senator Truman's key concerns was the practical exclusion of defense contracts to small manufacturers.

"The little manufacturer, the little contractor, and the little machine shop have been left entirely out in the cold," Mr. Truman said in a 1941 Senate floor speech. "The policy seems to make the big man bigger and to put the little man completely out of business."

He also pointed out that "I am reliably informed that from 70 to 90 percent of the contracts let have been concentrated in an area smaller than England."

In early 1941, the Special Committee to Investigate the National Defense Program was organized, with Senator Truman as its chairman. The Senate leadership did not think the committee would amount to much; all except one of the six members appointed to serve with Mr. Truman were junior Senators. Its initial budget was just \$15,000.

But, as at so many other times in his career, the unassuming Harry Truman was underestimated.

On April 25, 1943, Richard Stokes wrote in the conservative Washington Star:

The committee's streamlined efficiency is due to compulsion as well as choice. It has a staff of only 30, of whom 15 are stenographers. To examine a program rising toward \$300 billions, it has received aggregate appropriations of \$200,000 as against \$570,000 lavished on the Dies Committee. . . .

The committee was Truman's own idea and at the beginning no one took it seriously but himself. The powers that be thought that a bit of humoring was owed to a faithful New Dealer . . . It is generally thought that the appointment of freshman Senators of small influence reflected the slight esteem in which the committee was first held.

In Truman's view, the appointment of rookie Senators to the Committee did him a favor. He found himself associated with youthful, energetic and ambitious men who in many cases still had their spurs to win.

Truman's style as chairman was to share the credit for the committee's successes, even to the point of appointing subchairmen to examine various aspects of the defense program; to achieve bipartisanship through complete unanimity on all committee reports; and to scrupulously avoid sensational publicity or unfair accusations against anyone.

On its first major investigation into practices employed in the construction of Army camps, the Truman committee, as the press had dubbed it, saved the taxpayers \$250 million.

From 1941-45, the committee saved the taxpayers an estimated \$15 billion.

Early on in the process, the Nation discovered Harry Truman. He became a national figure. Marquis Childs of the St. Louis Post-Dispatch Washington bureau wrote on November 2, 1942, that among the Members of the Senate, Harry Truman had become "one of the most useful and at the same time one of the most forthright of the ninety-six."

Although he had become one of the most valuable civilians the United States had in its service, Harry Truman, serving on his last duty as a full colonel in the Field Artillery Reserve, went to Gen. George A. Marshall, Army Chief of Staff, to offer his service in uniform.

Walter Hehmyer, the committee publicity man, told Truman biographer Jonathan Daniels of the conversation Senator Truman and General Marshall had early in the war. The Senator did not like the general's answer, Hehmyer recalled. Hehmyer recounted the exchange as follows:

Senator Truman, you've got a big job to do right up there at the Capitol, with your Investigating Committee. Besides, Senator, this is a young man's war. We don't need any old stiffs like you.

"I am younger than you, General Marshall," the Senator replied.

Yes, but I'm a general and you'd be only a colonel. You stay right where you are.

His hope of fighting in both World Wars dashed, Senator Truman continued in his outstanding work as chairman of the committee.

In Daniels' view,

Perhaps the main accomplishment of the committee was not the fine result it obtained in the war effort in better organization or greater production in aluminum or rubber, steel, or planes. Its lasting product was the example it provided "of the results that can be obtained by making a factual investigation with a good staff." It demonstrated the effectiveness of investigation by a committee of Congress.

Harry Truman once advised me that "history isn't dead; history is reality." All of us who serve in the U.S. Senate in 1984 could learn some valuable lessons in the field of congressional over-

sight by studying the work of the Truman committee.

The national reputation Harry Truman developed from the committee's work for honesty, integrity, fair-mindedness, straightforward speech, and gritty determination was being watched closely by President Roosevelt.

Typical of the kind of national exposure Senator Truman was receiving was this comment in the Washington Star on April 16, 1944:

Inherently democratic, congenial and affable, scrupulously fair . . . his activities as chairman of the Senate Committee Investigating the Defense Program have won him the enmity of those he has investigated and the gratitude of millions of taxpayers . . . No flowing tie, no pomposity, no meaningless eloquence; just a regular guy by any standard. But the finest investment the taxpayers have in Washington today.

Despite the fact that his name had become well known across America, Senator Truman resisted the coaxing of Democratic Party leaders, who were in search of a 1944 running mate for F.D.R.

On the second day of the Democratic National Convention, Mr. Truman was sitting near the telephone in the room of National Committeeman Robert E. Hannegan of St. Louis when the President called.

Mr. Truman had just told Hannegan that he could not believe F.D.R. wanted him as a running mate. Hannegan held the phone so that Mr. Truman and others in the room could hear the President ask if the Senator from Missouri had agreed to accept the Vice-Presidency yet.

According to Truman biographer Jonathan Daniels:

Hannegan said, "No. He hasn't agreed yet." Roosevelt replied loud enough for Truman to hear him. "Well, tell him if he wants to break up the Democratic Party in the middle of a war, that's his responsibility."

Hannegan turned to Truman. "Now what do you say?"

"My God," said Truman.

After the reelection of President Roosevelt against Gov. Thomas E. Dewey, Harry Truman was to serve as Vice President for just 82 days before the President's death.

Characteristically, he was humble about assuming the Presidency. One of his first acts was to ask members of the White House press corps to pray for him.

But, he also knew that the American people, Allied fighting men around the world, and perhaps most importantly, our enemies, had to understand quickly that firm and capable hands were guiding the most powerful Nation on Earth.

To convey this impression, Harry Truman did not have to "act Presidential," or be photographed "doing Presidential things." He merely had to be himself.

Throughout his life, whether as a timekeeper on a Missouri railroad, as an artillery officer leading his men in combat, as a county judge, U.S. Senator, or President, Harry Truman led by example.

His strength, his vision, his dignity, naturally came through.

That is the essence of leadership. There is no doubt that the world was extremely fortunate to have Harry Truman as President of the United States at one of the most crucial and dangerous periods in history.

I have spoken today on the mark Harry Truman made in this Chamber to remind my colleagues of the achievements of one of America's great Senators.

In his centennial year, I urge all my Senate colleagues to study the life and accomplishments of Mr. Truman. There is much to learn that can be applied to our work here in the Senate. I can also promise a great deal of enjoyment in becoming reacquainted with Harry Truman, the man.

UNANIMOUS-CONSENT AGREEMENT ON THE HOLLINGS AMENDMENT

Mr. BAKER. Mr. President, I conferred with the minority leader on this subject, and he brought to my attention a request by the Senator from Mississippi in respect to the sequence of speakers after the introduction of the Hollings amendment or after debate on the Hollings amendment has begun, whether the amendment has been laid before the Senate or not.

The distinguished Senator from Mississippi, of course, is the ranking minority member on the Armed Services Committee. He is a former chairman of the Armed Services Committee. He is beloved on all sides.

Without any hesitation, I was happy to clear this request.

Mr. President, I ask unanimous consent that, when the Senate commences debate on the Hollings amendment, the Senator from Mississippi, Mr. STENNIS, be next recognized after the principal author of the amendment, Senator HOLLINGS, for the purpose of debate.

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

Mr. BYRD. Mr. President, on behalf of Mr. STENNIS and myself, I thank the distinguished majority leader for his accommodation in this matter.

Mr. BAKER. I thank the minority leader.

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

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

PRESIDENT REAGAN'S TRIP TO MAINLAND CHINA

Mr. GOLDWATER. Mr. President, finally, President Reagan's trip to mainland China has ended and, by now, he is on his way home or, safely again, home in the White House.

If one measures the fact that he was able to establish a basis to sell a number of nuclear electric plants to that country as a success, then I guess the trip could be called that. It may, at least, be a small start at giving electricity to 1 billion people, most of whom do not know what it is; and it can help to prove that American made nuclear reactors are safe and will work, something many American citizens are not willing to admit.

Another thing I was grateful for was the fact that he did not agree with Red China to sell them weapons or even advanced technology to help make them.

I believe the President understands fully that military aid to Communist China would be harmful to our national interests because it could threaten our allies in Asia, arouse increased Soviet military preparations, and drain the United States of many billions of dollars of financial resources and technology needed elsewhere.

His attitude toward Taiwan, while quite a bit changed, in fact, completely changed from the rhetoric he used during his Presidential campaign, remains what he put it at a few years ago, but, I would hope that he would soften just a bit and allow Taiwan to buy some defensive aircraft that they badly need should the mainland ever attempt to take them by force.

There is no way, in my opinion, that the mainland forces can cross the channel while Taiwan has a technological superiority and, what they need to achieve this and keep it, are a good number of our modern interceptor aircraft.

Mr. President, I think the rather shameful demonstration of Red China's willingness to censor the remarks made by the President to her people should indicate to the President, and anybody else who does not quite grasp the full meaning of Communist government, that they do not want their people to learn, they want to keep from them the words of encouragement that the President made in what I consider to be an exemplary speech but, that is the way those people operate. And, some day, I hope our State Department and our executive branch will realize that we are not playing with ordinary people and, when having learned that, we can

begin to conduct ourselves more wisely.

We might even realize that the so-called normalization of relations with Communist China has caused the United States more problems than it would have faced had we not played the China card. If Red China had remained allied with the Soviet Union, political turmoil between the two ideological competitors may have created serious instability within the Communist camp.

Our economic and diplomatic ties with Red China did not prevent the Soviet Union from invading Afghanistan, nor from acquiring basing rights in Vietnam. Nor have they slowed down the growth of Soviet military forces.

Instead of playing the China card, the greatest priority should be given to strengthen U.S. relations with the non-Communist, private enterprise nations of Asia and the Pacific, which includes the Republic of China on Taiwan.

TRIBUTE TO KEN MURPHY

Mr. LEAHY. Mr. President, I would like to take the floor briefly this morning to express my appreciation for the work that Ken Murphy has done as staff director of the Environmental and Energy Study Conference. There are two accomplishments of his tenure which I particularly want to mention.

First, before Ken came to the Environmental and Energy Study Conference, the conference had established a reputation for developing the soundest, nonpartisan material available on energy and environmental matters. However, during these last 3 years, unusually partisan issues have developed involving environmental policies, personalities, and budgets. Throughout this period, with Ken's hand at the helm, the Environmental and Energy Study Conference's nonpartisan reputation has been both preserved and enhanced.

Second, during this same period, because of changes in the rules of the other body, a major reorganization of the conference has been necessary. Under weaker leadership, these changes could have disrupted, and even destroyed, the organization. Throughout this difficult process, however, Ken's personnel and administrative skills have made the Environmental and Energy Study Conference even a stronger organization.

He moves now to the executive directorship of the Environmental and Energy Study Institute. Establishing this new organization will be a major new personal and professional challenge at which I am confident Ken will succeed.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. LUGAR). The Chair on behalf of the Vice President appoints the Senator from Florida (Mrs. HAWKINS) as a member of the Senate delegation to the Mexico-United States Interparliamentary Group.

DEATH OF ANSEL ADAMS

Mr. KENNEDY. Mr. President, with the death of Ansel Adams last week, America lost one of the greatest conservationists and greatest artists in its history. A renowned photographer, Ansel Adams used his incomparable artistic and photographic talent to immortalize the subjects he loved best—the landscapes of the American West.

For half a century his work has been a reminder to us all of the critical need to preserve our most precious natural resources. Whenever conservation legislation was under consideration by the Congress, Ansel's presence and his photographs would bear eloquent witness to the tremendous importance of the issues at stake in our deliberations. Most of all, he taught us that America the beautiful must never be permitted to become America the exploited.

Ansel Adams' twin legacies to the future are his extraordinary art and his spirited commitment to conservation. He has been an inspiration to all of us who had the privilege to know him personally, to millions more across America who love the beauty of this land, and to anyone in any land who ever stood in awe before the natural majesty of his work.

Mr. President, I ask unanimous consent that editorials and articles from the Washington Post, the New York Times, and the Los Angeles Times, on the life and work of Ansel Adams may be printed in the RECORD.

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

[From the Washington Post, Apr. 25, 1984]

ANSEL ADAMS

It was, finally, the light—not simply the monumental face of the Half Dome at Yosemite, or the great fact of Mount McKinley itself looming over Wonder Lake in his famous photograph, but the light that Ansel Adams saw, captured and presented to the world in thousands of magisterial photographs. These photographs earned him fame and fortune and, more important, admiration and enduring respect. He was an artist of the beautiful, in Hawthorne's phrase, and the source of his artistry lies in the light (and the reverence) with which he imbued the wild landscapes he so indefatigably photographed. The wonders of nature may speak for themselves, and the light is there for all to see; but the essence of the artist lies in the vision that is uniquely his own. Mr. Adams's vision was luminous. Light emanates—gloriously, mysteriously—

from those silent, unpeopled, unforgettable images of vastness and wildness.

There is no art without craft, and the meticulous craftsmanship of Ansel Adams, whose life was 82 years long, died with him last Sunday. But what he saw and seized and made uniquely his own—the single moment of a particular hour on one ordinary day—is now part of history, part of the record, part of our legacy because he made the ordinary extraordinary and caught it on a simple piece of light-sensitive paper.

[From the Los Angeles Times, Apr. 24, 1984]

DEATH OF AN ARTIST

Ansel Adams, dead at 82, was the self-commissioned portrait photographer for the western wilderness who did far more than help elevate photography from the level of hobby to the level of high art. His portraits of Yosemite National Park and the New Mexico wilderness and the rugged California coast are gifts of beauty second only to the real thing. But in his later years his most important work lay in doing all that one man could to make sure that the real thing was not trampled in the name of progress.

Adams left 50,000 photographs to be cherished, stark and fragile fragments snatched from reality, as disembodied as poetry; he came, in fact, to call himself a "photo-poet." His reputation was that of a patient artist, standing with his tripod for hours or even days waiting for the perfect light, the perfect formation of clouds. Yet one of his most spectacular photographs, which captured the moon rising over Hernandez, N.M., was a chance work of art created by the side of a road in the panic of a missing exposure meter, a balky tripod, a vanishing sun that, in the end, left him 15 seconds to compose.

In recent years he combined politics with photography, a voice not in the wilderness but of the wilderness, battling not always gently the encroachment of blind development on his favorite parts of the world—Big Sur, endangered stretches of the coastline, Yosemite Valley. One of his last crusades was against a plan to fly sightseers over Yosemite, a plan he feared would shatter what was left of the silence of the High Sierra meadows.

Ansel Adams also leaves thousands of grateful students who flocked to his home in the Carmel Highlands to study in his huge darkroom and to hike with him into the wilderness. Some marveled at what they saw as the willingness of a successful photographer to tell everything he knew, to give away his secrets.

He insisted that he had no secrets. In the most technical and mechanical sense, that may be true, but a colleague who saw him at a reception in his home overlooking the ocean a few weeks before his death says he did. As the sun dipped toward the ocean, Adams scrambled to his huge picture window, urging his guests to join him to watch the setting sun and stood motionless and enthralled by an event he had watched for 82 years without any discernible failure of enthusiasm. That was the secret.

[From the Washington Post, Apr. 24, 1984]

ANSEL ADAMS, PHOTOGRAPHER AND ENVIRONMENTALIST, DIES AT 82

(By Dale Russakoff)

Ansel Adams, the photographer who celebrated the majesty of nature through panoramic pictures of the virgin American West and a lifetime of environmental activism,

died of a heart ailment Sunday at a hospital near his home in Carmel, Calif. He was 82.

Renowned for his twin commitment to art and activism, Mr. Adams worked at both causes until the end. He had recently finished his autobiography and was at work on a series of technical books on photography. On the day he died, aides said he dictated notes on his concern over threats to the natural environment.

Mr. Adams was one of a small group of 20th-century photographers credited with elevating his field from a hobby to an art form. He took his first snapshot at age 14 in Yosemite National Park with a Kodak Brownie box camera and spent much of the rest of his life capturing on film the contrasting light, beauty, and power of the American wilderness.

"We will remember him more than anything else for his vision of the western landscape," said John Szarkowski, director of the department of photography at the Museum of Modern Art in New York City. "He understood that the earth was not just a sculpture, it was an event, constantly changing. That's what he explained in his pictures, which is why they were so moving and why they gave us another sense of what the world was about."

Szarkowski and others said it was Mr. Adams' creative energy and intensity, as much as his artistic achievement, that distinguished him. Even in his later years, friends said, it took two, full-time darkroom assistants working in shifts to keep up with him.

Mr. Adams' heralded photographs of Kings Canyon and his personal lobbying efforts as a director of the Sierra Club in the 1930s helped persuade Congress to preserve the 455,000-acre wilderness area as a national park.

For the past three years, he wrote a letter a day to congressmen and newspapers decrying the Reagan administration's environmental policies, which he once branded "the Pearl Harbor of our American earth." He often said that only his Pacemaker and his fight against Reagan and former Interior Secretary James G. Watt kept him alive.

Last summer, after Mr. Adams told Playboy in an interview, "I hate Reagan," the president invited the photographer-conservationist to meet with him. After a 50-minute session at a Los Angeles hotel, Mr. Adams emerged to call the president "sincerely cordial" but unconvincing. Borrowing a phrase from Oscar Wilde, he said Reagan "knows the cost of everything and the value of nothing."

"Ansel believed everyone had a responsibility in the larger world, that an artist couldn't just withdraw," said William A. Turnage, executive director of the Wilderness Society and a close friend and former business manager of Mr. Adams. "He became one of the most important environmentalists of the century. His work had a tremendous impact on the way Americans understand nature."

Born in San Francisco Feb. 20, 1902, Mr. Adams had his first encounter with the raw power of nature at age 4, when the great earthquake of 1906 hurled him into a brick wall, leaving him with a broken nose that later became one of his best-known trademarks, along with his bushy white beard, tall presence and Stetson hat.

He embarked first on a career as a concert pianist, with photography as a hobby, but committed himself full time to the camera and the serious study of light, form and nature in 1930. He dated this interest to

1915, when at age 13, he went daily to see the Armory Show, the revolutionary modern art exhibit of impressionists and surrealists, at the San Francisco World's Fair.

Mr. Adams returned to Yosemite each summer after snapping his first picture there. In 1919, he joined the Sierra Club, and later became caretaker of its Yosemite Valley headquarters. He became an expert mountaineer in pursuit of pictures of the vast, rocky expanse.

"The excitement of Yosemite became strong and filtered through me into some esthetic experiences, which probably were supported by similar experience I was having in music study," Mr. Adams recalled in a 1975 interview.

Mr. Adams' early works were impressionistic and soft-focus, but under the influence of photographer Paul Strand, whom he met in 1930 in Taos, N.M., he moved toward conveying sharp, stark details. In 1932, he joined Edward Weston, Imogen Cunningham and others to form Group f/64, whose name refers to the small lens opening of a camera, symbolizing the depth of field and sharpness of image that Mr. Adams and his compatriots sought.

In 1935, Mr. Adams attracted the attention of the renowned photographer, Alfred Stieglitz, with his first technical manual, "Making a Photograph." The next year, Stieglitz sponsored a one-man show of Mr. Adams' work titled "An American Place," at his New York City gallery.

Over the years, Mr. Adams helped develop the concept of "equivalents," which he described as the link between the spiritual excitement that a photographer feels about his subject and the image he creates of it. He said this allows the spectator to create his own "equivalent."

Mr. Adams also was a proponent of the concept of "visualization," which frowns on retouching, requiring an artist to see and feel the final print of a picture before releasing the camera shutter. He developed the break-through "zone system" of film exposure to control specific textures and contrasts in each part of a panoramic vista.

A prolific writer, Mr. Adams published a series of technical works, known as the Basic Photo Books, and numerous collections of his photographs, of which the most famous include the luminous and haunting "Moonrise, Hernandez, New Mexico," and the mystical "Monolith, the Face of Half Dome."

More than 1 million copies of his books have been sold, and more than 5,000 students have attended his workshops. He is also well known for "Born Free and Equal," a photographic record of the lives of thousands of Japanese Americans interned at the Manzanar Relocation Center in California during World War II.

Mr. Adams helped launch the first department of photography as a fine art at the Museum of Modern Art in 1940, and in 1946 he founded the first academic department of photography at what was then the California School of Fine Arts.

On Sunday, Swiss pianist Vladimir Ashkenazy performed at Mr. Adams' home overlooking the spectacular Big Sur coastline in a private concert scheduled months earlier. He then visited Mr. Adams at Monterey's Community Hospital, where the photographer had been confined since Friday, and gave his friend a tape of his latest recording of Brahms.

Mr. Adams spent the day reading newspapers and a mystery book, dictating his

thoughts on photography and conservation into his tape recorder and listening to Ashkenazy's tape on his Walk-Man, said Mary Alinder, Mr. Adams' chief assistant and editor of his autobiography.

"He was Ansel right to the end," Alinder said.

Survivors include his wife of 56 years, the former Virginia Best, of Carmel; a daughter, Anne Helms, and a son, Dr. Michael Adams.

MEMORIES OF A.A.: DINING ON APPETIZERS
AND DRIVING THE CADDY
(By Tom Zito)

Those who were lucky enough to have known Ansel Adams will hardly remember him for his photographs, as monumental as they were. That's just it; the photos were monumental and A.A., as he was affectionately known, wasn't. He was the first person in the world to admit absolute bafflement over why his pictures had become so pricey and, beyond all that, he was hardly the sort who liked to sit around and talk photography. Unlike most people who have become famous for some body of work, A.A. was well aware that his life was not defined by his work.

I first met A.A. some 10 or 15 years ago. The occasion was an exhibition of his photographs at the Corcoran, and I, the young reporter, had been assigned to interview him. I was immediately struck by his joviality: he dressed in a Stetson and string tie, he loved to laugh, there was always a mischievous twinkle in his eye, and he was quite able to drink me under the table. I recall him interrupting me after about five minutes of conversation and saying, "Please don't call me Mr. Adams; it makes me feel old and I don't."

Generally in journalism, interviews are completed and all contact is lost with the subject—hardly the case with A.A. He called me the day after my interview had run and invited me to dinner. He had five appetizers, which was always his favorite way to dine out, drank several vodkas and regaled me with tales about getting his nose broken in the San Francisco earthquake, hauling dead bodies down from the High Sierras on the backs of mules, and convincing his father to let him take a year off during grammar school, so he could attend the Centenary Exhibition. I think we spent not one moment talking about photography.

He told me he liked me. The great difference with A.A. was that he meant it. He and his wife Virginia would regularly invite me out to visit them in Carmel. The house was big and warm and modern, and sat up on a point overlooking the Pacific where each spring the whales would migrate past. A.A. would sit there and look at the whales, or hop into his white Cadillac and drive over to Point Lobos to take a little constitutional.

He was a real technology junkie; he said he liked the Caddy because it dimmed its own high beams, turned on the interior lights when your hand touched the outside door handle and had a little onboard computer that told you how many miles you could go before you needed to stop for gas. He said one of the great benefits of being a senior citizen was that he got into parks like Point Lobos for free.

He'd park the Caddy and wander around the wooded hills of Point Lobos. The place was always full of people lugging around view cameras, and A.A. would jokingly go up to them and say, "Haven't you heard about 35 millimeters?" You could see their faces get bent out of shape. They suspected that this was the great Ansel Adams, who

worked only with view cameras, but they were too embarrassed to ask and so they'd just stare and wonder and A.A. would trot off over the hill and laugh.

Several years later I was to write a long, detailed piece about A.A., for which I went out to Carmel and was given complete run of the house. A.A. and Virginia opened up closets and drawers and said, "Well, if you really want to do this you'd better go through this stuff. Don't be bashful." I had never had a subject provide such access. I remember quizzing A.A. about his seeming abandonment of privacy, and he said, "I'm 75 years old; why would I want to hide anything?"

He always seemed to display this sort of elfin, child-like quality: a blending of the absolutely forthright and the sublimely humorous. A few years back when he was making an official portrait of Jimmy Carter—for which he used his Horseman view camera—he said, "We're putting the Carter before the Horseman."

There were some wonderful times at the house in Carmel. You were never quite sure who would show up for dinner. One night Georgia O'Keeffe came by and she and A.A. went back and forth about who was the better mountain climber. Sometimes at night A.A. would sit down at the piano and play; he'd studied as a boy to be a concert pianist but abandoned all that for the camera. Later his hands became withered by arthritis and it was difficult for him to play, but if you goaded him enough he'd eventually sit down and the touch and the ear were still absolutely there. He'd always finish up with a piece he had composed for left hand and orange, that involved rolling an orange around the treble keys with a surprising degree of melody.

A.A. transposed some of his alacrity at the piano to another keyboard, that of his IBM Displaywriter, a word processor that he would sit at for hours each day and bat out chapter and verse for an autobiography he was well into. Most recently he had been anticipating a visit from Steve Jobs, the young chairman of the board of Apple Computer. Jobs was scheduled to bring A.A. one of Apple's new Macintosh computers, which had captivated A.A.'s interest because of its remarkable ability to create graphics. You knew that A.A. probably wanted to figure out some way to get a black and white image up on the screen and then fiddle around with it.

He was always fascinated with this sort of technological wizardry. He did some of the very early testing of Polaroid film (Ed Land was an old friend of his), and also made some fascinating home movies with the Polaroid system. The first time I met him he'd just gotten ahold of one of Kodak's new Instamatic cameras, and he was snapping away with wild abandon, just like the kid he really was.

Years later, when I finally took him up on his invitation to visit the photography workshop he conducted each year in Yosemite, he was fooling around with an SX-70. Here were all these students trying to learn the intricacies of the view camera and the zone system and there was A.A. firing away with his Polaroid. He stuck me in front of Half Dome and made a little snapshot. Then he handed it to me and said, "Hang on to this; with the way the prices of my pictures are going this will be worth \$1,000 soon." And he laughed.

I saw A.A. in Virginia very recently and he seemed well and happy. He said he had been working on two major projects. One had

been to get rid of James Watt, and he was quite pleased with that endeavor.

The other one is beyond A.A. now. Several months back he had gotten a call from Ronald Reagan, who had requested an audience. It seemed that the president was pretty tired of A.A.'s verbal assault in the press, and wanted to know why A.A. was so critical of him. So the octogenarian went to visit the septuagenarian in some California hotel room, and basically told him that he just didn't like his politics.

"It was like I was dealing with somebody who had just landed from Mars," A.A. said. "So now I've got to put my energy into getting a different president elected."

He was always ready for a battle. And always willing to turn the other cheek. And he will be missed long after the last of his prints have faded away—except that he made such damned good ones that some of them will probably last forever.

MASTER OF THE CAMERA, POET OF THE
LANDSCAPE, PROTECTOR OF THE WILD

(By Paul Richard)

At photography—and politics—Ansel Adams was a master.

When Adams came to Washington, as he often did, Adams would dress up like the Old Man of the Mountains. He'd wear a string tie and a Stetson. He'd scratch his grizzled beard, grin his impish grin, snap his red suspenders—and go about his business with implacable intensity. Adams had two missions here. One was selling photographs. The other was pressuring politicians into helping him preserve the wild landscapes that he loved.

At both of his two missions, Adams, 82—whose heart gave out on Sunday night—was enormously successful. He was the grand old man of the environmental movement. His photographs appear in nearly a million books. He had countless exhibitions and honors. He was the best loved and best known of American photographers.

Adams was in some ways a 19th-century artist who flourished in the 20th. The technically impeccable, usually unpeopled, photographs that brought him fame blend two different traditions of American landscape art, one factual, one fanciful.

Adams was not the first good artist to go into the mountains. The western landscapes he portrayed had been portrayed in previous century by photographers and painters. The painters leaned toward poetry, the photographers toward prose. They taught him different things.

"Not everybody trusts paintings," said Adams, "but people believe photographs."

His photographs are believable in part because their details seem absolutely right. When he shows a still-young aspen tree growing in New Mexico, one can take a magnifying glass and study every leaf. When he shows a field of stones, one can see the texture of every rounded rock.

Adams as a lobbyist was comparably effective. His pictures of California's Kings Canyon, hand-carried to Washington in the 1930s, helped lead to the creation of the 455,000-acre Kings Canyon National Park. Adams, a Sierra Club director from 1936 to 1970, worked over every president from Franklin Roosevelt to Ronald Reagan. He made phone calls, he wrote letters. When Interior Secretary James Watt was in office, Adams would dash off a letter of complaint—to newspapers and congressmen—almost every day.

"You should see him lobby," said his friend Bill Turnage in 1979. After seven years as Adams's business manager, Turnage had become the head of the Wilderness Society. When Adams came to Washington, they would work the Hill together.

"We run this Abbott and Costello act," said Turnage. "I let Ansel start. He speaks about the spirit, then I hit them with the details."

Adams the photographer took a similar approach. The majesty of landscape, and its minutiae, too—the spirit and the details—dance together beautifully in his finest works of art.

He was a masterful technician. He invented the "zone system" of exposure, he taught 5,000 students, and his printing sets a standard that has rarely been surpassed. When, in 1932, Adams, Edward Weston, Imogen Cunningham and Willard Van Dyke began to work together, they called themselves "Group f64," in honor of the smallest lens opening then available. They liked f64 because it offered the greatest depth of field and the sharpest possible focus. "A lot of younger American photographers," observes John Szarkowski of the Museum of Modern Art, "have no clue about how much they've been influenced by Ansel's rigorous sense of obligation to using the machine well."

The scientist in Adams insisted on the precise replication of the smallest detail. But he was a poet, too.

"Ansel Adams was complaining about the clouds when I first met him," wrote David Brower, then director of the Sierra Club. "They weren't yet what they ought to be, but he thought they would get better."

The early western photographers took nature as they found it. C.L. Weed, C.E. Watkins, E.J. Muybridge and their colleagues were rock-hard men who left us rock-hard pictures. They cared little for the arty. They were scientists, explorers. They rode mules to Yosemite. Their cameras were cumbersome, their lenses were handground. They hauled carboys of acid and fragile glass plates up the rocky slopes. They did not sleep in lodges, but outside, on the ground. Their pictures call to mind the pictures the first astronauts took from outer space. They brought back to the cities accurate, convincing images of marvels rarely glimpsed before.

Bierstadt and Moran and other 19th-century painters of the mountains cared less for reportage than they did for drama. Their pictures feel like operas. In the wilds they made sketches that were relatively straightforward. But when they returned to New York, to their studios, they pulled out all the stops. Their lakes are just a bit too clear, their peaks a bit too high. They liked to dress their mountains with waterfalls and rainbows, sunsets, stormy clouds, little bears and deer. Their pictures aren't believable. They are too gaudy, too romantic.

Like Bierstadt, like Moran, Adams often stretched the truth a bit. He wasn't always a "straight" photographer. He once admitted that he dodged the crosses in the foreground of his "Moonrise, Hernandez, New Mexico," his most famous image, to make them just a bit lighter and more ghostly.

As a young man in California, Adams studied to be a pianist. The day he died, his family and friends gathered in his Carmel, Calif., home to hear a recital by his favorite pianist, Vladimir Ashkenazy. When he talked about the alms that guided him in art, Adams often spoke of seeking "spiritual resonance, as moving and profound as great music." When one looks at Adams' photo-

graphs, one can almost feel him there behind the camera, a maestro in control, conducting all those boiling clouds and those shafts of sunlight that seem to shoot, on cue, through the stormy clouds.

"Purism, in the sense of rigid abstention from any control, is ridiculous," he wrote. "A great photograph is a full expression of what one feels about what is being photographed in the deepest sense, and is, thereby, a true expression of what one feels about life in its entirety."

Washington's Harry Lunn, the dealer who helped make Adams rich, used to say, "there are two markets for photography—there is one for Ansel Adams, and one for everybody else."

A single print of "Moonrise" sold recently for \$71,500. It wasn't a unique object; its edition had been "limited" to 942. Suppose each "Moonrise" print is worth that much. That means that the artist, with one click of his shutter in 1941, had made a golden goose whose golden eggs today have a combined market value of more than \$67 million.

The most popular American artists—Norman Rockwell, Andrew Wyeth, and Adams, too—tend to lend their art a quality of almost shameless emotional exaggeration. Most of Wyeth's pictures are a bit too morbid, most of Rockwell's too goody-goody. Szarkowski writes that "the natural world," as seen by Adams, "is infinitely varied in aspect . . . its grand vistas and its microcosms are never twice the same . . . the landscape is not only a place, but an event."

Still, something in his pictures suggests a benign propaganda. No tin cans mar his landscapes. His elegant, authoritative, perfectly made prints show us what we wish the world outside to be. He was a true believer. His mission was to awe.

One great photographer, Paul Strand, helped show Ansel Adams the path that led to art. Another, Alfred Stieglitz, gave Adams his first one-man show 46 years ago.

"It is all very beautiful and magical here," Adams wrote Stieglitz from New Mexico many years ago. What he said of that landscape could describe the viewer's experience of Ansel Adams's art:

"The skies and land are so enormous and the detail so precise and exquisite that wherever you are you are isolated in a glowing world between the macro and the micro—where everything is sideways under you and over you, and the clocks stopped long ago."

[From the New York Times, Apr. 24, 1984]

ANSEL ADAMS DIES AT 82; PHOTOGRAPHED THE WEST

(By John Russell)

Ansel Adams, whose majestic black-and-white landscapes of the American West and whose devotion to clarity and precision made him probably the best-known photographer in the United States, died of heart disease Sunday night at Community Hospital of the Monterey Peninsula, near his home in Carmel, Calif. He was 82 years old.

In a career that spanned more than 50 years, Mr. Adams combined a passion for natural landscape, meticulous craftsmanship as a printmaker and a missionary's zeal for his medium to become the most widely exhibited and recognized photographer of his generation.

His photographs have been published in more than 35 books and portfolios, and they have been seen in hundreds of exhibitions, including a one-man show, "Ansel Adams and the West," at the Museum of Modern

Art in New York in 1979. That same year he was the subject of a cover story in Time magazine, and in 1980 he received the Medal of Freedom, the nation's highest civilian honor.

In addition to being acclaimed for his dramatic landscapes of the American West, he was held in esteem for his contributions to photographic technology and to the recognition of photography as an art form.

Though trained as a concert pianist, Mr. Adams decided in 1930 that his true vocation was photography. Two years later, he was accomplished enough to be given a one-man show at the M. H. de Young Museum in San Francisco, and the same year he joined Edward Weston and Imogen Cunningham in forming the short-lived "Group f/64."

In the words of Mr. Adams's friend Wallace Stegner, the founding of this group was a benchmark in the establishment of photography as a distinct and legitimate art form that would be "not a substitute brush, but a way of seeing."

From that point onward, Mr. Adams rapidly became famous not only as a photographer but also as critic, teacher, publisher of portfolios, co-founder of the department of photography at the Museum of Modern Art, longtime consultant to the Polaroid Corporation and spokesman for a heroic and yet plainspoken approach to photography.

BOOK CONSECRATED REPUTATION

The publication by the New York Graphic Society in 1975 of his book "Ansel Adams: Images 1923-1974" consecrated his reputation as a photographer whose work appealed to the widest possible public for its evocation of an American scene that was still without blemish.

Ansel Adams was born in San Francisco on Feb. 20, 1902, of New England descent. The next year, his parents moved to a house overlooking the Golden Gate, where he formed his life-long taste for a spectacular natural scene.

In 1916, while on a visit to the Yosemite Valley, he made his first photographs with a box Brownie. Yosemite had so fired his imagination that for four summers running he took a job as caretaker for a lodge owned by the Sierra Club, of which he was later to be a director for 37 years.

In 1927, while earning his living as a professional musician, Mr. Adams acquired a patron in San Francisco by the name of Albert Bender. Mr. Bender took him to Taos, N.M., where, during visits over the next few years, he made friends with Robinson Jeffers, John Marin and Georgia O'Keeffe. As his biographer, Nancy Newhall, said later, "Taos was his Paris and his Rome." His first book, "Taos Pueblo," with a text by Mary Astin, came out in 1930.

Precision and sharp focus were fundamental to good photography, as Mr. Adams saw it, and as a born teacher he neglected no opportunity to make his views felt. He wrote for the Sierra Club Bulletin, he published a series of books on the basics of photography, he ran workshops and seminars in the Yosemite Valley, he taught and lectured at the Museum of Modern Art and colleges all along the Pacific Coast, and he published his work in portfolio form.

As his reputation grew, he was encouraged to travel throughout the United States in order to bring his characteristic clarity and his sense of unforced grandeur to studies of national parks and remote places of every kind.

In the 1930's he made extended trips with his fellow photographer Mr. Weston to the High Sierra, and with O'Keeffe and David McAlpin to the Southwest. In 1933, he met Alfred Stieglitz, and in 1936 Stieglitz gave Mr. Adams a one-man show at his New York City gallery, "An American Place." This was the first one-man show of photography that Stieglitz had put on since Paul Strand was similarly honored two decades earlier.

DIRECTED A PAGEANT

In 1940, Mr. Adams directed "A Pageant of Photography" as part of the Golden Gate Exposition in San Francisco, and took part with Mr. Weston and Dorothea Lange in a photographic forum organized by U.S. Camera in the Yosemite Valley. Also in 1940, he helped Beaumont Newhall and Mr. McAlpin to found the department of photography at the Museum of Modern Art.

At the outbreak of World War II, he became a consultant to the Armed Services. But, ever-sensitive to the plight of minority groups, he published in 1944 "Born Free and Equal," a photographic survey of a California camp in which Japanese-Americans were interned at the outbreak of war with Japan.

After the war, Mr. Adams three times received Guggenheim Fellowships, which enabled him to record national parks and monuments in Alaska, Hawaii and elsewhere. In many writings in the postwar period, he stressed the importance of vision, as distinct from gadgetry. "A picture," he liked to say, "is only a collection of brightnesses," and, he would add, "There is nothing worse than a brilliant image of a fuzzy concept."

FELLOW OF AMERICAN ACADEMY

Films about Mr. Adams and his work were directed by David Myers in 1957 and by Robert Katz in 1959. In 1964, Mrs. Newhall published a study of him (called "The Eloquent Light," after the 1963 show of that name that Mr. Adams had just had at the de Young Museum in San Francisco). In 1967 he and Mrs. Newhall published a book called "Flat Lux," to mark the centenary of the University of California, and in 1974 he was honored by a retrospective exhibition at the Metropolitan Museum in New York.

In 1966, Mr. Adams was made a Fellow of the American Academy of Arts and Sciences, and in 1970 he was made a Chubb Fellow at Yale University. He received honorary doctorates from Occidental College, the University of Massachusetts and Yale University.

In 1928, Mr. Adams married Virginia Best. After many years in Yosemite, the Adamses moved in 1962 to Carmel.

He is survived by his wife; two children, Dr. Michael Adams of Fresno, Calif., and Anne Adams Helms of Redwood City, Calif., and five grandchildren. Funeral services will be private.

[From the New York Times, Apr. 25, 1984]

ADAMS: HIS LEGACY ENDURES

(By Gene Thornton)

The brilliant clarity of Ansel Adams's photographs—and especially the Western landscapes in black and white for which he is best known and most loved—is no accident. It is partly the result of a deep love of nature and a good eye, plus the natural dryness and clarity of the Western air.

But it is also the result of a technical procedure that Adams, the master photographer who died Sunday at the age of 82, developed, refined and codified in a series of instruction books and technical manuals.

These began in 1935 with the publication of "Making a Photograph," and continued for the rest of his life. The most recent how-to book, "Examples, the Making of 40 Photographs," was published in 1983 by the New York Graphic Society.

At the heart of this procedure is the practice of previsualization. This means planning the photograph in advance of making the exposure, carefully studying the image in the camera's viewfinder or on the groundglass screen and making sure that every element of the picture—lighting, composition, focus and pose—is the way the photographer wants it before making the exposure. The result should be a picture that can be printed straight from the negative without any need for retouching or other manipulation of negative or print.

This type of "straight" or "pure" photography is the norm today among serious amateurs and art photographers, so much so that it may seem odd to include it among the characteristics of Adams's technique. But it was not yet the norm when Adams was starting out as a photographer in the 1920's. In those days it was customary for artistically ambitious "Pictorialist" photographers to retouch the photographic image extensively to make it look more like a painting, a drawing or a print. The unassisted camera was not believed to give its operator enough control over the picture to dignify the results with the name of art.

ABANDONED PICTORIAL APPROACH

Adams did not invent the idea of straight or pure photography. An early and eloquent spokesman was the critic Sadakichi Hartmann, in his review of the 1904 Photo-Secession exhibition at the Carnegie Institute in Pittsburgh, and early practitioners included the photographers Paul Strand, Alfred Stieglitz and Edward Weston. However, after a meeting with Strand in 1930, Adams abandoned his earlier, more Pictorial approach in favor of straight photography and became its most eloquent spokesman and exponent.

He had his work cut out for him. Although the straight photographers rejected the Pictorialist practice of darkroom manipulation, they did not reject the Pictorialist claim that photography was art. On the contrary, they claimed that "pure" photography, the type they practiced, was more artistic than the type practiced by the Pictorialists. However, straight photographers had less control over their final results than Pictorialists, since they had restricted themselves to purely photographic means, and this left them open to Pictorialist charges of not being real artists.

It was in part to meet this objection that Ansel Adams developed the celebrated Zone System of photography, a method that he and such successors as Minor White and Fred Picker have written about and taught in workshops all over the country and abroad. The aim of the Zone System is to give the photographer the maximum control over his pictures making consistent with a purely photographic technique.

HOW PICTURE WILL TRANSLATE

Adams began by dividing the darks and lights of the photographic print into 10 distinct shades or zones, ranging from pure black (Zone 0) to pure white (Zone IX). Between are eight graduated shades of gray—Zone V, the middle tone, being the one that seems closest to halfway between dark and light, and Zone VI, the next lightest tone, being the tone of human skin under good light. By learning to see his subject in this

scale of grays, the photographer can "previsualize" not only the subject matter and composition of his picture but also how it will translate into the darks and lights of a photographic print.

Adams used a photoelectric exposure meter to measure the brightness of the parts of a scene he was photographing. Beaumont Newhall explained in his classic "History of Photography." These calibrations were then correlated with exposure and development to enable the photographer to achieve in the final print the entire gamut of values he had previsualized.

"The control is comparable to that which a musician has over his instrument," Mr. Newhall wrote. "Guesswork is eliminated, and the photographer can concentrate on esthetic problems, secure in the knowledge that his results will not only be of technical excellence, but will embody his subjective interpretation of the scene."

This kind of planning of a picture can be done better with a camera that has a large viewing screen showing the image in considerable detail. It is also better suited to motionless subjects, such as landscapes, still lifes and portraits, rather than to action shots. Long practice, however, enabled Adams to work rapidly when necessary, and perhaps his most famous picture, "Moonlight: Hernandez, N.M.," was seen, conceived and shot in a brief moment before the moon went behind a cloud.

ASHES OVER MOUNTAIN

MONTEREY, CALIF., April 24.—The Adams family said it expects to scatter the photographer's ashes over a mountain long known informally as Mount Ansel Adams in Yosemite National Park.

"We will probably scatter the ashes on Mount Ansel Adams in Yosemite National Park," said Ann Helms, Adams's daughter. "The mountain has been called that unofficially for years, but you can't name a mountain after a living person."

Lisa Dapprich, a public affairs officer at Yosemite National Park, said that the National Park Service would allow the ashes to be scattered on the mountain. She said the mountain "will probably" be named after Adams, a process that takes five years.

[From the Los Angeles Times, Apr. 24, 1984]

ANSEL ADAMS, ARTIST WITH A CAMERA, DIES

(By Burt A. Folkart)

Ansel Adams, whose camera celebrated nature's wonders and whose life was dedicated to perpetuating the purity of its creations, has died.

Death came late Sunday at age 82 in Community Hospital of the Monterey Peninsula, near Big Sur, where he had lived, photographed and battled for his beloved environment.

Adams had undergone heart surgery in 1979 and was admitted to the hospital last Friday with his recurring heart problem.

Adams and Edward Weston were the two names most often mentioned when historians tried to decide when photography had moved from the realm of hobbyists and was accorded a niche in the world's art salons and museums.

ASSIGNMENTS FROM WITHIN

And it was Adams, the gruffly pleasant bear of a man, who generally is credited with taking Weston's visions of unsullied clarity and moving them from the curious to the commercial, providing throughout his lengthy and prolific career thousands of

negatives and prints from the photographic assignments that he said came "from within."

At his death, more than a million books of his photographs rested on coffee tables and in libraries throughout the world.

A single Adams photograph once commanded \$70,000 and, more important to Adams the man, 5,000 students had trudged to his studio and then on with him to view the scenic glories of the United States, watching as the aging master set up his tripod to capture what he said were the "images and not just records" of their world.

Like those early students who worshiped him, the photographer—whose "Moonrise, Hernandez, New Mexico," and "Moon and Half Dome, Yosemite National Park," would one day hang in museums around the world—began with a Kodak Brownie box camera.

He was a gangly 14-year-old with a nose that tilted angularly left, the result of a falling wall during an aftershock from the 1906 San Francisco earthquake.

("The doctor said to get it straightened when I matured," Adams loved to say. "But of course, I never matured.")

A year earlier his father, a successful businessman, had given him a pass to the World's Fair in San Francisco. Adams spent most of his time at the Armory Show, the revolutionary modern art display transplanted from New York that gave prosaic America its first glimpse of the impressionists and surrealists.

He also had been exposed to a book, "In the Heart of the Sierra," part of the tutoring program his parents had designed for him when he opted to give up formal schooling.

"A-A," as he would someday be known to friends, bought a simple camera, hoping to combine a vacation trip to Yosemite, the excitement of abstract art and his blooming vicarious sentiments for the High Sierra into a new interest.

RETURNED TO YOSEMITE

At the time he was an accomplished, albeit beginning pianist and was leaning toward a career in music.

His vacation pictures fell far short of his dreams, however, and he talked a San Francisco photofinisher into a job as an apprentice.

Adams continued to return with his camera to Yosemite every summer, as he would for the next 60 years, joining the young Sierra Club and working summers as caretaker at the club's headquarters in the Yosemite Valley.

He learned to climb the mountains where climate and light varied with shifting wind and cloud patterns. He also learned of "conservation," long before it was a cocktail hour byword.

Photography remained a hobby and music a predilection at this time, but his visits to the mountains "filtered through me into some aesthetic experiences which probably were supported by similar experiences I was having in music study," he told an interviewer in 1975.

It wasn't until 1930, after trying to serve both masters, that his "own personal satisfaction with the pictures was greater than with music."

But by then the self-proclaimed "photo-poet" was tired of having to deal with the popular notion of photography as "painting with a lens."

He had produced a mildly successful portfolio of the High Sierra that proved his

knowledge of technique but left him personally dissatisfied.

PHOTOGRAPHY EXISTS

Still seeking the modernist vision that had first stirred him at the Armory Show, he took his pictures to master photographer Paul Strand who talked to him of organization and composition.

Years later he would say:

"I came home thinking: Now photography exists."

Within a few months he had met a fellow seeker of visual truth, Weston.

In 1932 he, Weston, Imogen Cunningham and Willard Van Dyke formed the loosely knit "Group F/64," devoted to high-contrast realism.

(The name was adopted from the smallest camera lens opening then available. It offered the greatest depth of field and therefore the sharpest images.)

Although the group would exist formally for only two years, its impact on the world's then-newest art form continues to this day.

He had married in 1928 and, to support himself, was taking on "assignments from the outside" that did not interfere with "assignments from the inside," his term for "visualization" of the trees, rocks and leaves he found and illustrated in his beloved Sierra.

He began accepting the students that would one day include the daughter of a President (Susan Ford). The alacritous acceptance of the "Group F/64" concept of crispness in pictures now brought offers from photography magazines and product manufacturers.

And now he had words for his craft:

"A photograph is not an accident, it is a concept." Pictures, he explained, were composed in the mind and only then recorded by the camera.

In 1935 he published "Making a Photograph," the first of his many manuals on technique in which he noted that the making of many negatives in the hope that one will be good "is fatal to serious results."

His reputation was growing and in 1936 Alfred Stieglitz, perhaps the world's best-known photographer, arranged a one-man Adams show in New York City, the first since A-A's former mentor Strand had shown there in 1917.

Adams by now had moved to the Yosemite Valley, and his feel for its mountains and valleys began to transcend just photography.

As official photographer and a director of the Sierra Club, he had traveled to Washington to show his photographs of Kings Canyon and to lobby for a bill that would preserve that area as a national park.

The result was not immediately successful but his efforts had come to the attention of Interior Secretary Harold L. Ickes. By 1940 Ickes had shown the photos to President Franklin D. Roosevelt and the resultant presidential arm-twisting produced from Congress what Adams considered a personal monument—the establishment of 455,000 acres as the Kings Canyon National Park.

His first ecological triumph was followed quickly by a professional one. In 1941 he had stopped his car in New Mexico to take, in 15 seconds, a photograph that four decades later commanded \$71,500 at auction.

It was the moon rising over the village of Hernandez. It, with another photo of the moon shining over Half Dome in Yosemite, taken in 1960, became synonymous with Adams' name.

The two photos were archetypically Weston—the preconceived clarity felt before

the shutter was snapped and then transferred to film and paper. To Weston's theory of visualization Adams brought his own contributions—a system of film exposure to predetermine the tones of the print.

It has become known as the Adams zone system, and he soon was teaching it at the California School of Fine Arts (later the San Francisco Art Institute) where he founded the first photography department in 1946.

He also was teaching at Art Center in Los Angeles, lecturing at the Museum of Modern Art in New York and at colleges throughout the West.

Between 1948 and 1956 he published four photography books and in 1949 was named a consultant to Polaroid Corp., working with Edwin Land on the Polaroid Land process.

ANSWERED CRITICS

He also answered those who criticized "Group F/64" adherents for photographing trees and mountains while the nation struggled through the Great Depression and World War II.

He published a book of the photographs he had taken of the thousands of Japanese-Americans interned in the Manzanar Relocation Center in California during the war. Its wry title was "Born Free and Equal."

His spreading fame resulted in "The Eloquent Light," a 1963 biography of Ansel Adams published by the Sierra Club.

He was a Sierra Club director from 1936 to 1970, and his many trophies include the Conservation Service Award of the Interior Department.

He was an untypical artist—outspoken, opinionated and highly political when it came to his dearly loved scenery.

He warred against those trying to develop Big Sur and led a drive to oust Interior Secretary James G. Watt for "halting 100 years of growth of the national park system." His attacks on Watt led President Reagan to seek a meeting with Adams—a session held in July, 1983. Adams afterward pronounced Reagan "opaque—a substance that does not permit the passage of light . . . in either direction."

REAL HAM

Until his hospitalization the artist-advocate had been working to limit Reagan to one term.

Adams' personality lent itself to public display and theatrical statements.

"You'll understand him better," painter Georgia O'Keeffe—a longtime friend—told a prospective interviewer in 1979, "if you think of him as a real ham, the eternal life of the party."

His leathery countenance was on the cover of Time magazine on Sept. 3, 1979, the first photographer ever honored there.

In 1980, President Jimmy Carter awarded him the Presidential Medal of Freedom for his "visionary efforts to preserve this country's wild and scenic areas both on film and on Earth."

This came after he had supported legislation to protect 100 million acres of the Alaska wilderness.

The boy with the Brownie box camera and a vision had become the Grand Old Man of Photography.

He was pleased but took the accolades lightly. They were but the gifts of man.

The greatest gift God had granted him, Adams said in a long-ago letter to photographer Stieglitz written from New Mexico, was the Earth itself.

"It is all very beautiful and magical here . . . a quality which cannot be described."

The skies and land are so enormous and the detail so precise and exquisite that, wherever you are, you are isolated in a glowing world between the macro and the micro—where everything is sideways under you and over you, and the clocks stopped long ago."

DEATH OF "CAPTAIN JACK" BARLEON

Mr. KENNEDY. Mr. President, Massachusetts and the entire Nation have lost a true hero and an outstanding human being with the death last month of Naval Capt. John S. Barleon, Jr.

"Captain Jack," as he was affectionately known by his legions of friends and admirers, was a man of uncommon valor who turned a crippling injury into a courageous life of helping others. He fought with great bravery in the Pacific in World War II and later suffered a serious spinal injury which eventually resulted in quadriplegia. For the rest of his life, he kept on fighting—for paralyzed and disabled veterans, for the physically handicapped, and for the retarded. He was a tireless advocate for their cause; his active lifestyle defied his disability and made him an inspiration to all he touched.

Captain Jack was also a generous supporter of a program close to the heart of the Kennedy family, the Eunice Shriver Clinic for retarded children and their families at the Walter E. Fernald State School in Massachusetts. His extraordinary life brought hope to millions, and his achievements are an example to all of us who carry on his work.

Mr. President, I ask unanimous consent that the obituary for Captain Jack, which appeared in the Boston Globe on March 27, may be printed in the RECORD.

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

[From the Boston Globe, Mar. 27, 1984]

"CAPTAIN JACK" BARLEON, WAR HERO AND FIGHTER FOR THE PARALYZED, 70

(By William P. Coughlin)

They called him "Captain Jack."

A decorated World War II hero whose Navy career continued until 1961, Capt. John S. Barleon Jr. was a wheelchair quadriplegic the last 23 years of his life who:

Was a dynamic, one-man advocate and former national research director for the Paralyzed Veterans of America.

Was a 1962 delegate to the World Veterans Organization in Copenhagen, Denmark; Lausanne, Switzerland, and The Hague.

Sought government and private grants in a constant search for ways to improve health care and devices for the handicapped.

Was active as a member of the corporation of the Walter E. Fernald School and helped raise \$2.4 million in 1962 to fund the Eunice Shriver clinic, the first clinic in the nation where parents could live in and be examined with their retarded children.

Flew aircraft, despite his handicap, as a member of the Wheelchair Pilots Assn;

drove his car, fished, sailed a kayak, and visited archeological ruins from Greenland to Europe, Asia and South America.

A long-term member of the International Oceanographic Foundation, he also was a member of the Society of Naval Architects and Engineers.

He held the Bronze Star, the Navy Commendation Medal and numerous campaign ribbons from his World War II experiences, and in his final two decades Capt. Barleon was a live-in quadriplegic at the Veterans Administration hospitals in West Roxbury and in Brockton for six years.

He died at age 70 yesterday, after four weeks in a coma in the Veterans Hospital in West Roxbury. He had fallen ill Jan. 9 with a respiratory ailment linked to quadriplegia.

As a Naval officer and fighter pilot he was a hero and doer; as a quadriplegic, he turned his wartime spine injury and disability into a life of helping others similarly crippled. By all accounts, "Captain Jack" was not a quitter.

In a 1980 interview for a magazine called Paraplegia News, he summed up his outlook:

"Although my disability—quadriplegia—is disagreeable, I have had a far more fortunate, full and interesting life than most citizens . . . What I need is a system of getting 48 hours into a 24-hour day so I can do all the things I want to do."

Born at the Naval Academy at Annapolis where his father, Jack Barleon Sr., was an officer, he entered the Navy in 1931 after a boyhood during which he had climbed aboard the World War I German submarine Deutschland and US Admiral Richard E. Byrd's famed tri-motor airplane which had seen the Arctic and Antarctic. As a boy, he met Byrd practicing landings at the Naval Station in Norfolk, Va.

Perhaps it was Byrd's plane or the flying model of an old NC-4 Navy seaplane, given him by Adm. Albert C. Read, that hooked young John Barleon on flying.

He followed his father's beginnings at the Naval Academy where he cruised the Mediterranean on the battleship Wyoming, met a Pope and the Italian dictator, Benito Mussolini, and graduated in 1935. As a freshman he had won the small bore rifle intercollegiate championship, and later the national intercollegiate title.

He was aboard the cruiser San Francisco when she suffered heavy battle damage at Savo Island in the battle of Guadalcanal, and during one of the war's lighter events he played against the Peruvian Olympic basketball team on a dirt floor of the Lima bull ring. The Peruvians won, "Captain Jack" recalled with a smile.

Later he was aboard the USS Phelps, flagship of the First Destroyer Squadron, which, records show, fought in every Pacific battle. Then, after a tour from Panama to Newfoundland in the old World War I four-stack destroyer, USS McCormick, he began flight training in the new Grumman open cockpit fighters.

It was in one of these craft, during a landing rollout exercise, when he flipped on his back, crushing and dislocating several vertebrae. After six months in a San Diego Hospital, he returned to active duty and underwent a spinal fusion. Six months later, with a slightly stiff neck, he headed for the old USS Enterprise, a carrier where he became air officer, executive officer and commanding officer. In her, he lived through the so-called Admiral William (Bull) Halsey typhoon when three destroyers were lost. Still later, he commanded air groups, flying the old Hellcats, Corsairs and Bearcats.

Ashore, "Captain Jack" held many fleet posts, including Pentagon and Bureau of Personnel positions in which he was responsible for personnel planning. He testified often before the Department of Defense review teams, the Bureau of the Budget and before congressional committees. It was his job to justify naval expenses and plans.

"Captain Jack" also served in the former British Joint Services Staff College and at the National War College at Washington, D.C.

During this time he underwent five more spinal operations to remove bone and scar tissue, while carrying out his duties. He told an interviewer then that he relaxed by scuba diving and racing outboard runabouts. He also was a championship skeet shooter.

But his wound became infected and after the fifth operation he was a quadriplegic. His condition deteriorated and in September 1961, after another operation to remove a cyst, he was retired for physical disability and sent to the Veterans Administration Hospital in West Roxbury.

At the hospital he learned of the Paralyzed Veterans of America, became active, and was a delegate to national conventions. He was the first chairman of the Paralyzed Veterans' investment committee in the mid-1960s and was its national research director until the mid-1970s. In 1976, he became a trustee of the organization's technological and research foundation.

He was appointed by Gov. John A. Volpe in 1962 as a member of the corporation of the Fernald School.

He leaves a son, John S. Barleon of Waltham; three daughters, Anne B. Nolan of Waltham, Elizabeth H.B. Ross of Loveland, Colo., and Claudia B. Danikian of Boston; two sisters, Claudia B. Burkey of Bozeman, Md., and Elizabeth B. Keller of Alexandria, Va., and a grandchild.

A memorial service will be conducted at 1 p.m. Saturday in the chapel at Brockton Veterans Administration Hospital.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

MISCELLANEOUS TARIFF, TRADE, AND CUSTOMS MAT- TERS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 2163) to amend the Federal Boat Safety Act of 1971, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Baker Amendment No. 3027, to further reduce deficits by including reconciliation provisions and appropriations caps for defense and non-defense discretionary spending for fiscal years 1985, 1986, and 1987.

(2) Mitchell Amendment No. 3036, to provide for a pay increase for Article III judges subject to salary adjustments pursuant to section 461 of title 28, United States Code.

AMENDMENT NO. 3041

(Purpose: To increase revenues and limit budget authority and outlays for fiscal years 1985, 1986, 1987, 1988, and 1989)

Mr. HOLLINGS. Mr. President, on behalf of Senators EXON, ANDREWS, BINGAMAN, JOHNSTON, BUMPERS, STENNIS, and myself, 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 South Carolina (Mr. HOLLINGS), for himself, Mr. EXON, Mr. ANDREWS, Mr. BINGAMAN, Mr. JOHNSTON, Mr. BUMPERS, and Mr. STENNIS, proposes an amendment numbered 3041.

Mr. HOLLINGS. 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:

SEC. —, relating to limitations of aggregate total budget authority for National Defense and non-defense discretionary activities, is amended by striking out subsections (a) through (e) and inserting in lieu thereof the following:

TITLE X—INCREASES IN REVENUES AND LIMITS ON BUDGET AUTHORITY AND OUTLAYS

DELAY COST-OF-LIVING ADJUSTMENT TO 1990

SEC. 1001. (a) Subsection (f) of section 1 of the Internal Revenue Code of 1954 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended—

(1) by striking out "1984" in paragraph (1) and inserting in lieu thereof "1989"; and

(2) by striking out "1983" in paragraph (3)(B) and inserting in lieu thereof "1988".

(b) Subsection (e) of section 104 of the Economic Recovery Tax Act of 1981 is amended by striking out "1984" and inserting in lieu thereof "1989".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1984.

INCREASED TAX AUDIT COVERAGE

SEC. 1002. (a) In the case of revenue agents, the Secretary of the Treasury, pursuant to section 7803 (a) of the Internal Revenue Code of 1954, shall employ no less than 15,647 in fiscal year 1985, 16,569 in fiscal year 1986, 17,395 in fiscal year 1987, 18,834 in fiscal year 1988, and 20,320 in fiscal year 1989.

(b) In the case of tax auditors, the Secretary of the Treasury, pursuant to such section, shall employ no less than 4,098 in fiscal year 1985, 4,529 in fiscal year 1986, 5,001 in fiscal year 1987, 5,339 in fiscal year 1988, and 5,773 in fiscal year 1989.

WITHHOLDING OF TAXES ON ROYALTY PAYMENTS AND PAYMENTS TO INDEPENDENT CONTRACTORS

SEC. 1003. (a) Section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(q) EXTENSION OF WITHHOLDING TO ROYALTY PAYMENTS AND PAYMENTS TO INDEPENDENT CONTRACTORS.—

"(1) IN GENERAL.—In any case in which—

"(A) a person issues a royalty payment, or
"(B) notwithstanding subsection (a)(4), a person issues a payment to an independent contractor.

such person or any withholding agent shall deduct and withhold from such payment an amount equal to 10 percent of such payment.

"(2) WITHHOLDING AGENT.—Except as provided in regulations prescribed by the Secretary, the term 'withholding agent' means, with respect to any payment described in paragraph (1), the person who controls, receives, has custody of, disposes of, or pays such payment.

"(3) COORDINATION WITH OTHER SECTIONS.—For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments described under paragraph (1) which are subject to withholding shall be treated as if they were wages paid by an employer to an employee."

(b) The amendments made by this section shall apply to payments made after June 30, 1984.

REVENUE INCREASES

SEC. 1004. (a) Within 45 days after the date of enactment of this Act, the Senate Committee on Finance shall report to the full Senate changes in laws within the jurisdiction of the Senate Committee on Finance sufficient to increase revenues by \$4,300,000,000 in fiscal year 1985, \$7,100,000,000 in fiscal year 1986, \$11,700,000,000 in fiscal year 1987, \$19,000,000,000 in fiscal year 1988, and \$28,700,000,000 in fiscal year 1989.

PAY COMPARABILITY ADJUSTMENT FOR FEDERAL EMPLOYEES

SEC. 1005. Notwithstanding any other provision of this Act or of any other law—

(1) there shall not be an adjustment under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule and in the rates of pay under the other statutory pay systems during fiscal year 1985; and

(2) the overall percentage of the adjustment in such rates taking effect under such section in each of fiscal year 1986, 1987, 1988, or 1989, shall be an increase of 3 percent.

COST-OF-LIVING INCREASES

SEC. 1006. (a)(1) Except as provided in subsection (b), for the purpose of determining or computing the amount of any increase in payments or benefit amounts or in standards for eligibility for payments or benefits taking effect on any date during the fiscal year 1985, 1986, 1987, 1988, or 1989 under any provision of Federal law which requires an increase or change in such payments, benefit amounts, or standards as a result of any change in—

(A) the Consumer Price Index (or any component thereof); or

(B) any other index which measures costs, prices, or wages,

the change in any such index shall be deemed to be the change as computed or determined under such provision of Federal law or (if less)—

(1) zero percent in the case of increases taking effect in fiscal year 1985; or

(ii) 3 percent in the case of increases taking effect in fiscal year 1986, 1987, 1988, or 1989.

(2) Notwithstanding any other provision of Federal law, no person shall be—

(A) entitled to any increase in payments, benefit amounts, or rates of pay; or

(B) eligible for any payments or benefits, under any provision of Federal law to the extent that such increase or eligibility is denied by reason of paragraph (1).

(3) Notwithstanding any other provision of law, any change in any index described in paragraph (1) which would have resulted in an increase in payments or benefit amounts or in standards for eligibility for payments or benefits effective on any date during the fiscal year 1985, 1986, 1987, 1988, or 1989 but for paragraph (1) shall not be taken into account for the purposes of determining or computing any increase or change in such payments, benefit amounts, or standards taking effect on any date during any fiscal year after fiscal year 1989.

(b)(1) With respect to the Social Security Act, subsection (a) shall apply only to cost-of-living adjustments to cash benefits paid under section 202 or 223, and shall not limit cost-of-living adjustments under section 1617 of such Act (42 U.S.C. 1382f), or any other adjustment under any other provision of such Act. The adjustments becoming effective under such section 1617, and any other adjustment to which subsection (a) does not apply, will be made as though there had been made the full cost-of-living adjustment which, but for subsection (a), would have become effective under section 215(i) of such Act (42 U.S.C. 415(i)) with respect to cash benefits.

(2) Subsection (a) shall not apply to increases under section 3(c), 5(c), or 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c), 2014(c), and 2014(e), respectively).

(3) Subsection (a) shall not apply to increases under section 3112 of title 38, United States Code. For the purposes of such section, benefit amounts payable under title II of the Social Security Act shall be deemed to be increased when and by the percentage such amounts would be increased (as a result of a determination made under section 215(i) of such Act) if subsection (a) had not been enacted.

MEDICARE FREEZE

SEC. 1007. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act) or any provision of title XVIII of the Social Security Act, the "applicable percentage increase" under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1984, and before October 1, 1985, shall be zero percent.

(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

LIMITATION ON INCREASE IN BUDGET AUTHORITY FOR NATIONAL DEFENSE ACTIVITIES

SEC. 1008. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act), the Congress declares that—

(1) an urgent priority of the United States Government is the pursuit of a national defense policy that adequately provides for the security of the United States and that of its allies against the threat of their adversaries;

(2) the basic goal of any national defense program of the United States should be to

provide a consistent and sustained growth in defense readiness activities and in weapon systems research and development, procurement, and force modernization;

(3) an annual increase in the defense budget of the United States Government, in accordance with the commitment made in 1977 and 1978 by the United States Government and the other members of the North Atlantic Treaty Organization (NATO) to provide for annual increases in the defense budgets of the members by three percent in excess of the rate of inflation, is an essential element in developing a reliable national defense capability; and

(4) the policies relating to the commitment of resources to develop and maintain a strong and comprehensive defense program by the United States must be fully integrated with an overall fiscal and economic policy directed toward restoring the financial credibility of the Government in an equitable manner.

(b) Therefore, it is the sense of the Congress that the amount of budget authority provided for each of the fiscal years 1985, 1986, 1987, 1988, and 1989 for all purchases made by departments and agencies administering activities classified under the functional category of National Defense in the Budget transmitted under section 1105(a) of title 31, United States Code, should be the amount of budget authority provided for such purchases for the preceding fiscal year plus an amount equal to the product of—

(1) the amount of budget authority provided for such purchases for such preceding fiscal year; and

(2) the sum of—

(A) the rate of inflation projected (in accordance with Subsection (c)(2)) to occur during the fiscal year 1985, 1986, 1987, 1988, or 1989, as the case may be; and

(B) four percent in fiscal years 1985 and 1986; and

(C) three percent in fiscal years 1987, 1988, and 1989.

(c)(1) For the purposes of subsection (b), budget authority does not include the budget authority provided for the pay of employees of any department or agency described in subsection (b), including members of the Armed Forces, or for military retired or retiree pay.

(2) For the purposes of subsection (b), the rate of inflation projected to occur during a fiscal year under subsection (b) shall be—

(A) for fiscal year 1985, the percent change in the defense purchases index which is projected for such fiscal year by the Director of the Congressional Budget Office within 30 days after the date of enactment of this Act; and

(B) for fiscal year 1986, 1987, 1988, or 1989, the most recent projection of the percent change in such index for such fiscal year made by such Director before the date on which the Senate or the House of Representatives, or any committee thereof, takes action to provide budget authority for such fiscal year to which subsection (b) applies.

DISCRETIONARY FEDERAL PROGRAMS

Sec. 1009. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act), it is the sense of the Senate that the total amount of budget authority provided for all discretionary Federal programs for fiscal year 1985 should not exceed an amount equal to the total amount of budget authority provided for all such programs for fiscal year 1984.

(b) It is the sense of the Senate that the total amount of budget authority provided for all discretionary Federal programs for

each of the fiscal years 1986, 1987, 1988, and 1989, should not exceed an amount equal to the total amount of budget authority provided for all such programs for the preceding fiscal year plus an amount equal to the product of—

(1) the total amount of budget authority provided for all such programs for such preceding fiscal year, multiplied by

(2) three percent.

(c) For purposes of this section, the term "discretionary Federal program" means any Federal program other than—

(1) a program classified under the functional category of National Defense in the budget submitted by the President for the applicable fiscal year under section 1105(a) of title 31, United States Code; or

(2) a program for which spending authority (as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974) is provided by law.

Mr. BAKER. Mr. President, an order has already been entered that when the Senate resumes consideration of the unfinished business which we have now done, the Mitchell amendment would be temporarily set aside, the vote to occur this afternoon at 2 p.m., and that the Senator from South Carolina would be the first recognized. That is as far as we went. We did not provide for the purpose of his offering his amendment. I hope the Senator will do that. I understand he has now done that. Then it would be automatic under the order entered that at 2 p.m. the Hollings amendment would be laid aside for 1 hour, plus voting time, and then we would be back on the Hollings amendment again at 3:30 p.m. or thereabouts.

The order also provides that the Senator from Mississippi would be next recognized after the Senator from South Carolina (Mr. HOLLINGS).

Mr. President, I thank the Senator for being here and agreeing to these things. If he cares to proceed with this amendment now, that is the procedure that would automatically ensue.

Mr. HOLLINGS. Mr. President, I thank the distinguished majority leader.

Mr. President, I ask unanimous consent that Chris McLean, of the staff of Senator Exon, be granted the privilege of the floor during debate on this amendment.

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

Mr. HOLLINGS. Mr. President, with respect to this particular amendment, before I go into a detailed discussion of it, I note the distinguished Senator from Mississippi on the floor and I note his vital interest in this matter. He and I were talking informally just a few moments ago about the seriousness of the occasion where we are running some \$200 billion in deficits. While there is some concern amongst small groups here and there, the gallery is particularly empty and there is no real interest in the White House and in the Senate about really doing something. Well, some of us care and we

are not going to stop trying to save our future.

This is a sad commentary to have to make, Mr. President. It should be understood what is really going on.

We had last year an organized effort on behalf of those responsible for trying to maintain the discipline in fiscal integrity of both the public and the private sectors, which culminated in the Hatch amendment. That included all the different business groups, who are noticeably absent here in 1984.

I want to divert for a second and mention that the majority leader, myself, and others traveled to Argentina a couple of years ago. We searched out the Argentine Economic Minister, who was trying to rebuild that nation's economy. At the time, he had just been discharged from the hospital and was resting at home. He was hospitalized, I should say, from exhaustion. He described his exhaustion from having traveled from town to town trying to build a solid civic and business foundation and interest in maintaining and building communities.

He said private free enterprise could not exist except where you had civic and community interest and pride in maintaining the community and the business climate.

He said in the United States we took this for granted almost in the sense that we had our civic clubs, our Lions, our Rotary, our Kiwanis, Optimists, and on down the line—various civic clubs continually meeting and taking on the various community needs. When the public entities, the city council, the State or otherwise got out of line, these were the things that were discussed at those particular meetings.

There was a common responsibility for building the communities here in America.

I had been in Argentina some years earlier when they had roughly 400 to 500 of the American blue chip corporations located in Argentina and they had a dynamic flow of the economy. I wondered what had happened. He said they were down now to about 16 to 17. He said the demands made upon business were easily answered by accepting the demands, including the increases in prices with increased inflation and a runaway economy ensuing from there. As a result, they had a terrible economic mess.

I only allude to that because here in the United States, in a similar fashion during this particular year, you should find with \$200 deficits literally every chamber of commerce, Federation of Independent Businesses, advisory councils, the Round Table, the National Association of Manufacturers, here in the Senate. These galleries should be filled, and they should be imploring us with telephone calls, letters and

visits to get hold of ourselves and control ourselves at the national level.

They are not here today. They were here last year to show that there was an awareness. Rather than having things turn out better, with lesser deficits than predicted, less than \$100 billion, now we run into \$200 billion deficits. Things are more drastic than before, and already the signs of economic recovery indicate that it is perhaps retrenching. We are all keeping our fingers crossed as to whether or not we will have a complete economic turnaround.

The reason, of course, that they are not here is this is an election year. It is not my purpose in bipartisan presentation on behalf of the distinguished Senators from North Dakota and Mississippi to engage in the partisan litany. But I was on a bipartisan panel last Thursday evening before the Bond Club in New York. The former Secretary of the Treasury, John Connally, of Texas, was there. He was the captain of the Republican team—so we had the two sides ably represented. The bottom line of the captain of the Republican team, John Connally, was that Congress will do nothing; that the most serious problem we ever had confronting us was these deficits; and that, second, the Congress would do nothing. I had to agree with the distinguished former Secretary of the Treasury; that the deficits is the most important problem facing us.

I had to agree, also, that Congress would do nothing. He said we did not have courage, and we did not have a long enough term. He was recommending 8-year terms; something historically all of a sudden that happened to the Constitution; what we ought to have is Senators who serve for 8 years, had a long enough term, and had more courage. Then he went off, as they always do, on incentive; that we as Senators did not have enough incentive to run. So we had a bunch of non-incentivated Senators now encompassing the U.S. Senate. Since we did not have any incentive, of course—alluding I guess to financial reward—we were not going to do anything.

I countered that we were not going to do anything because we did not have the incentive in that particular audience—The Bond Club. I told them flat out. It was the financial, economic minds and brains of this land there in New York City. It was the famous Bond Club. They had all of the investment brokers, the financiers, former Secretaries of Treasury, and others involved. While they had nice, charming meetings and seminars, with a story here, and running an advertisement in the newspaper from time to time, they know how to bring the pressure and interest on a subject. This year we have not been shown that interest. The country is fat and happy. There is no real alarm in the boondocks. So to

speak, as I have traveled the 50 States over the last 2 years.

Mr. President, the reason nothing will happen, of course, is that those who normally have the greatest to lose in a way are the financial communities, banks and everything else of that kind which would ordinarily be here along with the Chambers of Commerce. As I was alluding to the Argentine comparison, you cannot expect the Main Street merchant, you cannot expect the farmer on his family farm, you cannot expect the ordinary student or the professor to organize a movement. But the financial communities are not here. Of course, this is an election year. We have a very, very anomalous situation. We are both into a particular political mode. Our Republican colleagues, who passed Reaganomics here a couple of years ago, are seeing signs that the Reaganomics economic plan is working. They hope it will continue to work. They hope there will be no high interest rates.

They will be able to get by the election. Of course, running as some are for reelection, they are running on the particular platform and program—that Reaganomics was an accomplishment of the present administration. The riverboat gamble described by the distinguished majority leader has now happened. We have seen some houses being built, some automobiles being bought. The Republicans say they ought to be reelected because rather than giving you what we had in the previous administration—12-percent inflation and 20-percent interest rates—we ought to be given another 4 years.

The Republican colleagues do not want to recognize the problem. They do not want to come at the finish line of election day, "Chicken Little, the sky is falling," and saying all of a sudden something needs to be done. So they are not here. No one is going to do anything. In contrast, our Democratic colleagues have their fingers crossed hoping against hope that it will not work, that the signs of the slowing down of the recovery will accelerate, and that in turn what will happen is the interest rates will start climbing. As the interest rates climb, come November the plan has not worked, and the people in disgust and despair then will throw the rascal out and put the Democrats back in the White House. We do not want to solve the problem. Certainly, it is not the Democratic cause to run forward and solve the problem that might get us into the White House if it continues to exacerbate. I like that word "exacerbate." I learned these wonderful words since I have been in Washington.

That is exactly what we see here in the U.S. Congress today. The Republicans do not want to recognize the problem, and the Democrats do not

want to solve it. I say to my distinguished colleague from Mississippi, in a capsule that is where we find ourselves.

Now to the freeze itself: I would like to add a few other comments because freeze, freeze, freeze, everywhere a man cries freeze. There is no freeze, because in essence there is a misapprehension with respect to the so-called tax, tax and spend, spend.

You hear that is all we are going to continue to do. We have done it for 40 years. Why should we expect this Congress in an election year to repair the damage, or in an election year bite the bullet, or make the sacrifice, or stand tall, or whatever when it has been going on for 40 years of tax, tax and spend, spend. It has really been the responsibility of all the Congresses, in the 40 years since World War II. Why should this Congress be the stupid one that steps forward in 1984 just before an important national election and start solving problems.

We should because it is our problem. It is not the problem of 40 years of tax, tax and spend, spend. No. 1, with respect to tax, and tax, Republicans and Democrats both love tax cuts.

This is my 18th year in the Senate. In the 18-year period there had been only one general tax increase up until this administration. That one was the surtax in 1968 and for 6 months into 1969. We and President Johnson put a surtax on in order to pay for the war in Vietnam. In contrast, let us take the last decade of the seventies. During the seventies we passed seven tax cuts for a revenue hemorrhage loss of some \$73 billion. The genesis of Kemp-Roth was to counter the redistribution of the wealth of the United States of America. The Democrats were leading every year. They had control of the Congress. Every year they would come up, and the title always sounded good: "tax reform bill," "tax stabilization bill," "reindustrialization." We are great with words of description.

In any event, every year we talked about leveling it out, closing loopholes, reforming the measure, making it more equitable. What happened was that our friend, Senator ROTH and Congressman KEMP said: "Look, if they are going to redistribute the wealth of America with a little bit here and a little bit there each year, we are going to give in. If you cannot beat them, join them. We will give them the family size."

"We'll give them the big, mammoth tax cut of 10 percent, 10 percent, and 10 percent—10 percent each year for 3 years. Then let us see how they like that; just straight across the board."

The distinguished Vice President, who addressed the Chamber of Commerce last night, called it voodoo economics. The chairman of the Governors Conference, the Republican Gov-

ernor of Vermont, Governor Snelling, called it an "economic Bay of Pigs." The distinguished majority leader called it a riverboat gamble. But in any event, it was taken seriously and is now the law.

(Mr. WALLOP assumed the chair.)

Mr. ANDREWS. Mr. President, would my distinguished colleague, since he is mentioning all of my great friends on this side of the aisle, want me to add a word or two to the Hollings-Andrews amendment or, as it is known in North Dakota, the Andrews-Hollings amendment?

Mr. HOLLINGS. Yes, Mr. President.

Mr. ANDREWS. Mr. President, I think we can do this briefly, because I know we are interested in hearing from Senator STENNIS, our great colleague from Mississippi.

I think we ought to be frank with one another, Mr. President, and with the American people. That is really what we are talking about today. We are not engaged in this debate because we need a budget. We are engaged in this debate because we have monstrous deficits which stand poised to devour our economy and kill our economic prosperity within a few short years. A halfway solution, which is called the best that we can get, the rose-garden solution—the petals are wilted by now, with everybody seeing it for really what it is—is not the way to go, Mr. President. For the sake of the future of our country, we have to attack these deficits with the best we can do, not the best we can get. There is a vast difference between the best we can do and the best we can get.

I do not have to tell you about the problems we have out in rural America, Mr. President. Farmers are impacted by these high interest rates more than anyone else. Industry is impacted, too.

The thing people forget is the fact that to finance these deficits, we are depending today on one-third of those deficits being covered by foreign investors. That means that we have to value our dollar higher by one-third than foreign currencies; we have to keep our interest rates abnormally high.

That is great if you want to ski in the Swiss Alps and it is fantastic if you want to eat in a fancy French restaurant; but it is not worth a darn if you want to sell a bushel of wheat overseas or if you want to sell an American-built tractor overseas.

My good friend from South Carolina, I am sure, Mr. President, saw what I saw in the Sunday Washington Post about the Caterpillar Tractor Co. and the fight they are having now with their Japanese counterparts. It pointed out that the president of Caterpillar Tractor, when he goes to work in the morning, the first thing he asks for is not what the productivity rate is, not what quality control says, but

what the Japanese yen is in comparison to the American dollar, because the Japanese yen is down one-third in comparison to the American dollar in order to finance this horrendous deficit. There are 22,000 workers laid off in Caterpillar Tractor because of this disparity. That is why we have to address this deficit and do something about it.

That is why, of course, I am proud to join my distinguished colleague from South Carolina in proposing a plan that will have immediate and profound deficit reduction. This is not a business-as-usual downpayment, where promises inevitably fade with economic fortune. This is a balanced plan, Mr. President, which demands equality of sacrifice while, at the same time, it avoids an unreasoned and indiscriminate approach to budget cutting.

The rose-garden package, Mr. President, simply is not enough. A 150 billion dollars' worth of budget deficits sounds great, sounds wonderful—until you look at it and find that it is only \$12 billion in the first year; it is only about \$25 billion or \$26 billion in the second year; and then, aha, yes, \$100 billion in the third year. It reminds me of the old college story: "Yes, I will love you tomorrow."

That is the kind of promise we have, and it is not a promise that the American people are going along with. Even more important, it is not the kind of promise that the people who set interest rates are buying. That is why interest rates have gone up, Mr. President.

The heart of this debate is the question of defense spending. Our plan calls for 4 percent real growth in defense expenditures. I have talked with many experts in this area, including Members of this body sitting on the Committee on Armed Services. I am firmly convinced that in the defense of our country, we can seek no lower figure. In fact, it would be more costly in the long run to set aside defense programs that we have already initiated in order to meet a more immediate lower rate of growth. Yet some who agree that there is an urgent need for deficit reduction object that our plan does not call for defense spending cuts which are equal to cuts in social spending. In actual numbers, I suppose they are correct, Mr. President. In actual ability to reduce spending, we have extracted equality.

Equality is exactly why we have exempted from budget cuts those programs for the needy which can least afford to be cut. A plan which calls for equal amounts of defense spending cuts, social spending cuts, and tax increases does not have an equality of sacrifice; it merely has equality of numbers, with no vision into the real inequities of the Federal budget.

There is also criticism of our call for deferring tax indexation. I would be the first to agree that additional taxes

are onerous; any taxes, for that matter, are onerous. Yet a few of us on this floor have voted to forgo the third year of the tax cut, have voted against a number of tax cuts because, Mr. President, the toughest tax today on the American working men and women, the toughest tax today on the American farm family, is the tax of high interest rates coming about because of these inflated budget deficits.

The simple fact is that most of the Members of this body have voted into law spending programs that were implicitly intended to be paid for with taxes. Three years ago, we cut taxes by 25 percent, on a gamble, referred to by some as a riverboat gamble. Whether it was a riverboat gamble or a prairie dog gamble does not make a whale of a lot of difference, Mr. President. It was a gamble and, quite simply, it did not work. We did not win that gamble.

Now that we are facing the disastrous consequences of our actions, I suggest the only responsible approach is to reclaim a small portion of that lost tax revenue until such time as we are willing to curb our irresponsible, but sometimes very necessary, spending habits.

This deficit reduction plan has a message to send to the American people. That message ultimately is that the U.S. Senate is now prepared to be a responsible governing body. That time has long passed, Mr. President. We have been delinquent in our duty, and the only way we can recapture the challenge the American people gave us when they elected us is to do something about it now instead of just talking about it. This package gives us the biggest net reduction in the immediate outyear deficit of any package that will be offered.

That is why I urge its support. That is why I am proud and privileged to join with my good friend and colleague from South Carolina and a number of other Senators in introducing this package—a package that is not easy, really. But it does address the real needs of our Nation and addresses it now. I appreciate my colleague yielding.

Mr. HOLLINGS. I appreciate the distinguished leadership of the Senator from North Dakota. He has been very conscientious about it. We have worked hard in that Budget Committee and this is presented in all genuineness and sincerity to really solve the problem. In completing the thought on tax and taxes because I want to fix the responsibility, I say to the Senator from North Dakota, it is our responsibility, this Congress. It is not the 40 years of Congresses, profligate Congresses, tax and tax and spend and spend, for the main and simple reason that I have just described by way of record that rather than raising we were cutting taxes and

thereupon followed Kemp-Roth and rather than spending and spending we did have a discipline.

Now, let everybody fall out of the gallery or wonder about that statement, but there was always a discipline in the National Congress, all Congresses, against going completely overboard. If you go back to the end of World War II, to 1947, and you take all of the deficits from 1947 up to 1980, a 33-year period, the cumulative total deficit for that period would be \$465.5 billion. But the deficits just for the 3-year period 1982, 1983, and this year, 1984 amount to \$495 billion. So the problem is not one of 33 years or 35 or 40 years, the aura of futility that we are getting by with, that this Congress is getting by with—is by blaming it on previous Congresses.

I went as chairman of the Budget Committee to President Carter in November 1980, after his defeat. Here was a lameduck Democratic President. We had a lameduck Democratic U.S. Senate. In addressing the President I said, "Mr. President, you are going to leave a deficit bigger than the one you inherited from President Ford." And he said, "What did you say? Is that right?" I said, "Yes, sir, it is going to be about \$75 billion." He said, "Well, we are going to have to do something about that. What can we do?" And I was talking about reconciliation, which is a fancy budgetary description of a spending cut. I said, "If you can just help us along, we are working and ready to go in both the House and the Senate. We will put in this reconciliation bill and I think we can have some spending cuts." And we did. We cut the deficit back for the year 1980, the last year of President Carter, to \$58.7 billion. It has been about \$66 billion.

That is a high deficit, but there was a discipline. The Democrats were absolutely frightened that they would leave a record of having a deficit in excess of \$66 billion.

That was only a little more than 3 years ago. President Truman, whom we are going to memorialize in another week, balanced the budget four times. President Johnson balanced the budget and gave Richard Nixon a surplus, if you can imagine such a thing as the Great Society giving President Nixon a surplus. But it occurred. The discipline has only broken in the last 2 to 3 years right here on the floor of the Congress. We are the ones responsible. And we are not doing anything about it because it is an election year. And business and financial and economic leadership of the country does not speak out loudly about this particular problem. That could be one of the fallouts from a prolonged Democratic Presidential campaign.

We had candidates out on that Presidential track and if they said anything critical about the economy or critical about Reaganomics or critical

about high deficits, we had eight of us ready to pick up on what any business leader said and put it on national TV, and so you almost have a system of lockjaw. The business and financial and bond and stock market communities all have lockjaw. They do not speak out on this. They write a few little articles, they go to their business clubs, but they are not in the galleries. They are not pressuring for anything to get done and they are all talking in terms of "Let us first reelect President Reagan and then we will all get together next year and we will take care of it."

I want to comment on how that hits me as a matter of politics. If I were Governor of South Carolina, and I walked down the capitol steps and a TV reporter walked up to me and put that microphone under my nose and said, "Now, Governor, what are you going to do about the \$400 million deficit"—which would be the comparable to the \$200 billion national deficit. If a reporter asked me that on the capitol steps of Columbia, S.C.—what I was going to do about the \$400 million deficit—and I reared back and said:

Oh, well, now, wait a minute. This is an election year and there are a lot of political costs to getting anything done in an election year but after my reelection, then I am going to get together a bipartisan group and we are going to really do something about this.

That reporter would look at me and say, "Governor, there is not going to be any reelection for you if you do not do something between now and November."

That would be the worst of politics. I could not get by with it. Every newspaper editorial would take me on.

But in Washington that is the best of politics. There are a lot of political costs, do you not understand. This is an election year and we have to get everybody reelected first and then we will get on to the business of the high deficits and then really begin the launching of new spending programs because this is a double speak. We talk about spending cuts but President Reagan came with spending increases. He asked for \$50 billion more in defense, he talked about spending cuts and he asked for tax cuts. He said I want my indexing. It amounts to \$6 billion the first year, but by year after next it is \$31 billion and out to the 5-year budget projection where it is \$65 billion. Mr. President, we do not have revenues to cut. You and I know that. There are no revenues to cut. We just go out and borrow the money and spread it around again.

So in January we received a Presidential budget that I think on the House side got one vote. I think there were 427 votes against and one affirmative vote. They did have a formal vote on President Reagan's budget. So we have the double speak. We talk

about having spending cuts but asking for spending increases. We say we do not want to do anything about taxes but we are asking for tax cuts. And that is why we cannot get the public mind fixed on this particular problem.

Specifically, with respect to the different freezes, I wish I could join with my distinguished colleague from Florida, for example, on the Democratic alternative. First, the Republican alternative increases the deficit up to \$204 billion. It does not even make any bones about trying to solve the problem. It becomes a part of the problem and exacerbates the problem.

There is that word again. I am getting pretty good at that one.

It really adds to that particular problem.

Now, the Democratic alternative goes up and down the highways and byways, but when I look at the bottom line, after all the descriptive language, it says \$170 billion next year, next year and next year. It sort of levels off at \$170 billion. I only allude back to what I said about the conscience we had not to exceed \$66 billion. To put it coldly, I cannot run on a \$170 billion deficit. I come from a State that believes in a balanced budget. I was the first Governor of the Southern States to get a triple-A credit rating back in 1959.

We have maintained that bond rating and credit rating since that time. It is almost a discipline among Republicans and Democrats at the State level that the budget shall be balanced. You pay as you go. We raise the revenues. If we want any new initiatives, we must afford those new initiatives. We do not offload onto the next generation.

It might give comfort to some, but I do not want to see my name connected to a \$170 billion deficit. That does not solve the problem. That, according to the financial markets, makes you part of the problem.

There is no difference between a \$200 billion and a \$170 billion deficit when it comes to the interest rate and inflation and the impact on the economy. We are still out there borrowing; and now, at the \$200 billion level, we are actually launching a new spending program of \$20 billion. When I say a new spending program of \$20 billion, you cannot avoid this until next year.

When you run that \$200 billion deficit, you go out and borrow at 10 percent to finance that add-on to the national debt; and 10 percent of the \$200 billion is \$20 billion. It is estimated that in the next year, the interest cost add-on will be \$23 billion. So it is a \$23 billion new spending program.

If they had gone along with the Domenici-Hollings budget of 3½ or 4 years ago, we would have had a balanced budget by next year. We would be in the black, and we could take that

\$23 billion and use it for research in cancer, to repair cracks in roads and bridges, for quality education, and even for defense. We are not using those amounts for defense or anything else. We are just adding on that new spending program that compounds and really goes on to the next generation.

Ask the question: Are you better off than you were 4 years ago? My 60-year-old crowd says, "Yeah, we are doing fine. Everything is just grand. We are all going to get reelected. We are all going to stay in office."

We are spending \$200 billion more than we are taking in. Obviously, some cars are being sold and houses are being built when you are spending \$200 billion more than you are taking in.

The 60-year-olds, my generation, are saying that we are doing grand, and nobody cares. But our children and our children's children will find themselves in a gridlock in 3 to 5 years.

Right now, it is \$150 billion, \$3 billion a week—\$150 billion of carrying charges on the national debt. That is \$3 billion for nothing. In 3 to 4 years, it is going to be \$200 billion.

I want somebody to look at the chart in the U.S. News & World Report. They have \$288 billion as what we will get in personal taxes. We had income tax day the other day, and when we all paid our income taxes, they used \$288 billion, and I used \$293.6 billion, which I think are the figures of the IRS, in individual income taxes we paid the week before last. We are going to spend over half of that on interest costs—for nothing.

Can you imagine such a thing? A runaway government is what we have here. In 3 years, it is going to be \$200 billion just in interest costs.

So Congress will meet, and we will provide for nominal defense, social security, and some health care; and, like the British Parliament, we will have a big wrangle about how to raise the revenues to pay the interest costs on the national debt. That is what we are providing for the next generation, and we should be ashamed. It is our responsibility. That is why we should vote for some kind of freeze to solve the problem.

I would like to go along with the Republican proposal, but it increases the deficit. The Democratic alternative still does not solve it. It is \$170 billion—the same impact upon the financial markets.

The Kassebaum-Biden proposal is a 1-year proposition that cuts defense. It does not do much of anything with revenues. It just puts down a figure. It is not balanced. It is for only 1 year, and it does not solve the problem.

I heard last night from our Chamber friends, and I will get into that later, as to whether they endorse the Kassebaum open-year plan because they

were adamant last year for a 7.5-percent increase in defense. If they endorse this, they have changed direction totally for a cut in defense.

Mr. President, I think this is a good time for me to yield to our distinguished colleague, the Senator from Mississippi. I appreciate his patience in hearing me out.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, first, I thank the Senator from South Carolina. I really did not expect to proceed at this time.

As I understand the parliamentary situation, the Senate will recess at 12 o'clock. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. I will proceed at this time.

Mr. President, I am more concerned about the situation we are in now than I ever have been since I have been a Member of this body.

Mr. President, I was here when we were debating what became known as the Marshall plan, whereby we were proposing a new step altogether, that we were going to take money, billions of dollars, and send it as a gift to our former adversaries, those who had attacked us and with whom we had been at war. We were also going to send it to our allies in World War II. We were trying to rehabilitate the nations, the people of those nations. We wanted them to have a chance to get back on their feet, turning the wheels of industry again, making their own living, and restoring themselves to the family of nations that were self-sustaining, and had reasonable economy for their people. There was tremendous interest.

We were the kingpin of the world financially, in a way. We were the best-fixed nation in the world, moneywise. We had only 96 Senators then, but during those debates we met here day after day and had from 50 to 60 to 70 to 80 to 90 Senators present, listening intently, to those who had prepared themselves; listening over and over to the new developments, to the continuity of the idea, and welding here, on the anvil of debate, a plan that really put the world back on its feet economically.

Of course, we were interested, too, in building up some customers. That was one of the motives. But primarily it was to get things going again, to get the wheels turning again. We were in a position to do those things. We had the most influence in the money markets of the world.

Now, I am really confounded. Just a little over 30 years later, we find ourselves in such a situation that one of the chosen leaders of our Nation, the Chairman of the Federal Reserve Board, Mr. Volcker, who was appointed by a Democratic President original-

ly, served 4 years, and was reappointed by a Republican President, with his nomination confirmed by the Senate by a vote of about 80 to 16, pointed out in very graphic language, in a hearing on the Hill this year, that soon—and by "soon" he meant 2 or 3 years in the future—we would become a debtor nation, at the rate we are going.

Now that is what really woke me up. That is what made my mind up that I better lay aside these other things that I have been trying to do for the areas of business here and the bills that are to come, that I better do what little I could, and I really went to work.

Mr. President, let me say, also, that I wish to highly commend the members on our Budget Committee. They have been through plenty. I will not stop to name all of them, but I think we were blessed to have these men at these critical times in these crucial places. I am thinking about men like Senator DOMENICI of New Mexico, who is now chairman of that committee. I am thinking about Senator CHILES of Florida, who is presently the minority representative on that committee. I am thinking about the Senator from South Carolina (Mr. HOLLINGS), who developed and showed a remarkable intelligence, knowledge, perspicuity, and perspicacity with reference to the financial affairs of our Nation. I could go on naming others, and I compliment them all.

Maybe it gets rough sometimes as to what is said about the Budget Committee with its powers reaching out and replacing part of the duties and responsibilities of our regular committees, and I am a committee man, but I appreciate very much what has been done by these Senators, and they had the capacity to master and did master our services.

I have a prepared speech here, Mr. President, that is not long. I may take further part in the debate, I hope so, to some extent.

So I think that the remaining time now before there is a recess under previous order of the Senate I will confine myself to my written remarks and take up other things later.

Mr. President, let me say that as far as the things I point out here I assume my part of the guilt that goes with the neglect, and that is what it amounts to, of the preceding years. I am not trying to point to any culprits or blame them any more than I blame myself. That is not the question now.

We can go point out to where the President was in error, and so forth, and we can point out where we were in error. That is not what the people are interested in at all, not at all. They want someone who will come in here and tackle this problem and come up with some kind of improvement on the

situation that will lead to further improvement.

This is the fourth year we have tried hard to improve our annual budget and substantially reduce the annual deficit and the national debt.

In this field things have not gotten better. But instead they have gotten substantially worse.

Let me mention now some of these facts that impress me and impel me to whatever action I can bring.

In 1964 we operated the entire Federal Government on less than \$100 billion. For fiscal year 1985 it is estimated that the interest alone on the national debt will be \$127 billion.

If that does not arouse and stir almost to anger any red-blooded American, I do not know what it will take, and particularly those who stand in the positions that we do with entrusted power of the citizenship of our country to act. We are the ones, the Members of Congress, the President of the United States, who are the chosen ones for this particular period and we are the only ones who can move in under our system of law and try to bring about real meaningful corrections.

At the present rate, the national debt in 1989, that is just 5 short years away, will be \$2.805 trillion—\$2.805 trillion, however much that means. Now, these are figures from the Office of Management and Budget. They are official. They come from the administration as such, but they are official and legal and certainly cannot be challenged unless it is for a correction of reasonable error.

That sum is 52.4 percent of our entire gross national product. Think of that. Over half of the gross national product, the total production of our enterprises.

These figures, Mr. President, speak for themselves.

Now I fully considered some valuable comments by the Chairman of the Federal Reserve Board, the Honorable Paul A. Volcker, who has served one 4-year term and was recently appointed for another term by President Reagan and by this body, less than a year ago by a vote of 84 to 16, confirmed for another 4 years.

Now, many economists and financial people at large endorse his positions. In my own official duties, I rely on his knowledge, judgment, and integrity a great deal. There is nothing between us. I have never known him, nor had the privilege of knowing him until he came here to Washington. At my request I have gone to his office several times. I have found him to be highly responsible, knowledgeable, and modest, but by experience, he is the one in whom I put confidence, in his predictions and his estimates.

Chairman Volcker has said, for instance, that he favors a \$50 billion reduction per year in the deficits for 3

years, and he predicted that a \$50 billion cut, a reduction in the Federal deficit in the next fiscal year, would reduce the interest rates 1 percentage point. I will come back to that later. He said such action would suggest that the budget is coming firmly under control, and would ease upward pressure on interest rates.

I believe he knew what he was talking about. This gentleman has issued a timely warning that unless something is done within a few years we can become a debtor nation in the financial world for the first time in many, many years, since back in the early days of our country.

He put it this way before the House Banking Committee recently, and I am quoting him literally.

The net investment position of the United States overseas built up gradually over the entire postwar period will in the space of only 3 years be reversed. The richest economy in the world is on the verge of becoming a net debtor.

Now that means that we are not supreme. That means we are not the leading nation in the world. That means in money matters, in the financial markets of the world, we are in doubt. We are in question. We do not have that solid integrity feeling behind our position that was once found when we were taking these leading positions that I referred to earlier.

As I have said, I was here during the Marshall plan, when there was that rehabilitation of Western Europe. And there was a plan for Japan and others, that was extended under the name of the Marshall plan. I was here when it was conceived, debated, finally passed, rigidly applied, and lived up to. Here we are, as I said a minute ago, a little over 30 years later finding ourselves really in an inferior position. I do not mean down in the gutter, but we are not in a superior position in the financial world.

And with our capacity, we just cannot—and I am not in the habit of predicting dire consequences that we are going to be overwhelmed and overcome, but unless we restore that position, considering the strength that we have, the basic strength that we have to do it, then we become a have-not Nation, we become a has-been Nation—call it what you will—and we are on the way down.

I am not saying that we are going to surrender, that we are going to yield to it, but I do realize that we are yielding now, we are postponing, we are not doing enough, almost a do-nothing program. And things cannot continue.

I am no economist, Mr. President, but trying to find out what has happened—what in the world has happened—I believe I know one basic reason that is perhaps controlling. For many years we have been living well beyond our means. We spend more and more above what we had. Most ev-

eryone else knew it but we did not realize it enough to act on the thought. We know it now, but we are too slow in trying, really trying hard to do something about it.

Next year, how it would be easier to start next year than now—true, the election will be over. Someone brought that in. But, what about the doubt, what about the suspicion, what about the opinion of fellow nations, what about the financial world's trust in us, in our ability to meet the problem, however great it may be?

We are not doing enough about it, Mr. President, I submit, under any interpretation, unless we really put our teeth into this problem and come up with something far reaching and definite and meaningful like what I call the Hollings plan does.

Now, in view of these facts pressing on us, which will get worse rather than better if we merely wait, what shall we do? I have decided we should by all means act now. We have no choice on that. The longer we put off dealing with this imbalance, the harder it will be to correct it. There is an opportunity to set in motion a long period of growth and stability, but to delay in making a substantial reduction in this deficit places the economy at great risk.

The budget year before the Congress for consideration now, fiscal year 1985, will be the third year of this current recovery period. By all historical precedents, this should be a year of falling deficits. Instead, the deficit will be near record levels: Up.

According to leading financial experts, if the Federal deficits continue, the possibility of higher levels of inflation, followed by a decline in economic growth, is highly possible and probable. It would be very difficult to restrain cost-of-living increases during a period of high inflation. The burden on the people will be far too great. Now, when inflation has cooled, is the time to act.

This budget year, the fiscal year which begins on October 1 of this year, is an opportunity which should not be missed to start on the budget problems. This is the year when we must make a concerted effort to reduce this deficit.

Now, the economy has been through a bleak period. A high price has been paid to beat down inflation. It would be a terrible waste to lose all that has been gained in the battle against inflation by continuing to spend beyond our means and set off another round of inflation. We know now what it would mean.

I believe that we are now at the jumping off place. And what shall happen if we let those things come about? We already know that we will have a return of that devastating evil of inflation. We already know that we

will have a return of higher and higher interest rates. And what does that mean? We already know that that means the cutting off of sales of automobiles, of new starts in homes and countless other activities in our economy that caters to the necessities of the American way of life as we have learned to know it and to expect it.

It destroys the concept of stability and reliability and frugality. It destroys the opinion that has been held of us that we have the nerve, we have the ability to see a thing through and to make sacrifices and to make ends meet and keep things on a sound basis for our children and our grandchildren.

I have no doubt—I am not given to scare words if I could think them up, but I cannot think them up—but I have no doubt in my own mind that we are inviting these troubles that we have had in the last few years and inviting a renewal and a new start with a certainty and with consequences that we will have a more devastating round of inflation and things that go with it than we have had before.

We already know that unless we actually check these \$200 billion annual deficits, we shall have higher and higher interest rates.

I am impressed with the Hollings plan, that it really tackles the situation, really tackles the problem and gets down to specifics, all problems and all causes, and comes up with a definite constructive, meaningful recommendation. The approach is across the board; that is, reductions apply at a small rate, apply across the board to everyone in sharing this burden, and a fair spreading of the load. And the load can be made, under that method, fairly thin.

It will be felt. I do not want to mislead anyone. But it calls on all groups to carry an equal part of the load according to their situation.

The Hollings plan for deficit reduction will have an early impact on the deficit. It approaches the deficit problem on an overall basis, calls for a sharing of effort. It is in this across-the-board approval of all shared sacrifices and early deficit reductions that makes this plan so appealing, appealing for results. And that is what we want. The amendment holds the defense budget authority growth to 4-percent above inflation for 2 years. Then it holds the growth to 3-percent above inflation through fiscal year 1989.

Now, I am not an expert in the field, but I have been on the Armed Services Committee a long time—since the beginning of the Korean war. The rate of military preparedness, in my opinion, may be stretched out or slowed down, considering the enormous rate in which it is traveling now, or postponed, some of them, the weapons, over future years without injury or se-

rious impairment of our capacity for action.

Now I tried to check out every way I knew before I made that conclusion to this august body that I do respect so highly. This does not apply to every phase of our program, but the military can temporarily defer some of the funds for the sake of a dire emergency like we are facing now in our financial affairs.

I know the cost of weaponry is great. I have some idea about the need. I am confident that this reasonable stretch-out—for a few years, while we are catching our breath and catching up with reality—can be safely done under this idea of 4 percent increase above inflation for 2 years.

In summary, this is what the Hollings amendment plan would specifically do in addition to holddown defense spending grants to the 4 percent above inflation rate. It freezes the nondefense agency programs for 1 year, and holds the growth to 3 percent through 1989. It also freezes for 1 year the pay raises of all Federal civilian employees, military personnel, and then holds the payroll growth to a level not to exceed 3 percent through 1989. It freezes the cost-of-living adjustments for 1 year, and holds future adjustments not to exceed 3 percent through 1989. It freezes physician and hospital reimbursement for 1 year; delays cost-of-living adjustments to tax brackets until 1990; increases tax collection by increasing the tax audit helping the Internal Revenue Service; and directs the Finance Committee to report within 45 days after enactment changes in the law to increase revenues by \$4.3 billion in fiscal year 1985; \$7.1 billion in fiscal year 1986; \$11.7 billion in fiscal year 1987; \$19 billion in fiscal year 1988; and \$28.7 billion in fiscal year 1989.

Mr. President, none of us like the flavor of increasing taxes. But sometimes it is necessary. We are in the predicament of having outflows greatly exceeding the income. I believe it is virtually unanimous among the financial experts that it is going to require an approach to this problem for both ends of the line, and going to require the changes in the income statute. We are not fooling anyone except ourselves, if we persuade ourselves to believe to the contrary. I emphasize, as the financial world knows, that we cannot get the economy on its feet unless we increase the revenues. That is what I am striking at here in connection with discussing becoming a debtor nation. It is unthinkable to me and I believe on analysis to all of us that we could let that happen. We are on the way down, sure enough, if we do.

Mr. President, I have figures here that show for every 1-percent increase in unemployment, there is an additional cost to the Federal Government of

25 percent per year; \$13 billion of that is increased unemployment benefits; \$13 billion is lost income tax revenue. It only adds further to the deficit and the national debt to do the same or fail to them which results in high inflation, high interest rates leading to recession and loss of jobs.

We know what that means. We are just out of the frying pan with those experiences. We would rather sacrifice something now or do without some things now, whatever you want to call it—pay the price is another way to describe it—and do those things now avoiding these evil consequences that we must avoid one way or another.

Mr. President, I thought about the proposition—I am not preaching a doctrine—that we are down, out, in despair, and that we do not have the ability to come back. We do have the ability to come back. I think we will come back. Our Nation will get adjusted, on the front where it belongs and partly through the same thing that has always made us grow and prosper; that is, growth, growth and hard work. We had the resources, national resources, will power, ability on the part of our people, and their willpower to make this growth become reality.

We have grown rapidly as a nation during these decades, and we are still a relatively young country. We still have those same resources—a tremendous amount, beginning with iron, coal, others, and coming on around to the human elements, too. Do not discount the American people.

Opponents in the Pacific in World War II discounted the American people, thought we would not fight back, and thought we would give up part rather than go through the cost of victory. Do not discount the American people, and their natural resources, their human resources, their willpower, their ability all the way around. We are going to come back. We will survive.

I remember Mississippi. I remember when we had boll weevils down in the South. They thought the boll weevil was going to wipe out the cotton crops. They did for 2 years. We overcame that and went on to higher production than we had ever known. I remember World War I. After it was over, we had a panic, to use that word. It was an extreme recession. But people fought right on. The automobile business was born about that time. We came out of the big depression of the 1930's. I was practicing law by that time, and was intimately connected with the debacles that we had with extreme loss of everything people had. The drought, the wind in Oklahoma, all those things—we came through all of that.

We came back stronger than we had ever been before. We fought World War II not alone, but we furnished a lot to it. I believe it was said that we

fought that war on borrowed money. What we had to borrow was borrowed at a rate of 2.5 percent. Let the record bear that out fully. Yes. We are still a resourceful people. We are determined. We have the manpower and the other things that go to make up success. But we have got to have commonsense enough, nerve enough to turn around, and do the hard things. That is what this amendment does.

I commend the author again for his resourcefulness, and the gentleman on our Budget Committee, as well as others. I have not been on it but others who worked on it deserve tremendous credit. But what we have to do is get together, have a vote. It will not be unanimous, of course. But there has to be a majority that will carry this thing because of its positive features.

It will be politically popular, maybe not now, but years ahead. In years ahead, it will be looked to with pride and appreciation. My time is virtually up.

I thank the Chair.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will stand in recess until 2 p.m.

Thereupon, the Senate, at 12:02 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

AMENDMENT NO. 3036

The PRESIDING OFFICER. Under the previous order, the amendment of the Senator from Maine will be considered.

The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, there is an hour on this amendment. But I think it is likely that we can finish much quicker than that. I would urge Senators to confine their remarks to the essentials.

The Senator from Maine has already indicated, I believe, that it will not take very long on his side. I would hope the managers on this side would follow his good example.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MITCHELL. Mr. President, I thank the majority leader for his remarks. I will accommodate him, and those other Senators who are interested in a prompt resolution of this matter.

Mr. President, I yield to the Senator from Arizona.

Mr. DeCONCINI. Mr. President, I thank my distinguished colleague from Maine.

The Senator from Maine has brought to this body a most inequitable situation which I probably supported, but cannot remember, in the

budget restrictions before. I compliment the Senator for permitting us to have an opportunity to demonstrate that many of us in this body realize the necessity to keep the judicial salaries at a pace with at least inflation. Though there are ample criticisms of the judiciary, I am one of those who has said many times that it is not fair to do what we have done.

I ask unanimous consent, Mr. President, that I be made a cosponsor of the Senator from Maine's amendment. I thank the Senator sincerely for bringing this to the attention of our colleagues. I hope that our colleagues will support it.

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

(The name of Mr. SASSER was also added as a cosponsor by unanimous consent.)

The Senator from Maine is recognized.

Mr. MITCHELL. I thank the Senator from Arizona.

Mr. President, the Senate had the opportunity yesterday afternoon to discuss the particulars of the amendment offered by me, Senator MATHIAS, Senator THURMOND, Senator BENTSEN, and Senator BOSCHWITZ which would extend to the members of the Federal Judiciary the same pay adjustment received by other Federal employees on January 1.

I would like now to just briefly review the important points for the benefit of those Senators who were not present yesterday.

As of January 1, the salaries of officers and employees of the Federal Government were increased 3.5 percent in accordance with the pay plan submitted by President Reagan last summer. Under the provisions of Public Law 98-270, which was enacted only last month, Federal rates of pay have been increased another one-half percent retroactive to January 1.

That is for a total of 4 percent for all Federal employees except Federal judges.

Members of the Federal judiciary received neither pay adjustment because of an amendment to a continuing resolution passed in 1981. This amendment provides that Federal judges are not entitled to any salary increase, except as may be specifically authorized by act of Congress. The Comptroller General has ruled several times, most recently in connection with the 3.5-percent pay adjustment under the President's plan, that section 140 of Public Law 97-92 is permanent legislation and that absent specific authorization by Congress, Federal judges are not entitled to across-the-board pay increases given other Federal employees.

That is where we stand today. My amendment would constitute the required authorization for Federal judges to receive a pay increase equal to that afforded other Federal workers

this year. That proposition, on its fact, is modest and equitable.

It is modest, if we consider the scope of who is affected under my amendment; namely, there are roughly 700 Federal judges, including Justices of the Supreme Court, judges of the Federal Appeals Court, Federal district court judges to U.S. Tax Court judges; 700 Federal judges. The cost of the amendment? The Congressional Budget Office estimates the cost at roughly \$1.7 million. I should also point out that in compiling its baseline assumption for the budget resolution, CBO included a pay adjustment for Federal judges. Therefore, this amendment's adoption will have no effect on the deficit when contrasted with the budget resolution.

As a policy matter, I also believe the scope of the amendment is modest. The amendment authorizes a pay adjustment for Federal judges for only 1 year. It in no way repeals or alters section 140 of Public Law 97-92.

The amendment is also equitable. The question may arise in this debate as to "Why Federal judges? Why are we singling out judges for special consideration?" It is an excellent question, Mr. President, one which lies at the heart of my amendment. Without passage of the amendment, judges, and judges alone, would be excluded from a pay adjustment under the provisions of this bill.

My amendment, far from singling out Federal judges for special consideration, does, in fact, just the opposite. It includes judges with other Federal employees for a pay increase retroactive to January. Judges will get nothing more, nothing less, than other Federal workers under my amendment.

Finally, the Senate may be asked to consider my amendment in light of pay rates for Members of this body and the House of Representatives. The question of our own pay is, of course, one of the most difficult questions with which we must deal. It makes no sense in logic for Members of this body to believe we somehow improve our circumstances by denying the Federal judges an increase given other Federal employees. Or that we elevate our discussion relative to Members' pay when we include the issue of judges' pay.

For all of these reasons, Mr. President, I believe this Senate should support my amendment so that the highly deserving individuals who compromise our Federal judiciary—700 men and women entrusted with the most serious responsibilities—will not be singularly excluded from an otherwise across-the-board pay increase retroactive to January.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, the chairman of the Judiciary Committee is on his way to address the issue. He should be here shortly.

May I ask the distinguished Senator from Maine a question?

Even with the Senator's explanation—because some of us have been busy, have not had a chance to be here, and have not been able to read the Record—there still appears to be some confusion.

Would the Senator tell the Senator from New Mexico again, whether or not the judges would be increased 3.5 percent without the Mitchell amendment, and they will go to 4 with it, or did they get totally eliminated in the redrafting that occurred on the earlier reconciliation bill?

Mr. MITCHELL. Unless this amendment passes, they get nothing because the provision added in 1981 to the then continuing resolution provided that Federal judges cannot receive a pay increase. I quote from that provision. "Except as may be specifically authorized by act of Congress." The Comptroller General has ruled several times that that requires specific authorization by Congress for any increase to be received by judges. As a consequence, Federal judges receive neither the 3.5 percent that was provided in the President's recommendation, nor the 0.5 of 1 percent that was added last month.

Mr. DOMENICI. I thank the Senator.

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

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

Mr. BAKER. Mr. President, the distinguished chairman of the Committee on the Judiciary, the President pro tempore (Mr. THURMOND), had indicated a desire to speak on this amendment. He is, however, opening a hearing at this moment and cannot leave. He has authorized me to say that he supports the amendment and urges other Senators to do the same.

● Mr. BENTSEN. Mr. President, I am pleased to be an original cosponsor of the Mitchell-Bentsen-Mathias amendment providing Federal judges with the 3.5 percent pay adjustment retroactively to January 1984. This adjustment has already been received by other Federal employees.

This summer the Quadrennial Commission on Legislative and Judicial Salaries will begin meeting on recommendations for legislative and judicial

compensation levels. This amendment, however, would grant Federal judges only that amount of pay increase that other Federal employees have already received. It is only fair and just that these men and women who serve in such extremely demanding and critical roles receive the compensation that was afforded other Federal employees by Executive order in January. Until the Quadrennial Commission makes its recommendations to the President early next year, I believe we must provide Federal judges with this pay adjustment.

I am aware that in these times of high deficits and spiralling Government spending we must be mindful of the way we spend our dollars. I also believe, however, that it would be highly inequitable for this body to use Federal judges as the starting point for a revised fiscal policy. I would stress that this is only a pay adjustment that every other Federal employee has already received, including Members of this distinguished body. I realize that the issue of salary increases for Members of Congress is a very sensitive one, and that we have voted to rescind last January's pay increase for ourselves. But that measure is not public law.

There can be no argument that Federal judges serve a vital function in this country. It is through the opinions that they write and the rulings that they make that the Constitution is enforced and upheld, and that the rights of individuals are protected. Unlike other professionals, Federal judges do not enjoy incentives or bonuses for increased productivity or professional expertise. Their sole source of income derives from the salaries they receive from the Federal Government.

Finally, and perhaps most importantly, I must note that it is incumbent for us to be able to continue to attract and retain highly competent and motivated individuals to the Federal judiciary. We cannot expect the best and the brightest of the legal profession to remain in or join the ranks of the Federal judiciary if we cannot, at the minimum, guarantee them that they will be treated on par with other Federal employees. As we wait on the recommendations of the Quadrennial Commission, I believe we must grant the Federal judges the pay raise already received by other Federal employees.●

Mr. BAKER. Mr. President, I know of no other requirements for time. I believe we are prepared on this side to vote.

Mr. BYRD. Mr. President, I hope the majority leader would put in a quorum before we do that, because we have a Senator on this side who is counting on a vote at 2:30 p.m.

Mr. BAKER. Mr. President, I have Senators who need to leave. That is

the reason I was trying to precipitate it a little bit. I assure the minority leader I shall be generous in accommodating the length of the rollcall as far as I can. Of course I shall.

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

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

Mr. BAKER. Mr. President, it is 2:20 p.m. We have checked on our side and there are no other speakers. We are prepared on this side to go forward with the vote.

The PRESIDING OFFICER. Does the Senator from Maine yield back his time?

Mr. MITCHELL. I do, Mr. President. I am prepared to vote at this time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR), the Senator from North Carolina (Mr. EAST), and the Senator from Alaska (Mr. MURKOWSKI), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON) and the Senator from Colorado (Mr. HART), are necessarily absent.

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

The result was announced—yeas 67, nays 28, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—67

Baker	Gorton	Packwood
Bentsen	Hatch	Pell
Biden	Hawkins	Percy
Bingaman	Hecht	Quayle
Boschwitz	Heflin	Riegle
Bradley	Heinz	Roth
Chafee	Hollings	Rudman
Chiles	Huddleston	Sarbanes
Cochran	Inouye	Sasser
Cohen	Johnston	Simpson
Cranston	Kennedy	Specter
D'Amato	Lautenberg	Stafford
Danforth	Laxalt	Stennis
DeConcini	Leahy	Stevens
Denton	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Trible
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Warner
Eagleton	Melcher	Weicker
Evans	Mitchell	Wilson
Ford	Moynihan	
Glenn	Nunn	

NAYS—28

Andrews	Bumpers	Garn
Armstrong	Burdick	Goldwater
Baucus	Byrd	Grassley
Boren	Exon	Hatfield

Helms	McClure	Randolph
Humphrey	Metzenbaum	Symms
Jepson	Nickles	Wallop
Kassebaum	Pressler	Zorinsky
Kasten	Proxmire	
Mattingly	Pryor	

NOT VOTING—5

Abdnor	East	Murkowski
Dixon	Hart	

So, Mr. MITCHELL's amendment (No. 3036) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 3041

Mr. BAKER. Mr. President, earlier I had a conversation with the minority leader about the possibility of establishing a time certain to vote on the Hollings amendment, which is now pending, after the disposition of the Mitchell amendment.

I wonder if the minority leader is in a position now to consider a request that I might put to provide for an up-or-down vote on the Hollings amendment at 5:30 p.m. and that the time between the time we recommence considering the Hollings amendment and 5:30 p.m. be equally divided.

Mr. BYRD. Mr. President, I have discussed this with the distinguished Senator from South Carolina (Mr. HOLLINGS) who is on the floor. He has indicated, I believe, that he would be agreeable to this approach.

Mr. HOLLINGS. Mr. President, I do not know how many speakers they have on that side. The Senator from North Dakota, Senator ANDREWS, would know on that side of the aisle how long they wish to talk in opposition. When you say divided, then we are going to end up with about an hour's time and I know six that want to talk on this side. I think we could do it by 5:30 p.m.

Mr. BAKER. Mr. President, I may say I discussed this with our caucus today and with Senator ANDREWS. He feels that we could do it easily in the time provided. I do not think there will be many speakers on this side. I do not think there would be any difficulty.

I see the Senator from North Dakota is here. I yield so that he may respond.

Mr. ANDREWS. Mr. President, I appreciate the leader yielding. I certainly want to accommodate the movement of this legislation through the Senate. If we are going to divide the time between that side and this side, I would be glad to yield some time that came to this side. I have said essentially all I have to say on this. I would be glad to yield some of that time to Senator HOLLINGS. I would say an hour on this side and 1½ hours on that side would probably be a fair breakdown.

Mr. BAKER. Mr. President, could I ask the distinguished chairman of the committee, the manager on this side, if that would suit him.

Mr. DOMENICI. Mr. President, the hour on this side would be in opposition and I would say to my friend I do not think I would use it all and to the extent that I did not, I would yield it to him; 1½ hours on his side and 1 hour on mine.

Mr. HOLLINGS. All right.

Mr. EXON. Reserving the right to object.

Mr. BAKER. Mr. President, I have not made the request yet. Just so Members can reserve, I make that request. Let me state it for clarification.

Mr. President, I ask unanimous consent that, when the Senate resumes consideration of the Hollings amendment at not later than 3 p.m. today, the time between 3 p.m. and 5:30 p.m. be divided as follows: 1½ hours under the control of the distinguished mover of the amendment, Senator HOLLINGS, and 1 hour under the control of the distinguished chairman of the Budget Committee, Senator DOMENICI; and that at the hour of 5:30 p.m. the vote occur on the Hollings amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, only for the purpose of stating for the record that this side has checked by telephone with offices of Senators and there is no objection.

Mr. BAKER. I thank the Senator.

Mr. EXON. Reserving the right to object, was the arrangement made for 1½ hours on this side, for the proponents, and an hour on that side in opposition?

Mr. HOLLINGS. Right.

Mr. EXON. I have no objection.

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

Mr. BAKER. Mr. President, while the Hollings amendment is now pending under the order previously entered, do I understand there is a D'Amato amendment that will take a minute or two?

Mr. DOMENICI. There is a D'Amato-Moynihan amendment that will take 2 minutes. Both sides have conferred on it and I assume we will accept it.

Mr. BAKER. That was why I provided that the time between 3 p.m. and 5:30 p.m. would be divided. If the Senator wishes to proceed in that manner, who is the author of the amendment?

Mr. MOYNIHAN. I am offering it for myself and Mr. D'AMATO.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order for the Senator from New York to be recognized for the purpose of calling up an amendment and the debate and action on that amendment will not extend beyond the hour of 3 p.m.

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

AMENDMENT NO. 3042

(Purpose: To require the disposal of certain lands at Montauk Air Force Station, East Hampton, N.Y., for park and recreation purposes)

Mr. MOYNIHAN. Mr. President, on behalf of myself and my distinguished colleague, 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 New York (Mr. Moynihan), for himself and Mr. D'Amato, proposes an amendment numbered 3042.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

"Sec. . The Administrator of General Services shall assign to the Secretary of the Interior for use as a public park or recreation area, portions of the Montauk Air Forces Station in East Hampton Township, Suffolk County, New York, totaling two hundred and seventy-eight acres that were declared surplus to the needs of the United States Government on December 21, 1981.

"Sec. . The Administrator of General Services shall assign the land identified in the first section of this Act to the Secretary of the Interior within thirty days of enactment of this Act. Within thirty days of said assignment, the Secretary of the Interior shall, in exchange for the transfer of the fee title to one hundred and twenty-five acres of the real property owned by the State of New York at Fire Island, New York, to the Secretary of the Interior, convey the property to the State of New York for public park or recreation uses in accordance with section 203(k)(2) of the Federal Property and Administrative Act of 1949 (40 U.S.C. 484(k)(2))."

Mr. MOYNIHAN. Mr. President, the amendment that I offer today with my colleague from New York, Senator D'AMATO, is identical to the legislation we introduced on April 25, 1984, S. 2595. This amendment would compel the Administrator of the General Services Administration to relinquish to the Secretary of the Interior, 278 acres of the Montauk Air Force Station in Suffolk, N.Y.; land the GSA declared surplus to the needs of the Federal Government more than 2 years ago, on December 21, 1981. The Secretary of the Interior will exchange the land for 125 acres of State-owned parkland on Fire Island.

This is not the first time I have brought this matter to the attention of the Senate. Last year, I introduced S. 2041, which simply would have directed the Government to do that which a 35-year-old statute authorizes

and encourages. The Federal Property and Administrative Services Act of 1949 allows for the free transfer of surplus property to States and local governments for park and recreational use. Unfortunately this policy changed under the current administration, and the GSA opposed such a transfer for the Montauk property. This policy, however, is inconsistent with the intent of the law. Instead GSA has sold similar properties to the highest bidders, and in fact, GSA attempted to do just that with the Montauk Air Force Station.

This amendment will insure that a marvelous tract of recreational land will become part of the Montauk Point State Park, in accordance with the desires of the elected officials and citizens of eastern Long Island. And permit to me to mention, the Secretary of the Interior supports this proposal. Secretary Clark wrote to Ray Kline, Acting Administrator of GSA, that—

Keeping such environmentally significant property as Montauk Point in public ownership is most important, especially where the public can enjoy and appreciate it through the superlative development program proposed by the State.

The Department of the Interior will be compensated, by receiving a stretch of beach property worth perhaps three times as much as the Montauk tract. This kind offer from the New York State Office of Parks, Recreation and Historic Preservation will close a long-time gap in the Fire Island National Seashore.

The General Services Administration notwithstanding, there is complete agreement that this precious land should belong to the people of New York and used for recreation. My amendment will insure this happy outcome.

The Secretary of the Interior is most anxious to do this. I am authorized to state for my friend, and Senator D'AMATO's friend, Orin Lehman, commissioner of the New York State Office of Parks, Recreation, and Historic Preservation, that he is most anxious to bring it about, as well.

I ask unanimous consent that certain material pertaining to this matter be printed in the RECORD.

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

OFFICE OF THE COUNTY LEGISLATURE,
COUNTY OF SUFFOLK,
Riverhead, N.Y., March 8, 1984.

HON. DANIEL PATRICK MOYNIHAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOYNIHAN: This is to advise that at a regular meeting of the Suffolk County Legislature held on February 28, 1984, the following motion on the Sense of the Legislature was taken and approved by a majority of its members:

Sense of the Legislature resolution supporting exchange of Montauk Air Base properties for Fire Island Seashore properties.

As Clerk of the Legislature, I have been requested to forward notification of this action to your office.

Very truly yours,

WILLIAM H. ROGERS,
Clerk.

SENSE OF THE LEGISLATURE RESOLUTION SUPPORTING EXCHANGE OF MONTAUK AIR BASE PROPERTIES FOR FIRE ISLAND SEASHORE PROPERTIES

Whereas, the General Services Administration (GSA) has placed the properties at the Montauk Air Base, Southampton, New York, up for public auction and has received bids in connection therewith; and

Whereas, such public auction may result in the acquisition of said properties by private interests which may develop such land for residential and/or commercial purposes; and

Whereas, the Secretary of the U.S. Department of the Interior has offered to transfer 277.6 acres at the Montauk Air Base to the State of New York, to be used for State Park purposes, in exchange for a transfer from the State to the Federal government of 125 acres at the Fire Island Seashore in lieu of the above-mentioned public auction; and

Whereas, this proposal will preserve the open nature of the land at the Montauk Air Base and constitutes fair exchange of value between the State and Federal governments, now, therefore, be it

Resolved, That this Legislature hereby supports the proposal of the U.S. Department of the Interior to transfer 277.6 acres at the Montauk Air Base to the State of New York in exchange for 125 acres at the Fire Island Seashore in lieu of a public auction of said properties; and, be it further

Resolved, That the Clerk of the County Legislature is hereby directed to file copies of this resolution with the Long Island delegation to the U.S. House of Representatives, to the U.S. Senators from the State of New York, and to the Secretary of the U.S. Department of the Interior.

THE SECRETARY OF THE INTERIOR,
Washington, February 6, 1984.

HON. GERALD P. CARMEN,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. CARMEN: The concern of the state of New York and its Congressional delegation regarding the February 8 sale by GSA of the surplus Montauk Air Force Station has been brought to my attention. I also understand that the State of New York has proposed a mutual conveyance of 125 acres of State owned land for addition to the Fire Island National seashore and the federally owned 282 acre Montauk property for addition to the Montauk Point State Park.

The Montauk property is surrounded on three sides by the State Park, has significant natural features and a fragile ecology. I am sure it could be developed by the state to serve important public outdoor recreation needs. The 125 acre State of New York property is identified in the Fire Island National Seashore Land Protection Plan as the last remaining piece of land needed to complete the acquisition requirements for the Seashore. For these reasons, I believe such a mutual conveyance is appropriate and advantageous to both the Federal Government and the State of New York.

The National Park Service informs me that the State of New York will soon submit an application for public benefit discount

conveyance of the entire Montauk Air Force Station surplus property to replace their current application for only 35 acres. The Town of East Hampton has written the National Park Service withdrawing its application in favor of the State. I would appreciate you making no final decision on the disposition of the Montauk property until I am able to evaluate the State of New York's revised application.

Sincerely,

WILLIAM CLARK.

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., January 30, 1981.

HON. DANIEL P. MOYNIHAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOYNIHAN: This is to provide you with information concerning property disposal at Montauk Air Force Station, New York.

Attached is a copy of Disposal Report No. 511 being submitted to the Senate and House Committees on Armed Services. The report describes the property in detail and indicates the circumstances of disposal.

We hope this information will be useful to you. If additional facts on this matter would be helpful, please let us know.

Sincerely,

JOHN G. SCHROEDER,
Colonel, USAF, Chief, Program Liaison
Division, Office of Legislative Liaison.
Attachment.

DEPARTMENT OF THE AIR FORCE, DISPOSAL
REPORT NO. 511, JANUARY 30, 1981

Submittal Pursuant to Section 2662, Title 10, United States Code.

1. Name of Installation: Montauk Air Force Station, Montauk Communications, Facility Annex, New York.

Using Service: Air Defense/Tactical Air Command (USAF).

Former Use: Radar Station.

Land Area: 314 Acres Fee, 10 Acres Easement. 103 Buildings, including 27 Appropriated Fund Family Housing units, totaling 203,131SF.

Cost: Land, \$125,000; Improvements, \$10,050,000, Total \$10,175,000.

Proposed Action: Report the property to the General Services Administration (GSA) for disposal.

Authority for Disposal: Federal Property and Administrative Services Act of 1949, as amended.

2. This reports an Air Force proposal to dispose of all Air Force controlled facilities and land at Montauk Air Force Station, New York, and its off-base Communications Facility Annex. The station is located on the eastern tip of Long Island, New York.

3. Land for the radar station was acquired from the Army on what had been a portion of former Camp Hero, a Coast Artillery post. Land for the off-base communications annex was acquired in 1959. The main installation was activated in 1950 as an aircraft control and warning radar site in the developing air defense system. The station operated height finder and search radar in support of the 21st Air Division's air defense mission at Hancock Field, New York. The proposed disposal results from the radar station's function, but not the site, being transferred to the Federal Aviation Administration (FAA) as part of the Joint Surveillance System (JSS). This combined surveillance will meet both FAA's civil aviation requirements and the Air Force's detection and reporting requirements for the North American Air Defense Command.

4. This property has been screened with the Departments of the Army and Navy, the Defense Agencies and Services, the National Guard Bureau, and the U.S. Coast Guard (DOT), with negative results. It is planned to declare the installation excess to the requirements of the Department of Defense for disposal through GSA. A condition imposed on disposal of the off-base Communications Facility Annex is that the Air Force continue to use that facility until the Regional Operations Control Center programmed for Griffiss Air Force Base, New York is activated in late 1982. The Report of Excess will contain the proviso that the net proceeds from sale of the family housing will accrue to the Family Housing Management Account, Defense. The Air Force does not contemplate acquiring any property at or near this location in the foreseeable future. It is certified that the property is not suitable for exchange for other real property authorized to be acquired for military purposes.

5. This disposal has been approved by the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics).

[From Newsday, Feb. 14, 1984]

REJECT THE BID FOR FEDERAL LAND AT MONTAUK

The Reagan administration's decision to sell 278 acres of surplus federal land at Montauk was wrong from the beginning—and now that the sale has been held, it's clear that the price was wrong, too. The highest bid was \$1.3 million lower than the administration's \$3.25-million estimate of the property's fair market value.

The acreage, surrounded on three sides by Montauk State Park, is ill suited for development, and it's now zoned only for park use. It contains valuable fresh-water marshland, has little groundwater, and its soil is heavy with clay, making wastewater disposal difficult.

The General Services Administration should reject the bid and begin negotiations with New York State to exchange the Montauk property for 125 acres of state-owned land within the federally owned Fire Island National Seashore.

The GAS went ahead with the sale despite the opposition of Interior Secretary William Clark and the intervention of U.S. District Judge Leonard Wexler, who ruled the day before the auction that if the sale proceeded, no title transfer could take place until a hearing had been held. That hearing has yet to be scheduled.

GSA Administrator Gerald Carmen has the power to refuse the \$1.9-million bid. "If the government were going to buy 125 acres on Fire Island, \$1.9 million would be a down payment," said Rep. William Carney (C-Hauppauge). "I will suggest very strongly to Carmen that he aggressively pursue swapping that land."

That's good advice; for everyone's sake, Carmen should heed it.

Mr. D'AMATO. Mr. President, I rise today in support of the amendment offered by myself and my distinguished colleague, the senior Senator from my State. This amendment is identical to legislation we offered last week. It would transfer jurisdiction over an old Air Force base at Montauk on Long Island, N.Y., from the General Services Administration to New York State for use as a park and simultaneously, it would transfer a park at Fire Island

currently administered by the State, to the Department of the Interior. This is a fair and even swap of State land for Federal land.

I believe that Senator MOYNIHAN and I have fashioned a very reasonable compromise in this matter. The General Services Administration had opposed our earlier efforts in this area which would have transferred the Federal land to New York State without any compensation to the Federal Government except, of course, for the knowledge that the land was being put to its optimal use.

Our current proposal, however, will transfer to the Federal Government land that, by all accounts, is worth more than the land for which it is being exchanged. In fact, the Department of the Interior is eager to acquire the Fire Island parcel and has gone on record in support of that acquisition.

The parcel of land at the abandoned Air Force base has been the subject of lengthy negotiations between the local government and various local citizens groups and the GSA. These negotiations have bogged down, however, because the town government did not believe that any portion of the parcel should be used for private development.

The town and State subsequently initiated a lawsuit to prevent the sale of the land. That suit is currently being held in abeyance while the GSA prepares an environmental impact assessment.

As these negotiations have progressed, however, the Department of the Interior also has become interested in the land: The State of New York had filed a request with them to have the land considered as a suitable site for a park. Mr. President, I think it is especially worth noting that the Interior Department issued a press release last Thursday stating that the GSA ought to accede to the request of State and local officials and make the area a park.

I believe that this history clearly demonstrates that, but for a few bureaucrats, everyone involved with this problem believes that the area is most suitable for park usage. It is for that reason that Senator MOYNIHAN and I are urging that this amendment be accepted. I urge my colleagues to support us in this endeavor.

Mr. President, I am delighted to have had the opportunity to work with my distinguished colleague, the senior Senator from New York, in bringing about this magnificent result. I commend the senior Senator for his perspicacity and for his interest in preserving the delicate balance of fragile lands on Long Island. And also to make available and keep open to future generations this magnificent park and recreational area.

Indeed, this is a reasonable compromise which will add to the parklands of both New York State and the Federal Government. These precious resources on Montauk Point can never be replaced.

Mr. MOYNIHAN. Mr. President, I emphasize that this is a matter that my distinguished colleague and I were together on from the beginning and I am happy to state the Federal Government, except for one small portion, has been working together on from the beginning.

Mr. President, I move the adoption of the amendment.

Mr. DOMENICI. Mr. President, we have had an opportunity to review the Moynihan-D'Amato amendment. Obviously it is not exactly the kind of amendment that belongs on this budget bill that is here, but we have been convinced that it is the right thing to do and that it will be helpful to the Senators and the State of New York.

As a consequence, we have no objection on this side. I understand that the distinguished Senator from Florida on the minority side has reviewed it and has no objection. With that, I join in the motion that we approve the amendment.

The PRESIDING OFFICER. The time for debate has expired. The question is on agreeing to the amendment of the Senator from New York (Mr. MOYNIHAN).

The amendment (No. 3042) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3041

Mr. DOMENICI. Mr. President, a parliamentary inquiry. My understanding now is that the Senate returns to the Hollings amendment, the Hollings-Andrews amendment. Is the Senator correct?

The PRESIDING OFFICER. The Senator is correct, the Senate returns to the Hollings amendment. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I want to thank the distinguished Senator from Mississippi. He has made an informative statement about the conditions we have worked ourselves into. He gives us a sense of hope, and a sense of purpose. But as Senator STENNIS has stated, there is going to have to be a sobering up, a stopping, looking, and listening by us as a body to get hold of ourselves and control these runaway deficits so that we can give hope to the next generation.

The distinguished Senator from Nebraska, as a former Governor, has been giving real leadership through-

out on our Budget Committee at every particular turn to try to hold these deficits down, and practice fiscal responsibility at the Federal level, which he did as a Governor at the State level. He understands, and knows it better than anyone I know of in this particular Chamber. We yield to him as a cosponsor. I am really following his leadership.

The PRESIDING OFFICER (Mr. ARMSTRONG). Who yields time?

Mr. HOLLINGS. I yield such time as necessary.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair. I thank my friend and colleague from South Carolina.

Mr. President, I hope that every Member of this body, before we vote on the matter before us, will take time to stop by and take a look at the charts that are on display here. They are very self-explanatory. It is clear that the amendment offered by the Senator from South Carolina, cosponsored by myself and the Senator from North Dakota, is the only—I emphasize the word “only”—proposition that is before this body that really does anything about deficits. I simply say that all of the figures on this chart are CBO figures.

Oftentimes in this body, we try to compare apples with oranges and oranges with apples. These are factual figures. We have bitten the bullet. We are recognizing the fact that this country is not going to be able to go on with \$200 billion deficits, plus or minus \$10 billion or so, forever without doing something about it.

I simply say that the President's Rose Garden approach is not a downpayment on the deficit, as has been loudly proclaimed in the press; in fact, it is not even a bandaid. It clearly shows that, even the Rose Garden approach of the President, which I understand is very near obtaining half of the votes in this Chamber, according to the CBO will not—I emphasize the word “not”—reduce the budget deficit at the end of 3 years.

When we talk about these propositions, we should emphasize not only what again is the deficit in its amount, but also what happens to the budget deficit at the end of each year. It does not just go away, as you know, Mr. President; it is transferred at the end of each year over to the national debt. At the end of this fiscal year, we shall find that the national debt has nearly doubled in the last 4 years. I cite that only as a reference point. Most of the discussions that will take place here today, I suspect, will be on the deficit, where the annual deficit will be at the end of a certain period of time.

Mr. President, this is not a time to find fault; this is a time to seek remedy to the catastrophic situation that faces the economy of this coun-

try. Somebody out home last week said to me that the real problem is that too many people in the United States do not realize the difference between a \$20 billion deficit and \$200 billion deficit. It is about time—and, hopefully, the discussions on this and other proposals to be offered will rivet home the necessity for change in the direction this country has been moving in with regard to irresponsible spending programs.

Supposedly, in some sections of the economy in the United States today, we are seeing an economic recovery. You can pick up any newspaper, you can hear it in every newscast. I can tell the Senate that the economic recovery has passed by completely one of the basic sectors of our economy. That is agriculture. Never since the great days of the 1930 Depression have we seen a time when agriculture is in the difficult situation it is in now.

This economic recovery that supposedly is going on has been caused, in the opinion of this Senator, by Keynesian economics running completely wild. Keynesian economics that have been attacked by certain conservative groups in this country from its very inception, yet those same conservative economic groups are saying today, “We are all for Keynesian economics; it is a wonderful, great thing.” It has been embraced by some of the conservative Members.

I do not know whether the Senator from Nebraska is a conservative or moderate—I am not a liberal—but I certainly have a record in my home life, in my business, and in my entire career in public service as being one who always balanced the budget when I had control. I have not had control, obviously since I came to the U.S. Senate, or things would be run a lot differently than they have been.

I simply say in this regard, Mr. President, that for the last 3 years, each and every year, this Senator has joined with others on this floor in sounding the alarm for the difficulties that were obvious to anyone who wanted to take a look at the facts. But we were shunted aside and Keynesian economics has continued to run wild.

There are three reasons, Mr. President, in my opinion, for the economic recovery that is not going on in some sectors for our economy—three reasons.

First, history shows us that whenever we have been on a wartime footing economy, the good times have rolled. Does anyone question that we are not on a wartime economic footing today? That is one reason.

Second, we always let the good times roll when we have massive tax cuts. There cannot be any question that we have had massive, huge tax cuts, titled toward the wrong segment of our society, in the opinion of this Senator, to the more wealthy in this country. But

certainly the good times have rolled partially because of the tax cuts and the infusion of that money into the economy.

Third, if you look back through history, you will see that the good times have always rolled when we had massive deficits—the Federal Government spending but not paying for it, not balancing income with outgo. And the good times have always rolled in the past when that has happened. I simply put out that never before in history have we had a situation such as we have had in the last 3 years, where little, if any, attention has been paid to these massive deficits. Never before in our history have we begun to match the deficits that we have piled up in the last 3 years, and never before in our history have we amassed the huge national debt that we have amassed in the last 3 years.

Mr. President, 4 short years ago, in 1980, the Federal budget deficit was projected to be under \$200 billion. My friend from South Carolina and I, with other Members on the floor, are members of the Budget Committee. Ed Muskie was chairman of the committee at that time. I remember well when he was pointing across that room late one evening and said, “If we just work a little harder now, we can balance this budget, because we are only \$19 billion to \$20 billion away.”

Where are we today? Over \$200 billion.

I recall the great efforts expended by the Senate Budget Committee, aimed at whittling down that deficit so our committee could submit a balanced Federal budget to this floor. Today, deficits are projected to be near \$200 billion for many, many years to come. In my mind, the projected deficit is 10 times as large as it was in 1980. It is at least worthy of 10 times the effort to eliminate it. Instead, the steady stream of \$200 billion deficits is treated with a shocking lack of action.

Between the end of World War II and the beginning of this administration, deficits as a percentage of our gross national product never exceeded 4 percent. In 1983 the deficit was 6.1 percent of GNP and is expected to remain in the 4- to 5-percent range through the end of the decade.

The accumulated national debt has nearly doubled from \$791 billion in 1981 to over \$1.4 trillion today. By the end of 1986, it is expected to top the \$2 trillion mark.

As yearly deficits add to the debt, the proportion of Federal resources devoted to interest expense necessarily increases. Interest expense is the fastest growing part of the Federal budget. In 1971 it comprised 7 percent of total outlays. In fiscal year 1985 it is at 13 percent and by 1987 it is expected to devour a full 15 percent of the budget.

This year's deficit alone will make next year's budget \$20 billion more expensive than the previous year; \$20 billion could fund the entire medicaid program. Increased interest costs since 1981 have more than offset the savings from cuts in social programs, many of them very painful.

The Federal Government's enormous appetite for credit has kept interest rates much higher than they need to be. Real interest rates, the difference between the nominal interest rate and inflation, is at record high levels. Historically, the gap between interest rates and inflation was less than 2 percent. In 1983 it was an astounding 7 percent.

In turn, the high real rates of interest attract foreign capital to this country like a magnet, pushing the value of the dollar to record levels. While a super-strong dollar is great for American tourists abroad, it is devastating for export-sensitive industries such as agriculture. Last year produced a record \$69 billion balance of trade deficit, and there is relief in sight. Ambassador Brock, the U.S. Trade Representative, has estimated that figure to increase to \$100 billion at the end of this year. The Department of Commerce estimates that the 17-percent decrease in exports from 1981 to 1983 cost American workers 1.3 million jobs.

A few of us have recognized the evils of deficit financing for quite some time. The record shows that we did not just preach, but we offered serious legislation to courageously attack the problem. Mr. President, I can assure you that this Senator is no "born-again deficit cutter." As a small businessman in Lincoln, Nebr., I learned that income must match expenditures or financial disaster will result.

As Governor of the State of Nebraska, I learned how difficult it can be for the executive and legislative branches to work together to produce a balanced budget as required by our State constitution, and it required a great deal of effort, but, Mr. President, in each and every year it was done. And we can do it here if we have the courage.

As a U.S. Senator for over 5 years, my greatest disappointment has been the Federal Government's inability to bring its budget under control.

The very President who once said he would "fight to the last blow to balance the budget by 1984" recommended a budget in February with \$200 billion deficits for each of the next 5 years. Despite calls for a constitutional balanced budget amendment, which I support, this is the first administration not to attempt to balance the budget within its 5-year plan.

In the past 2 years, I have come to this floor to support alternative budgets which take an across-the-board approach to deficit reduction. Today Senators HOLLINGS, ANDREWS, and I

offer a comprehensive across-the-board plan to put the Federal budget on an accelerated glide path toward balance. This bipartisan freeze is a good plan which makes serious but achievable deficit reductions. It is a plan which actually balances the budget using sound and realistic economic assumptions as prepared by the CBO.

Mr. President, I cite once again the blue line on the end which shows deficits plunging from the \$200 billion range down to \$26 billion in 5 years, and I say that there is no other plan that would even come close to doing anything like that.

This package concentrates primarily on spending cuts, saving \$450 billion in spending over 5 years. Because the revenue portion of this package is significantly less than the spending cuts, the plan guarantees that increased revenues go toward deficit reduction rather than new spending. It is also a plan which controls entitlement program growth and allows an acceptable level of growth in necessary defense expenditures.

This \$800 billion deficit reduction package over 5 years gives the Senate its only real opportunity to make the meaningful deficit reductions which will send a strong signal to the financial markets to reduce interest rates and will spur long-term economic recovery. We can hope for no improvement in interest or exchange rates unless we attack the deficit.

The country is bobbing up and down in a sea of red ink. Whether our economy drowns or swims to safety, depends on what we do now. To wait until after the national elections to make serious deficit reduction is not only an example of cowardice, it shows callous disregard for the economic well-being of the very people who sent us here to represent them.

It is time to stop nibbling away at these corrosive deficits and, instead, take a large bite out of them. Only a comprehensive, long-term budget plan like that being presented now can do the job. I urge the Senate in the strongest possible terms to vote for the Hollings-Andrews-Exon plan to restore our Nation to fiscal sanity.

Mr. President, I would like to have printed in the RECORD immediately following my remarks letters that I have received from the National Association of Realtors and the National Association of Home Builders which address and support the plan that I have just outlined.

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

(See exhibit 1.)

Mr. EXON. Mr. President, these two organizations represent highly sensitive, interest-sensitive, industries. They have extensive research analysts who look at the different proposals that come out. The proposal now

before us is the only one that these and many other organizations and individuals are supporting.

So I simply say that before the vote is taken on this proposal about 5:30 today, I hope my colleagues will look at the proposal, understand it, and be prepared to support the matter before us.

I yield back to my friend from South Carolina.

EXHIBIT 1

NATIONAL ASSOCIATION OF HOME BUILDERS,

Washington, D.C., March 29, 1984.

DEAR SENATOR: On behalf of the 120,000 members of the National Association of Home Builders, I am writing to urge rapid action on a deficit reduction package. After reviewing a variety of options which have been presented, we would support the bipartisan "freeze" proposal sponsored by Senator Hollings, Senator Andrews and Senator Exon. We believe that a one-year freeze on all domestic discretionary and entitlement program increases represents the fairest way of spreading the burden across-the-board. Similarly, the 3% rate of growth in defense spending represents a reasonable attempt to hold down spending without crippling our national security.

We would urge that the increased revenue portion of the plan similarly focus on broad-based, across-the-board "shared sacrifice" as opposed to the Finance Committee's approach which takes at least 20% of the increased revenue from the real estate sector of the economy.

We are deeply concerned about recent increases in interest rates which threaten the continuation of economic recovery. We are pleased to see various alternative budget proposals which offer greater deficit reduction than the three-year \$150 billion "down-payment." And we share the view of Senator Chiles that such competition can lead to "a bidding war to see who can cut the deficit the most."

We urge you to act responsibly to reduce the deficit substantially in FY '85. We support an approach which is fair, across-the-board and represents the spirit of "shared sacrifice" in the Hollings-Andrews-Exon plan. We believe that this is the only plan which has been proposed which would provide for a budget near balance in five years.

A budget reduction package of \$285 billion over three years and \$800 billion over five years is politically attainable . . . and makes good common sense. We cannot wait until next year to take such a step in order to keep the economic recovery on track.

Get on with the "competition"—the American people . . . and the American homebuyer will be the real beneficiaries.

Sincerely,

PETER D. HERDER,
President.

NATIONAL ASSOCIATION OF REALTORS,

Washington, D.C., April 5, 1984.

Hon. J. JAMES EXON,
U.S. Senate, Hart Office Building,
Washington, D.C.

DEAR SENATOR EXON: The National Association of Realtors is extremely concerned about the threat to continued economic growth in housing and the entire economy imposed by the continued enormous deficits. We continue to urge significant deficit reduction now through spending reductions in all categories: defense growth should be

held to the 5% real growth level agreed upon by Congress last year; real domestic discretionary spending should be frozen; and the rapid growth of entitlements should be slowed. Any tax increases necessary to help lower the deficit toward balance should not discourage savings and investment.

We offer support for the deficit reduction plan you are sponsoring since it calls for across the board spending reductions. Of all proposals being offered it is the only one which promise to bring the budget to a near balance by 1989. This result would be a dramatic improvement over the \$326 billion deficit now being predicted for 1989.

We are concerned, however, that the plan encompasses the tax increases included in the Finance Committee bill and calls for an additional \$50.9 billion to be recommended by the Finance Committee. We urge you to oppose tax changes which discourage savings and investment. Some provisions of the Finance Committee bill, if put in law, such as increases in the cost recovery by 33% from 15 to 20 years would effectively reduce the growth of jobs and family income. Moreover, the rollback of ACRS for rental residences and commercial structures proposed by the Finance Committee bill asks housing and real estate alone to bear 25% of the total tax bill, twenty-five times greater than the burden on all industries.

Requiring the Finance Committee to report \$50.9 billion additional tax increases could have the effect of putting housing or other investment in greater jeopardy unless you make clear your intention to encourage savings and investment.

To suggest, as I have in this letter, that your proposal contains flaws is not to damn it with faint praise. We understand that your support of the Dole package is based on a support of the aggregate number only, a position we too support, and that you, as well as we might oppose components within the Finance bill. We are merely trying to point out, as we have consistently done throughout the deficit debates of the last five years, that there are two basic ways to provide jobs and economic growth:

(1) Through the stimulation provided by new, excessive government expenditures and deficits;

(2) By providing the private sector with sufficient incentives to save and invest in the capacity to grow on a more long-term and stable basis—clearly this approach is preferable.

With that understanding, the National Association of Realtors supports your effort to reduce deficits.

It is in the national interest that a significant deficit reduction plan be adopted now. Interest rates are already rising—we cannot wait.

Sincerely,

DONALD H. TREADWELL,
President.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Nebraska.

The distinguished Senator from Massachusetts (Mr. TSONGAS) wants to be heard on this matter, and the distinguished Senator from Arkansas (Mr. BUMPERS) wishes to speak at 4 o'clock.

While we are waiting, I say to the Senator from Nebraska that I think there has to be a way to get attention. The Senator has done a splendid job.

I do not want to insult anybody. I have tried some harsh language. The word "deficit" is an accounting term. All of us suffer from deficits in our families and personal accounts, so we do not become alarmed by it.

I reiterate that the deficits from the end of World War II, 1947, until 1980, a 33-year period, were only \$464.5 billion; and the deficits for the 3-year period 1982, 1983, and 1984, the 3 years my friends on the other side of the aisle have been in charge of Congress, were \$495 billion.

So I refer to the profligacy of this Congress and the one before it—wild extravagance. I had to get a better word. We may get out of their chairs some people who are listening on their radios, and maybe they will come to the floor and defend themselves. According to Webster, the definition of "profligacy" is "completely given up to dissipation and licentiousness." That is Congress—"completely given up to dissipation and licentiousness." That is far better than the word "deficit." "Deficit" just does not get anybody's attention. I have tried for 2 years on the highways and byways, and you see where I am. I am back here.

I hope the distinguished chairman of our Budget Committee can tell us the wisdom of the Rose Garden strategy for about 10 minutes of his time, while we are waiting for Senator TSONGAS and Senator BUMPERS.

I yield the floor.

Mr. DOMENICI. I will be pleased to use 10 minutes.

Mr. HOLLINGS. I want to hear the distinguished chairman of the Budget Committee, because this will be the best act off Broadway this year. I know how he feels. I know how responsible he is and how he has to carry this one. It ought to be very interesting, so I am going to watch.

Mr. DOMENICI. Mr. President, I say to my good friend that he described it as the best act off Broadway. I want him to know that there is no way I can follow him, so I do not know what I can call his remarks. I have no name to describe it in terms of his eloquence.

I would prefer at this time to take a few minutes to describe the Hollings-Andrews-Exon plan. We have a KGB. This one is the HAE plan.

First, I should like to suggest a couple of things about it. Very simply, it is said that this really reduces deficits significantly. There is no doubt about it. How could it help but do that? It raises \$87 billion more in taxes than any other proposal around. It freezes indexing, and then still needs more money. It does not provide those additional taxes, so it says to the Finance Committee: "You find the other \$20 billion or \$30 billion. We don't know how you're going to do that."

That is easy, I say to my friend, for whom I have the greatest respect. You reduce the deficits nicely when you increase taxes \$87 billion more than that we just passed, after a week's debate, which the Finance Committee of the U.S. Senate took months to do.

So there is part of it: \$87 billion more in taxes. I am not saying that is good or bad. The distinguished Senator from South Carolina has his views, and I have mine. I do not think we should do that at this particular time, No. 1.

Second, I do not think it is going to happen, under any circumstance, at this particular time. But there may be people who want to vote for it, nonetheless, because we would like to reduce the deficits, and there is one nice way, and that is \$87 billion worth of it. There are no easy ways to do that.

I recall very well about 3 years ago when we in the Budget Committee said that social security is almost broke, just about bankrupt. The two Senators who have spoken so eloquently were there in our Budget Committee. I recall that neither supported the budget resolution that said we had better fix social security. We said it is \$40 billion insolvent. We reported a budget resolution that required \$40 billion worth of solvency over 3 years.

It did not take 30 minutes for the people of the United States to be informed that the Republicans in the Senate Budget Committee were cutting social security \$40 billion.

Do you know what else happened? It was said that there are 36 million of elderly folks in this country; they then added up the savings and divided it by the number of elderly, and concluded, "You are cutting the social security fund, and the number is \$1,110.00 over three years." It did not take 25 minutes for that to go out across this land—cutting social security.

Let me tell you an interesting thing. We were right. That fund was \$40 billion insolvent, because 18 to 20 months later, a bipartisan commission fixed social security, and they did not cut anybody. They deferred COLA's for 6 months. They found that it was \$38.3 billion worth of insolvency. We were pretty close to being right.

They fixed it in this very excellent bipartisan commission and said, "We are taxing people some more, and all the money is going into social security and it is taken care of." They did that, and we voted for it. I guess it was the third major reform in the history of social security.

So that everyone will know, using the same logic and the same approach, this proposal will cut social security, after all the things we just did. We attempted to reform it, and I thought we did reform it. According to what I

understand, nobody wants to balance the budget on social security or on social security recipients. This proposal will cut social security over what we just fixed in that reform, so that the average retired couple will lose \$1,848 in benefits. The average disabled worker with a family will lose \$2,100 in benefits.

That is all in social security.

I remind the Senate, though, that if we are interested in Federal retirees—I notice the Senator from Nebraska is on his feet. I am going to speak for another 10 or 12 minutes. I have been listening attentively, and the Senator from Nebraska will have an opportunity to respond.

Mr. EXON. Mr. President, will the Senator yield for a statement?

Mr. DOMENICI. I wish to finish.

Mr. EXON. Will the Senator yield for a statement?

Mr. DOMENICI. I will just finish mine and then I will yield in maybe 5 minutes.

I shall move over to the Federal retirees and leave social security for a minute. As to Federal retirees, there are \$2,976 in benefits lost and military retirees lose \$2,472 compared to the current law.

I do not state those because I wish to say this plan is something we should not under any circumstance ever consider. I have too much respect for both Senators who have spoken and others who support it.

But I do suggest that everyone should know that we are not talking about a vague budget resolution with tentative targets that may or may not be complied with by committees later on.

This is a bill. We intend that this go to the House of Representatives in conference, and what is done here is to literally change the social security and retirement laws of the Nation so that the recipients are reduced in terms of their entitlement. And I think that is a fair way to say it, that they are reduced in terms of their entitlement by the amounts that I have stated.

Now I really am not going to talk a great deal more. I hope everyone understands that the \$87 billion in taxes plus a 1-year freeze on the entitlements that pay people's pensions, social security, disability, plus 2 years thereafter at a special COLA level when we add that up, we sure reduce the deficits. If that is what the Senate wishes to do here today, in a substantive law, not a budget resolution, then I want them all to understand that is what we are doing.

There are some other aspects to it. Defense is reduced somewhat over the leadership package, but clearly not in a freeze manner.

The Senator from South Carolina and I started too far back on defense to say that we can freeze it and it will not hurt anything because we are the

ones, if I recall, that said before President Carter went out that we are going to raise defense and we are going to do it, and we will put it on a 5-percent growth trend line. In fact, I say to my friend, the Senator from South Carolina (Mr. HOLLINGS) I told President Carter a number of times when we talked about the budget in the outyears on defense, he was pretty low. Go back and look at it. We made them raise defense a real 5 percent even when we had the 11-percent inflation. We made them raise it 16 percent at one point. We were afraid that America was in serious risk of military preparedness, and this was a number that permitted it to grow substantially as it must.

We cannot start weapons systems in this country because we are ready to compete and provide this country and the world with deterrence and peace and just turn that off and on like a water faucet. I mean, we start eight or nine new systems and say let us freeze it. While we freeze half, finish some, with the buys done 2 years out of 10, and people will say it is not going to cut anything; we are just going to freeze military.

This does not do that. I am going to say that in all honestly it provides a significant increase, slightly less than the leadership package, but in that regard certainly livable.

With reference to the appropriated accounts, it is not as stringent as the leadership package but clearly evidences the kind of fiscal responsibility that we are going to have to exercise around here if we are going to get where we have to go.

Now having said that, I wish to repeat that I think the Senate should know precisely what is in a package. If anyone needs more detail on the taxes, I think Senators who are involved in this particular plan can give it to them.

I suggest, however, that clearly it does away with indexing for 3 years and it says we do not know where the other money is going to come from but we want the Finance Committee to change the tax laws to raise additional revenue, and I do not have any argument with that, except that is normally the way we do it in a reconciliation and not a substantive bill.

But they are not trying to hide the fact that there is \$87 billion more than is provided in the Baker leadership plan over the next 3 years. There is something in it that I am a little concerned about. There is some withholding requirements on independent contractors and royalty recipients, and I do not really know the extent of it, but I would just say we went through a huge debate here on further withholding, and I guess we had to do away with that tax on withholding because of the public pressure on the

banks withholding and dividend withholding.

I do not know that portion in this amendment with regard to independent contractors and royalty recipients, whether that would be the kind of thing that would be considered to be harmful as the previous dividend withholding requirement was assumed to be.

That is about all I have to say to the Senate. We have substantial time, if any Senator wishes to address this issue in any regard. I do say to my good friends, and they are my good friends, on the other side, I have no way of explaining things that I feel strongly about other than as best I can and in my typical manner, and I surely did not intend anything other than a straightforward explanation, and if they do not want me to call those COLA changes cuts, I will do whatever they like. I will say a reduction in entitlements, however they wish me to say it. But clearly I think the numbers that I have given are the result and will result if this plan were adopted.

How much time did the Senator from New Mexico use?

The PRESIDING OFFICER. The Senator has used 13 minutes and has 47 minutes remaining.

Mr. DOMENICI. I thank the Chair. I yield the floor.

Mr. HOLLINGS and Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend from South Carolina.

I wish to say I tried to save time to interrupt my friend from New Mexico. He misinterpreted my standing. I stood so that I could hear his words of wisdom a little bit clearer. I was not at all upset with what he had to say. I never, ever get upset with what my friend from that great State down south has to say.

So if he thought that I was objecting to what he said, I wish him to stand corrected.

Mr. President, I listened to the chairman of the committee very closely, and I first wish to tell him that whatever he had to say about a \$40 billion reduction in social security that was not said by this Senator, and I hope he knows that. I would have thought maybe people who did not know the background who might be reading this or sitting up in the gallery might have thought that this Senator went out and said that. He did not.

I think the chairman of the Budget Committee knows that while he and I do not always agree, I do not know of a case where he has ever taken advantage of me politically or that I have ever taken advantage of him, but I

simply wish to say and hope that the Senator from New Mexico will agree that, whatever he had to say about what certain people did, did not include the Senator from Nebraska.

Is that correct?

Mr. DOMENICI. The Senator is correct. It was not he who construed the reform required to make social security solvent as a cut. It was other Senators. The record is clear. But it was not the Senator from Nebraska.

Mr. EXON. I thank my friend from New Mexico for that.

I simply point out that if the Senator from New Mexico was complaining about certain statements that were made then, that he thought were inappropriate, then it might be fair to say that in the statements that he just said on the floor with regard to the plan offered by the Senator from South Carolina, the Senator from North Dakota and myself, he criticized those I think in basically the same vein and fashion, but then I understand politics. I have been in it a long time also.

I simply wish to say, Mr. President, that we got out of the social security difficulty by not only freezing some COLA's, but we also got out of that problem by significant tax increases.

I simply say that I hope that sooner or later people who claim to be conservative leaders on both sides of that aisle will stand up and tell the people that we have to have a combination of tax increases and spending cuts, a combination of the two if we are ever going to do anything about this deficit.

In fact, no less authority than the Director of the Office of Management and Budget testified in public to the Budget Committee this year that the U.S. Government was in effect in chapter 11 bankruptcy. And if the Federal Government is in chapter 11 bankruptcy, then I think it is time that we have the courage to face up and do something about it.

I think, though, the point that the chairman of the Budget Committee makes is probably a good one. If you will look at all of the other plans, including the rose garden plan that the chairman of the Budget Committee is supporting, I think he would concede and he would agree that according to the nonpartisan, nonpolitical Congressional Budget Office, there is none of those plans that makes any reduction at all or any significant reduction in the budget at the end of 3 years except the plan before us.

So I simply say that what we are trying to do is not take the easy way out, not to fool the American public that this is going to be done without sacrifices on the part of all. And it has been my experience with Nebraskans, who have their heads screwed on right, that they are all willing to make

some sacrifices so long as it is fair and equitable.

I would simply emphasize that the plan before us cuts spending in billions of dollars, considerably more than it increases revenue.

I yield back to my friend from South Carolina.

Mr. HOLLINGS. I thank my distinguished colleague. I yield now to my distinguished colleague from Massachusetts.

Mr. TSONGAS. Mr. President, I am at the same basic level with the Senator from New Mexico and the Senator from Nebraska. I think I am ready to proceed with my remarks.

Mr. President, the deficit is the No. 1 economic problem this country faces today. It is the chief culprit in the untypically high interest rates that we have been experiencing and it threatens to crowd the private sector out of financial markets, thereby undermining future economic growth and prosperity. If Washington does not take the deficit seriously, Wall Street does. Financial markets have been unstable and nervous since the beginning of the year, waiting to see what we in Washington will do.

In many ways, the deficit is a king pin, which, if knocked down, would take many problems with it. Reducing the deficit would certainly result in lower interest rates which in turn would favorably affect the exchange rate and with it our trade deficit. At home, lower interest rates would encourage the capital investment that we need to modernize our plants and equipment and realize the productivity gains necessary to improve our competitiveness at home and abroad.

I think the time to act has now come. We were elected to represent our constituents. Mine are telling me to reduce the deficit. We were also elected to serve the Nation as a whole. It is time to take these responsibilities seriously. The Nation, the economy will best be served today and in future years by a serious effort to cut the red ink.

That is why I support the bipartisan budget offered by Senators EXON, ANDREWS, and HOLLINGS. According to CBO estimates, the package will reduce the deficit by \$268 billion over the next 3 years. That is nearly three times the reduction offered by the administration as a "downpayment." The time for downpayments is past. We need to pay off some of the principal as well.

Our plan is a fair one—it would affect virtually all sectors and programs equitably and responsibly. It freezes all social and entitlement spending programs for the next year, with the exception of those social programs targeted for the most needy of our society—SSI, food stamps, health care, and veterans—which would be allowed to expand to the extent that the

number of eligible clients increased. I believe this is a necessary and important feature particularly because of the rapid increase we have experienced in the past 3 years in the number of families in poverty.

The plan also takes a responsible approach to defense. It provides a 4-percent real rate of increase over the next 2 years and 3 percent thereafter for the rest of the decade. These increases are high enough to maintain combat readiness and continue modernization of our forces. In fact, given the huge increases for defense already in place, the DOD budget will have grown at an average annual rate of 6 percent in real terms throughout the 1980's. All together, our plan cuts spending by \$425 billion over the next 5 years.

On the revenue front, substantial gains are realized by postponing for 5 years the tax bracket indexation. I have long been opposed to this indexation policy because I would rather see Congress correct the problem of bracket creep due to inflation through legislative action rather than an automatic formula. Most importantly, this allows a greater degree of flexibility for coping with difficult economic circumstances. The postponement of indexation, together with the Senate tax bill passed last month would raise total revenues by about \$350 billion over the next 5 years. In total, our plan would cut the deficit by two-thirds over that period and by 1989, instead of facing triple-digit budget shortfalls, the annual deficit would have fallen to \$16 billion.

Mr. President, the budget deficit is a clear and present danger. It is undermining the health of our economy and the credibility of all of us as elected leaders. Let us accept our responsibility and make this bipartisan budget our choice in dealing with the deficit.

Mr. President, I ask unanimous consent that an article written by Michael K. Evans in the March 19, 1984, issue of *Industry Week* be printed in the *RECORD*.

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

"CROWDING OUT" ISN'T FAR DOWN THE ROAD

(By Michael K. Evans)

The term "crowding out" has become somewhat overused in recent economic discussion. It refers to the situation in which an increase in interest rates—caused either by excessive borrowing or insufficient saving—causes business investment (as a percent of gross national product) to decline.

Normally, the capital-spending ratio bottoms out in the first year of recovery and then begins to rise again. Either interest rates fall by then and/or profits, stock prices, and capacity utilization rise.

The ensuing investment boom is then financed—for a while—by an increase in corporate savings and a reduction in the federal government deficit, which by its nature is—or at least used to be—countercyclical.

But once government spending begins to catch up with the increase in tax receipts, the competition for funds intensifies and interest rates begin to rise again until they tend to reduce capital spending, housing, and inventory investment.

Yet, for some reason, there are some economists who still believe that these basic suppositions (supported by historical data, see graph) can be suspended during this business cycle and that interest rates will somehow fall in an apparent denial of the laws of supply and demand.

If anything, rates ought to rise more rapidly in this cycle because of two unusual factors. First, the government deficit will not decline very much as a proportion of GNP, certainly much less than normal for the later stages of a business cycle. There are several reasons for this. First, personal-income tax rates will be indexed, starting in 1985. Second, defense spending continues to rise more rapidly than usual. Third, all the cuts that can be made in social-welfare programs have already been accomplished. Fourth, interest payments are growing so rapidly that they are more than wiping out any modest cutbacks in social-welfare programs. Fifth, the tax base is eroding faster than ever because most middle-class taxpayers have now been pushed into the 40% to 50% marginal tax bracket. Yet, in spite of these reasons, we hear nonsensical talk that the budget-deficit ratio will shrink sharply in the next few years.

The other unusual factor is the projection of net foreign investment, which is more or less the inverse of the net export deficit. Generally speaking, our net exports are quite strong during a recession—since the U.S. economy is usually more depressed than the rest of the world—but then they decline as the recovery moves into high gear. The reduction in net exports translates into more dollars coming to our shores, which to a certain extent ameliorates the credit crunch. However, this time the trade figures are starting off from a horrendous deficit, and with the weakening of the dollar imminent, the trade deficit will bottom out at its current rate of about \$100 billion and then will improve only slightly in 1985 and 1986. Hence, foreign money will be fleeing our shores.

The total investment ratio this year is expected to be about 14.5%, which is about 2.5 percentage points below normal for this stage of the business cycle. However, 1.5 points of that gap have been temporarily closed by the influx of foreign funds. The remaining shortfall is split about evenly between capital spending and a rather modest level of 1.75 million housing starts expected for the year. Hence, crowding out is already in evidence and will become much worse when foreign investment declines. But how far will interest rates have to rise to clear the market?

It probably takes about a 2-point increase in the long-term bond rate to reduce the investment ratio by 1 point. If this is the case, then the 2-point decline in this ratio we have predicted by the time of the 1987 recession would be caused by long-term interest rates increasing about 4 points from their present levels to their peak sometime in 1986. Thus will crowding out return with a vengeance.

Mr. TSONGAS. Mr. President, this is an interesting situation we find ourselves in because it seems like there are two worlds that we live in, one the world of politics. And I am struck by how much of the discussion that takes

place is a concern for interest groups. Somehow the impression is given that, if the economy goes to hell in a hand basket, particular interest groups will somehow not be affected. That not only violates any sense of rationality but, if you think of it in nautical terms, if you have got a hole in the floor of a boat, the idea that anybody is not going to get wet just simply defies logic.

I was at a conference 2 months ago in Europe. And the Europeans are very concerned about the United States because if our economy slips back into a recession, they are going to be affected by that as well.

Their comments basically were along the lines of the following: That we have so much going for us in terms of natural resources, in terms of the education base, the high technology sweep that we see in my State and others, and why is that the only thing we lack is leadership on the deficit?

Now, part of that, of course, was addressed to the President. You remember the President's comments about balancing the budget in 1982 but certainly by 1983. Well, history will write the legacy of Ronald Reagan as the deficit. And if I were Ronald Reagan I would be terrified by what historians are going to say. Historians do not spend their time watching candidates on television. They have the lamentable procedures of reading the record. And the record of Ronald Reagan on deficits is worse than anyone could have presumed.

If I had taken my colleagues back to 1972 and I said I am going to ask you a question and I am going to give you two pieces of information. Piece No. 1: In 1984, we will have deficits that approach, and will exceed over time, \$200 billion a year. That is information No. 1. Information No. 2: You will have a Secretary of the Treasury who will say there is no linkage between high deficits and high interest rates.

Those are the only two things I will tell you. Question: Who is the President? George McGovern or Ronald Reagan?

No one in 1972 would have said Ronald Reagan. If you said that they would have tied you up and carried you off. It was inconceivable that this person could give us these kind of deficits. And yet, in fact, that has happened.

We are not going to get any leadership from the White House. So the question is: Is there another place in the Government of the United States where there is leadership? And it seems to me rather obvious that Senators HOLLINGS, EXON, and ANDREWS have demonstrated indeed there is. The question is now one of, will we follow?

The Europeans, in their comments in talking about leadership and courage, had a rather curious reflection

upon where America has come. The sacrifice that we have been through to be the Nation that we are and here we are talking about deficits that threaten our economy and we are caught, and we are caught in inaction.

What we are talking about on the Senate floor is a downpayment. It would be curious to go back and look at all our campaign literature about leadership. You know the old expression, "Tell me where my people are going so I can lead them."

Well, in terms of the long-term survivability and health of our economy, we only have to do one thing and that is deal with the deficit. There are other issues, obviously, that are important but they are secondary in my mind to this issue.

What is so difficult about supporting the amendment offered by my three colleagues? First of all, it is the most dramatic in terms of the impact on the deficit. Those people who want more defense, you have 3 percent real growth in there. There is some sensitivity to the social programs. But overall it deals with the deficit. Now what is so difficult about that? I do not, frankly, think it is.

And somehow the idea that one is vulnerable if you vote for this, I would just suggest the vulnerability is on the other side. To have run for the Senate and to be here and to, in essence, walk away from some very tough votes that are in the national interest, I do not think is good politics. And I think that could be sold.

The final point I would make is that I intend to support, as well, the bipartisan freeze that Senators KASSEBAUM, BIDEN, BAUCUS, and GRASSLEY have introduced. Part of, I must say, my support of these two is somewhat selfish; that I am not going to be a Senator next year and I am going to be out in the private sector; that I do not have a Government salary that I can depend on. So if the economy goes into a decline, I will be one of those people out there who will be affected by it. So I have learned, since I decided to retire in the last 3 months, something about the frustration of those out in the private sector who look to us to do something as we sit here twiddling our thumbs.

The final comment I would make is this. Part of the reason that I think the Democratic Party is in trouble in this country—and I have been saying this for a number of years now—is that fundamentally the Democratic Party is very good on issues of justice, social justice, that kind of thing, and very good on the issues of war and peace. When those are the issues before the country, Democrats generally prevail. The weakness that we have is that we, as Democrats, have never convinced the country we know how to run the economy; that Demo-

cats are viewed as people who care less about how well the economy is doing and spend all of their time worrying about how you distribute the golden eggs. The goose's health is irrelevant. There is somehow some kind of tooth-fairy view that the economy will do well no matter what happens. And there is a basic disrespect for Democrats.

You know, the funny thing about it is, we deserve it, because it is true.

When I was on the House side, I remembered that the late Bill Steigers had an amendment that dealt with the capital gains tax, reducing it. I voted against it. Do you know why I voted against it? Because I was a Democrat. I considered the ethic in the House among my fellow colleagues that this was probusiness and, therefore, since it is probusiness we are against it. So I voted against it. That bill which I did not support did more for the economy of my State than anything I did as a Congressman.

And there is a lot of that still lingering, the notion that concern about economic growth is a Republican instinct, that Democrats are uncomfortable caring about economics.

I think the reason we are not ahead of Ronald Reagan in the polls is not through any great skill of the President. I mean what, for example, would you say his foreign policy achievements were? I mean you would really be hard pressed. Grenada?

Grenada has the same number of people as Lynn, Mass. If I went into Lynn and deposed the mayor, do you think anybody would say it was a great achievement? They would think I was crazy. No. The President's major accomplishment beyond personality skills is the default of the Democrats on economics. No one believes when push comes to shove that Democrats care about economic growth and will do the tough things to make things work. Our colleagues give us a chance. We should be grateful. If the Democratic Party were ever to show real concern—not rhetorical concern—about the deficit and did something about it, then I think we would do very well in November and do very well in the Novembers that follow that.

I feel very strongly about this. The reason I do can be laid to two matters.

I know this is a terrible thing to admit, but my father was a conservative Republican businessman. I should get this out of my system before I leave. He thought Spiro Agnew was just wonderful, and that Richard Nixon would go down in history as a great American President. Needless to say, we had our disagreements at the time. But the funny thing about my father was that he was a nice guy. I grew up believing that you could be a businessman and still be a decent human being. That would almost dis-

qualify me from membership in the Democratic Party.

The second major reason is that I grew up in a city in economic decline. I saw my father's business get wiped out. I still live in that city. The fact is that most of my colleagues have never really experienced economic hardship, and feel that economic decline is sort of an academic issue. If you grew up the way I did, it is not. So when I look at my home city that has an unemployment rate of about 5 percent because of high technology and other things that were done, I think that is good. Democrats should be proud of it. The one thing we can do to sort of bring that about throughout the country more than anything else is to deal with the deficit. I commend my friend from South Carolina, and my friends from Nebraska and North Dakota. They are doing us a real service, and I hope that we have the commonsense to support them.

I yield back to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, before I yield to the distinguished Senator from New Mexico, let me thank my friend from Massachusetts. He has made a very dramatic statement. There is no question that he has analyzed it. He has voted as a private citizen could, would, and should vote. He states very candidly that next year he will be out and working. In that sense he will be very, very much concerned about interest rates, unemployment, and everything else of that kind. He brings into sharp focus the Achilles heel of the Democratic Party. I could not agree more.

I state this advisedly. There is no one I respect more. I ran on his ticket in 1968. I was running for reelection for the U.S. Senate; our friend from Minnesota, Senator Humphrey was running for the Presidency. He could and should have been the President. We had gotten rid of Richard Nixon. My friend, Pat Brown, the Governor of California, had run him out of California. He had even stated—that is, Nixon—"you will not have me to kick around any more." That was his public statement.

We as Democrats recreated that monster. Senator Humphrey had all the high ground on arms control. He started the Arms Control and Disarmament Agency. It was his bill; and, certainly on feeding, on housing he knew the problems. He was a city mayor. On urban renewal he certainly was respected; education; certainly with respect to student loans; and everything else; legal services. He had the high ground on the social programs.

But I was running in a race, in 1968 and I was always having to explain the problem because my constituents had

the perception that the Democratic nominee, Senator Humphrey, was not going to be able to handle the economy. He was a spender. We reincarnated that fellow Nixon, and brought him back to political life. In 1972, standing right here was our good friend as a Senator, the Senator from South Dakota. Again, he had the high ground on all the social issues but he was going to mail everybody \$1,000. I told George, "You frighten me."

Of course, we continued Mr. Nixon. In 1980, the only question, Senator, was could the economy stand 4 more years of 12-percent inflation and 20-percent interest rates? I was in a State where my distinguished senior colleague went around talking about the movie star, and that we had to have John Connally. You could not find a more loyal and leading Republican. But the Republican Governor, Jim Edwards, and the Republican Senator STROM THURMOND, were running all over saying you could not have the movie star. You had to have Connally who knew how to handle these things. Why? We Democrats, Senator TSONGAS, put Ronald Reagan in the White House because of the fact which you mentioned—handling the economy. It has been true. We had 12-percent inflation, 20-percent interest rates. I know it. I was running for reelection at that time. We lost the last three out of four races.

The Senator from Massachusetts is right on target. I think it would behoove us to get back into the saddle of Government as a party and as Senators by showing collectively—that is why I am delighted to have Republican support for this particular amendment—that we can handle the economy at the national level as leaders from around the country do as city mayors, and as State Governors.

James Madison over 200 years ago foresaw the difficulty of this particular time. He said Government is none other than the best reflections of human nature. If men were angels, a government would not be necessary. And if angels governed men, you would need no controls over the government. So he had the task in formulating a government to be administered by man over man, and a government with the capacity to control government, and thereafter oblige that same government to control itself. That is what we flunked and failed to do. We are not controlling ourselves. We did not last year. We did not the year before. Seemingly, we are not going to do it next year. We are always saying let us wait until after the election.

I could not thank the Senator from Massachusetts more for his wisdom and candor in setting forth the problem that confronts us.

I yield now to the distinguished Senator from New Mexico, a cosponsor of our amendment.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I am pleased to speak in support of the efforts of the Senator from South Carolina, the Senator from Nebraska, and other Senators to deal with this very serious deficit problem. Any attempt to constrain increases in spending is subject to attack. It is for that very reason I believe that the job of controlling these increasing expenditures each year is so difficult for the Congress and the administration to come to grips with.

Mr. President, since coming to the Senate I have been impressed with the urgency and sincerity with which all of us express our concerns about the deficit. Also, I have been impressed with how we can agree upon the need for us all to get together to do something about the deficit. But the problem is, that is about all we have been able to agree upon. We spend the rest of our time trying to score points off the other party, or playing to various constituency groups rather than sitting down to hammer out the kind of compromise that is passable and will get things done.

We are good at having it both ways. We all get out and vote against things we do not think need more money. We vote for the programs that we do think need more money. The problem is, of course, that when the cuts we vote for do not pass, we do not adjust our demands for spending elsewhere.

Most of the comments and suggestions that I have heard for reducing the budget play to some absolute solution which is guaranteed—at least in this body based on my observation—to never receive a majority.

The suggestions range from wholesale abolition of departments and programs—suggestion like no more foreign aid, abolish the Department of Energy, abolish the Department of Education, cut entitlements to the bone—on the one side, and on the other side, no increase in defense spending at all. There are several problems, at least two major problems, with these absolute approaches. First, they do not get us around to solving the problem; second, we cannot pass them.

What we have seen in the budget standoffs of the Reagan years is a great deal of posturing, with the implicit and sometimes explicit message being given, "Don't worry, we can solve this budget deficit problem without affecting you. It will come out of someone else's taxes, someone else's benefits, some one else's public services." But I think we all know that does not work.

The President has not been as successful as he would like in rewriting the last 50 years of American history. Those on the opposite side of the argument have had to accept cuts in social programs, as well as substantial increases in defense spending. The fact is that despite the rhetoric, there is a basic consensus that has appeared between the Congress and the President on spending. This consensus has been arrived at through the budget and the appropriations process. Through the accumulation of decisions, through the votes cast on individual issues, we have decided where cuts will be made, where we will hold the line, and where increases will be allowed. The irony is that the President and the Congress have not been that far apart in overall spending levels. Where we have disagreed is in the mix. But those decisions have been made and they have been agreed to by the President.

I believe we need to build on this hard-won consensus to attack the deficit this year in the only practical way that we can attack it seriously. This amendment does that. It imposes a 1-year freeze on the discretionary spending levels, with the exception of defense. It imposes a 4-percent increase on defense spending, an amount which is dramatically smaller than that proposed by the President.

This is realistic, Mr. President. It is not ideal, it is not exactly what I would prefer, but it is realistic in this Congress this year. It recognizes the widespread agreement that our defenses need improving. Contrary to political charges that will be made this year and for many years, it does not cut the actual dollar amounts received by such groups as the elderly, the needy, the sick. It reflects the agreement in this Congress that these programs have already suffered substantial reductions and should not bear any more. Those battles have been fought over the last few years, and Congress has decided on its answer, and we do not need to expend more energy and time unnecessarily arguing those issues again.

The Hollings-Exon-Andrews freeze recognizes that we cannot attack the structural deficit without dealing with taxes. The proposal would instruct the Finance Committee to report measures which would raise \$350 billion in revenue increases over the next 5 years.

I know, Mr. President, that this is a proposal that does not draw applause from anywhere. No one wants to have their taxes raised. But I have to stress again that if we do not balance the burden of deficit reduction as fairly and as practically as we can in this Congress, we shall never succeed.

We must agree that if we decide to expend a certain level of resources to do the things that we as a people be-

lieve will make our country safe abroad and prosperous and compassionate and just at home—and that is what we all seek—then we should be willing to pay for the Government we create.

Mr. President, I do not believe that our Government spending programs are perfect. It is not my intention to forgo my responsibility to make those programs more efficient and to cut them where necessary and to support increases where I believe it is important to make investments for the future such as in the area of education. I shall continue to do my best to see that Americans get the best they can for their tax dollars. But I believe we have to get started with deficit reduction this year. We have to work within the political reality that exists on spending issues. To do otherwise is to contribute to the delusion that the deficit can always be cured if only the other fellow can be made to pay.

Mr. President, in his small book on the Vietnam war, John Kenneth Galbraith had a statement which I believe is worth repeating. He said in that book that when all the people agree, the politicians cannot be far behind. I believe that statement is appropriate in this case.

This amendment represents a tough but honest and fair approach which I believe the American people would agree to. This amendment deserves the support of my colleagues. I urge them to vote for it.

I thank the Chair.

The PRESIDING OFFICER (Mr. SPECTER). Who yields time?

Mr. HOLLINGS. Mr. President, I yield now to my distinguished colleague from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank my colleague from South Carolina. I commend him, the Senator from Nebraska, the Senator from North Dakota, and others who have joined together in offering this bipartisan proposal.

This is, I think, a truly bipartisan proposal. It is an American proposal. As I talk to people in my State, they send me a very strong message that they are tired of the partisan bickering, they are tired of the finger-pointing, they are tired of one party trying to cast blame on another for the deficits, the budget problems we now face. They are sending us a loud and clear message. That is, get on with solving this problem now. Do something to get these deficits under control before they destroy the economy of this country.

I think if there are a few words that we could take out of the American vocabulary this year they should be the words, "Wait until after the election." None of us was elected to this body or

to positions of responsibility and public trust to wait until after some election to deal with the problems at hand. There are always some 468 Members of Congress within 2 years of some election. We need to get on with solving the problems now. We need to get deficits under control before it is too late. Our country is walking on a high wire without a net underneath it.

We all know what is going to happen if we do not take substantial action under the trendline on which we are now operating. The national debt of the United States is projected to reach almost \$3 trillion by 1989. Every Member of this body knows that if we were to allow the debt to continue to skyrocket in this fashion, long before that time, the Government of the United States would be taking two-thirds of all the available credit in the country just to finance this kind of debt. That would leave only one-third of the credit or less for everyone else—the farmer, the small businessperson, the young couple who want to buy a home, all of the other people who need credit. It would set off an auction, set off a bidding war for that little bit of credit that would be left. It would drive interest rates absolutely through the ceiling.

Already, the stock market is responding on a daily basis to rumors of increases in interest rates. The leading economic indicators are beginning to slow down. And even now, other sectors of our economy are already paying a heavy, a disastrous price for the huge deficits which we are running.

Because of our high deficits, the dollar has been overvalued compared with other currencies in the world. We have had to allow a massive influx of foreign investment and foreign dollars into the United States. Our trade deficit this year will be over \$100 billion, and it is again attributable to the huge deficits which we are running. There is not a farmer in the United States who is not already paying the high price exacted by these huge deficits as we have seen our exports plummet and the value for our agricultural products fall. It is estimated that over 2 million people in this country have lost their jobs because of declining exports brought about by the trade imbalance which has been caused by these huge budgetary deficits.

We had testimony before the Finance Committee just 2 weeks ago that if the trade imbalance continues at the current rate, it will take only 30 months to make the United States a net debtor nation for the first time in its history. That would mean people in other countries would own in essence more of the United States of America than we would have investments in the rest of the world. What a tragedy it would be for a nation with our vast resources and strengths to be depend-

ent on the whims of those in other nations with other aims and with other goals for our economic well-being and our economic security.

We cannot afford to wait until after an election. We cannot afford to wait to deal with the problem while interest rates start back up substantially under the pressure of Government borrowing. We cannot afford to have another year in which we add so much to the national debt. Every single American worker would have had to have saved \$2,000 last year and loaned every penny of it to the Federal Government just to finance what was added to the national debt last year alone.

We cannot afford to continue along that path without courting disaster. I applaud the bipartisan group of Senators which has come together to offer a proposal that asks all Americans to join together in sacrificing in the short run to come up with an American solution. This proposal will more dramatically reduce the deficit over the next 3 years and over the next 5 years than any other proposal about which we will have an opportunity to express our views.

Under this plan, for example, using the accounting of the administration, the deficit would be reduced some \$316 billion over the next 3 years compared to only \$144 billion under the administration plan. If we use CBO accounting, the figure for deficit reduction is \$268 billion versus \$89 billion under the administration plan. In 5 years we could reduce the deficit \$800 billion, bringing this country to the brink of a balanced budget, if we pass this bipartisan proposal.

So I say, Mr. President, let us not wait until after the election to do our duty. Let us not continue to court economic disaster by running deficits that are going to raise interest rates through the roof and cripple our economy, bringing it to a grinding halt. Let us not continue to run deficits that devastate the export sector of this economy; that threaten to make the United States of America a net debtor nation for the first time in its history within the next 3 years. Let us not underestimate the understanding, the intelligence, and the patriotism of the American people. The American people know that their Government cannot continue year after year to live so far beyond its means. The American people have enough belief in this country and enough love for their country to be willing to sacrifice, as long as that sacrifice is fairly shared, to get our country back on the right track again.

We who have been elected to positions of leadership must not be guilty of underestimating the intelligence, understanding, and patriotism of those who sent us here to do a job. They sent us, as I have said, Mr. Presi-

dent, not to wait for some signal from political leaders, not to wait until after some election, not to wait until our own personal political interests have been met. They sent us here to do a job. They sent us here to do an American job. This is an American plan and it ought to be adopted.

Mr. HOLLINGS. Mr. President, I thank our distinguished colleague from Oklahoma. He has been a tremendous help last year and the year before and we will keep on plugging to see if we can bring about a sense of responsibility.

I now yield to our distinguished colleague from Arkansas, a cosponsor of the amendment.

Mr. BUMPERS. I thank the Senator from South Carolina for yielding these few minutes for me to speak on this measure.

I am one of the 16 Senators, I believe it was, who supported a similar amendment the Senator from South Carolina offered last year. We are going to do better than that today. How much better is anybody's guess.

Mr. President, for the next 3 or 4 days, depending on how long it takes us to deal with this bill, every person on this floor is going to speak at some time or other lamenting the deficit. Everybody is going to talk about how terrible the deficits are and what it is doing to the interest rates, what it is going to do to our grandchildren, but the truth is this place is paralyzed with fear. This is a drastic measure the Senator from South Carolina is offering. It deals with entitlements. It deals with indexing. It deals with discretionary spending. It is not going to be easy, especially for those who are up for reelection this fall, to go home and tell our constituents, particularly those interest groups, why we supported this amendment. I suspect there will not be enough votes to pass this amendment. And what a tragedy. What a travesty.

I have never known a candidate since I have been in the Senate—I will take that back; there may be two or three—who lost because they demonstrated some courage in this body. I have seen politician after politician finally, ultimately stiffen his spine and do what had to be done, and then soar in the polls.

Mr. President, we are in an election year and the promises are flowing on both sides. The truth is this deficit is going to be the issue. These deficits and the economic apocalypse that is absolutely certain to come if we do not deal with it, and the nuclear apocalypse that is going to come if we do not scale down the arms race, are the only two issues that can be legitimately discussed in this fall's campaign. The only honest promise you or I or any of the Presidential nominees can make is that the future holds a lot of

sacrifice, a lot of burden, a lot of sweat and a lot of tears. You are not going to bring under control a trillion-and-a-half dollar debt or a \$2 trillion debt by lamenting it on the floor of the Senate.

Yesterday I went down to speak to the U.S. Chamber of Commerce. HOWARD BAKER, our distinguished majority leader and a good friend and a very able man and a fine man, and I spent 20 minutes each trying to persuade them to vote Democrat or Republican this fall. And to tell you the truth, with that a group I do not fare too well against HOWARD BAKER. But I tell you, I said to those people, "four years ago when President Reagan said, 'Are you better off?' that was the dynamite, litmus test question that catapulted him into the White House and gave the Republicans control of the U.S. Senate." I said, "If I were to repeat the question to that particular audience today, 'Are you better off now than you were 4 years ago?' there would be a resounding yes," because the economy is red hot, people are making money as never before. But if you were to follow that question up with a more sobering question: "Do you think your children and your grandchildren are going to have a better, more secure future as a result of what has happened in the past 3½ years?" then at least people would have to pause and reflect on that." I said in that speech and I have said in other places, "If you think you are going to deal with the deficits without raising taxes, you are simply saying, 'I love the deficits.'" If you think you are going to deal with the deficits by saying we can continue to increase defense spending 100 percent every 4 years, then you are not serious about controlling the deficits. If you think we are going to grow our way out of this, you are the only economist in the United States who has said that.

I am not speaking as a partisan Democrat. I am saying what Milton Friedman has said. I am saying what even George Will and William Safire are saying. I am saying what the President's chief economist, Marty Feldstein, has said. Yes, I am even saying what the distinguished chairman of the Finance Committee has said. And Henry Kaufman, too.

When Henry Kaufman says interest rates are going up, bonds are sold or bought by the billions of dollars worth, based on his predictions. Henry Kaufman and Paul Volcker say that if you think you are going to deal with this deficit by cutting out social spending—why, if you eliminated every dime that could remotely be classified as social spending in the deficit, you still would have a \$60 billion deficit.

I know it is easy to go home and say: "I would have voted for it, but there is this little thing in there. I did not quite know what to do. But I came

down on this side or that side because there was this little provision in there. You have a 62-page bill, and one line in there really troubled me." That is the way we justify our votes back home.

This amendment postpones indexing. There is a good argument to be made for indexing. I have never supported it. I am sorry the Senator does not postpone it for 3 years. That is \$51 billion. Are we postponing it for 5 years?

Mr. HOLLINGS. As each year goes by, yes.

Mr. BUMPERS. We will have to deal with it each year?

Mr. HOLLINGS. Right.

Mr. BUMPERS. I know the statistics on a 3-year postponement of indexing, \$51 billion.

The other night when we debated indexing, it was brought up by Senator CHAFEE, and we had figures showing that the median family of four, under indexing, over the next 5 years, would save \$1,500 in taxes. But if you reduce the interest rate in this country by 1 percent—and \$51 billion in deficit reduction might just do it—the same family, paying on a home that cost them \$50,000, would save \$2,000 in interest on the mortgage.

So just the postponement of indexing alone, if it reduces interest rates by 1 percent, means \$500 more to the average family over the next 4 to 5 years than what they are going to get out of indexing.

Mr. President, the thing I like best of all about the Hollings amendment is that everybody shares. Everybody assumes a part of the burden. Nobody is let loose scot-free. If that is not part of our national character, I do not know what is.

I have heard RUSSELL LONG say a thousand times on the floor of the Senate: "Don't tax me, don't tax thee, tax that man behind the tree." That is the reason why our tax code is now to the point where it has very little popular support and confidence in America. People do not really understand a flat tax rate. All they know is that they do not like what we have.

So when you are up for election this fall, here is a chance to tell your people that you are really serious, that this is not make believe. Do not worry about what your opponent is going to say about you.

That is the reason why we have a tough time voting around here. Everybody looks at it and says, "How could my opponent use that?" Here is a chance to go home and say, "I know this is true, but I voted for an amendment that shared the burden. The social security recipients, everybody, shared in trying to get this country back on track."

There is not one Member of the Senate who does not know we are going to suffer an economic collapse if

we do not get control of the deficit. At a time when we are going through a 7-percent growth rate, the hottest growth rate since 1966 or 1962 we still have a \$180 billion deficit. If you cannot deal with it now, how are you going to deal with it next year, when every economist in the country says the economy is going to turn down?

So here is a chance to vote for your children and their future. Do not vote for it just hoping it will be defeated. Vote for it because you believe in it and you feel confident in your ability to go home and explain it to your folks.

I did not initially oppose the Vietnam war. I am ashamed that I did not turn against it earlier than I did, sitting in a small town in Arkansas, watching the evening news. We were confused. We thought democracy was on the line, freedom all across the world was on the line.

Do you know when I turned against it? When my two sons became old enough that I was going to have to explain it to them, and I tried to explain to them why they might have to die in Vietnam. I could not explain it to them; and I thought, "If I can't explain it to them, I'm not for it." So I turned against it.

That is one of the reasons why I ran for the U.S. Senate, I was so despairing of that war. The reason I stay in politics is that I love the politics of hope, and I am hoping the U.S. Congress, somehow or other, when the chips are down, as they are now, will do the responsible thing, so that the Members can go home and tell their children, "Today I did something for your future."

I yield the floor.

Mr. HOLLINGS. I yield myself 2 minutes.

Mr. President, the distinguished Senator is right on target. It seems to me that we would be satisfied to do a good job, I say to the Senator. I think of the old school, the distinguished senior Senator from Mississippi. We used to get reelected the hard way. We earned it. You had to do a good job in the legislature in order to get to Lieutenant Governor. Then, as Lieutenant Governor, you had to do a good job to become Governor. Then, you had to do a good job as Governor in order to be sent here.

Now that is out the window. You can forget about doing a good job. That is not the issue or concern here today. Were that the case, we would all vote for this. I think if we had a secret ballot, we could pass this quickly.

They do not know how to explain it over there to the President. That is what is bothering them.

What we have learned is pollster politicking. What you do in national office, I say to the Senator from Iowa, is that you take a poll, find out what

the issues are, and then the pollster will say, "Having found that out, identify, but do not solve." That is where you divide voters and begin to lose.

So the favorite gimmick among Democrats and Republicans, both sides of the aisle, is, "I am concerned." If you ask about deficits, "I am concerned about the deficits." "I am concerned about Central America." "I am concerned about the Mideast." But do not go with a plan that will solve the problem.

I came around and tried to identify, tried to do something. I showed my concern. This is a real solution; and as the Senator indicated, it is a sacrifice. It is not easy. But it is certainly a desirable one at this particular hour, because next year, with the interest rates, the countercyclical funds, food stamps, and unemployment compensation beginning to trigger, you cannot cut those, and then we do not want to raise taxes.

A minute ago, the distinguished Senator from New Mexico mentioned \$87 billion. He says sure we could do it if we would get \$87 billion in revenues and new taxes.

That is easy for me. We have listed these amounts that came from the Finance Committee.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HOLLINGS. Let me just yield whatever time necessary.

How much time do we have remaining?

The PRESIDING OFFICER. Three minutes and fifty-four seconds.

Mr. HOLLINGS. I might have to get some time from my distinguished colleague here on the other side of the aisle.

But in a capsule, if we had taken a 10-percent tax cut that we had last July, less than a year ago, and reinstated it, we pick up \$183 billion. That is where we have been losing all the revenues.

With respect to indexing alone, over the 5-year period, that is \$165 billion, not just \$87 billion. Over 5 years we lose \$165 billion.

I am limited by time. The Senator from New Mexico talks about cutting social security. No one is cutting social security.

The last word to be said on this particular debate is it is time we in public office quit treating social security recipients as welfare recipients. They resent it. They should not be demeaned. And they are not entitled to a cost of living adjustment.

I have been elected three times to the Senate when they did not even have COLA's in 1966, 1968, and 1974. We only started them in 1975.

We did not have COLA's under the Great Society. Our friend President Johnson thought of every way in the world to spend money, but he never thought of COLA's.

And the recipients have not paid for a COLA. They have not been taxed for it.

Right this minute, the other Senator was saying a moment ago we raised taxes and we have frozen entitlements. And we did a third thing. We dipped into the general revenues to the tune of \$16.9 billion for social security for this year alone.

We are now making it a means tested program. The trust capacity has been destroyed. We are not only paying out from the general revenues but we are going to begin next year taxing social security. And we are going to change it into welfare then.

I know the senior citizens. I have gone to them all over this country. As long as it is a shared sacrifice, they have children and they have grandchildren, and they will go along so long as it is a shared sacrifice and we are not balancing the Federal budget on their backs, and we are not. We are not cutting their benefits. We are just not giving them an increase for 1 year for their part of the sacrifice. We are holding up on discretionary spending, holding up on tax spending, holding up on defense, and all the rest. They will do their part, rather than offload this debt onto their children and grandchildren.

So is it reducing their entitlements? No. They are not entitled to it. The average social security recipient gets all the money he paid into the trust in 18 months.

So they should be told the truth. Even with the increased revenues now they are not paying for it. They are not entitled to it and they should not be treated as welfare recipients.

If I have another minute I withhold that time, and then I will go begging to the distinguished senior Senator, the chairman of our Budget Committee, for additional time.

Mr. DOMENICI. Mr. President, from our side, I say to my good friend from South Carolina, the only Senator I know who wishes to speak is Senator DOLE, after I finish here. He needs maybe 10 minutes or so. I will get hold of him and ask him if he can come down.

I am only going to talk for about 5 minutes and then I will yield another 10 or 15 minutes of my time.

Mr. HOLLINGS. I will be happy to check with a couple of other Senators who have not gotten here yet.

Mr. DOMENICI. I will yield to the Senator. We will probably, combined, need about 20 minutes.

And we have how much time remaining?

The PRESIDING OFFICER. Forty-six minutes and thirty seconds.

Mr. DOMENICI. I think at least 20 minutes, or more, we will yield to the Senator from South Carolina, I say to my friend.

Let me make just two points, and then leave it in the hands of the Senate.

To tell the truth, I think I have been as much for reducing deficits as anyone. But I can tell the Senate in all honesty I am not sure that if I were king of the world here—I told the story once what my little daughter told me one morning when I was trying to get their attention. They were 6 years old, and I was talking to them one morning. There was a teachers' convention so they were home, and I stayed late and did not come down here at 7:30 a.m. I was getting their attention, and one of them looked back at me and said: "Daddy, you is no king; you is just a Senator."

Even if I were king, I am not sure that I would take, and I did the numbers here—if I am wrong, correct me—I do not know that I would take \$71 billion out of the social security to balance this budget. I am not sure I would do that. I say that in all honesty. That is for 5 years what this proposal does to a social security plan that we just finished reforming, that we just put the taxes on for, that we are just told in probably 1 more year it will be solvent for a long time. I am not sure I would take \$71 billion and say put that on the debt. I do not know what we want to call that. I think it is a \$71 billion reduction in social security divided up, as I said here a while ago. I think it is an \$1,800 reduction for an average retired couple. I think it is a \$2,100 reduction for a disabled worker. But I am not sure that I would take almost \$71 billion out of an entrusted fund for which taxes are imposed and say here today that I know enough about the next 5 years that I am going to take that big a chunk of money and apply it on this debt.

Mr. HOLLINGS. Mr. President, will the distinguished Senator yield?

Mr. DOMENICI. If I could finish two points, and then I will be glad to yield.

Mr. HOLLINGS. Yes.

Mr. DOMENICI. That is one.

If the Senator wants to do it on 3 years to compare it with whatever else we are doing, it is almost \$32 billion. Let me round it out. It is \$31.9 billion in social security over 3 years that we are taking out of the trust fund and saying even though it is there we are not going to pay it to these people; we are going to reduce their benefits. I am going to round that to \$32 billion over the 3 years.

Let me say medicare I know is in big trouble, but I am not sure that I know enough today to reduce by some kind of freeze on medicare over 5 years at the rate of \$18 billion. I say in all honesty that I do not know that I know enough about how to straighten up this fiscal policy to just come along

and say today for 5 years we are going to take \$18 billion out of medicare by cutting it or reducing it or whatever we are talking about here. That is a reduction over current law of \$18 billion.

I remind the Senate also that is entrusted money. I know that by 1992 it will be in trouble if we do not fix it. Maybe by 1995 it will be in big trouble. But I think everyone should know that is \$18 billion reduction in medicare. Then we have these other entitlements, the predominant ones being Federal pensions, both military and civilian. Those are the principal ones, and we reduce them by \$40.2 billion, some of which are entrusted, some are not.

That is for starters on the cut side, and then over 5 years we would today by one act, by one vote, we would increase taxes \$352 billion; over 3 years, \$132.5 billion. I tell the Senate I am for multiyear budgets. I have been one who has argued regularly with the administration about looking at 2, 3, 4 years, but I can tell the Senate in all honesty I am not at all sure if I were the benevolent dictator that I know enough about this American economy to put on \$352 billion in new taxes now in a permanent manner saying we are just going to fix everything, get rid of indexing, do these other things, and we are really going to have a humming economy. I am just not sure of that.

As a matter of fact, to tell the truth, I am not going to give my speech here today. I think I will save it for other packages. But I do not think this economy is in such bad shape. As a matter of fact, I think we have to reduce the deficit, but I do not have a great anxiety about it that we better do it tomorrow morning or this world is coming to an end.

As a matter of fact, we have some things in pretty good shape that were in pretty bad shape 4 years ago. We had inflation at 14 percent; it is now 4 percent. We had interest at 21 percent; it is now 12.5 or 13 percent. Yes; it has gone up a little bit, and I am worried about it. We had a dollar falling off the table then, and it is now strong. We had a Defense Department that did not have enough money to pay its personnel and they were on food stamps. We have doubled their pay. Maybe that is extravagant to some.

Those are four pretty good things we have done. And we have a deficit left. There is no question about it. We should fix it. But I just think to sit here today and say to the Senate, let us fix it all right now and let us take almost \$71 billion out of social security, when we just had the reform, and let us take \$18 billion out of medicare, and let us take the other entitlements and take \$40 billion out of that, I really think when Senators get to thinking about that we are not going to do it; but it is not because they do not have any courage, and it is not be-

cause they are not fearful of the deficits.

To tell the truth, with all the respect I have for the proponents, I do not know that the Senate should be putting on a \$485 billion deficit reduction package in law here today and say that is going to fix the American economy.

Mr. ANDREWS. Will my colleague yield?

Mr. DOMENICI. I have been here and I did not use much of my time. I am going to send a message for Senator DOLE. He wants to speak and we are going to reserve some time for him.

But I would be delighted to answer some questions from the Senator from North Dakota or my good friend, Senator HOLLINGS. I have an appointment in about 5 minutes, so if you will make them brief, we will answer them brief.

Mr. ANDREWS. Could I ask my colleague a question?

Mr. DOMENICI. Senator HOLLINGS was first.

Mr. HOLLINGS. By way of explaining, because there is really inflammatory language being used, taking the money from the trust fund, and Senator knows and I know, that this amendment does not disturb any moneys in the social security trust fund.

Mr. DOMENICI. No; I know that.

Mr. HOLLINGS. It is not taking money off the trust fund.

Second, I am sending for a copy of it now, the distinguished Senator from Louisiana—I will never forget it because we were both concerned—made the statement at that particular time, and I ask the Senator if that was not correct, that he said over the next 3 years it would cost the general revenue \$61 or \$62 billion out of the general revenue for that so-called reform you are talking about. That is why I have checked and that is why I have the accurate figure from the CBO and the social security trust fund. That is why I quoted the \$16.9 billion this year, fiscal year 1984; that we are taking from the general revenues to put into the trust fund, \$16.9 billion.

Mr. DOMENICI. The Senator is correct.

Mr. HOLLINGS. Medicare is not covered in this freeze. You cannot freeze that right now. You said we were freezing funds of the medicare. I will correct that later when you give me the time.

Mr. DOMENICI. Mr. President, since the Senator from New Mexico has the floor, let me just correct this. I do not want to overcorrect, because I am not suggesting that anybody is taking social security money and absconding with it. I am suggesting that when we wanted to make social security solvent and we spoke of raising \$40 billion to make it solvent, what did we hear? "Don't balance the budget on

the backs of social security." And we needed \$40 billion to make it solvent.

Now, all I am telling you is that it is solvent. And you are taking \$71 billion and saying, "Don't pay benefits; keep it in the general fund to reduce this deficit."

You are not taking it. It is there. It is just that they are not going to get it. You can call it what you like—a cut, a reduction, an entitlement that is not going to be realized, whatever you like. I am merely telling you that this is how you get the deficit reduced, \$70.8 billion out of social security when nobody is even telling us that it is insolvent.

The other big item is \$352 billion in taxes imposed now for the next 5 years. Now, that does reduce deficits, I say to my friend, if it does not do some other things along with it. It surely will reduce the paper deficits as you read them.

Now, my friend had a question.

Mr. ANDREWS. I do have a question, Mr. President. I listened to my chairman's remarks with a great deal of interest. Now, I will admit that things get awfully cold in North Dakota, Mr. President, and they are warm down in New Mexico.

But if I heard my good friend correctly, I think he said that we were trying to do this all at once. My gosh, Mr. President, there is a \$181 billion projected deficit for next year out there. This rose garden package—and those blossoms are pretty well wilted and faded away when we take a look at that—only cuts \$12 billion out of that deficit. Now, maybe that is movement, but it is surely a turtle.

Now, ours cuts \$37 billion. That is no Kentucky Derby winner. That is not doing it overnight. That is not doing it quick. But it is a whale of a lot more responsible, Mr. President, if you want to get this deficit under control or starting under control in that first year if you want to impact the interest rates.

Our farm families. Mr. President, are not very happy with these interest rate projections that we see. Our homebuilders are not very happy.

And, certainly we end up freezing social security. I would rather not do that. But we are not cutting anybody.

And if my colleague and good friend and the chairman has any suggestions on how you do it and still keep 4 percent for defense and how you do it any better than we are doing it, and if my colleague really thinks that reducing a \$180 billion projected deficit by \$37 billion is doing it too fast, gosh, that is kind of smoky mirrors. That is a little bit "Alice in Wonderland." I wish we could do it faster.

So I hope, Mr. President, that my colleague recognizes the need is there and the need is now and if we are going to address that deficit in that

first year, instead of more promises, promises, promises in that third out-year, we are going to have to do something about it now. And if that is excessive speed, it is excessive speed. But I suggest it is not speed, as I say, that is going to win that Kentucky Derby this weekend. But at least our turtle is moving while the Senator's seems to be pretty well bogged down in sand. And the goal is to reach that final point of getting these deficits more well-defined and under control.

I hope that my colleague and good friend would join us in that effort to get these deficits more swiftly under control.

Mr. DOMENICI. Mr. President, let me just suggest two more things, then I will yield the floor.

First of all, I will argue the package that the Senator referred to as the rose garden is not really the issue here. The issue is not the rose garden or any others. The issue is your package, the issue is the Hollings-Andrews-Exon package referred to as the bipartisan package to reduce the deficits.

I do not know how bipartisan it will be when we get to vote, but it is bipartisan in its sponsorship at this point and that is enough to call it that. It has been called American here today by those who proposed it. I guess it is. If we pass it, I think it probably is American.

But let me repeat, I honestly do not believe that the U.S. Congress, this President, this President if reelected, or one of the other individuals running to become President, that they are going to pass a 5-year plan that takes \$70.8 billion out of social security with no reform, that just says we are going to freeze it or cut the COLA's where there is hardly anything left and we are going to take \$70 billion out of that program for senior Americans that is solvent and the only reason you would be doing it is because of the deficit.

I just do not believe anybody is going to do that. I think we are going to have to do some major reform in all these areas. But I think the Senate ought to know that that is what it is and they ought to know that on medicare it is 18 billion dollars' worth.

And I do not know how you are reforming it. I wish I did know. I do not know how you can find that kind of money by just saying we are not going to pay doctors or hospitals are going to be frozen for a while. That is a huge amount of money.

The rest of the entitlements, \$40.2 billion over 5 years, and we know how to do that right now. I just do not think that is going to happen.

Having said that, I understand my friend from Missouri would like to speak. And I would ask the Senator to hold the floor for the Senator from New Mexico for a few minutes and then if Senator DOLE desires to speak,

we can give the rest of the time back to those who are the sponsors of the amendment.

I yield the floor.

Mr. DANFORTH. Mr. President, at the outset let me say that I intend to vote against the amendment that has been offered by the Senator from South Carolina, basically because I think that it increases taxes more than I would be willing to increase taxes—as I understand it, \$89 billion—and also that it would cut defense spending below what the administration and the Republican leadership in the Senate agreed to. My guess is, although I could be educated on this, that that would be too deep a cut in defense spending.

But I want to say this to the Senator from South Carolina: I think what is happening right now on the floor of the Senate is a watershed. I think that it is a very significant occasion because what we have had is a bipartisan effort to face up to the serious nature of the budget deficit and a bipartisan effort to take on the untouchable in deficit reduction, and that is the growth rate of the entitlement programs.

I do not have a list in front of me of the cosponsors of this amendment, but it is my understanding that, in addition to the Senator from South Carolina, the Senator from Arkansas spoke on behalf of this amendment, and the Senator from Oklahoma, Senator BOREN spoke in favor of the amendment.

It has significant and very highly respected Democratic support for the concept which has been politically poisonous to date; that is, dealing with the entitlement programs.

Mr. President, I do not know how it is possible mathematically to get the deficits under control without doing something about entitlements. This is something we in the Congress are going to have to face up to as quickly as possible. This year with the fact that an election is coming, realistically it is not going to be done until after the election. But it is going to have to be done. But I simply want to review the bidding on the entitlement question, because I remember so well 3 years or so ago when President Reagan suggested doing something about social security. I can remember what happened on the floor of the Senate. I can remember how that proposal was turned into a major political issue. I can remember the distinguished minority leader standing at his desk talking about Republican efforts to cut social security. I was a candidate for reelection in 1982. I am told—although I do not know—that the National Education Association ran a phone bank in one of the congressional districts of our State in which they said, if you vote for the election of JACK DANFORTH to the

Senate and GENE TAYLOR to the House of Representatives, you will lose social security. That is how it was used politically. It was used in a very partisan way.

I have on my desk a mailing which was received by one of my constituents in Kansas City, Mo. This man is a senior citizen. He is incapacitated. He suffers Lou Gehrig's disease. He is at home. He is on a respirator.

It is a long letter from the Speaker of the House, TIP O'NEILL, and is five pages long. Then it has a little form to send in. The form is headed "Campaign To Save Medicare-Medicaid." It says on the form,

I want to help stop the Republicans from gutting critically needed health assistance programs of older Americans. Only the Democratic majority in the House of Representatives was able to protect and save social security from Republican attacks. Now is the time for the same Democratic majority to stop the Republicans from taking their budget axes to Medicare and Medicaid.

Then the letter, which is single spaced, and five pages long, says, among other things—I will just read one paragraph, Mr. President:

*** right this moment, my Democratic colleagues and I are in the midst of a crucial fight to block the Reagan Administration and New Right Republicans from callously slashing the benefits and services of what is literally the life's blood of our elderly—Medicare and Medicaid.

Mr. President, I ask unanimous consent that this letter from Speaker of the House O'NEILL, a form letter, be printed in the RECORD at this point.

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

DEAR FRIEND, hardly an American could have missed the enormous battle waged here in Washington last year to save the Social Security system. And when Congress placed this all-important program on a sound financial foundation for future generations, headlines and TV reports proclaimed "Social Security Saved!"

Well, sad to say, the battle is not yet over. What millions of Americans do not realize is that our battle to ensure the health and economic security of older Americans is only half-won. Because without adequate health care insurance, the economic protection that Social Security provides to millions of elderly people is hollow and meaningless.

And right this moment, my Democratic colleagues and I are in the midst of a crucial fight to block the Reagan Administration and New Right Republicans from callously slashing the benefits and services of what is literally the life's blood of our elderly—Medicare and Medicaid.

We are vehemently opposed to their vicious proposed cuts of more than \$1 billion in Medicare and the new cuts of more than \$1 billion in Medicaid. And I am personally appealing to you to enlist your immediate help in preventing Medicare and Medicaid from being gutted. Just as the Democratic-controlled House prevented the Reagan Administration from destroying Social Security, we must now save Medicare and Medicaid. And I urge you to help us right now, by

making a contribution to the Democratic Congressional Campaign Committee's Campaign To Save Medicare/Medicaid.

If you could see some of the letters I receive from older Americans throughout the country, I am sure you would be as appalled as I am with the stories all too many of them tell.

Here are honest, upstanding citizens, who have worked hard—many even fought hard in our nation's wars—to keep America strong. They have given this great country their entire lives. Their only crime is that they have gotten old and sick.

Some letters cry out how, even under current Medicare and Medicaid programs, critical health needs go untreated . . . an 80-year-old woman needs eyeglasses, but the fuel bill is overdue . . . a grandfather needs a heart operation, but cannot have the operation and pay his rent.

And with over 30 million people in this country without any medical insurance, the frequency of such tragedies is all too common.

In spite of this, Ronald Reagan and the New Right Republicans advocate a utopian kind of self-responsibility. In their country-club mentality, they seem to think that every American can somehow find the money to pay for enormous medical bills, hospitalization, and physicians' services. And in their ruthless attempt to cut to the bare bones domestic services, they totally ignore the real facts. The average American over age 65 has a total gross yearly income of only \$9,700! The Republicans could not care less that low-income, elderly Americans are already spending at least 16% of their annual income on medical care!

If passed, the Republican plan would substantially increase the financial burden of medical care for older citizens. Reagan has proposed over \$1.9 billion in cuts to Medicare in the 1984 budget. More than 50% would come out of the pockets of the elderly.

I, for one, am not going to stand by silently and let the Republicans add intolerable medical expenses to the budgets of millions of older Americans already struggling just to get by. And I don't think you will stand by either.

That's why I'm writing to ask you to join with me and the Democrats in our Campaign To Save Medicare/Medicaid.

Medicare was first instituted under Democrat Lyndon Johnson in 1967. Medicare fulfilled the earlier commitment of Franklin Delano Roosevelt, who founded Social Security, to provide the security of guaranteed medical health care. Tens of thousands of senior citizens are alive today thanks to advanced medical technologies, such as kidney dialysis, provided through Medicare. But the opportunity for a longer, healthier, and more satisfying life is being denied to many other older Americans because of Reagan's "get tough" attitude toward older citizens.

As soon as Ronald Reagan took office, he attacked Medicare by cutting millions of dollars in funding and by asking low-income elderly citizens to pick up the burden of even heavier medical expenses.

If Reagan gets his way, hospital costs alone for the average older American would increase more than 80% in just one year!

Medicaid was first proposed when Democrat John F. Kennedy was president and later passed into law by Democrat Lyndon B. Johnson. Medicaid took an enormous burden from families who were faced with the need to provide long-term residential care for elderly parents.

But once again, President Reagan and his New Right political allies have taken the budget axe to Medicaid during the last two years.

These Republican budget cuts would be as catastrophic to our nation's elderly as the original Reagan proposals to gut Social Security. And just as we fought off those attacks together, we must now save Medicare/Medicaid.

Over the years it has been the Democratic Party that has guarded Social Security, Medicare, Medicaid, and other critically needed programs.

With the health and economic security of millions of older Americans under attack by the Reagan Administration, we Democrats have set as our number one priority the goal of saving Medicaid and Medicare.

And believe me, there's a lot at stake for all of us. Medicare and Medicaid together account for over \$80 billion a year in federal health care expenditures.

Members of your family have probably already benefited greatly from these two programs which pay for a large part of their hospitalization, their physicians' fees, and medical necessities, such as prescription glasses and wheelchairs.

With so much at stake for all of us, here's our battle plan for our campaign to save Medicare/Medicaid.

1. First, the political staff of the Democratic Congressional Campaign Committee has started working up strategies to guarantee the election of a Democratic House in 1984 that will stand for, work for, and fight for strong and improved programs in both Medicare and Medicaid.

2. Next, Democratic leaders in the House are scheduling a series of hearings on the future of Medicare and Medicaid. But we're also going to appear on radio and TV talk shows and write editorials for the newspapers. We intend to make the survival and improvement of Medicare and Medicaid a top political issue in the 1984 elections.

3. Third, we must bring our battle to save Medicare/Medicaid into the homes of millions more Americans like you—people who care; people who will not turn their backs on the nation's elderly.

We must seek their help through letters like this one asking for their personal support in making our Campaign To Save Medicare/Medicaid one of the very top issues of the coming campaign. And we must also urge their financial support to make sure Democrats are victorious.

Believe me, the ballot box is the most important weapon we have against those who would destroy or weaken health care services for older Americans.

But to elect and reelect candidates who will champion the defense of Medicare and Medicaid will not be easy.

In the 1982 midterm elections, the three Republican campaign committees outspent the democratic committees by nearly 8 to 1. Their spending, in fact, was the largest in the annals of American politics. And their immense financial influence threatens to destroy our two-party system of government.

Of course I know we Democrats can never match them dollar for dollar. The Republican Party has always been and will always remain the party of wealth and privilege.

But to defend the future of Medicare and Medicaid on which so many older Americans critically depend, you and I must close the money gap. Next November we must be able to send to Washington more Democrats who will stand up and fight for health care services for older Americans.

But we face heavy opposition. The Republicans, now in control of both the Senate and the White House, will spend lavishly to gain control of the House . . . the last remaining governmental opponent of their cruelly indifferent public policy for our older citizens.

You and I must not turn our backs on millions of older Americans who have planned their retirement and their monthly budgets on their trust in the good faith and commitment of our federal government.

Just as Americans have a legitimate right to expect their monthly Social Security checks, so they have an equally legitimate right to expect that their government will continue to protect them against the high costs of hospitalization, surgery, and the long-term care required after a devastating illness.

Growing old and getting sick is a natural part of life. Citizens should not be penalized and burdened with medical bills beyond their ability to pay.

But unless we act now, the Republicans following President Reagan's lead will penalize and burden older Americans for the natural and inevitable results of aging and illness.

The only way you and I can make sure that insensitive politicians do not undermine or dismantle Medicare and Medicaid is to elect Democrats who will stand for, work for, and fight for a strong, secure health program for older Americans.

We need Democrats in the House of Representatives who will place Medicare and Medicaid at the top of their list of priorities—not at the bottom.

As Speaker of the House, I know from firsthand experience that the threats to Medicare and Medicaid are real and imminent!

I urge your help in our Campaign To Save Medicare/Medicaid.

Your emergency membership contribution today of \$15, \$20, \$25, or more will help us expand this campaign and win this fight.

I am doing all I can every day to protect the health needs of older Americans. But more help is urgently needed now. Please let me know that the Democrats in the House of Representatives can count on your help in this battle to save and improve Medicare and Medicaid services and benefits.

Age and illness befall every one of us. And that's why the stakes are so enormously high for every one of us.

Sincerely,

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

Mr. DANFORTH. Mr. President, I believe that something has to be done to check the rising cost of medicare. I believe that something has to be done to check the uncontrollable rise in the entitlement programs; and that without that action, there is no possibility of having a responsible budget.

Some people say, well, let us cut defense spending. Fine. But no responsible suggestion on defense spending would get a deficit below, say, \$150 billion a year.

Anything more than that is wildly beyond the mainstream of debate on the subject of the defense budget. Some people say we should raise taxes. I am sure we are going to have to do that. All of us have proposals. Most of us have proposals which have some in-

creases in revenue. But there has to be a limitation, Mr. President, as to what we can do on the tax side of the ledger.

What we are going to have to do is put together a package which will include something on defense, something on taxes, and something on the entitlements. Let us face it. Without that there is no possibility of having a responsible budget.

The people of my State believe that the Congress of the United States is acting irresponsibly. They are willing to face up to the necessity of reducing the size of the deficit provided everybody is treated fairly. People of all ages, Madam President, people who are retired, people who are elderly, people who are of all ages and all groups are willing to do their part provided they are treated fairly.

But I say to the Senate today that one thing that is going to absolutely prevent the possibility of responsible action on the budget, is the question of the entitlement programs continues to be demagog for political purposes; that is if it continues to be made into such a political issue that nobody can vote for anything without fear of political death, then the Congress is going to be immobilized.

I compliment the Senator from South Carolina for breaking the ice. It is statesmanlike. With proposals like this, I understand why the Senator's Presidential campaign may not have exactly led the parade. While I have difficulties with the tax and defense proposals of this proposal, the Senator from South Carolina has shown the way in indicating that the politically poisonous subject of the entitlement programs can be addressed in a responsible and bipartisan manner.

The PRESIDING OFFICER (Mrs. HAWKINS). Who yields time? Does the Senator from Missouri yield time?

Mr. DANFORTH. Madam President, I am not aware of anyone in opposition to this amendment who desires to speak at this time. Senator DOLE, I understand, is on his way to the floor.

Does the Senator from South Carolina want to speak on his time?

Mr. HOLLINGS. Yes; I would like to put some things in the RECORD, if I am allowed a minute. I appreciate your courtesy. I thank the distinguished Senator for his generous references to me. I wonder. When we talk about the cuts in defense, Senator, we are not cutting defense. This present fiscal year, right this very minute, we are experiencing a 3-percent real growth 1984 over 1983. If we pass the pay supplemental, we will then have a 3.5-percent real growth for 1984. This particular bipartisan amendment calls for a 4-percent real growth of a larger defense budget figure.

In reality, instead of cutting defense—yes; from the President's request it is a cut—it is a \$24 billion in-

crease. In a way, it is a little larger than desired for this particular Senator. But I was trying to fashion the amendment to do exactly what you say; that is, get into the realm of debate where we were.

The distinguished Senator from Kansas has a follow-on amendment where there is an absolute flat freeze on defense. In other words, it is \$24 billion less than this particular amendment.

I thought that unrealistic. I thought it was unwise with respect to our 3-percent commitment to NATO. I thought it was unwise economically, trying to keep the defense programs current so we would not have to retrench on any particular program.

I ask unanimous consent at this point to include in the RECORD the tables that would provide specific details about the Hollings-Andrews-Exon bipartisan budget reduction plan and a talk I recently gave on the topic of budget freeze. I ask unanimous consent that they be included.

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

DEFICIT REDUCTION PLAN

[By fiscal year, in billions of dollars]

	1985	1986	1987	1988	1989	1985-89
CBO baseline deficit.....	197	217	245	272	308	1,239
Deficit reduction measures spending:						
1. Defense (4 percent real growth 1985-86; 3 percent real growth 1987-89).....	-6	-16	-27	-41	-90	
2. Discretionary programs—1-year freeze, then 3 percent annual nominal growth.....	-3	-6	-8	-11	-13	-41
3. Civilian agency pay raises—1-year freeze, then 3 percent raises each year.....	-1	-2	-3	-4	-5	-15
4. COLA's—1-year freeze, then 3 percent COLA each year.....	-7	-14	-18	-23	-27	-89
5. Impact of pending reconciliation, finance, and farm bill legislation.....	-2	-6	-9	-10	-13	-40
6. Impact of 1-year physician and hospital freeze (modification of finance provision).....	-2	-3	-3	-4	-4	-16
7. Offsets.....	+1	+2	+3	+4	+4	+14
8. Interest savings.....	-2	-9	-20	-36	-59	-133
Subtotal, spending.....	-16	-44	-74	-111	-158	-403
Revenues.....	-23	-44	-67	-93	-124	-350
Remaining deficit.....	158	129	104	68	26	1-753

¹ In reductions.

Note: Totals may not add due to rounding.

BIPARTISAN BUDGET FREEZE PROPOSAL

MAJOR POINTS ON NATIONAL DEFENSE

Provides 4 percent annual "Real Growth" in fiscal year 1985-86 and 3 percent in fiscal year 1987-89 with CBO economic assumptions.

Provides 5.5 percent annual "Real Growth" in fiscal year 1985-86 and 4.5 per-

cent in fiscal year 1987-89 with Administration economic assumptions.

Reduces Congressional Baseline Defense totals for fiscal year 1985-87 established in fiscal year 1984 Budget Resolution by \$22 billion. Reduces President's new Defense totals by \$26 billion.

President's revised Defense totals add \$4 billion to Congressional baseline.

Historical defense spending totals:

Annual real growth in total defense spending, fiscal year 1981-84.....	8.9
Annual real growth in defense procurement, fiscal year 1981-84.....	17.2
Annual real growth in defense R&D, fiscal year 1981-84.....	11.9

Holding defense spending to 4 percent in fiscal year 1985 would still provide for annual real growth of 7.7 percent (fiscal year 1981-85) and meet the NATO commitment.

Bipartisan proposal provides for annual real growth through fiscal year 1989 of 5.7 percent per year for 1980s under CBO economic assumptions.

Bipartisan proposal provides for annual real growth through fiscal year 1989 of 6.5 percent per year for 1980s under administration economic assumptions.

DEFENSE ALTERNATIVES

[In billions of dollars]

	1984	1985	1986	1987	1988	1989
Hollings/Andrews/Exon 4-3-3-3 real growth:						
Budget authority.....	287.7	314.3	341.3	370.2	401.6	
Outlays.....	263.0	288.4	313.3	340.8	367.5	
CBO baseline:						
Budget authority.....	264	297.3	329.0	367.2	408.7	454.9
Outlays.....	235	263.4	294.6	329.0	367.4	408.3
President—original request:						
Budget authority.....	313.7	359.0	389.1	421.6	456.4	
Outlays.....	273.5	315.3	352.5	387.4	419.3	
President—new defense total:						
Budget authority.....	299.0	333.7	372.0			
Outlays.....	266.0	294.6	330.4			
House Budget Committee:						
Budget authority.....	285.7	310.0	336.1			
Outlays.....	255.9	275.8	303.9			
Hollings/Andrews/Exon changes to:						
CBO baseline:						
Budget authority.....	-9.6	-14.7	-25.9	-38.5	-53.3	
Outlays.....	-0.4	-6.2	-15.7	-26.6	-40.8	
President—new:						
Budget authority.....	-11.0	-19.4	-30.7			
Outlays.....	-3.0	-6.2	-17.1			
House Budget Committee:						
Budget authority.....	+2.0	+4.3	+5.2			
Outlays.....	+7.1	+12.6	+9.4			

FREEZE, FREEZE, FREEZE

Everywhere men cry "freeze" but there is no freeze. This is to be expected. David Brinkley recently said, "We have been spending with abandon for 40 years and there is no reason to think that Congress will change this election year." Perhaps we could dispel this air of futility if we understood that for years we have maintained a discipline against "tax and tax and spend and spend." Today that discipline has been broken. We are in serious trouble.

All politicians love tax cuts. For the twenty year period 1960-1980, we had one general tax increase. In contrast, we passed seven tax cuts during the 70's for a revenue loss of \$731 billion. The thrust of Kemp-Roth supply side was "if you can't beat them, join them." If the Democrats insisted on redistributing the wealth of the country with niggling tax cuts then the Republicans would take care of the rich with a 30 percent tax cut. Discipline against large deficits

had been maintained since World War II. For the 33 year period between 1947 and 1980, the total cumulative deficit was \$465.5 billion. The cumulative deficit for the three years 1982, 1983 and 1984 amounts to \$495 billion. Our trouble didn't begin 40 years ago but just now. Each year you run a \$200 billion deficit you in essence launch a new spending program of \$20 billion for interest costs—\$20 billion that could be spent for cancer research, cracks in roads and bridges, education, etc.—\$20 billion for nothing. The national debt grows, and interest compounds. Today we are spending \$3 billion a week to finance the national debt. Before long Congress will be meeting and after taking care of defense, Social Security and health costs there will be an annual struggle to raise taxes to finance the national debt. We won't be able to provide for anything else.

The reason there is no freeze is that the Republicans want to run on the Reagan tax cuts and hope they can get past the election before interest rates rise. Democrats, knowing that the deficits will cause a rise in interest rates, hope that this will happen before the election causing the Republicans to be thrown out of office. One side doesn't want to see a problem, the other doesn't want to solve it. Neither side wants to face the necessary sacrifice and discipline before the election so both sides engage in the political charade of "freeze" plans that identify with the problem without a solution.

To do the job, the freeze must:

1. Be Bipartisan. The Republicans and Democrats each have the power to cancel the other in the Congress today so that any freeze must be bipartisan;

2. Be Politically Attainable—one that could pass the House and the Senate;

3. Eliminate the Deficit in 5 Years. Unless there is a realistic five year plan, the financial markets will not respond. We must show that we can control the uncontrollables and that the Federal budget will be back in the black in five years;

4. Be Enacted Now—next year is too late. A freeze today could be impossible later. When inflation reignites, touching entitlements will be out of the question. If recession hits, restraining counter cyclical spending will be impossible.

The Republican freeze increases the deficit instead of cutting it. The House Democratic freeze maintains the deficit at a \$181 billion level and probably higher. The Senate Democratic freeze maintains the deficit at a \$170 billion level. The Kassebaum freeze is only for one year and its total freeze for defense would require a cut in readiness and maintenance of the troops.

The Hollings-Andrews-Exon freeze is bipartisan and politically attainable in that it has just been attained. We are saying, "Let's take this year's budget which was signed into law just five months ago and live with it another year." Is that so difficult? Is that so different from what most families, businesses, unions, state and local governments have had to do during the last four years? We say NO. We say it's about time Washington caught up with the rest of the country. Our proposal will freeze cost-of-living adjustments, discretionary spending and civilian pay for one year followed by 3 percent increases for the next four years. Programs for the nation's needy—supplementary security income, food stamps, Medicare, Medicaid—are exempted. Our plan allows a 3 percent real growth in defense. A total freeze is politically unrealistic—and damaging to defense. The 3 percent maintains the readi-

ness of our troops and our NATO commitment. Our proposal cuts spending \$450 billion. On the revenue side, our plan provides \$350 billion over 5 years to be raised by a delay in tax indexing, a stretch-out of building depreciation from 15 to 20 years, full basis adjustment for investment tax credits, a minimum corporate tax and other measures included in the Finance Committee bill. The deficit is reduced in five years to \$8 billion.

This bipartisan freeze is severe. But the economic forces afoot in the Federal budget are so devastating that it has to be traumatic to get the job done. A down payment is just a cop-out. Our plan calls for sacrifice but it's a shared sacrifice. We have been on a spending binge too long. Now is the time to put America on a diet and give the future a chance.

Mr. HOLLINGS. Pending the arrival of Senator DOLE in the Chamber, I might also comment on social security. The distinguished Senator from Missouri, on the Finance Committee, will understand that it is not solvent in the sense that we are now taking from the general fund this year. Those on the Finance Committee know we will be taking again next year.

The so-called reform plan had the word saying "reform," but what we did was to borrow from the general revenue. We ran out of the health care fund. We had been borrowing from there. Now we jump the borrowing over to keep it all going, with the so-called increases, from the general revenues. Senator LONG will be on hand in just a moment. I am trying to jog my memory. I believe he used the figure in excess of \$60 billion which we would be borrowing from the general revenues in order to pay social security. So we are not taking from the trust fund.

One letter was read about medicare. I agree with the distinguished Senator from Missouri. We really have demagogged the social security issue all over the country. I have traveled the country and everywhere we went different candidates were running for office who stood for social security and would save it, and wondered who really opposed it and were trying to cut it.

I did not know of any movement on either side to cut social security.

We do have damagogs. But we do not cut medicare. We do not cut the medicare funds.

With that, I see that the distinguished Senator from Nebraska also has a small inclusion for the RECORD that he also wants to present, if the Senator will yield. I will yield so the Senator from Nebraska may proceed.

Mr. DANFORTH. Madam President, I yield to the Senator from Nebraska. The only problem I have is that I understand Senator DOLE may be coming to the floor and may like to speak. When he arrives, I hope the Senator from Nebraska will yield to him.

Mr. EXON. Of course. I thank my friend from Missouri.

Madam President, there has been a lot of talk here today, much of it not about the merits or demerits of this bill, but politics.

I say to my friend from Missouri what I said to my friend from New Mexico earlier. This Senator does not play the games that he alluded to in his campaign. If it was my party that was behind that, I apologize. It was not this Senator who played the type of games that the Senator from New Mexico indicated were played 2 years ago on the social security issue.

Concerning the letter that the Senator read from TIP O'NEILL, I have several letters of that general nature by prominent Republicans, some holding the highest offices in this land, which I do not believe would meet the test of fairness in terms of what the Senator from Missouri and the Senator from Nebraska would think was right.

Obviously, the Senator from Missouri was quite touched and probably hurt by the unfairness of the campaign waged against him.

I would not be surprised if some of us might not find a like circumstance coming up this November. I think the stage was set pretty clearly for that by the chairman of the Budget Committee and inadvertently, perhaps, by the Senator from Missouri.

I would like to say that there has been some talk here about this terrible tax increase. I would simply say, Madam President, that the first 3 years, \$137 billion over a 3-year period, would just about, or a little bit more, cover the two main increases in our bill, national defense, which I suppose we are all interested in, the increase for national defense, and the increase in interest on the national debt.

Somewhere along the line those who support defense must arrange to pay for it.

A great hue and cry went up on the other side when the House said we should have a tax for national defense. I simply say that the Hollings-Exon-Andrews bill in the first 3 years, with the \$137 billion figure alluded to by the chairman of the Budget Committee, would just about take care of the increase that our bill allows for national defense and interest on the national debt, two things that we cannot get out of, in the opinion of this Senator.

I was quite discouraged, Madam President, to again hear talk by my good friend, in whom I have great respect, the chairman of the Budget Committee, talking about attacks on entitlement programs. There is no attack on entitlement programs in this particular bill. We try to treat everyone equally.

I am quite surprised that the Senator from Missouri is not with us on this, because he has been with us on similar plans that did about the same

thing as this, only for a shorter period of time.

I was also quite disappointed, Madam President, frankly, at the attitude expressed by the chairman of the Budget Committee about entitlement programs.

On three or four occasions I have personally heard the chairman of the Budget Committee, the Senator from New Mexico, get on the air—and I said, "There is a man of courage"—and say "We are not going to attack the deficit program until we take a look at entitlements." He said that over and over and over again, until today.

There is a lot of politics going on, a lot of politics being played. I see a lot of smiles on faces of staff members, who had part and parcel of this. I only say to you, Madam President, that we can make political attacks and we can play politics. But that is not going to solve the deficit. This is a fair and reasonable proposal. I would hope that for once we could put partisan politics and elections aside and do what is right for this country.

I am disappointed that we are not getting more support so far from the other side of the aisle, despite what the Senator from New Mexico said, that this is indeed a bipartisan plan.

How many votes we will get on the other side I do not know, because that side is already locked into the rose garden patchwork plan that is not going to do anything.

I thank the Senator for yielding.

Mr. HOLLINGS. Will the distinguished Senator yield 1 more minute?

Mr. DANFORTH. I yield.

Mr. HOLLINGS. Madam President, I ask unanimous consent that the revenue proposal table be printed in the RECORD at this point.

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

POSSIBLE ALTERNATIVES DEFICIT REDUCTION PLAN—REVENUE PROPOSAL

[In billions of dollars]

	1985	1986	1987	1988	1989	1985 to 1989
Pending finance and reconciliation action to date [preliminary estimate]	10.9	15.9	20.8	26.8	32.8	107.2
Delay indexing	5.7	17.1	30.9	46.7	64.7	165.1
CBO estimate of improved taxpayer compliance	1.9	3.3	5.0	7.1	9.5	26.8
Subtotal	18.5	36.3	65.7	80.6	107.0	299.1
Additional revenue requirement, as determined by Finance Committee ¹	4.0	7.2	9.8	13.0	16.9	50.9
Total	22.5	43.5	66.5	93.6	123.9	350.0

¹ Possible alternatives include repeal of excess bad debt allowance for banks, increased minimum corporate tax, full basis adjustment for investment tax credit, and other base broadening measures.

Mr. HOLLINGS. Madam President, what we propose to do is not out of thin air and not in contradiction to anything being considered by the Finance Committee. In order to be realistic, we went to the Finance Committee. We took the pending Finance Committee Reconciliation Act to date. Then, unlike the Finance Committee, since there has been a split in the committee, we did delay indexing. We added on the Congressional Budget Office estimate of improved taxpayer compliance.

Then we took the different revenue measures that were suggested by different members of the Finance Committee and their staffs, namely the bad debt allowance of banks. Some of these were to be considered. Not to hogtie, because we could not, the Finance Committee, but to consider some things they had been proposing. The minimum corporate tax, the full base adjustment for the investment tax credit, and all the rest.

When my distinguished colleague from Kansas, the chairman of the Committee on Finance (Mr. DOLE) comes in, I know he might say I am trying to foresee—he will say, you give us these billions and billions, and where are we going to get them from? These proposals come from the Finance Committee. We are not taking it out of whole cloth and giving it an unrealistic assignment.

Now that the distinguished Senator from Louisiana is here, I say I shall never forget his poignant statement at the time the so-called social security reform package was adopted. The distinguished Senator from Louisiana

and I voted against it. I believe the figure used at that time by the Senator from Louisiana was some \$60 billion over a period of 3 years or 5 years that was to come out of the general revenues in order to pay for social security.

I called the social security office and the CBO. They both agreed that this year, 1984, the figure is 16.9 billion. But cumulatively, was there not some \$60 billion figure, I ask the Senator from Louisiana, coming from general revenues in order to pay social security?

Mr. LONG. Madam President, I shall be glad to review the matter and give a more complete statement on it, but as I recall it amounts to about \$68 billion over the period of 1983 through 1989, over this period, by gimmicks, tricks, and sleight of hand, about \$68 billion of printing press money was put in the social security fund. It worked out exactly the same as if you said, "Let's simply adjust the figures. The general fund is \$68 billion deeper in debt, and the social security fund is richer by \$68 billion."

One device that was used was to put money in the trust fund before it is collected. When the Secretary of the Treasury collects the social security tax, he puts it in the social security fund. Rather than have him put it in the fund when he collects the money, we said, "Let him estimate how much that is going to be and put it in in advance." By doing that, this social security fund gets the money a month sooner than it would otherwise.

It works out just exactly the same as if you had simply taken an amount

equal to 1 month's tax payment and put that in the social security fund, without having collected the tax.

That one trick picks up about 8 percent of 1 year's social security tax collection. That is a lot of money, quite a few billion dollars.

Then there were various other ways to transfer general fund money to the social security fund. For example, we have been paying benefits based on World War II military service even though they did not pay social security tax. Previously, we just charged the general fund for the cost of the benefits. Last year we changed this to pay the money into the Treasury that we would have collected if we had put the tax on the servicemen for all those years before 1956.

Mr. HOLLINGS. There you go.

Mr. LONG. All these devices work out just exactly the same as if you were simply ordering that the Treasury print and add to the Federal debt \$68 billion of cash and put that in the social security fund.

In fact, you do not even have to print the money; you just put the number of the balance sheet. But it all works out the same as if you had printed the money, put the Government \$68 billion in debt over a period of years to help pay for the program.

I shall be glad to provide the Senator a memo saying in detail what these various gimmicks were. You can say that we are paying for the benefits that have been provided the servicemen in years gone by and things like that, but what it all amounts to is just taking the money out of the Federal Treasury, saying the Government is

just that much deeper in debt, and adding it to the social security fund, so the social security fund is hereby solvent and the Federal Government is hereby that much deeper in debt.

Mr. HOLLINGS. There you go. We are deeper in debt.

I appreciate the distinguished Senator's clarifying that point. The reason it is significant is that the chairman of the Budget Committee was talking in terms that someone would think we would take \$70 billion. Rather than taking \$70 billion from the trust fund, what we have done is really add it to the general revenue, \$68 billion. We are not taking anything from the trust fund by this particular amendment. That is what frustrated me.

We are cheated by going ahead, for seeing, as the Senator says, gimmicks. We have paid farmers already. I hope they are living because they have the money and if they do not plant next year in accordance with the moneys advanced them this year—this is the most shameful, or shameless, or whatever, Congress I have ever seen. We are just doling money out to farmers, social security recipients, \$200 billion generally to the public that we do not even have and do not seem to be worried about it.

I can tell the Senator right now, it just distresses me that, somehow, somewhere, we cannot get the attention of the American people.

Mr. LONG. Madam President, will the Senator yield at that point?

Mr. HOLLINGS. Yes.

Mr. LONG. It falls into the same category as an item we did in the Finance Committee some years ago when the Senator from Louisiana was chairman. We just ran out of ways to save money, so we simply said we would move forward the date on which a certain payment was due. By moving that date forward, that meant that money would be paid in one fiscal year rather than the other fiscal year. That improved our situation in the budget year by several hundred million dollars by just moving that date. That was not a very honest way to improve our situation.

Mr. HOLLINGS. I think the Senator from Missouri is trying to get our attention.

Mr. LONG. If I can just complete this statement—then the next year, under Mr. DOLE's leadership, the committee was again in difficulty. If found itself hard put for money in the new budget year so it just moved the date back where it came from and picked the money up all over again. One year you improve your situation by moving the date forward, and the next year, you improve your situation by moving the date back where it came from and there is quite a bit of that same type of legerdemain in the social security bill.

Mr. HOLLINGS. I thank the Senators from Missouri, New Mexico, and Louisiana.

May I have the yeas and nays on the amendment, please Madam President?

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

The yeas and nays were ordered.

Mr. DANFORTH. Madam President, I should like to point out that it my understanding of the Hollings amendment that it does alter the proposal before us in that it cuts defense spending more than—I would say the increase in defense spending is less than the Budget Committee's proposal. In addition to that, it would raise more revenue than the proposal that is before us. But I think that the thing that is really important to emphasize is that this proposal, as I understand it, does have a freeze on medicare.

Mr. HOLLINGS. No; it does not freeze medicare, Mr. President.

Mr. DANFORTH. It is my understanding that within the amendment itself, under the provision, "Medicare Freeze," that is found on page—apparently the pages are not numbered—but there is a section called Medicare Freeze.

In addition to that, it is my understanding that it does freeze cost-of-living adjustments for entitlement programs for 1 year. Then, for an additional 2-year period, it places an additional cap on the growth. So it does deal with the entitlement issue.

I think, therefore, that what this amendment recognizes, although the numbers are not what I would prefer, is that a mix is necessary, that some additional revenues, restraint in defense spending, and doing something about the entitlements is a mix which is necessary if we are going to get the deficit under control.

For that reason, I commend the Senator from South Carolina, even though I shall not be voting with him, for the political courage necessary to face up to the problem of the entitlement programs and what to do with them.

(The name of Mr. NUNN was added as a cosponsor, by unanimous consent.)

Mr. SASSER. Madam President, any vote to cut the looming Federal budget deficits facing this country this year and for future years entails significant sacrifice. This vote is no different.

The plan offered by the Senator from South Carolina, Mr. HOLLINGS, the Senator from North Dakota, Mr. ANDREWS, and the Senator from Nebraska, Mr. EXON, is tough medicine. Given the depth and scope of the current deficit dilemma we find ourselves confronted with, tough medicine is needed.

This budget plan represents an integration of two extremely important concepts which are essential to the

current debate: First, it is comprehensive from the standpoint that it reduces the Federal deficit by some \$315 billion over the next 3 years; second, it embodies the notion of shared sacrifice in that everybody is asked to pay the price for sustained economic growth for the future.

I voted for the plan only reluctantly due to the nature of the social spending constraints contained within. In particular I refer to the 1-year freeze on social security cost-of-living adjustments. While the freeze is not an actual cut, it does represent holding the line on these adjustments for 1 year. The Government's commitment to the elderly is one of the most profound commitments we have to make. It is my belief, however, that had the Hollings-Andrews-Exon plan been adopted, we would have secured a stable economic growth path which would have fully protected the fiscal integrity of the social security trust funds.

It must also be remembered that the budget reconciliation we are considering would only be binding for 1 year, and given encouraging economic performance we would have the opportunity to revisit these actions next year.

In summary, I felt that the drastic nature of the economic problems facing the Nation warranted drastic action, and drastic action now, not after the November elections. This vote in no way reflects a change in unwavering commitment to the security of one of the Nation's most valuable resources; our elderly citizens.

Mr. LEVIN. Madam President, I commend the Senator from South Carolina for his work on deficit reduction. I agree with the basic thrust of his amendment, which calls for very substantial deficit reduction through a program of shared sacrifice. I agree that we must take action or else we risk generating higher interest rates which will cut short economic recovery. For my State of Michigan, stalling out the recovery would mean having the unemployment rate stay at a plateau of 11 percent, which is a higher rate than was reached nationwide during the depth of the recession. We cannot permit this to happen.

However, my general agreement with the approach of the Hollings amendment does not include its provision which would freeze for 1 year the COLA's for social security recipients and others who are receiving Federal retirement benefits. This provision represents asking many of those who are most in need to take too large and sudden a step in the march toward deficit reduction. Due to the parliamentary situation, it was impossible to amend the Hollings plan prior to its being voted on. However, I have consulted with the Parliamentarian and was advised that if the Hollings plan is

adopted, then it would be possible to amend it. I have informed the Senator from South Carolina that I would at that point seek to offer an amendment to modify the 1-year COLA freeze. If this amendment to the Hollings plan were not adopted, then I would not support the Hollings plan on final passage.

Deficit reduction is essential. So is being fair. I shall continue to work during this debate to achieve both of these goals.

Mr. DOLE. Madam President, I cannot support this amendment, much as the Senator from Kansas would like to cut the deficit by \$314 billion. We have to live in the real world, and there is just no reality behind these numbers. The Hollings budget raises taxes by more than is possible or desirable and asks us to vote for a COLA freeze that is sure to be vetoed by his own party in the House. Moreover, Mr. President, the centerpiece of this budget—repealing indexing and freezing COLA's—have already been rejected or have received little support this year.

The Hollings budget claims to reduce baseline deficits by \$314 billion over the next 4 years, including \$135 in tax increases, \$172 in spending cuts, and \$36 billion in interest savings.

The amendment would raise \$135 billion in taxes by: First, accepting the Finance Committee package of \$48 billion; second, delaying indexing 5 years—\$54 billion; third, imposing a 10 percent withholding on independent contractors and on royalty payments; and forth, an unspecified increase of \$23 billion by issuing the Finance Committee a reconciliation instruction.

Delaying indexing 5 years is tantamount to repeal. We have fought this battle before; a short time ago, a similar indexing delay was defeated by a vote of 38-57. Yet, this failed amendment is the centerpiece of this budget.

It is interesting that Senator HOLLINGS would offer an extension of withholding. We could have used his support in the vote on withholding last year but the Senator from South Carolina opposed the Dole compromise on withholding.

This amendment accepts the Finance Committee package on revenues; yet a similar-tax reform, base-broadening package of 2 years ago, TEFRA, was opposed by the Senator from South Carolina.

Then there is the unspecified tax increase of \$23 billion. Apparently the sponsors of this amendment ran out of ideas, so they are laying it on the Finance Committee. This is another demonstration of the unreality of the budget. The Senator from Kansas, as chairman of the Finance Committee, would have liked to raise another \$23 billion, but \$48 billion was as high as we could go. I dare say that the Sena-

tor from South Carolina would oppose many of the provisions necessary to raise another \$23 billion. If he has some ideas, I would suggest he spell them out instead of passing the buck to the Finance Committee.

This budget lacks credibility. Of \$137 billion in revenue, \$77 billion come from delaying indexing and an unspecified tax increase. Neither is going to happen.

Neither is the freeze on entitlements going to happen, not until it is endorsed by TIP O'NEILL.

The Hollings-Exon-Andrews budget would yield \$7.3 billion in savings in medicare by freezing hospital payments; but our finance committee bill gives more than that, \$10.4 billion, in fact. And we believe that we have done so in a more efficient and equitable fashion.

This amendment would reduce social security spending by \$28 billion over the next 3 years, or a reduction of \$1,850 for an average retired couple over this period.

When you strip away the items on the Senator's wish list, you are left with the Republican leadership budget. This underscores why I am supporting the leadership budget—it is not perfect, but it is the best that is going to happen this year.

Plans that make larger savings sound great, but they make those savings by either raising taxes substantially more than \$48 billion, freezing entitlements, or making deep cuts in defense. None of these is in the cards this year.

Madam President, the Republican leadership budget is the only realistic possibility this year. If it is defeated, the likelihood is that there will be no deficit reduction in 1984.

Madam President, is there 1 minute remaining?

The PRESIDING OFFICER. One minute remains.

Mr. DOLE. Again, I commend everybody who wants to reduce the deficit. I think it is great to make these speeches on the floor, but when you go into the committee of jurisdiction to get the votes, they are not there.

The House had a little freeze—it was not even frozen, a semifrozen proposition. It got 108 votes. That is controlled by the Democrats.

There is not going to be any freeze passed by the Congress. We are walking into a trap, the House just waiting for us to vote a big freeze over here. Then they say, "Ha, ha, there they go again."

So if you want to defer indexing for 5 years, who is going to lose? Seventy-eight percent of the tax increase for deferring indexing would fall on taxpayers earning less than \$50,000 per year. Twenty-two percent of the cost of the repeal of indexing would fall on taxpayers earning more than \$50,000. I hope next year we can continue this

bipartisan spirit. This year let us go ahead and pass something that we can get support for on both sides. I hope we will defeat this amendment.

The PRESIDING OFFICER. All time has expired. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Alaska (Mr. MURKOWSKI), are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER), would vote "nay."

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from Colorado (Mr. HART), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

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

The result was announced—yeas 38, nays 57, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—38

Andrews	Hollings	Nunn
Bentsen	Inouye	Pressler
Biden	Johnston	Proxmire
Bingaman	Kassebaum	Pryor
Boren	Leahy	Quayle
Bumpers	Levin	Sasser
Burdick	Long	Specter
Chiles	Mathias	Stafford
Cohen	Matsunaga	Stennis
Dodd	McClure	Tsongas
Eagleton	Melcher	Weicker
Exon	Mitchell	Zorinsky
Grassley	Nickles	

NAYS—57

Abdnor	Garn	Metzenbaum
Armstrong	Glenn	Moynihan
Baker	Goldwater	Packwood
Baucus	Gorton	Pell
Boschwitz	Hatch	Percy
Bradley	Hatfield	Randolph
Byrd	Hawkins	Riegle
Chafee	Hecht	Roth
Cochran	Heflin	Rudman
Cranston	Heinz	Sarbanes
D'Amato	Helms	Simpson
Danforth	Huddleston	Stevens
DeConcini	Humphrey	Symms
Denton	Jepsen	Thurmond
Dole	Kasten	Tower
Domenici	Lautenberg	Trible
East	Laxalt	Wallop
Evans	Lugar	Warner
Ford	Mattingly	Wilson

NOT VOTING—5

Dixon	Hart	Murkowski
Durenberger	Kennedy	

So Mr. HOLLINGS' amendment (No. 3041) was rejected.

Mr. DOMENICI. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Madam President, I do not know what is going to happen next, and until I can find out, we cannot go out.

I do not know how to proceed except with a quorum call, but let me warn Senators that we have not necessarily had our last vote. I hope we can work something out, but it is not yet done.

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

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

Mr. BAKER. Mr. President, I am happy to report that the authors of the Kassebaum-Grassley-Biden-Baucus amendment have said that they will offer that amendment tonight. In exchange, I have assured them that we will not proceed beyond the point of simply offering it, and making it the pending question.

As soon as it is offered, reported, and made the pending question, it will be the intention of the leadership of this side to put us in a brief period for morning business, and to go out promptly. Based on that, and with great gratitude, I wish to announce that there will be no more RECORD votes today.

ANNOUNCEMENT OF POSITION ON AMENDMENT NO. 3034

Mr. GORTON. Mr. President, I wish to announce that I was necessarily absent yesterday during the rollcall vote on amendment No. 3034. Had I been present, I would have voted "nay," and I ask that this be made a part of the permanent record.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I am advised that the Kassebaum, et al., amendment is on its way to the floor to be introduced. It is not yet here.

To conserve time, I ask unanimous consent that it may be in order to proceed with morning business with certain routine matters not past 6:30 p.m., with no limitation as to time so that the minority leader and I may speak.

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

Mr. BAKER. I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the material that I am about to cover appears to have been cleared on both sides for action by unanimous consent. Let me go through it now and state the re-

quests for the minority leader and other Senators.

ORDER TO PLACE HOUSE JOINT RESOLUTION 537 ON THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Joint Resolution 537, a joint resolution designating the Brigantine and Barnegat units of the National Wildlife Refuge System as the Edwin B. Forsythe National Wildlife Refuge, it be placed on the calendar.

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

ORDER TO PLACE HOUSE CONCURRENT RESOLUTION 275 ON THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Concurrent Resolution 275, to commend Colombia for drug enforcement, it be placed on the calendar.

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

ORDER FOR STAR PRINT OF REPORT NO. 98-400

Mr. BAKER. Mr. President, I ask unanimous consent that Report No. 98-400 to accompany S. 2582 be star printed to reflect the following changes which I send to the desk.

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

CRITICAL AGRICULTURAL MATERIALS ACT

Mr. BAKER. Mr. President, if the minority leader has no objection, I ask that the Chair lay before the Senate calendar order No. 262.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 2733) to extend and improve the existing program of research, development, and demonstration in the production and manufacture of guayule rubber, and to broaden such program to include other critical agricultural materials.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment.

On page 11, after line 20, insert:

TARGET PRICES AND EXPORT INITIATIVES

Sec. 16. (a) This section may be cited as the "Target Prices and Export Initiatives Act of 1983".

(b) Notwithstanding the provisions of sections 107B(b)(1)(C), 105B(b)(1)(C), 103(g)(3)(B), and 101(i)(2)(C) of the Agricultural Act of 1949, the Secretary of Agricul-

ture may prescribe that the established price for the 1984 or 1985 crop of wheat, corn, upland cotton, or rice shall be such price as the Secretary determines to be appropriate, but in no case shall the price be less than the minimum established price for the 1983 crop of the commodity.

(c) Effective for each of the fiscal years ending September 30, 1984, and September 30, 1985, the Secretary of Agriculture shall use not less than \$300,000,000 of funds of the Commodity Credit Corporation for export activities authorized to be carried out by the Secretary or by the Commodity Credit Corporation under the provisions of law in effect on the date of enactment of this section, notwithstanding the fact that the activity may not be included in the budget program of the Commodity Credit Corporation. The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation. The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

(d) Section 4(d) of the Food for Peace Act of 1966 is amended by—

(1) striking out the second sentence of paragraph (3);

(2) amending the second sentence of paragraph (4) to read as follows: "All funds received by the Corporation in payment for credit extended by the Corporation (A) under the provisions of the Target Prices and Export Initiatives Act of 1983 and section 135 of the Omnibus Budget Reconciliation Act of 1982, and (B) using the revolving fund, including interest or other receipts on investments and credit obligations, in financing export sales of the types specified in paragraph (1) of this subsection shall be added to and become a part of such revolving fund.";

(3) striking out "1982" in the third sentence of paragraph (5) and inserting in lieu thereof "1985";

(4) striking out paragraphs (6) and (8); and

(5) redesignating paragraph (7) as paragraph (6).

COTTON

Sec. 17. Notwithstanding any other provision of law, in order to acquire a sufficient amount of upland cotton to carry out the payment-in-kind program established by the Secretary of Agriculture for the 1983 crop of upland cotton, the Secretary shall solicit bids from cotton producers, without specifying any limit on the amount of the bids, for sale to the Commodity Credit Corporation of cotton pledged by such producers as security for nonrecourse loans made under section 103(g)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(1)). Until sufficient cotton to carry out the payment-in-kind program for the 1983 crop of upland cotton is acquired under this procedure, or until a reasonable bid period opportunity has been determined and made available by the Secretary, but in no event less than two weeks, no bid shall be rejected unless it exceeds the amount (on a percentage basis) of the highest bid received and accepted by the Secretary under the same procedure for feed grains. The Secretary shall give any producer who has previously submitted a bid the opportunity to nullify such bid if the producer agrees to submit another bid under the terms of this section.

The title to be amended so as to read: "An Act to improve research and

development in the production and manufacture of guayule rubber and to broaden the program to include other critical agricultural materials, to provide discretion to the Secretary of Agriculture in the establishment of target prices, to extend agricultural export initiatives, and to provide equity in the payment-in-kind program for certain producers of upland cotton".

Mr. HELMS. Mr. President, the Critical Agricultural Materials Act of 1983, H.R. 2733, extends for 5 years the authorization for appropriations for existing programs of research, development, and demonstration in the production and manufacture of guayule—pronounced why-you-lee, and broadens program authority to include other nontraditional agricultural materials as well. This bill continues the promotion of the development and commercialization of a domestic natural rubber based on the cultivation of guayule.

Mr. President, I ask unanimous consent that a summary of H.R. 2733 be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HELMS. I urge the support of H.R. 2733 since it provides the impetus to develop the capability for the United States to produce native latex and reduce the 100-percent dependency we have for natural rubber. The natural rubber supply for this country comes totally from foreign sources. Presently the United States imports annually 800,000 metric tons of natural rubber at a cost exceeding one-half billion dollars per year.

Mr. President, Federal involvement in guayule research has spanned the last two decades. Guayule was produced in California during World War II when foreign supplies of natural rubber were cut off. However, production ended once foreign rubber again became available. During the Korean war, cultivation programs began in Texas, but were ended after the war.

Increased efforts in this area were renewed in 1978 when Congress passed the Native Latex Commercialization and Economic Development Act of 1978. My distinguished colleague, Senator DOMENICI of New Mexico, took a leadership role in this effort and I commend his efforts to establish a national policy for the development and demonstration of economically feasible means of culturing and manufacturing guayule for the extraction of natural rubber.

However, Mr. President, the full capacity of the program has never been reached and the United States still remains totally dependent on foreign sources of natural rubbers. H.R. 2733 will send the message from Congress

that we intend to see this dependency reduced.

Most of the natural latex produced in the world comes from tropical plants which are not suitable for growth in the United States. Yet guayule, which is a member of the sunflower family and native to North America, produces significant amounts of natural rubber, and its development could introduce a domestic source for natural rubber. Research on the commercial development of guayule suggests that the United States may be able to produce 30 percent of its domestic rubber needs from guayule. This legislation furthers this endeavor.

In addition, Mr. President, H.R. 2733 broadens program authority to include other nontraditional agricultural materials. We have the potential to develop new uses for many ancient crops which hold commercial promise as renewable sources of critical materials. Plants such as meadow foam, crambe, buffalo gourd, gopher weed, and jojoba—pronounced ho-ho-bah—are but a few known to produce feedstocks, industrial hydrocarbons, plastics, fertilizers, and lubricants.

Furthermore, modern technology and continuing research are opening new doors that will allow us to produce more and better food and fiber products. It is interesting to note that just a few decades ago soybeans and sunflowers were considered nontraditional crops. Thinking ahead, it may be, for instance, that concentrated protein from the tobacco plant may be the wonder food of the next decade.

Mr. President, private capital investment cannot be expected until it can be shown that such crops can be grown profitably. The future in this area is encouraging, and we have yet to reach our full capacity. For example, the commercial development of guayule could encourage growth of jobs and small industries in our Southwest. Similar activity with other plants can provide these opportunities nationwide.

Research in both the public and private sectors is appropriate for developing guayule into a viable crop to supply an alternative natural rubber source for this Nation. Public support should be directed toward basic genetic materials, disease and general pest resistance, improved cultural practices, and providing information on seed production practices, harvesting, and storage procedures.

The private sector can engage in applied and developmental guayule research to improve large-scale planting and harvesting techniques, new storage technology, processing, and ultimately the commercialization of guayule as a finished natural rubber product.

Mr. President, I ask unanimous consent to include as part of the RECORD,

two letters that were received in support of H.R. 2733. These letters are very encouraging and provide insight on this new frontier in agricultural research and development. I am convinced that with proper research, production data, and feasibility studies, private industry can and should be encouraged to pursue new uses for ancient crops, and new crops as well, that are found to have a promising future.

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

(See exhibit 2.)

Mr. HELMS. Mr. President, I urge adoption of H.R. 2733. This bill will continue efforts to develop farming systems which conserve our resources, develop new crops and new uses for existing crops, and better agriculture-related research and development programs. Additionally, H.R. 2733 can favorably contribute to our national economy and security, our national defense, and our foreign trade balance.

EXHIBIT 1

SUMMARY: H.R. 2733, CRITICAL AGRICULTURAL MATERIALS ACT

H.R. 2733. A bill to extend and improve the existing program of research, development, and demonstration in the production and manufacture of guayule rubber, and to broaden such program to include other critical agricultural materials.

The Purpose of this bill is to extend for five years the Native Latex Commercialization and Economic Development Act of 1978 (Public Law 95-592). The measure broadens our guayule research and development program to one of a more generic nature that will include other agricultural crops that have the potential for producing materials of strategic or industrial importance.

Major Provisions of H.R. 2733:

Extends for five years the Native Latex Commercialization and Economic Development Act of 1978;

Authorizes appropriations on an annually graduating scale totaling \$50 million. Of this amount USDA will receive \$32.5 million and the Department of Commerce will receive \$17.5 million;

Establishes the Department of Agriculture as the lead agency to carry out provisions of the Act;

Establishes within USDA an Office of Critical Agricultural Materials, which will coordinate research activities on native latex and other agricultural crops that bear strategic and industrial materials;

Calls for the acceleration of genetic research, large-scale plantings, and development of pilot and commercial size extraction facilities for native latex from guayule;

Broadens the guayule research and development program to include other critical agricultural materials that would be of strategic and industrial importance to the United States; and

Expands the membership of the Joint Commission that coordinates activities in this area to include the Department of Defense, the Department of State, and the Federal Emergency Management Agency. The Secretary of USDA will chair the Joint Commission.

EXHIBIT 2
BOTANICAL RESOURCES,
October 12, 1983.

HON. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: In discussions of glamorous new technologies there is a tendency to overlook that agriculture is our country's most productive technology. As such it deserves its proportionate share of stimulation and scientific support.

New cash crops are needed for the United States. With food crop overproduction there is now much unused fertile land, and with it come highly skilled farmers eager to develop the new cash crops. If the crop has an existing market and a critical end use but is totally imported from unstable growing regions, then domestic production simultaneously serves national security, creates jobs and returns money to the United States rather than a foreign economy.

Pyrethrin is a natural insecticide extracted from pyrethrum flowers and is the safest insecticide. It is classified a strategic and critical material by the Federal Emergency Management Agency and is to be stockpiled because the United States is completely dependent on foreign sources of supply. However, we recently formed Botanical Resources to begin producing pyrethrin domestically.

Enclosed is a copy of a letter recently sent to Dr. Wheaton at the USDA along with other information detailing the importance of pyrethrin. But briefly here is what can be said about pyrethrin: It is a non-synthetic, non-petroleum based, non-persistent, renewable natural material extracted from daisy-like flowers, having FDA/EPA food tolerance and safety towards humans, animals and the environment; after centuries of use it is definitely established that it does not cause cancer, birth defects or cellular mutations. In these days of dioxin, toxic waste dumps, improperly tested synthetic pesticides, etc., there will be much popular support for such a benign alternative.

The manufacture of pyrethrum extract has such commercial potential that it can be privately financed. But the most important and most expensive step of the project is to develop the agriculture; that is, to show that U.S. farmers can make money growing pyrethrum, that they can grow it more efficiently than anywhere else. Botanical Resources has spent about \$75,000 with nurseries, farmers and the universities to get the project started, and we would at least like to see our funds matched by state and federal agencies.

Developing the agriculture of a new crop is what the USDA and agricultural universities have done so successfully in the past. Earlier this year the House passed by a wide margin a \$50 million Critical Agricultural Materials Act (summary enclosed) which will provide funding to the USDA and other agencies to develop crops such as pyrethrum. The bill is now with your agriculture Committee and we urgently request your support for its passage into law in its pure form. It is a very efficient use of federal money for stimulating the creation of new U.S. industry. We will be grateful for any help you can provide.

Sincerely,

MARC SIMS,
President.

UNIVERSITY OF CALIFORNIA, RIVERSIDE,
Riverside, Calif., June 7, 1983.

GEORGE S. DUNLOP,
Chief of Staff, U.S. Senate, Committee on
Agriculture, Nutrition, and Forestry,
Washington, D.C.

DEAR MR. DUNLOP: Dean Irwin Sherman has asked me to respond to your letter of May 25, 1983.

The major objective of agricultural research has been the development of technology for producing more and better food on our better agricultural lands. In recent years, however, a new frontier in agricultural research and development has emerged: the development of technology for the production of energy related, renewable resources, in our extensive semiarid regions of the Southwest.

Non-traditional plants such as jojoba, guayule, mesquite, latex plants, tepary bean, salt bush, fast growing tree species, and meadowfoam have been suggested as potential crops for the semiarid regions. It is implied that private industry would engage in the development of large scale commercial plantings of the above plants. Investment of private capital in such ventures could not be expected, however, until it can be shown that these new crops could be grown profitably. This is a role for state and federal governments. To accomplish this, pilot size (100-200 acre) plantings need to be established for each crop to generate well documented production data which could be used for the preparation of sound feasibility studies. Once this was done private industry could be encouraged to pursue those crops that would be found to have a promising future.

To take jojoba as an example, considerable information has been gathered on how to grow this plant commercially. Also, sources of superior germplasm have been identified. This germplasm could be transferred into a pilot plantation for evaluation and further improvement. At the same time large scale experiments and demonstrations could be established to develop information on optimum cultural and management practices that should be used for it, in terms of irrigation, fertilization, weed control, population density, disease and pest control, mechanical harvesting, companion crops, etc. Additional research could look into the utilization of these crops and their by-products, the expected demand for them, the price range at which they could be sold, and the degree to which they could contribute to our national economy. A similar approach could be used with each of the other potential crops mentioned. It should be pointed out that crops such as the above would not only develop economic activity and job opportunities in semiarid areas which are economically depressed, but also provide materials of considerable significance to our national defense and foreign trade.

Sincerely,

LEWIS G. WEATHERS,
Associate Dean, Research.

Mr. HUDDLESTON. Mr. President, the provisions of H.R. 2733, as passed by the House of Representatives, are important to the Nation's program for research to promote self-sufficiency in critical materials, and I am pleased that the bill has been cleared for consideration by the Senate.

H.R. 2733, as reported by the committee last June, contained controversial provisions concerning the wheat, feed grain, upland cotton, and rice

programs. The issues relating to those programs have been resolved in the conference report on H.R. 4072, which passed the Senate on April 2. The President approved the legislation on Tuesday, April 10. That action clears the way for consideration, at this time, of the critical agricultural materials portion of this legislation, which is the same in the House-passed bill and the bill, as reported by the Agriculture Committee.

H.R. 2733 will amend the Native Latex Commercialization and Economic Development Act of 1978 to strengthen the existing program of research, development, and demonstration in the production of guayule rubber. In addition, other critical materials will be included in the program.

As world demand for rubber expands and the price of synthetic rubber continues to rise, there has been renewed interest in the use of guayule as a domestic source of natural rubber.

The United States is wholly dependent on foreign sources for natural rubber, including all strategic and military stockpile requirements. The successful commercialization of guayule in the United States will enable us to break this dependence on foreign production of rubber.

The 1978 act established a national policy for the development and demonstration of economically feasible means of culturing and manufacturing guayule for the extraction of natural rubber. In addition, the 1978 act authorized development of other hydrocarbon-containing plants to produce raw materials for industrial use.

H.R. 2733 will redesignate the 1978 act as the "Critical Agricultural Materials Act" and expand it to require research and development into the use of any native agricultural material having critical strategic or industrial importance.

Also, the Secretary of Agriculture would be required to construct a developmental rubber processing facility for the extraction and production of test quantities of guayule natural rubber and to establish an office of critical agricultural materials within the Department of Agriculture. The bill authorizes appropriations of funds to carry out the critical materials program through 1988.

I urge the Senate to approve the House-passed bill.

Mr. BAKER. Mr. President, I am authorized by the chairman of the committee to ask that the amendment to the bill and the amendment to the title be withdrawn. Does it require unanimous consent, Mr. President, under those circumstances?

The PRESIDING OFFICER. The chairman of the committee has authority to approve that request.

Mr. BAKER. Mr. President, I am not sure that I agree with that interpreta-

tion of the Chair. For future reference, it may be that the matter should be addressed again. At the moment, I will not raise the issue.

Mr. President, I ask unanimous consent that the committee reported amendment and the amendment to the title, at the request of the chairman of the committee, be withdrawn.

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

The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2733) was ordered to a third reading, was read the third time, and passed.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, that completes the action I had to raise for wrapup, as we call it. May I inquire of the minority leader if he has anything further?

Mr. BYRD. Mr. President, I do not.

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2597. An act to authorize the awarding of special congressional gold medals to the daughter of Harry S. Truman, to Lady Bird Johnson, and to Ellie Wiesel.

The message also announced that the Speaker pro tempore (Mr. WRIGHT) has signed the following enrolled bills and joint resolution:

S. 2460. An act to designate a Federal building in Augusta, Maine, as the "Edmund S. Muskie Federal Building";

S. 2461. An act to designate a Federal building in Bangor, Maine, as the "Margaret Chase Smith Federal Building"; and

S.J. Res. 136. Joint resolution to recognize "Volunteer Firefighters Recognition Day" as a tribute to the bravery and self-sacrifice of our volunteer firefighters.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 1, 1984, he had presented to the President of the United States the following enrolled bills and joint resolution:

S. 2460. An act to designate a Federal building in Augusta, Maine, as the "Edmund S. Muskie Federal Building";

S. 2461. An act to designate a Federal building in Bangor, Maine, as the "Margaret Chase Smith Federal Building"; and

S.J. Res. 136. Joint resolution to recognize "Volunteer Firefighters Recognition Day"

as a tribute to the bravery and self-sacrifice of our volunteer firefighters.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3116. A communication from the Director of the DOD Office of Dependents Schools transmitting, pursuant to law, the Annual Test Report for 1983-84 for overseas dependents' schools; to the Committee on Armed Services.

EC-3117. A communication from the Director of the Administrative Office of the U.S. Courts transmitting, pursuant to law, a report on applications for delays of notice and customer challenges under the Right to Financial Privacy Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3118. A communication from the Secretary of Transportation transmitting, pursuant to law, the Master Meter Gas Operators report; to the Committee on Commerce, Science, and Transportation.

EC-3119. A communication from the Comptroller General of the United States transmitting, pursuant to law, the annual report on activities of the Office of Personnel Management and the Merit Systems Protection Board; to the Committee on Governmental Affairs.

EC-3120. A communication from the Deputy Assistant Secretary of Commerce for Administration transmitting, pursuant to law, the Department's annual Freedom of Information report; to the Committee on the Judiciary.

EC-3121. A communication from the Director of the Administrative Office of the U.S. Courts transmitting, pursuant to law, the annual report on applications for court orders to permit the interception of wire or oral communications during 1983; to the Committee on the Judiciary.

EC-3122. A communication from the Administrator of the Veterans Administration transmitting, pursuant to law, recommendations for equitable relief in certain cases of reliance on erroneous determinations; to the Committee on Veterans Affairs.

EC-3123. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3124. A communication from the Assistant Secretary of Defense for International Security Policy transmitting, pursuant to law, a report on the technology transfer control program; to the Committee on Armed Services.

EC-3125. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on the matter of the wounding on April 3, 1984 of the Administrative Supervisor for the Joint U.S. Military Aid Group in Greece by unknown assailants; to the Committee on Armed Services.

EC-3126. A communication from the Assistant Secretary of the Army for Manpower and Reserve Affairs transmitting a draft of proposed legislation to authorize forfeiture of accrued leave by certain members of the uniformed services discharged prior to serving satisfactorily on active duty for 6 months; to the Committee on Armed Services.

EC-3127. A communication from the Assistant Secretary of Defense for Manpower, Installations, and Logistics transmitting, pursuant to law, a report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCURE, from the Committee on Energy and Natural Resources, with amendments and an amendment to the title:

S. 1868. A bill to add \$17,996,558 to the budget ceiling for new acquisitions at Sleeping Bear Dunes National Lakeshore (Rept. No. 98-419).

S. 2095. A bill to amend the Wild and Scenic Rivers Act by designating the Wildcat River for study as a National Wild and Scenic River (Rept. No. 98-420).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment:

S. 1224. A bill to provide for the disposition of certain undistributed judgment funds awarded the Creek Nation (Rept. No. 98-421).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 384. An original resolution relating to the purchase of calendars (Rept. No. 98-422).

S. Res. 375. An original resolution authorizing the printing of the prayers by the Reverend Richard C. Halverson, D.D., as Chaplain of the Senate during the Ninety-seventh Congress.

S. Res. 376. An original resolution authorizing the printing of the prayers by the Reverend Richard C. Halverson, D.D., as Chaplain of the Senate during the Ninety-eighth Congress.

S. Res. 377. An original resolution to pay a gratuity to Carol Jeffery Toliver; Norman Lee Toliver; Marvin Lewis Toliver; Catherine Amelia Henderson; Ruth Louise Toliver; Mary Etta Samuel; Phyllis Jean Pelham; Alvin Windell Toliver; Grace Ann Toliver.

S. Res. 378. An original resolution to pay a gratuity to Ruth M. Firshein.

S. Res. 379. An original resolution to pay a gratuity to Eric Swanson and Kristan Booth.

S. Res. 380. An original resolution to pay a gratuity to Patsy L. Funk.

S. Res. 381. An original resolution to pay a gratuity to Walter M. Stickell.

S. Res. 382. An original resolution to pay a gratuity to Laura Dudley Page.

S. Res. 383. An original resolution to pay a gratuity to Daniel T. Foley; Maureen C. Canny; Eileen P. Twigg.

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 107. A concurrent resolution authorizing the rotunda of the Capitol to be used from May 25, 1984, through May 28, 1984, for the unknown American of the Vietnam era to lie in state.

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. McCLURE (by request):

S. 2610. A bill to amend the Land and Water Conservation Fund Act of 1965; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (by request):

S. 2611. A bill to entitle certain United States citizens and nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands to document vessels under the laws of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GORTON (for himself, Mr. PACKWOOD, Mr. HOLLINGS, Mr. HEFLIN, and Mr. LAUTENBERG):

S. 2612. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 2613. A bill to suspend the duties on circular knitting machines designed for sweater strip or garment length knitting until the close of December 31, 1989; to the Committee on Finance.

By Mr. ANDREWS (for himself and Mr. HATFIELD):

S. 2614. A bill to amend the Indian Financing Act of 1974; to the Select Committee on Indian Affairs.

By Mrs. HAWKINS (for herself, Mr. HATCH, Mr. KENNEDY, and Mr. MATSUNAGA):

S. 2615. A bill to revise and extend programs conducted by the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DENTON (for himself, Mr. HATCH, Mr. GRASSLEY, Mr. EAST, Mr. KENNEDY, and Mr. EAGLETON):

S. 2616. A bill to extend the Adolescent Family Life Demonstration Program; to the Committee on Labor and Human Resources.

By Mr. DOLE (for himself, Mr. JEPSEN, Mr. BOSCHWITZ, Mrs. HAWKINS, Mr. DURENBERGER, Mr. BOREN, Mr. COHEN, and Mr. HEINZ):

S. 2617. A bill to amend the Child Nutrition Act of 1966 and the National Lunch Act to reauthorize the special supplemental food program and other child nutrition programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DANFORTH (for himself, Mr. LAUTENBERG, Mr. HEINZ, and Mr. BRADLEY):

S. 2618. A bill to amend the Trade Act of 1974 to promote expansion of international trade in telecommunications products, and for other purposes; to the Committee on Finance.

By Mr. McCLURE (by request):

S.J. Res. 286. A joint resolution to approve the "Compact of Free Association", and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. Res. 375. An original resolution authorizing the printing of the prayers by the Reverend Richard C. Halverson, D.D., as Chaplain of the Senate during the Ninety-seventh Congress; placed on the calendar.

S. Res. 376. An original resolution authorizing the printing of the prayers by the Reverend Richard C. Halverson, D.D., as Chaplain of the Senate during the Ninety-eighth Congress; placed on the calendar.

S. Res. 377. An original resolution to pay a gratuity to Carol Jeffery Toliver; Norman Lee Toliver; Marvin Lewis Toliver; Catherine Amelia Henderson; Ruth Louise Toliver; Mary Etta Samuel; Phyllis Jean Pelham; Alvin Windell Toliver; Grace Ann Toliver; placed on the calendar.

S. Res. 378. An original resolution to pay a gratuity to Ruth M. Firshein; placed on the calendar.

S. Res. 379. An original resolution to pay a gratuity to Eric Swanson and Kristan Booth; placed on the calendar.

S. Res. 380. An original resolution to pay a gratuity to Patsy L. Funk; placed on the calendar.

S. Res. 381. An original resolution to pay a gratuity to Walter M. Stickell; placed on the calendar.

S. Res. 382. An original resolution to pay a gratuity to Laura Dudley page; placed on the calendar.

S. Res. 383. An original resolution to pay a gratuity to Daniel T. Foley; Maureen C. Canny; Eileen P. Twigg; placed on the calendar.

S. Res. 384. An original resolution relating to the purchase of calendars; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLURE (by request):

S. 2610. A bill to amend the Land and Water Conservation Fund Act of 1965; to the Committee on Energy and Natural Resources.

LAND AND WATER CONSERVATION FUND ACT AMENDMENTS

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Land and Water Conservation Fund Act of 1965.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

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

S. 2610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460 1-4), as amended, is further amended by striking out section 9 in its entirety and renumbering succeeding sections accordingly.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1984.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "To amend the Land and Water Conservation Fund Act of 1965."

We recommended that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

The President's budget for fiscal year 1985 proposes the repeal of certain authority contained in the Land and Water Conservation Fund Act of 1965 to enter into contracts for land acquisition in advance of appropriations for that purpose. This authority, section 9 of the Act as amended, has only been used twice—in 1969 and 1970. Further, the Congress now appropriates Federal land acquisition funds for recreation purposes on the basis of specific projects that are considered individually by the Appropriations Committees. Accordingly, we believe the advance contracting authority should be repealed. The draft bill would strike section 9 from the Act and renumber succeeding sections accordingly.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

G. RAY ARNETT,
Assistant Secretary.●

By Mr. McCLURE (by request):

S. 2611. A bill to entitle certain U.S. citizens and nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands to document vessels under the laws of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

DOCUMENTATION OF CERTAIN VESSELS UNDER THE LAWS OF THE UNITED STATES

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to entitle certain U.S. citizens and nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands to document vessels under the laws of the United States, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior, be printed in the RECORD.

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

S. 2611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DECLARATION OF POLICY AND PURPOSE. It is hereby declared to be the policy of Congress and the purpose of this Act to further the economic development of Guam, American Samoa and the Northern

Mariana Islands by promoting the development of an indigenous local fishing industry. Recognizing the economic needs of these islands and the impracticability of—

(1) requiring the use of United States-built hulls for fishing and the coastwise transportation of fisheries products in these locations;

(2) limiting by statute the documentation of vessels to citizens of the United States; and

(3) requiring United States citizenship for the operation of vessels in an area in which, due to the great distance from the United States, the cost of processing, transporting, and maintaining United States-built vessels is prohibitive, and in which many persons, although not citizens of the United States, owe permanent allegiance to the United States or will become citizens in the near future;

it is declared the intent of Congress to provide for limiting exceptions to the requirements of the use of United States-built hulls for fishing and coastwise transportation of fisheries products in those locations, and of United States citizenship for the documentation and operation of vessels.

SEC. 2. DEFINITIONS. For purposes of this Act, the term—

(1) "national of the United States" has the meaning given it in section 101(a)(22)(B) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)(B));

(2) "citizen of the Northern Mariana Islands" means an individual citizen of the Trust Territory of the Pacific Islands who is exclusively domiciled in the Northern Mariana Islands within the meaning of section 1005(e) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 278);

(3) "domicile" means that place where a person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person, when absent, even for an extended period, has the intention of returning; and

(4) "fishing" includes—

(A) all activities defined as fishing in section 3(10) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802(10)); and

(B) all activities included in the definition of fisheries in section 102(2) of the Vessel Documentation Act of 1980 (94 Stat. 3453).

SEC. 3. VESSELS ELIGIBLE FOR DOCUMENTATION. Any vessel of at least five net tons that is not registered under the laws of a foreign country is eligible for documentation under this Act if it is owned by—

(1) an individual who is a citizen or national of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or a citizen of the Northern Mariana Islands;

(2) an association, trust, joint venture, or other entity capable of holding title to a vessel under the laws of the United States or of Guam, American Samoa, or the Northern Mariana Islands, all the members of which are citizens or nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or citizens of the Northern Mariana Islands;

(3) a partnership whose general partners are citizens or nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or citizens of the Northern Mariana Islands, and the controlling interest in the partnership is owned by citizens or nationals of the United

States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or citizens of the Northern Mariana Islands;

(4) a corporation created under the laws of the United States, Guam, American Samoa, or the Northern Mariana Islands if—

(A) the controlling interest is owned by citizens or nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or by citizens of the Northern Mariana Islands;

(B) its president or other chief executive officer and the chairman of its board of directors are citizens or nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or are citizens of the Northern Mariana Islands and

(C) no more of its directors than a minority of the number necessary to constitute a quorum are other than citizens or nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands, or citizens of the Northern Mariana Islands; or

(5) the government of Guam, American Samoa, or the Northern Mariana Islands.

SEC. 4. FISHING AND COASTWISE TRADE BY FOREIGN-BUILT VESSELS. Foreign-built vessels documented under this Act are entitled to engage in—

(1) fishing within the territorial sea and fishery conservation zone adjacent to Guam, American Samoa, and the Northern Mariana Islands in accordance with applicable United States laws; and

(2) coastwise trade of fisheries products in and among Guam, American Samoa, and the Northern Mariana Islands.

SEC. 5. CITIZENSHIP FOR PURPOSES RELATED TO THE OPERATION OF DOCUMENTED VESSELS. Nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands shall be considered citizens of the United States for all citizenship requirements related to the operation of vessels documented under this Act while the vessel is engaged in the activities described in section 4 of this Act.

SEC. 6. EFFECT OF TERMINATION OF TRUSTEESHIP. Upon the effective date of the termination of the Trusteeship Agreement over the Trust Territory of the Pacific Islands with respect to the Northern Mariana Islands, section 2(2) of this Act and all references to the Northern Mariana Islands contained in this Act shall cease to be effective.

SEC. 7. EFFECT ON THE LAWS APPLICABLE TO THE NORTHERN MARIANA ISLANDS. Nothing in this Act shall be deemed to render applicable to the Northern Mariana Islands the coastwise laws of the United States or any prohibition in the laws of the United States against foreign vessels landing fish or unfinished fish products in the United States.

SECTION-BY-SECTION ANALYSIS

Section 1. This section declares it the purpose of the Act to further the economic development of Guam, American Samoa, and the Northern Mariana Islands by allowing, in those jurisdictions, limited exceptions to the requirements that only United States-built vessels be used for the fishing and coastwise fisheries trade.

Section 2. This section contains definitions. The term "fishing" includes fishing activities as defined by both section 3(10) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802(10)) (MFCMA) and by section 102(2) of the Vessel Documentation Act (46 U.S.C.

65)(VDA). The term has been defined to include both definitions of fishing in order to make the range of included fishing activities as broad as possible. For instance, sole use of the definition of "fishing" contained in the MFCMA would mean that the subject vessels could not be used for the tuna fishery, since tuna is a highly migratory species and not included within the scope of the MFCMA definition. Since the tuna fishery is one of the richest in the waters surrounding these jurisdictions, such an omission would undercut the intent of the legislation.

Section 3. This section is patterned after section 104 of the VDA (46 U.S.C. 65b) and describes the vessels eligible for documentation under this Act. It permits documentation of vessels over five net tons owned by United States citizens or nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands, or citizens of the Northern Mariana Islands; by associations, trusts, or joint ventures comprised of these citizens or nationals; by partnerships and corporations under their control; and by their governments.

Section 4. This section provides that any foreign-built vessel documented under this Act is allowed to engage in fishing, as defined in section 2, within the territorial sea and fishery conservation zone adjacent to Guam, American Samoa, and the Northern Mariana Islands. These vessels may also engage in the coastwise trade of fisheries products in and among these jurisdictions. The latter provision is intended to dispel confusion as to whether transportation in and among the jurisdictions is coastwise trade. It confers a clear entitlement to transport fisheries products regardless of whether that activity is characterized as coastwise trading. It should be emphasized that this entitlement is restricted in scope and does not contemplate the use of these vessels in unlimited coastwise trading.

Section 5. This section provides that United States nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands are considered United States citizens for purposes of satisfying all citizenship requirements related to the operation of vessels documented under this Act.

Section 6. This section provides that reference to "citizens of the Northern Mariana Islands" will cease to be effective upon termination of the Trusteeship Agreement over the Trust Territory.

Section 7. This section draws from the language of the Covenant with the Northern Mariana Islands to state that nothing in this legislation overrules the provisions in the Covenant concerning the non-applicability of either the coastwise laws of the United States to the Northern Mariana Islands, or the prohibitions against foreign vessels landing fish in the United States.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 22, 1984.

HON. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "To entitle certain United States citizens and nationals domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands to document vessels under the laws of the United States, and for other purposes."

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

This proposal is intended to increase the economic vitality of Guam, American Samoa, and the Northern Mariana Islands by removing a number of statutory impediments currently blocking development of an indigenous fishing industry in these jurisdictions. The statutory relief contemplated by this proposal would consist of a narrow exception to the vessel documentation, vessel manning and fisheries laws.

This proposal would entitle domiciliaries of Guam, American Samoa, and the Northern Mariana Islands who are also citizens or nationals of the United States or citizens of the Northern Mariana Islands to register vessels under United States vessel documentation laws. The Vessel Documentation Act (94 Stat. 3453) (VDA) currently restricts vessel documentation to those vessels wholly owned by United States citizens. Since the availability of preferred mortgage financing hinges on a vessel being documented as a "vessel of the United States," inability to document vessels under United States law is a significant handicap to procuring and financing the larger vessels necessary to a viable fishing industry.

In addition, the definition of United States citizens found in the VDA excludes citizens of American Samoa. This proposal would create a legal entitlement to United States vessel documentation for this currently excluded group, at the same time as the privilege of documenting foreign-built vessels is conferred on all of the Pacific territorial groups.

This proposal would also create a limited exception to existing statutory restrictions on the activities in which a foreign-built United States registered vessel may engage. One of these restrictions, found in the Magnuson Fishery Conservation and Management Act (90 Stat. 331) (MFCMA), allows only United States-built vessels to be documented as vessels of the United States eligible to be employed in commercial fishing activities in the fishery conservation zone without a permit. The other restriction, found in the VDA, also requires, as a general rule, that a vessel be United States-built in order to obtain a fishery license entitling the vessel to fish within the fishery conservation zone created by the MFCMA. In these remote Western Pacific areas, United States-built vessels are prohibitively expensive to buy, transport and maintain. Consequently, the fisheries resources of these areas are either underutilized or principally benefit foreigners who fish these areas. This legislation would permit qualifying entities to document foreign-built vessels for use in fishing activities in the territorial sea or the fishery conservation zone adjacent to the territorial sea surrounding Guam, American Samoa, and the Northern Mariana Islands. It would also allow foreign-built vessels documented under this proposal to engage in the coastwise trade of fisheries products in and among these jurisdictions only.

Finally, this proposal would provide that nationals of the United States domiciled in Guam, American Samoa, or the Northern Mariana Islands and citizens of the Northern Mariana Islands are to be considered United States citizens for the purpose of meeting the manning standards related to the operation of vessels documented under this proposed legislation. Statutes imposing citizenship requirements on the crews of United States-flag vessels have been an impediment to the development of a local fish-

ing industry in that these statutes have precluded American Samoans and citizens of the Northern Mariana Islands from serving on documented vessels as masters, licensed officers, and pilots and have limited the numbers who may serve as crew members. Examples of these restrictions include the following:

(1) A vessel of the United States is required to be under the command of a citizen of the United States (94 Stat. 3456).

(2) All licensed officers and pilots of vessels of the United States must be citizens of the United States (46 U.S.C. 672a and 46 U.S.C. 690).

(3) Upon each departure of a vessel of the United States from a port of the United States, 75 percent of the crew, excluding licensed officers, must be citizens of the United States (46 U.S.C. 672a).

Enactment of this proposal is necessary to further the economic development of the jurisdictions concerned. The waters surrounding Guam, American Samoa, and the Northern Mariana Islands are rich in marine resources and have the potential for serving as the basis for a profitable commercial fishing and canning industry. The passage of a large number of statutory requirements has, however, created a series of perceived legal barriers to the development of an economically significant commercial fishing industry. This proposal does not reflect an intent to overturn established cabotage and citizenship requirements. Rather, recognizing that the various statutes discussed above serve legitimate political and economic objectives, this proposal is limited in scope and creates specific exceptions only to the extent necessary to further an equally legitimate objective in a unique political and geographic context.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

RICHARD T. MONTOLA,
Assistant Secretary. ●

By Mr. GORTON (for himself,
Mr. PACKWOOD, Mr. HOLLINGS,
Mr. HEFLIN, and Mr. LAUTENBERG):

S. 2612. A bill to authorize appropriations for the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ACT, 1985

● Mr. GORTON. Mr. President, I am introducing today, along with my colleagues, Senators PACKWOOD, HOLLINGS, HEFLIN, and LAUTENBERG, a bill to authorize appropriations for fiscal year 1985 to the National Aeronautics and Space Administration (NASA) for research and development, space flight, control and data communications, construction of facilities, research and program management, and for other purposes.

We have just witnessed a space shuttle mission in which our astronauts performed their second untethered

space walk and the first shuttle-assisted repair in space of a malfunctioning satellite. The space shuttle has now proven itself in yet another dimension and has shown the world that the shuttle is indeed a truly remarkable spacecraft whose capabilities we have just begun to exploit.

This legislation proposes funding for other meaningful and exiting missions and activities, one of which is a new planetary start, the Mars geoscience/climatology orbiter, which, when launched in 1990, will begin yielding the most comprehensive Mars data since the earlier Mariner and Viking missions.

Another new start proposed in this legislation is the upper atmosphere research satellite, which will give an important boost to the atmospheric science community, especially in our universities.

Most exciting of the new starts in this legislation, however, is the proposal to develop within a decade a permanently manned civil space station. This initiative promises to advance our scientific and technological capabilities, to provide a focal point for the commercialization of space, and to serve as an operations base for more advanced missions.

The increases proposed in the space science and applications budget provide additional support for NASA's programs and missions of most importance to our universities, in addition to addressing the problem of aging laboratory instrumentation in our universities.

At a time when the communications satellite technology gap between the United States and our foreign competition is narrowing, this legislation supports a flight-test demonstration for advanced communications satellite technologies.

The budget for aeronautical research and technology reflects a healthy growth in funding for basic and applied research and supports the activities leading to a 1987 flight test of an innovative aircraft technology, the advanced turboprop.

This legislation also provides funding for structural spares for the space shuttle fleet and reserves the option for procurement of a fifth orbiter.

As our Nation moves into a new era of space activity, it is important that we articulate our long-term goals and policy options for our civil space program. Included in this legislation is a provision that establishes a National Commission on Space. This Commission will help formulate our role in space for the next 25 years and will help maintain our Nation's position of preeminence in space.

NASA's position as the world leader in aeronautics and space is no longer uncontested; foreign competition is seriously, and quite often, successfully

challenging this position. However, NASA's commitment to our Nation's leadership in aeronautics and space will continue to be the decisive factor in meeting this challenge. This legislation asserts this commitment to meeting our Nation's goals in aeronautics and space and to maintaining the position of preeminence which NASA has held in the past.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join in introducing the NASA authorization bill for fiscal year 1985 with my colleagues on the Senate Science, Technology and Space Subcommittee.

The bill provides for the continuation of several aeronautics and space programs, the initial design work on a proposed civil space station, and the creation of a National Commission on Space to help this Nation devise appropriate space policy and programs for the future. Finally, the bill reaffirms our commitment to NASA space applications programs to further space communications technology.

Pathbreaking work by NASA was responsible for the growth of a new industry in communications satellite manufacturing, and a new industry in satellite communications services. These are industries in which the United States has enjoyed a trade surplus and a technological edge. However, our dominance is being challenged by foreign nations that are eager to develop capabilities of their own.

The advanced communications technology satellite program, which is authorized at \$50 million for fiscal year 1985, is intended to respond by leapfrogging existing technology in satellite communications. The bill contemplates a flight test program, with a launch in 1989. The ACTS program will test new high-risk technologies that will enhance spectrum efficiency and increase the economies of satellite communications for rural and remote areas.

Initial work on the project had been authorized in prior years. In 1983, bids were solicited. A team of contractors led by RCA in New Jersey, along with TRW in California, and Motorola in Arizona, was selected, and a contract was negotiated. However, the contract was not signed and work on the project has been at a standstill since the end of the year. The bill mandates the execution of the negotiated contracts and the commencement of work without delay.

In a race for technological superiority, continuing delay can be fatal. I have attempted, in the course of our committee review of the NASA authorization, to make the case for maintaining a flight test program and getting it back on track. I am pleased that this bill would accomplish that goal.

The bill also authorizes \$150 million for a civil space station. This is an initial step in what may be the next

major undertaking in space. A space station program could result in innovations in automation, robotics, and artificial intelligence, while providing the platform for scientific experiments and the development of manufacturing in space. However, during the course of subcommittee hearings, it also became apparent to me that a great deal of work needs to be done in defining the kind of civil space station we should develop. Should it be manned or unmanned? What should its economic or technological goals be? What should it cost?

I view this initial authorization as a means of finding answers to these questions. One point, however, is made certain in the bill. Any space station shall be civil in purpose, and shall not be used as a vehicle for militarizing space.

Another important element in the NASA Act is the creation of a National Commission on Space. This proposal is similar to that embodied in Senator HOLLINGS' bill, S. 955, which I was pleased to cosponsor. There is no question that NASA's work in the past has made a significant contribution to American technological leadership and industrial growth. The advice of an independent commission on space should assist the Congress and the administration in charting our path for the future.

Mr. President, I want to acknowledge the work of the chairman of the Subcommittee on Science, Technology, and Space, Senator GORTON, and the ranking minority member, Senator HEFLIN, for their hard work in developing a NASA authorization bill. This legislation will enable us to continue to reap the benefits from our Nation's aeronautics and space activities. I am pleased to join as a cosponsor.●

By Mr. ANDREWS (for himself and Mr. HATFIELD):

S. 2614. A bill to amend the Indian Financing Act of 1974; to the Select Committee on Indian Affairs.

INDIAN FINANCING ACT AMENDMENTS OF 1984

● Mr. ANDREWS. Mr. President, I am introducing a bill to amend the Indian Financing Act of 1974. It is necessary to amend this piece of legislation because the current authority to make and/or guarantee loans out of a revolving fund provided in the act, will be used up at the end of this fiscal year. The need to continue this program is clear. The President's action in appointing a special Commission on Reservation Economies recognizes that for the most part that Indian reservations are severely depressed areas—areas where unemployment rates are often five and six times higher than that of Americans generally.

Some progress has been made in economic development and there is currently underway a growing interest on

the part of many Indian tribes and individuals to promote economic development on reservations, an interest that exceeds the available financing. Because of the trust status of Indian lands and other resources, conventional financing is frequently unavailable. Economic development has the potential to provide jobs, to promote a level of economic self-sufficiency and provide funds for essential tribal governmental services.

The bill that I am introducing will aid in these economic development efforts. The Indian Finance Act is one of the few bright spots in the otherwise spotty record of the Federal Government on Indian reservations. Since its inception, a total of \$63.4 million have been appropriated which has allowed loans of \$163.2 million. In all, the fund has produced a net profit of \$18.4 million.●

By Mrs. HAWKINS (for herself, Mr. KENNEDY, Mr. HATCH, and Mr. MATSUNAGA):

S. 2615. A bill to revise and extend programs conducted by the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, and for other purposes; to the Committee on Labor and Human Resources.

ALCOHOL ABUSE, ALCOHOLISM, AND DRUG ABUSE
AMENDMENTS OF 1984

Mrs. HAWKINS. Mr. President, as the first step in the reauthorization of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA), and in an attempt to find out more about the effects of drugs and alcohol on women, how these problems can be treated and how we can better educate the public about the dangers of drugs, I am today introducing reauthorization legislation for these two organizations.

Recent figures show an alarming trend among women. The percentage of female members of alcoholics anonymous has risen from 26 percent in 1968 to 31 percent in 1980. Of the 10 million alcoholics in the United States today, up to one-half may be women; 68 percent of all psychoactive drugs are prescribed to women; a figure which indicates women are more prone to cross addiction—mixing alcohol with pills.

Perhaps these figures should not come as a surprise. Women have made great strides over the last 15 to 20 years. Women have entered the work force and quickly risen to the high-pressure jobs formerly occupied only by men. But along with these women are those who were forced to enter the work world, displaced homemakers who because of divorce or death of a husband, are forced to find work while raising a family.

The recovering alcoholic is taught to watch out for four danger signals, they are strung together into the anagram halt. These four danger adjectives are hungry, angry, lonely and tired; all of these would apply to the typical displaced homemaker.

But even if and when a woman realizes she needs help, the help may not be there. Recent statistics show that of the 5,577 drug and alcohol treatment programs in the country, only 375 are women's centers. The treatment system, having grown up catering to male needs often ignores the special problems of women. Most treatment programs do not provide child care or adequate alternatives for women who are entering treatment. An expert's quote of 15 years ago still seems to hold true that—

Studies on alcoholism tend to either ignore women entirely or to simply assume that alcoholism is the same regardless of the sex of the sufferer.

The legislation I introduce today would ask that the Directors of NIDA and NIAAA carry out a program of research, investigations, experiments and studies with an eye toward cataloging the special problems that exist in preventing and treating alcoholism and drug addiction among women and then helping to solve those problems.

Another important aspect of this legislation is its requests in regard to education. I recently held a hearing which looked into the role of the media in drug abuse prevention and education.

During the hearing we better came to realize that we live in the media age and that while it was once enough for children to hear about the dangers of drugs and alcohol from parents and teachers, times have changed. Children now need constant reinforcement of correct behavior. Parents and teachers need help.

The media seem willing to help. The networks and their production partners have said that they will assist in creating, testing, and airing public service announcements designed to educate children about the dangers of drugs and alcohol.

This legislation, in recognition of the power of the media, requests that the Directors of NIAAA and WIDA enter into contracts with commercial producers and television networks to produce stimulating, informative cost-effective commercials. Television has been accused of molding our minds and selling us everything under the Sun. It is about time that we moved to harness this awesome power of persuasion for the best possible cause; to help us win the battle for our children's minds.

Finally, this legislation requests that NIAAA and NIDA be reauthorized at the following funding levels:

	Fiscal year—		
	1985	1986	1987
NIAAA	\$47,835,000	\$49,748,000	\$51,739,000
NIDA	63,513,000	66,053,500	68,695,000

For the money expended, these programs perform invaluable services. They provide leadership, policy and goals in our efforts to discover the causes and cures of alcohol abuse, alcoholism, and drug and substance abuse.

They are the leaders in the various fields of research in these areas and are working to inform the public about the dangers associated with drugs and alcohol. They also make sure that those involved in prevention and treatment of these troublesome problems are informed and effective in their work.

NIAAA and NIDA are out in front in the fight to save lives from the ravages of alcoholism and drug abuse. The noble efforts of these fine organizations deserve our full moral and financial support.

Mr. HATCH. Mr. President, today, I am pleased to join my colleagues in introducing the Alcohol Abuse, Alcoholism and Drug Abuse Amendments of 1984, which would among other things, reauthorize the National Institute on Alcoholism and Alcohol Abuse and the National Institute on Drug Abuse. In particular, I would like to salute Senator HAWKINS, who chairs the Senate Subcommittee on Alcoholism and Drug Abuse, and who is the Senate's legislative leader on substance abuse and drug prevention.

This bill is critically important legislation addressing a major public health problem in our Nation, substance abuse. The problem of alcohol and drug abuse takes it toll on an ever increasing number of Americans and their families. The estimated cost is above 100 annually.

ALCOHOLISM AND ALCOHOL ABUSE

The Fifth Special Report to the U.S. Congress on Alcohol and Health issued earlier this year, and other reports from the National Institute on Alcohol Abuse and Alcoholism offer some perspectives on the problems created by drug and alcohol abuse. Consider the following:

First, alcohol plays a role in 10 percent of all deaths in the United States. It is the principal cause of deaths through accidents among those aged 15 to 24.

Second, alcohol abuse during pregnancy has been found to cause fetal alcohol syndrome (FAS) and other alcohol-related birth defects.

Third, the prevalence of adolescent drinking—75 percent of 10th to 12th graders—is high.

Fourth, approximately 15 percent of adolescent drinkers consume five or more drinks per session weekly and about 30 percent of the adolescent

sample can be classified as alcohol misusers.

Fifth, more males than females indulge in heavy drinking, and heavy drinking peaks at younger ages in men—ages 21-34—than in women—ages 35-49—but the percentages of women who drink is on the rise and alcoholism appears to progress more rapidly in women than in men.

Sixth, employed women appear to have a higher rate of alcoholism and employed married women have significantly higher rates of both problem drinking and heavier drinking than either single working women or housewives.

Seventh, in adults, alcohol abuse is the leading cause of liver cirrhosis—the eighth leading cause in the United States—and the leading contributing factor for chronic pancreatitis as well as other illnesses.

Eighth, the heaviest drinking one-third of the population accounts for over 95 percent of total consumption, and the heaviest drinking 5 percent of the population account for roughly 50 percent of the total alcohol consumed.

Ninth, one in three Americans surveyed last year felt that alcohol caused problems in his or her family.

Secretary of the U.S. Department of Health and Human Services, Margaret Heckler, is a leading advocate of increased research into the causes and cures of alcohol and drug abuse. In her introductory remarks in the Fifth Special Report, she states:

Fortunately, this long-neglected problem has now become of increasing concern to many Americans. As a result of citizen action, drunk driving, once largely ignored, is now being taken seriously. More and more States are enacting tougher laws to discourage driving after drinking. Treating alcoholics once was of interest to a few dedicated men and women—themselves often recovering alcoholics. Treatment now involves many thousands in the helping professions as well. In industry, many, perhaps most, companies are coming to recognize that losing a valued employee to alcoholism is costly—and that making provision for treatment just makes good business sense. Many health insurance plans are providing benefits to treat alcoholism itself as they discovered it costs much less in the long run than treating its chronic health consequences.

The report also notes that there have been other benefits of more honestly recognizing that problems from alcohol abuse can occur at all levels of drinking and of the society. The prevalent myth that drinking is sophisticated, a necessary part of a successful life, is slowly being eroded. It now requires less social courage to refuse a drink or to request a nonalcoholic substitute. The belief that drinking is essential to masculinity has been very much a part of American folklore. It is being supplanted by an increasing recognition of the health hazards of alcohol abuse and a new commitment to affirmation of good health practices. A

public health revolution is underway with official recognition that the individual can do more for his or her own health than any doctor, hospital drug, or other medical innovation. The past decade has clearly shown that habits as basic to personal health as smoking, diet, and exercise can be changed—and in a remarkably short time. Our success in changing behaviors that were once thought immutable provides good reason for optimism about alcohol and drug abuse. As has become true of smoking, not using drugs, not drinking, or drinking more moderately may become the in thing.

DRUG ABUSE

Now, let us turn to a more detailed look at drug abuse. The National Institute on Drug Abuse has concluded:

Eighth, from the late 1950's to the late 1970's, there was a tenfold to twentyfold increase in levels of drug use among American teenagers and young adults.

Second, drug use levels remain unacceptably high. For instance, more high school seniors reported in 1983 that most or all of their friends used marijuana than that none of their friends use the drug. Also, nearly as many high school seniors are current users of marijuana as are current smokers of cigarettes.

Third, although overall levels of drug use have peaked, or are declining, patterns of heavier use, more dangerous use, and use of more potent materials are present. This causes an inevitable increase in the level of adverse consequences and medical complications.

Fourth, recent changes in administration of the drug-abuse service system has allowed States greater flexibility to target resources to meet their unique needs.

Fifth, research continues to provide insight into such vital areas as the biological factors of drug abuse, the efficacy of drug-abuse treatment services, and ways to increase the effectiveness of prevention efforts.

THE ALCOHOL ABUSE, ALCOHOLISM AND DRUG ABUSE AMENDMENTS OF 1984

The Department of Health and Human Services cites one of the satisfying developments in recent years has been research innovation. Federal support for substance research, once almost nonexistent, has had significant impact. By its very nature, basic research is a long range enterprise, and its practical implications are not immediately apparent.

The bill we are introducing today would:

Reauthorize at President Reagan's requested funding level, the research programs of the National Institute on Alcohol Abuse and Alcoholism at \$47,835,000 for fiscal year 1985, \$49,748,000 for fiscal year 1986; and \$51,739,000 for fiscal year 1987.

Reauthorize at President Reagan's requested funding level, the research programs of the National Institute on Drug Abuse at \$63,513,000 for fiscal 1985, \$66,053,000 for fiscal year 1986, and \$68,695,000 for fiscal year 1987.

Continue the demonstration programs for NIAAA and NIDA with separate authorizations for each Institute at \$10 million for each of the fiscal years 1985 to 1987.

Include an additional \$1 million for each Institute for each of the next 3 fiscal years to conduct research into the impact of alcoholism, alcohol abuse, alcohol-related problems, and drug abuse among women.

Require the Secretary of Health and Human Services to prepare and transmit to the Congress a report which sets forth a comprehensive national plan to combat alcohol abuse and alcoholism. The report is intended to provide basic information of such a plan and is not intended to be exhaustive or burdensome.

Provide explicit authority for NIAAA and NIDA to develop public service announcements on research findings to help inform and educate the American public on the problems of alcohol and drug abuse.

I have long been an advocate of Federal, State, and private efforts to reduce the tragedies of alcohol and substance abuse. This bipartisan effort is one important step in pursuit of our national goals.

I urge my colleagues in the Senate to support this cost-saving measure, and, help promote the public health of this Nation.

By Mr. DENTON (for himself, Mr. HATCH, Mr. GRASSLEY, Mr. EAST, Mr. KENNEDY, and Mr. EAGLETON):

S. 2616. A bill to extend the adolescent family life demonstration program; to the Committee on Labor and Human Resources.

ADOLESCENT FAMILY LIFE DEMONSTRATION PROGRAM

● Mr. DENTON. Mr. President. It is my pleasure to introduce, with Senators HATCH, GRASSLEY, EAST, KENNEDY, and EAGLETON, a bill to reauthorize the Adolescent Family Life Demonstration Projects Act of 1981, title XX of the Public Health Service Act. My bill would reauthorize the law with no changes in the current statute at the current authorization of \$30 million for 1985, 1986, and 1987. The \$30 million authorization level would continue the operations of the multiyear demonstration projects and research grants already funded under the act, and would establish several new demonstration projects.

The passage of the Adolescent Family Life Act by the Congress in 1981 was a very important accomplishment. I, and many of my colleagues, are constantly reminded of the alarm-

ing rise in the number of adolescent pregnancies and abortions, in spite of major Federal expenditures for policies to deal with the problem. According to statistics recently released by the National Center for Health Statistics, 527,000 babies were born to adolescents 15 to 19 years of age in 1981, and over 9,600 babies were born to teens under 15 years of age. In 1980, 460,000 abortions were performed on pregnant, unmarried teenagers. The statistics show that pregnancy causes health and social problems for the mother and baby. Pregnant teenagers generally begin prenatal care later than the national average for pregnant women and, consequently, have higher rates of infant mortality and a higher incidence of low birth weight babies. Furthermore, adolescent mothers exhibit a lower level of educational and vocational attainment than the national average for adolescents. The continuing tragedy of unintended teenage pregnancy led me to believe strongly that new and different approaches had to be found for alleviating the problem. We found a different way.

As a result of a bipartisan effort in which my bill was reported unanimously by the Labor and Human Resources Committee, the Adolescent Family Life Act was enacted into law as part of the Omnibus Budget Reconciliation Act of 1981. It was readily embraced by the Reagan administration as an essential demonstration of a desirable approach to addressing our Nation's adolescent pregnancy problem.

The Adolescent Family Life Act has a threefold purpose. First, prevention demonstration programs around the country are helping teenagers and their parents to work together, with the assistance of outside advisers and counselors, to exchange views and to examine the values of family life and sexuality. Second, care demonstration programs are providing comprehensive services to help pregnant adolescents and their families throughout the pregnancy, delivery, and care of the babies. Third, Federal funds are being used for practical research into the causes, consequences, and means of discouraging premarital sexual relations and of reducing adolescent pregnancy, and for evaluation of the best kinds of programs for adolescent parents.

I am a supporter of family life and sex education. My experience in that area for 10 years, including the last 3 years as a Member of the Senate, has shown me that parents are not necessarily the only and best source of information about sexuality. I have found, however, that the best sex education includes the parents and relies upon the cooperation of teachers, social workers, the medical community, representatives of community and

religious organizations with parents to develop the curriculum. The Adolescent Family Life Act provides an opportunity for demonstration projects throughout the country to involve parents along with their children in learning and communicating about sexuality and the problems of adolescent pregnancy.

One purpose of the law is to support the development of prevention demonstration projects at the local level to encourage teenagers to refrain from premarital sexual relations and to involve their families so that they have a chance to help their children to develop and reinforce their decisions. The Adolescent Family Life Act provides the seed money for projects that, among other things, attempt to deal with the problem, in ways different from before, namely, by developing sex education programs that present more than biological facts, birth control pills, and abortion when birth control fails.

Another purpose of the law is to provide funds for the development of model care programs which provide supportive services to pregnant adolescents. These young pregnant women are linked up with health, educational, and counseling services in their communities. The care programs also direct their services toward the young men involved. These programs rely heavily on the cooperation of other community and religious organizations, as well as their families.

Thus, the Adolescent Family Life Act places a significant emphasis on the involvement of parents with their children in the demonstration projects. The reason for the requirements for parental consent and family involvement in programs conducted under the act is to provide program administrators, counselors, and researchers with the opportunity to evaluate the principle that family involvement in sex education and adolescent pregnancy programs should be the rule rather than the exception.

Although I am firmly convinced that Government-funded programs should and must acknowledge the family as the first line of defense in dealing with the problems of adolescent pregnancy, I am continually exploring the best possible approaches to insure that parents are granted the privilege of exercising their inalienable right and obligation to be properly involved in federally supported sex education and adolescent pregnancy programs that serve their children. The demonstration projects that have been initiated under the Adolescent Family Life Act offer examples that we should observe and from which we can learn.

One of the other major thrusts of the Adolescent Family Life Act is to present adoption as a positive alternative for adolescent parents to consider. The prevention and care projects

funded under the act are required to provide information about the adoption option and to establish formal linkages with agencies that are licensed to provide adoption placement services as well as maternity residential services. Adolescent family life projects are currently testing new approaches to see how adoption can be better presented to and understood by adolescents and their families. Research is also being conducted to ascertain the current attitudes about adoption as well as to determine the requirements for successful adoption planning by young parents. Today we will hear about the results of one research project on adoption that is funded by the Adolescent Family Life Act.

Through the adoption emphasis, the Adolescent Family Life Act is providing demonstration projects opportunities to develop better techniques for counseling. Teenage parenthood is not the only, nor necessarily always the best alternative to teenage abortion. By providing funds for projects developing adoption counseling services, we are giving renewed support to another option that can provide positive outcomes for both the adolescent parents and the baby. Adoption also provides an opportunity for many waiting couples to become loving adoptive parents.

The Adolescent Family Life Act is one Federal Government program that acknowledges the need for supportive services to pregnant adolescents as an alternative to abortion. To that end, the act specifically restricts the activities of the demonstration projects by prohibiting abortion counseling, referral to abortion clinics, or payment for abortions. If both the adolescent and her parents request information about abortion, however, a referral for abortion counseling can be provided.

Through the demonstration approach, the Adolescent Family Life Act is assisting in the development of workable and effective programs for adolescents and their families who might otherwise turn to an abortion when faced with an unintended pregnancy. That aspect is a very important factor for many who support the adolescent family life program, both here in the Congress and in the local communities where the demonstration projects are located. The act provides an alternative approach to demonstrate to adolescents and their parents that options other than abortion do exist in their communities. I am firmly convinced that the demonstration effort is worthwhile and that it is a necessary addition to the current Federal repertory of family planning services and programs to pregnant adolescents.

The Adolescent Family Life Act is not a large Federal program. It is pur-

posefully a small demonstration approach. There are currently 59 demonstration projects, 18 research projects, and a technical assistance project operating in 39 States, Guam, and the District of Columbia, utilizing \$15 million in adolescent family life funds.

Each of the demonstration projects is required to develop an evaluation process so that its program can be tested and those programs shown to be effective can be replicated in other communities. The projects can receive Federal funds only for a maximum of 5 years. The majority of the projects are in the first or second year of their program. When the 1984 grant awards are made, by September 30, 1984, there will be several new projects initiated.

Obviously, we do not have the final results or accomplishments of the programs. The evaluation process is just getting started. In order to get a clear picture of the law's successes to date, the Subcommittee on Family and Human Services held 2 days of hearings on April 24 and April 26.

The hearings provided interested grantees and organizations with the opportunity to discuss their perceptions of the need for adolescent sexuality and pregnancy programs in their communities. The record provides strong evidence that the Adolescent Family Life Act, which expires on September 30, 1984, should be reauthorized.

During the subcommittee's hearings, administration officials and grantee representatives from across the country discussed their involvement with the demonstration and research projects. Dr. Edward N. Brandt, Jr., the Assistant Secretary for Health of the Department of Health and Human Services, made it clear that the Department is committed to the principles of the Adolescent Family Life Act's alternative approach to the problems of teenage sexuality and pregnancy. Mrs. Marjory Mecklenburg, the Deputy Assistant Secretary for Population Affairs and Director of the Office of Adolescent Pregnancy Programs, enthusiastically described her work with grantees to establish projects that can provide services to teenagers in accordance with the act's requirements and restrictions. I appreciate the support of the President and the Department in the effort to find ways of providing sex education and services to pregnant teenagers through a family-centered approach.

The grantee representatives who testified before the subcommittee emphasized their willingness fully to develop their projects so that the alternative methods of providing services to adolescents can be tested and evaluated during an adequate period.

After hearing the testimony of two young program participants, both of

whom received care services throughout pregnancy and delivery, I am convinced that the Adolescent Family Life Act is providing services that can help to change the normally devastating condition of teenage pregnancy into a positive and healthy outcome for both the teenage mother and the baby.

The witnesses representing the prevention projects asserted that many teenagers want to learn how to say no to premarital sexual relations. Preliminary results show that the program participants are exhibiting a less promiscuous attitude toward premarital sexual relations and a more mature understanding of the joys and responsibilities of family life.

Two recipients of research grants discussed the need for improved data on the causes, consequences, and most effective means of reducing the incidence of teenage sexual relations, pregnancy, and parenthood. One researcher reviewed his findings on the attitudes of pregnancy counselors about the adoption option. Another researcher discussed the use of services in the community by pregnant adolescents and adolescent parents and the need to improve the access to comprehensive services for pregnant adolescents.

I am gratified to know that the people most involved in the development and operation of adolescent family life projects are encouraged by the results, even though the projects are relatively new and have just begun to set up their evaluation systems.

In addition, the subcommittee received testimony from a broad and diverse group of national and community organizations active in fields related to the goals of the Adolescent Family Life Act which are interested in the intent of the Act and in its practical application. Many of the organizations endorsed the bill when it was first proposed in 1981, and all of them urged the reauthorization of the Adolescent Family Life Act for 3 more years.

The need for the continuation of the demonstration projects established by the Adolescent Family Life Act has been clearly established. I urge my colleagues to support the reauthorization bill in order to allow this alternative approach to the reduction of adolescent pregnancy to be tested fully.

I look forward to a strong, bipartisan effort of my colleagues to report the bill as quickly as possible from the Labor and Human Resources Committee.●

By Mr. DOLE (for himself, Mr. JEPSEN, Mr. BOSCHWITZ, Mrs. HAWKINS, Mr. DURENBERGER, Mr. BOREN, Mr. COHEN, and Mr. HEINZ):

S. 2617. A bill to amend the Child Nutrition Act of 1966 and the National School Lunch Act to reauthorize the

special supplemental food program and other child nutrition programs, and for other purposes; to the Committee on Agriculture, Nutrition and Forestry.

CHILD NUTRITION REAUTHORIZATION ACT OF 1984

● Mr. DOLE. Mr. President, today I and my colleagues, Senators JEPSEN, BOSCHWITZ, HAWKINS, DURENBERGER, BOREN, COHEN, and HEINZ are introducing legislation to reauthorize the child nutrition programs that expire at the end of this fiscal year. These include the special supplemental food program for women, infants, and children—usually referred to as WIC—the commodity supplemental food program, the summer food service program, nutrition education, and training (NET), State administrative expenses, and the authority to purchase commodities for the school lunch program. Under this legislation, all programs would be reauthorized for 4 years—through fiscal year 1988. The school lunch, school breakfast, and child care food programs are entitlements, but we traditionally evaluate them along with the others, as we go through the hearing and markup process.

CHANGES IN WIC PROGRAM

Most of this legislation consists of changes to improve the WIC program. This is the first opportunity we have had in 6 years to address this program in any comprehensive fashion, and it is my hope that these proposed changes will further strengthen what is already a very effective Federal nutrition program. The authorized funding levels for the 4 year reauthorization are based on CBO estimates and baselines, and they are sufficient to accommodate the current level of services—3 million women, infants, and children.

OTHER PROGRAMS

The other reauthorization provisions are fairly straightforward and merely extend expiring programs. However, this legislation would raise the authorization level for the nutrition education and training program for \$5 million to \$10 million, because I believe that nutrition education is the foundation upon which all of our food assistance efforts lie. This net provision would permit the additional \$5 million to be used for efforts to provide nutrition education to food stamp recipients. This would seem to be a good investment for our Federal food assistance efforts.

The only other significant provision relates to the school lunch program. This legislation would authorize the Secretary of Agriculture to conduct a feasibility study for a universal school lunch program, evaluating potential options for a self-financing structure. As a Member of Congress who has witnessed the growth of this program

over several decades, I believe that we should continue to look for new directions that may be appropriate for future program development.

EFFECT OF SPENDING REDUCTIONS

Mr. President, during the budget process of 1981 the Congress made some serious attempts to take a look at social programs and slow their growth in a bipartisan effort. At this time about \$1.3 billion in spending reductions were achieved in various child nutrition programs.

As one who played a lead role in designing budget-cutting proposals for child nutrition programs to make certain that we could achieve savings without imposing harm on low-income Americans, I believe that what was accomplished was more effectively targeted available program benefits to the most needy children. Some program directors will actually admit that the changes we made really strengthened the administration of their programs and made them better, more accountable, and more responsive to the real nutritional needs of children.

At this time I remain unconvinced that we should retreat from our previous efforts to impose spending restraints on Federal social programs, including child nutrition. It might be appropriate to mention that this budget-cutting trend began in 1980 under the last administration when savings in the \$500 million range were enacted. Unless any real harm can be demonstrated to have been caused by congressional action as a result of our efforts, I believe we should not begin to undo what we have so carefully achieved in past years. Above all, we should make certain that our priorities are well-directed.

CHILDREN'S ACCESS TO GOOD NUTRITION

Today, there is a wide array of child nutrition programs serving children of all ages—infants to high school age kids. All American children have access to good nutrition through these various programs, but a recurrent issue continues to be who should pay for these benefits. In the school lunch, breakfast and child care food programs, the Federal Government continues to subsidize meals for children from families of every income level, but it only provides free meals to those who meet the low-income eligibility criteria of 130 percent of poverty. The children of near-poor families must contribute part of the cost of their meals in the school lunch and breakfast programs, and those who can afford to pay more participate in the so-called paid category.

Mr. President, I ask unanimous consent that my statement from the Nutrition Subcommittee hearing on the child nutrition programs from March 12, 1984 appear in the RECORD at this point.

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

STATEMENT OF SENATOR BOB DOLE
REAUTHORIZATION PROCESS

Every four years, we have an opportunity to evaluate the child nutrition programs in their entirety, even though we are technically engaged in the process of reauthorizing only the nonentitlement programs, which are WIC, the summer food service program, nutrition education and training, State administrative expenses, and the authority to purchase commodities.

We made a lot of program changes in the school lunch, school breakfast, child care and the summer food programs back during the reconciliation process of 1981, just a year after the programs were reauthorized the last time. After a period of program stability, we can now look back to see how these changes have affected the programs in question. I am aware of two bills currently pending before the Congress and this committee—S. 1913, the Huddleston-Cochran bill, and its counterpart, H.R. 4091. Although I disagree with the way in which benefits are targeted under both of these bills, I think they should receive a fair hearing. We are now at a time in our Nation's history when we must be certain that nutrition program funds are being targeted effectively to low-income children. As the CBO evaluations reveal, both of these legislative initiatives would direct over 70 percent of their benefits to children from families above 130 percent of poverty, which defines low-income eligibility for both the food stamp program and the school lunch and breakfast programs.

SUPPORT OF CHILD NUTRITION

As everyone here knows, the Senator from Kansas has long been a strong supporter of child nutrition programs. Nothing has changed my commitment to these programs or my belief that the Federal Government should maintain its leadership role in the nutrition program area. However, the Federal Government can't be expected to do everything.

In recent years, I have been concerned about a tendency for people to consider these programs in terms of Federal spending instead of the children served. I would like to address this concern.

In 1970, the Federal Government was spending just over \$700 million on all child nutrition programs. By 1980, this amount had grown to approximately \$4.4 billion, and would have exceeded \$5 billion by fiscal year 1982 had it not been for reconciliation. Based strictly on budgetary considerations, some might say, and have said, that this over 500% increase in Federal child nutrition funding is not justified. Others, whose considerations are limited to program operations and activities, have said that the \$1.3 billion that Congress cut from the 1982 child nutrition program is equally unjustifiable. I would like to address both of these contentions, because I think they are equally false. They are false because they overlook the important issue of how changed funding has affected the children served.

LOW-INCOME TARGETING

For those who limit concerns to budget numbers, I would point out that in 1970 very little of child nutrition expenditures (about 20%) were directed toward low-income children. Only 4.6 million out of the 22.4 million children in the school lunch program were receiving free or reduced price meals.

Additionally, the school breakfast program, which was better targeted to low income children, had just begun, and served only 450,000 children. Finally, the WIC program, which many regard as the best need-based of all child nutrition programs, had not yet been created. In contrast, by 1980, Federal expenditures for children in low-income families represented 60% of all federal child nutrition program expenditures. The school lunch program served a total of 26.6 million children in 1980, or 4.2 million more children than in 1970. However, all of this growth and more was in the free and reduced price programs, which increased by 7.3 million children (to 11.9 million), while participation in the regular, non-income tested portion of the program dropped from 17.8 million to 14.7 million. For the breakfast program, participation grew from a total of 450,000 in 1970 to 3.6 million in 1980. And 85% of these children were from low-income families.

Finally, the WIC program, which had not existed in 1970, was serving an average of nearly 2 million women, infants and children in 1980, and funding for this program alone represented 16% of all child nutrition program expenditures.

I recite these statistics for those whose primary interest is in dollar figures because I think it is important for them to understand the human consequences of child nutrition expenditure growth. The dollar growth in funding for these programs, when viewed from the context of participation is not as haphazard as a graph only showing dollars might suggest. Yes, funding grew considerably between 1970 and 1980, but with it came a commitment to the needs of low-income children, a commitment which costs more than just providing a minimal subsidy and letting children pay the difference, or go hungry. In the late sixties and early seventies, the Federal Government embarked on a non-partisan effort to improve the nutrition of our children, particularly our needy children. As a consequence of this commitment we have provided the best nutrition programs for children that the world has ever seen. Not perfect perhaps, but unequivocally the best. Even more importantly, our special concern for needy children is clearly reflected in the data showing the dramatic increase in the number of such children participating in these programs, and the proportion of expenditures committed to their needs. We chose to give more, not because more is necessarily better, but because more is necessary where there is greater need.

EFFECT OF RECONCILIATION

Now let me turn to what happened to child nutrition programs after 1980 when Congress enacted reconciliation legislation that reduced program funding. Compared to 1980, when Federal expenditures for child nutrition were \$4.4 billion, 60% of which went to low-income children, 1983 expenditures were \$4.7 billion. And even more importantly, nearly \$3.7 billion of this amount, or 78% of these funds were expended for low-income children.

In 1980, it is true that there were 26.6 million children participating in the school lunch program, compared to 23.1 million in 1983. However, all of this 3.5 million difference is in the paid category where participation is down from 14.7 million to 11.2 million. The same total number of children participated in the free and reduced price segment of the program in 1980 as in 1983—that is 11.9 million. However, the distribution is slightly different with reduced price

participation going down from 1.9 million to 1.6 million, while free participation went up from 10 million to 10.3 million.

WIC PROGRAM

For the WIC program, Federal expenditures grew to approximately \$1.16 billion in 1983 and represented 25% of all child nutrition program funds. This is an increase of \$390 million over the FY80 funding level for this program and compares to 16% of child nutrition program funding in 1980. More importantly, average WIC participation in FY1983 was approximately 2.6 million, compared to 1980 when average participation was just under 2 million.

FACTS BEHIND STATISTICS

I am pointing out these statistics for those who continue to allege that the child nutrition budget cuts of 1981 were too large, and harmed an inordinate number of low-income children—an allegation that I believe to be unjustified. It is unjustified because it looks only to dollar terms and not to the human reality—the children being served, and their need. The data indicates that low-income children continue to be served in significant numbers and that a growing proportion of expenditures are being distributed on the basis of need. It also appears that greater numbers of children with very low income levels are participating in the programs than in the past. This sounds to me like appropriate targeting, and I find it hard to see the danger in it.

In this difficult time, I believe that those of us involved in the delicate balancing act of allocating limited Federal resources should look carefully at the human factor instead of dollars. I believe that if we do, we will find that our current commitment to child nutrition programs is justified and that there is no need to either cut more child nutrition funds, or restore them.

CONCLUDING REMARKS

Mr. DOLE, Mr. President, the Committee on Agriculture, Nutrition, and Forestry plans to begin the markup process on the reauthorization of the child nutrition programs tomorrow. There are many worthwhile proposals that will be considered by the committee.

As chairman of the Nutrition Subcommittee I have a great interest in what we do with the child nutrition programs. This legislation is being introduced in an attempt to provide a neutral, responsible approach to various programs during the reauthorization process. I thank my colleagues for their support.

Mr. President, I ask unanimous consent that a section-by-section summary along with the text of the bill be printed in the RECORD.

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

S. 2617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Reauthorization Act of 1984".

TITLE I—SPECIAL SUPPLEMENTAL FOOD PROGRAM

COSTS FOR NUTRITION SERVICES AND ADMINISTRATION

SEC. 101. (a) Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(1)) is amended—

(1) by striking out paragraph (1);
(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively; and

(3) by inserting after paragraph (3), as so redesignated, the following new paragraph:

"(4) 'Costs for nutrition services and administration' means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program (including centrifuges, measuring boards, spectrophotometers, and scales used for such certification), food delivery, monitoring, nutrition education, outreach, start-up costs, and general administration applicable to implementation of the program under this section (such as the cost of staff, warehouse facilities, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices)."

(b) Section 17 of such Act is amended—

(1) by striking out "administrative funds" each place it appears in subsections (f)(1)(A), (f)(1)(D), (f)(11), (h)(2), (h)(3), and (h)(4) and inserting in lieu thereof "funds for nutrition services and administration"; and

(2) by striking out "administrative costs" each place it appears in subsections (h)(1) and (h)(3) and inserting in lieu thereof "costs for nutrition services and administration".

DISTRIBUTION OF FOODS FOR THE INITIAL MONTH

SEC. 102. Section 17(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amended by adding at the end thereof the following new paragraph:

"(4) If a person is certified as eligible to participate in the program after the beginning of the initial month or other initial period for which supplemental foods are distributed to the person, the amount of supplemental foods distributed to such person for such initial month or other initial period shall be reduced accordingly."

PREGNANT WOMEN UNDER INCOME ELIGIBILITY STANDARDS

SEC. 103. Section 17(d)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)) is amended by inserting after the first sentence the following new sentence: "For the purpose of such standards, a pregnant woman shall be considered two individuals."

PARTICIPATION REPORT

SEC. 104. (a) Section 17(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) The Secretary shall report biennially to the Congress on the income and nutritional risk characteristics of participants in the program and such other matters relating to participation in the program as the Secretary considers appropriate.

"(B) In carrying out this paragraph, the Secretary may not require a State agency to report any information which is not required to be reported under other provisions of this section."

(b) The second sentence of section 17(g) of such Act is amended by inserting "preparing the report required under subsection (d)(4)," after "benefits,".

PLAN OF OPERATION AND ADMINISTRATION

SEC. 105. Paragraph (1) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)) is amended to read as follows:

"(1)(A) Each State agency shall submit annually to the Secretary, by a date specified by the Secretary, a plan of operation and administration for a fiscal year.

"(B) In order to be eligible to receive funds under this section for a fiscal year, a State agency must receive the approval of the Secretary for the plan submitted for the fiscal year.

"(C) The plan shall include—

"(i) a description of the State agency's food delivery system, to be administered in accordance with standards developed by the Secretary;

"(ii) a description of how the State agency plans to coordinate operations under the program with special counseling services such as, but not limited to, the expanded food and nutrition education program, immunization programs, prenatal care, well-child care, alcohol and drug abuse counseling, and child abuse counseling, and with the food stamp program;

"(iii) plans to provide program benefits and nutrition education under this section to eligible migrants and Indians; and

"(iv) such other information as the Secretary may require.

"(D) The Secretary may permit a State agency to submit only those parts of a plan which differ from plans submitted for previous fiscal years.

"(E) The Secretary may not approve any plan that permits a person to participate simultaneously in both the program authorized under this section and the commodity supplemental food program authorized under sections 4 and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note)."

PUBLIC COMMENT

SEC. 106. Paragraph (2) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(2)) is amended to read as follows:

"(2) A State agency shall establish a procedure under which members of the general public are provided an opportunity to comment on the development of the State agency plan."

NOTIFICATION PERIOD

SEC. 107. The first sentence of section 17(f)(7) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(7)) is amended by striking out "twenty" and inserting in lieu thereof "thirty".

AVAILABILITY OF PROGRAM BENEFITS

SEC. 108. Paragraph (8) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(8)) is amended to read as follows:

"(8) The State agency shall, in cooperation with participating local agencies, distribute information on the availability of program benefits (including the eligibility criteria for participation and the location of local agencies operating the program) to offices and organizations that deal with significant numbers of potentially eligible persons (including health and medical organizations, hospitals and clinics, welfare and unemployment offices, social service agencies, farmworker organizations, Indian tribal organizations, and religious and community organizations in low income areas)."

COORDINATION WITH CHILD CARE FOOD PROGRAMS

SEC. 109. Section 17(f)(13) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(13)) is amended by adding at the end thereof the

following new sentence: "In the case of children who receive food under the program authorized under this section and the child care food program authorized under section 17 of the National School Lunch Act (42 U.S.C. 1766), such authority shall assure that supplemental foods served under this section complement the foods served under the child care food program."

REPAYMENT OF CERTAIN BENEFITS BY RECIPIENTS

SEC. 110. Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

"(15) If a State agency determines that a member of a family has received benefits under the program authorized by this section as the result of fraud or intentional misrepresentation by a member of such family, the State agency shall seek to recover from such family, in cash, an amount which the State agency determines is equal to the value of the benefits issued to such member as the result of such fraud or misrepresentation, unless the State agency determines that the recovery of such benefits would not be cost effective."

AUTHORIZATION OF APPROPRIATIONS

SEC. 111. (a) The first sentence of section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended by striking out "and \$1,126,000,000 for the fiscal year ending September 30, 1984" and inserting in lieu thereof "\$1,360,000,000 for the fiscal year ending September 30, 1984, \$1,470,000,000 for the fiscal year ending September 30, 1985, \$1,525,000,000 for the fiscal year ending September 30, 1986, \$1,600,000,000 for the fiscal year ending September 30, 1987, and \$1,670,000 for the fiscal year ending September 30, 1988".

(b) Section 17 of such Act is amended—

(1) by striking out "1984" in the matter preceding clause (A) of subsection (c)(2) and inserting in lieu thereof "1988"; and

(2) by striking out "1984" in subsection (h)(2) and inserting in lieu thereof "1988".

(c) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

IMPROVING STATE AGENCY ADMINISTRATIVE SYSTEMS

SEC. 112. The second sentence of section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) (as amended by section 104(b) of this Act) is amended by inserting "providing technical assistance to improve State agency administrative systems," after "subsection (d)(4),".

PAPERWORK REDUCTION

SEC. 113. Section 17(h)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(1)) is amended by adding at the end thereof the following new sentence: "The Secretary shall limit any such documentation required under the preceding sentence to a minimum level."

EXPENDITURE OF FUNDS

SEC. 114. (a) Section 17(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)) is amended—

(1) by inserting "(1)" after the subsection designation; and

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

"(2) Notwithstanding any other provision of law, not more than 2 percent of any State's allocation of funds under this section for supplemental foods for any fiscal year may be expended by such State for ex-

penses incurred under this section for supplemental foods during the fiscal year preceding the fiscal year for which the sums were appropriated."

(b) The amendments made by subsection (a) shall not apply to appropriations made before the date of the enactment of this Act.

REPORT OF MIGRANT PARTICIPATION

Sec. 115. Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

- (1) by striking out subsection (j); and
- (2) by redesignating subsections (k) and (l) as subsections (j) and (k), respectively.

TITLE II—OTHER CHILD NUTRITION PROGRAMS

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Sec. 201. Section 5(a)(1) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

- (1) by striking out "two years" in clause (1) and inserting in lieu thereof "five years";
- (2) by redesignating clause (2) as clause (3);

(3) by inserting after clause (1) the following new clause: "(2) shall permit local agencies administering the commodity supplemental food program to provide supplemental commodities to low-income elderly persons under such terms and conditions as the Secretary may by regulations prescribe, except that such agencies may not terminate or reduce the amount of commodity assistance provided to women, infants, and children in order to provide such assistance to low-income elderly persons,"; and

- (4) by striking out "1985" in clause (3) (as so redesignated) and inserting in lieu thereof "1988".

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Sec. 202. Section 13(p) of the National School Lunch Act (42 U.S.C. 1761(p)) is amended by striking out "1984" and inserting in lieu thereof "1988".

COMMODITY DISTRIBUTION PROGRAM

Sec. 203. The matter preceding clause (1) of section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking out "1984" and inserting in lieu thereof "1988".

STATE ADMINISTRATIVE EXPENSES

Sec. 204. Section 7(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(i)) is amended by striking out "1984" and inserting in lieu thereof "1988".

NUTRITION EDUCATION AND TRAINING

Sec. 205. Section 19(j)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(2)) is amended—

- (1) by striking out "September 30, 1984" in the first sentence and inserting in lieu thereof "September 30, 1988"; and
- (2) by striking out "\$5,000,000" in the second sentence and inserting in lieu thereof "\$10,000,000".

STUDY OF A UNIVERSAL SCHOOL LUNCH PROGRAM

Sec. 206. (a) The Secretary of Agriculture shall conduct a study to consider—

- (1) the feasibility of making the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) a universal program for all children in the United States; and

(2) various methods of operating a self-financing school lunch program under such Act for all children, including reserving a separate source of revenue for any such program.

(b) The Secretary shall submit a report containing the results of the study required

by subsection (a) to the Congress, together with any recommendations or proposals for legislation, no later than January 1, 1987.

(c) This section shall become effective on the date of the enactment of this Act.

TITLE III—TECHNICAL CORRECTIONS

TECHNICAL CORRECTIONS

Sec. 301. (a)(1) Clause (1) of the sixth sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) The Child Nutrition Act of 1966 (7 U.S.C. 1771 et seq.) (as amended by section 115 of this Act) is amended by striking out "Health, Education, and Welfare" each place it appears in section 4(a) (42 U.S.C. 1773(a)), subsections (b)(6), (b)(13), (e)(2), (j)(1), and (j)(2) of section 17 (42 U.S.C. 1786), and subsections (d)(2) and (d)(3) of section 19 (42 U.S.C. 1788) and inserting in lieu thereof "Health and Human Services".

(3) Section 19(j)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(3)) is amended by striking out "Office of Education of the Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Education".

(b) Section 22 of the National School Lunch Act (42 U.S.C. 1769c) (as added by section 9 of the Child Nutrition Amendments of 1978 (92 Stat. 3623)) is redesignated as section 23 of the National School Lunch Act.

(c) Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) (as amended by subsection (a)(3) and section 204 of this Act) is amended by redesignating subsection (j) as subsection (i).

TITLE IV—EFFECTIVE DATES

EFFECTIVE DATES

Sec. 401. Except as provided in sections 111(c), 114(b), and 206(c) of this Act and the amendments made by this Act shall become effective on October 1, 1984.

SUMMARY OF TITLE I—PROVISIONS RELATING TO THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Section 101. Redefining administrative costs: Section 101 changes the term "administrative costs" to "costs for nutrition services and administration" in recognition of the fact that costs for nutrition assessments and nutrition education are included in this cost category. The new term provides a more accurate description of the costs involved.

Section 102. Initial month's benefits: This section requires that when WIC benefits are issued to a participant for only a part of a month (because the participant has applied after the beginning of the month), the monthly WIC food package must be reduced accordingly.

Section 103. Pregnant women: This section provides that a pregnant woman shall be counted as two individuals (in order to count both the unborn child and the mother) when it is determined whether her family meets the WIC income limits for its family size. This provision affects income determinations only and does not affect the quantities of supplemental foods distributed to pregnant women.

Section 104. Participation report: The Secretary would be required to report to the Congress every other year on the income and nutritional risk characteristics of WIC participants. The Secretary would be allowed to use some of the \$3 million current-

ly reserved for evaluations and pilot projects in order to collect the data and provide the report.

Section 105. State plan: This section simplifies and streamlines the state plans by eliminating 9 of the 12 current statutory requirements for what must be included in the plan.

Section 106. Public comment: This section repeals the statutory requirement that states must hold a public hearing each year to secure public comment on the state plan and state WIC operations. Instead, states would simply be required to have some procedure, of their own choosing, to obtain public comment.

Section 107. Notification period: Currently, states are required to provide supplemental foods to eligible applicants within 20 days of application. This section lengthens the timeframe to 30 days. However, the requirement that persons at particularly high risk (e.g., pregnant women suffering from nutritional deficiencies) be processed more quickly would be retained.

Section 108. Availability of program benefits: The requirement that state and local agencies publicize the availability of WIC and publicly announce WIC eligibility criteria at least once a year would be repealed. However, the requirement that eligibility information be provided to hospitals, health clinics, medical organizations, social service agencies, etc. would be retained—in order that these agencies refer high-risk persons to WIC.

Section 109. Coordination with child care food program: This section requires that when children certified for WIC receive meals through the Child Care Food Program, the WIC medical professional who prescribes the WIC food packages shall tailor the food package accordingly.

Section 110. Recovery of excess benefits: This section requires that when a WIC participant improperly receives benefits due to fraud or intentional misrepresentation, the state agency must seek repayment in cash from the participant, except in cases in which the cost of pursuing recovery would exceed the amount to be collected.

Section 111. Authorization of appropriations: Section 111 reauthorizes the WIC program for four years at the Congressional Budget Office current services level. These levels—\$1.47 billion in FY 1985, \$1.525 billion in FY 1986, \$1.6 billion in FY 1987 and \$1.67 billion in FY 1988—would allow enough funds to be appropriated to hold WIC caseloads at current levels for the next four years with neither growth nor reductions in participation.

Section 112. Improving state administrative systems: This allows the Secretary the flexibility to use a portion of the \$3 million now reserved for evaluations and pilot projects for technical assistance contracts to improve state computer systems and other state administrative systems. Continued enhancement of program integrity requires upgraded computer systems, and this provision enables the Secretary to utilize a modest amount of funds in this area if he finds this to be useful.

Section 113. Paperwork reduction: This section directs USDA to keep to a minimum the paperwork that states are required to complete in order to satisfy USDA that at least 1/4 of WIC administrative funds are used for nutrition education. It is intended that USDA would reduce the current paperwork requirements in this area.

Section 114. Expenditure of funds: This section allows up to 2 percent of a state's

WIC food grant for a fiscal year to be used for WIC expenses incurred in the state in the prior fiscal year. This provision, recommended by the National WIC Directors' Association, is designed to enable states to utilize their WIC grants more fully and to improve their program management in the final months of the fiscal year.

Section 115. Report on migrant participation: This deletes a statutory requirement for an annual USDA report on migrant participation in the WIC program.

TITLE II—OTHER CHILD NUTRITION PROGRAMS

Commodity supplemental food program: Section 201 reauthorizes the program for four years; permits local agencies administering this program to provide supplemental commodities to low-income elderly persons at the discretion of the Secretary, provided these efforts do not interfere with commodity assistance to low-income women, infants, and children; extends pilot projects in Detroit, New Orleans, etc.

Summer food service program for children: Section 202 reauthorizes the program for four years; maintains current law (during reconciliation in 1981, changes made eliminated just about all fraud and abuse that had been previously reported).

Commodity distribution program: Section 203 extends the authority to purchase commodities for the School Lunch Program for four years.

State administrative expenses: Section 205 extends the program for four years.

Nutrition education and training: Section 205 reauthorizes the NET program for four more years, raising the authorization ceiling from \$5 million to \$10 million, and allowing this additional \$10 million to be spent to provide nutrition education to food stamp recipients.

Universal school lunch program study: Section 206 authorizes the Secretary of Agriculture to conduct a study concerning the feasibility of a universal school lunch program as well as various methods of operating a self-financing program through various revenue options; report is to be submitted January 1, 1987.

Title III—Technical corrections.

Title IV—Effective dates.●

By Mr. DANFORTH (for himself, Mr. LAUTENBERG, Mr. HEINZ, and Mr. BRADLEY):

S. 2618. A bill to amend the Trade Act of 1974 to promote expansion of international trade in telecommunications products, and for other purposes; to the Committee on Finance.

TELECOMMUNICATIONS TRADE ACT OF 1984

● Mr. DANFORTH. Mr. President, on August 5, 1983, a decision was made that is likely to have the greatest impact on U.S. trade of any other in recent decades. The decision was not made by the President or by the Congress—in fact, its impact on American trade was hardly considered by those involved in this and other events leading up to the final outcome.

For this reason, I am pleased to be introducing legislation to address the trade impact of that decision and to open major foreign markets to U.S. exports.

The decision—the final step before the breakup of the Bell System—came

about after years of thought, litigation and legislation focused on domestic considerations of competition and deregulation. Yet, this domestic policy decision will have an enormous impact on the U.S. position in world markets.

In fact, the restructuring of the U.S. telecommunications market is a trade disaster in the making:

In trade terms, AT&T divestiture is nothing less than the unilateral giveaway of the U.S. market to foreign suppliers. Moreover, since most foreign markets are effectively closed to U.S. telecommunications exports, divestiture also represents a giveaway of the only leverage that might ever be used by our trade negotiators to gain access to those markets.

Therefore, it is imperative that we capitalize on the restructuring of the U.S. market to promote negotiations that will achieve an open world trading system in telecommunications.

The Telecommunications Trade Act provides such a framework for negotiations. In a manner fully consistent with U.S. trade obligations under the GATT, it offers U.S. trade negotiators the mandate, authority, and leverage to gain access for U.S. exports of telecommunications equipment and services comparable to that provided by the restructuring of the U.S. telecommunications market.

BACKGROUND

Observed in a vacuum, the fragmentation of the American telecommunications system may be a good idea, where increased competition among domestic providers of equipment and services may ultimately benefit the system's users.

But in this interdependent world, we cannot afford to make decisions in a vacuum. We cannot afford to let trade be the stepchild of domestic policy decisions—particularly if we consider the tremendous impact trade has on the U.S. economy, our employment, and our competitiveness.

If we are to have a forward-looking trade policy, a job-creating trade policy, we must pay special attention to those sectors with the greatest promise for growth and employment—be it direct or indirect.

Taken in this context, the decision to restructure the U.S. telecommunications market is devastating. In trade terms, divestiture represents the unilateral dismantling of a major nontariff barrier to imports through elimination of AT&T's vertical integration relationship between the manufacturer of equipment and the provision of service. That a number of American equipment manufacturers will be able to take advantage of the breaking of this link is clearly a healthy event. That this will also lay bare the U.S. market to many billions of dollars in new sales by foreign manufacturers—without any corresponding improvement in market access for U.S. ex-

ports—would be grounds enough to fire any team of trade negotiators.

The Constitution provides for Congress to regulate commerce with foreign nations. It is imperative that Congress act now to prevent this trade disaster before it is too late.

The international situation with respect to telecommunications trade is unique. The United States is virtually the only country in the world with a private telecommunications system. Practically all other industrialized countries have telecommunications entities that are controlled by—if not owned and operated by—their governments.

The world over PTT's—post, telegraph, and telephone entities—are protected, nurtured, and supported by their governments. Equipment procurement is confined to the extent possible to domestic manufacturers, who in turn use government financial support to develop new equipment and to promote their export drives. And export they must—because in this day of highly sophisticated, R&D-intensive telecommunications equipment, economies of scale dictate that few home markets are big enough to provide adequate returns on investment.

Throughout the world, one finds that virtually all major telecommunications markets are closed: The European Common Market may be an EC-wide market for many products—but not for telecommunications. In Europe, almost every country has its own system and each government inures the protection of its home market and producers.

In Japan, Nippon Telegraph & Telephone serves an enormous market. Although efforts have been made by the NTT leadership to increase purchases of foreign products, the agreement to open NTT's procurement to foreign suppliers has had marginal impact. Moreover, recent moves to privatize NTT have exposed governmental and industry efforts to protect key markets for telecommunications services and sales, leaving in doubt prospects for the future.

Meanwhile, major Japanese manufacturers continue to make inroads into the U.S. telecommunications market at an alarming pace—a pace that will increase exponentially with the restructuring of the U.S. market.

Therefore, in trade terms, the breakup of AT&T is more than just the unilateral elimination of a major barrier to imports. It also means that on January 1, 1984, we may have discarded the only trade concession that could ever be effective negotiating leverage for the United States to gain reciprocal market access for our telecommunications exports. It is hard to imagine any other U.S. concession providing as much incentive for foreign telecommunications manufacturers

and their governments to really open up domestic markets.

Today the United States is still the world's most highly competitive producer of telecommunications equipment. The wholesale giveaway of the U.S. market, however, has already set the stage for a major, irreversible shift in high technology trade patterns.

The exponential growth in U.S. imports will not happen overnight, but the trends are there. Unless we are willing to risk waiting for the clamor for import quotas on telecommunications equipment that is sure to come, something must be done now—before the damage cannot be reversed.

Recent trends in telecommunications trade only begin to tell the story: Although the consent decree which set the terms for divestiture was only signed in 1982, the shift in purchasing patterns has already contributed to America's first negative balance of trade in telecommunications. This 1983 deficit is expected to almost double in 1984, attributable once again to flat exports and an increase of imports by over one-third.

One need look no further than the landmark FCC Carterfone decision of 1968—involving the interconnection of certain terminal equipment with the national network—to see the dramatic impact a domestic decision to deregulate can have on production and imports of telecommunications equipment.

Since the Carterfone decision, the United States has accelerated the move toward telecommunications deregulation. Some court and regulatory decisions have had a greater impact on trade than others. Yet, at no time has the United States sought from its trading partners reciprocal concessions for these unintended market liberalizing measures. Recent decisions—in particular, the final breakup of the Bell System—will produce a trade effect that can no longer be ignored.

The potential trade giveaway from AT&T divestiture is staggering: One Japanese telecommunications newsletter recently estimated that the breakup of AT&T would open a new \$5 billion market in the United States—almost 50 percent more than all NTT purchases in a single year. Another study has predicted that by 1990, imports of customer-premises equipment alone will triple, with Japan and Canada capturing 42 percent and 23 percent shares, respectively.

It is hardly surprising, then, to find that Japanese, Canadian, and European companies alike have already launched massive sales offensives in this country.

The magnitude of the shift in telecommunications trade in the future should not be surprising in the light of deregulation.

Foreign telecommunications firms will be increasingly dependent on ex-

ports to meet the growing cost of their investments. The U.S. market will stand alone in size and openness.

U.S. manufacturers will have to rely on the domestic market for the bulk of their sales with little prospect of foreign barriers being lifted and major export opportunities.

At home, U.S. manufacturers will be faced with competition from foreign firms that can afford to move into this market for long periods without turning a profit—given protection in their home markets, patient capital and the potential return on their investment in the most lucrative market for telecommunications in the world.

Finally, in the foreseeable future, U.S. telecommunications manufacturers will consist of one major producer that is unused to full competition and many other American firms that could be highly successful competitors if given a few years to take advantage of divestiture without being swamped by imports.

The Bell operating companies have already begun to assert their independence and are in the market for the cheapest quality source of equipment they can find. It is no accident that the first major wave of telecommunications imports coincided with a dramatic drop in purchases by some of the BOC's from Western Electric. With the Bell logo in hand and access to AT&T patents, foreign suppliers willing to slash profits to expand market share offer attractive bargains.

Unfortunately, these same American companies will be the most severely hurt if—as I expect—the end of the decade finds us scrambling to close the U.S. market to imports in the face of lost sales and lost jobs.

And make no mistake, the trade shift is by no means inevitable: The world market for telecommunications shows signs of growth undreamed of a few years ago—expanding from \$45 billion today to \$60 billion by 1987 and \$90 billion in 1990. The shift is not inevitable—if only American producers are able to garner a share of the world market commensurate with their competitiveness.

What is absolutely certain is this: The United States cannot afford to wait before we react to the trade implications of the restructuring of the U.S. telecommunications market. A few years from now it will be too late. Efforts to close the U.S. market then will hurt consumers and put at risk American exports.

We need to resolve this potential trade disaster before its full impact is felt—to use the opening of the U.S. market as leverage to gain access for U.S. telecommunications exports.

The legislation I am introducing today can accomplish this—in a manner fully consistent with U.S. obligations under the General Agreement on Tariffs and Trade (GATT). AT&T

divestiture presents us with a unique set of circumstances, including low levels of current trade relative to the future and a major reduction in U.S. import barriers as yet uncompensated by our trading partners.

These unique circumstances offer us a unique opportunity—namely, the opportunity to create an open world trading system in telecommunications that will benefit world producers and consumers alike.

SUMMARY

Title I of the Telecommunications Trade Act establishes the framework for major multilateral negotiations in telecommunications trade.

Title II of the act sets out new tariff nomenclature for telecommunications equipment to clarify and facilitate data collection on trade in this sector.

Under title I, based on concepts and provisions of the Trade Act of 1974, U.S. negotiating objectives are established for agreements on trade in telecommunications. These objectives stress the need for competitive opportunities abroad for U.S. exports of telecommunications products and services comparable to those in the U.S. market following AT&T divestiture. Above all, U.S. negotiators are urged to seek the reduction of foreign non-tariff and tariff barriers to compensate for the trade liberalizing impact of the restructuring of the U.S. market for telecommunications.

The President would be granted negotiating authority for a 3-year period to meet these objectives. Ideally, the authority would be used to negotiate multilateral or plurilateral free trade agreements—perhaps a cross between the MTN tariff agreement on trade in civil aircraft and the Government Procurement Code. Should he be unable to negotiate a multilateral agreement, the President would have the authority to negotiate a series of bilateral agreements—such as the reciprocal landing rights arrangements that accompanied airline deregulation or the sectoral agreements currently in effect or being considered between the United States and Canada.

All such agreements in telecommunications trade would be subject to congressional approval under the accelerated legislative procedures set out in the Trade Act of 1974.

To provide negotiating leverage for the President, the legislation provides for the removal of U.S. tariff bindings on certain telecommunications equipment negotiated in previous GATT rounds, as well as any compensation authority the President might need for article XXVIII negotiations under the GATT. In the absence of legislation to implement telecommunications trade agreements, these U.S. duties would, after 3 years, revert to rates specified in column 2 of the tariff schedule—namely, those higher rates

in place prior to GATT trading rounds.

It would be my hope and expectation that the U.S. tariff increases would never have to occur.

The object is not to shut out imports that would have entered in the absence of divestiture, but rather to counteract the import-liberalizing effect of divestiture in the absence of compensatory foreign concessions.

Should, however, all of our trading partners steadfastly refuse to negotiate telecommunications trade agreements, it is worth noting that even U.S. import duties on the order of 35 percent would still leave the U.S. market far more open than foreign markets where discriminatory government purchasing and other nontariff barriers effectively bar entry.

As regards any compensation needed to bring U.S. actions into conformity with GATT, relatively low predivestiture trade levels and the fact that foreign countries never expected or paid for AT&T divestiture in trade terms should make the cost minimal.

Finally, title I of the legislation cites a broad definition of telecommunications equipment for which duties would be raised—namely, those products where court and regulatory orders pertaining to divestiture would have had the effect of lowering barriers to importation.

As currently drafted, the legislation does not specify the actual product categories involved. The specific tariff line items will be added later—based on public hearings and the International Trade Commission study on the trade implications of AT&T divestiture that was requested by the Finance Committee last November.

Title II of the legislation, the Telecommunications Product Classification Act, establishes new tariff nomenclature for telecommunications equipment. Without changing current tariff rates, it is designed to facilitate data collection on trade in such equipment—correcting a major flaw in the U.S. tariff schedules (TSUS)—attributable to hopelessly out-of-date definitions.

The proposed nomenclature—drafted by the ITC as part of its study—provides for a breakout of certain types of telecommunications equipment currently buried in other high technology categories.

The need for new terminology is clear: Current tariff nomenclature for telecommunications equipment reflects pre-1962 technology. In fact, the definitions of "telegraph" and "telephone" in TSUS can be traced back to at least 1897. Technologies such as fiber optics do not even appear in the U.S. tariff schedule.

The fact that our tariff nomenclature has not kept up with technological improvements in communications means that it is now virtually impossi-

ble to find adequate statistics to measure trade in telecommunications. For example, in 1983 over \$1 billion in telephone equipment entered the United States under three general tariff annotations: "switching equipment," "telephone instruments," and "other."

Clearly, better trade statistics are needed to measure U.S. imports and exports of telecommunications equipment. Title II of this act provides a means of accomplishing this.

CONCLUSION

In conclusion, U.S. trade policy to date has invariably been reactive or, in the case of AT&T divestiture, a by-product of purely domestic decision-making. Therefore, it is not surprising that we constantly find ourselves trying to resolve last year's trade problems.

The United States must have a forward-looking trade policy. Problems must be anticipated and resolved before they reach unmanageable proportions.

In the case of telecommunications, we have a unique opportunity to resolve a trade problem before it does major harm to our economy. If we do not resolve the problem now, it will have been a problem of our own making.

The negotiation of reciprocal access market arrangements is the cornerstone of the GATT. In the case of telecommunications trade, unfettered access to our market is the only concession likely to be attractive enough to open foreign markets for U.S. exporters. To give away this access without compensation would be an opportunity lost and foolish to the extreme.

International trade is too important to the U.S. economy to allow it to remain a stepchild of our domestic policy decisions. The restructuring of the U.S. telecommunications market has major trade implications. We ignore them at our peril.

ATTACHMENTS

Mr. President, I ask unanimous consent that a detailed outline of the Telecommunications Trade Act and the text of the legislation be inserted in the RECORD.

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

S. 2618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TRADE IN TELECOMMUNICATIONS

SEC. 101. SHORT TITLE.

This title may be cited as the "Telecommunications Trade Act of 1984".

SEC. 102. FINDINGS.

The Congress finds that—

(1) the restructuring of the United States market for telecommunications will result in a dramatic increase in imports of telecommunications equipment;

(2) foreign telecommunications markets are characterized by extensive Government intervention (including restrictive import practices and discriminatory procurement practices) which adversely affect United States exports of telecommunications equipment and services;

(3) there will be rapid growth in the world market for telecommunications in the coming decades;

(4) the United States can improve prospects for United States telecommunications exports, and export-related employment, technological leadership, and consumer service by taking steps to achieve an open world market for trade in telecommunications products, services, and investment; and

(5) without reciprocal foreign market access, the United States should avoid granting improved access for foreign telecommunications products to the United States market.

SEC. 103. AMENDMENTS TO THE TRADE ACT OF 1974.

(a) IN GENERAL.—Title I of the Trade Act of 1974 is amended by adding at the end thereof the following new chapter:

"CHAPTER 8—TELECOMMUNICATIONS TRADE AGREEMENTS AUTHORITIES

"SEC. 181. TELECOMMUNICATIONS TRADE NEGOTIATING OBJECTIVES.

"(a) GENERAL NEGOTIATING OBJECTIVES.—The United States negotiating objectives under section 182 shall be—

"(1) to obtain multilateral or bilateral agreements that would provide competitive opportunities for United States exports of telecommunications products (including services using such products) in foreign countries which are substantially equivalent to the competitive opportunities provided by the United States after the restructuring of the United States market for telecommunications, and

"(2) to avoid uncompensated reductions in barriers to foreign access to the United States market.

"(b) FACTORS TO BE TAKEN INTO ACCOUNT.—In pursuing United States negotiating objectives under subsection (a), the President shall take into account the following factors:

"(1) barriers to United States exports of telecommunications products, including, but not limited to foreign government—

"(A) procurement practices;

"(B) restrictions on services and investment related to trade in telecommunication products;

"(C) nontariff barriers not described in paragraph (1) or (2); and

"(D) tariff barriers;

"(2) domestic and international competitiveness of United States telecommunications products and services; and

"(3) the national economic interest of the United States.

"SEC. 182. TELECOMMUNICATIONS TRADE NEGOTIATING AUTHORITY.

"(a) GENERAL NEGOTIATING AUTHORITY.—Whenever the President determines—

"(1) that—

"(A) any duties, import restrictions, or barriers to (or other distortions of) international trade of any foreign country or the United States—

"(i) unduly burden and restrict the foreign trade of the United States in telecommunications products, or

"(ii) adversely affect the United States economy, or

"(B) the imposition of such duties,

restrictions, or barriers (or other distortions) is likely to result in such a burden, restriction, or effect, and

"(2) that attainment of the objectives of this chapter will be promoted by the taking of action under this subsection,

the President, during the 3-year period beginning on the date of the enactment of the Telecommunications Trade Act of 1984, may enter into multilateral or bilateral trade agreements with foreign countries or instrumentalities which provide for the harmonization, reduction, or elimination of such duties, restrictions, or barriers (or other distortions), or the prohibition of or limitations on the imposition of such duties, restrictions, or barriers (or other distortions).

"(b) AGREEMENT TREATMENT IN SAME MANNER AS AGREEMENT UNDER SECTION 102.—For purposes of subsections (c) through (g) of section 102 and chapter 5 of this Act, any trade agreement entered into under subsection (a) of this section shall be considered to be a trade agreement entered into under section 102.

"SEC. 183. SUSPENSION OF TARIFF BINDINGS.

"(a) UNBINDING OF DUTIES ON TELECOMMUNICATIONS PRODUCTS.—The President shall, after not more than 90 days of consultations with the appropriate foreign countries or instrumentalities—

"(1) terminate, withdraw, or suspend all or part of any trade agreement entered into under this Act (other than section 182), section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930 with respect to any United States duty or other import restriction on telecommunications products (as defined in section 184), and

"(2) terminate, withdraw, or suspend the obligations of the United States with respect to such duty or other import restriction.

"(b) 3-YEAR SUSPENSION OF UNBINDING.—Notwithstanding the provisions of subsection (a) or section 125(e), any duty (or other import restriction) with respect to which action is taken under subsection (a) shall remain in effect, including previously staged reductions (as though such action had not been taken) until the date which is 3 years after the date of enactment of the Telecommunications Trade Act of 1984. After such date, any duty with respect to which action is taken under subsection (a) shall be increased to a rate equal to the rate applicable under the rate column numbered 2 unless such duty has been otherwise modified pursuant to an implementing bill adopted under section 182 of this title.

"(c) ACTION TREATED AS INCREASE OR IMPOSITION OF DUTY FOR PURPOSES OF COMPENSATION AUTHORITY.—For purposes of section 123, any action under subsection (a) shall be treated as an action under section 203 to increase or impose a duty (or other import restriction) which takes effect on the date such action is proclaimed (and not on the date an increase in duty takes effect under subsection (b)). For purposes of this subsection, section 123(b)(4) shall not apply.

"SEC. 184. DEFINITION OF TELECOMMUNICATIONS PRODUCTS.

"For purposes of this chapter, the term 'telecommunications products' means any equipment, instruments, components, parts, or other property—

"(1) which is designed for incorporation in, connection to, or interconnection with telephone, telegraph, and related telecommunications networks, and

"(2) for which uncompensated reductions in barriers to importation have occurred as

a result of judicial and regulatory orders intended to increase competition in U.S. telecommunications services and products."

(b) CLERICAL AMENDMENT.—The table of contents for title I of the Trade Act of 1974 is amended by adding at the end thereof the following:

"CHAPTER 8—TELECOMMUNICATIONS TRADE AGREEMENTS AUTHORITIES

"Sec. 181. Telecommunications trade negotiating objectives.

"Sec. 182. Telecommunications trade negotiating authorities.

"Sec. 183. Suspension of tariff bindings.

"Sec. 184. Definition of telecommunications products."

SEC. 104. CONSULTATION.

The President shall consult with the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives and other appropriate congressional committees, as well as the appropriate committees established pursuant to section 135 of the Trade Act of 1974, in carrying out the provisions of this title.

TITLE II—TELECOMMUNICATIONS PRODUCT CLASSIFICATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Telecommunications Product Classification Act".

SEC. 202. TARIFF SCHEDULE NOMENCLATURE.

(a) IN GENERAL.—The Tariff Schedules of the United States (19 U.S.C. 1202) are amended as follows:

(1) Subpart G of part 4 of schedule 6 is amended—

(A) by striking out item 676.15 and inserting, in numerical sequence and subordinate to the superior heading to item 676.15, the following new items:

676.13	"Accounting, computing, and other data processing machines: Machines designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.	4.5% ad val.	3.9% ad val.	35% ad val.
676.14	Other	4.5% ad val.	3.9% ad val.	35% ad val."

(B) by striking out item 676.30 and inserting in lieu thereof the following new items:

676.28	"Office machines not specially provided for: Machines designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.	4.2% ad val.	3.7% ad val.	35% ad val.
676.29	Other	4.2% ad val.	3.7% ad val.	35% ad val."

and

(C) by striking out item 676.52 and inserting, in numerical sequence and subordinate to the superior heading to item 676.50, the following new items:

676.53	"Other: Parts designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.	4.5% ad val.	3.9% ad val.	35% ad val.
676.54	Other	4.5% ad val.	3.9% ad val.	35% ad val."

(2) Subpart H of part 4 of schedule 6 is amended—

(A) by striking out item 678.50 and inserting in lieu thereof the following new items:

"Machines not specially provided for, and parts thereof:				
678.49	Machines designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.	4.2% ad val.	3.7% ad val.	35% ad val.
678.53	Other, including parts	4.2% ad val.	3.7% ad val.	35% ad val."

and

(B) by redesignating item 678.51 as item 678.55, with the article description therefor subordinate to the article description for items 678.49 and 678.53 (as added by subparagraph (A)).

(3) Part 5 of schedule 6 is amended—

(A) by inserting after headnote 5 the following new headnote:

"6. For purposes of the tariff schedules, the term 'entertainment broadcast band receivers' means those radio receivers designed principally to receive signals in the AM (550-1650 kHz) and FM (88-108 MHz) entertainment broadcast bands, whether or not capable of television, marine, public safety, industrial, and citizens band);"

(B) by striking out items 684.62 and 684.64 and inserting, in numerical sequence and subordinate to the superior heading to item 684.62, the following new items:

684.57	"Telephonic apparatus and instruments and parts thereof: Telephone switching apparatus (including private branch exchange and key system switching apparatus), and parts and components.	8.5% ad val.		35 ad val.
684.58	Telephone sets and other terminal equipment and parts thereof.	8.5% ad val.		35% ad val.
684.59	Other	8.5% ad val.		35% ad val.
Other:				
684.65	Switching apparatus and parts thereof.	5.6% ad val.	4.7% ad val.	35% ad val.
684.66	Terminal apparatus (including teleprinting and teletypewriting machines) and parts thereof.	5.6% ad val.	4.7% ad val.	35% ad val.
684.67	Other	5.6% ad val.	4.7% ad val.	35% ad val."

(C) by inserting, in numerical sequence, the following new items:

"Communications satellites (however provided for in this part) and parts thereof:

684.80	To be launched in the United States for use in a global communications satellite system.	Free		Free
684.82	Other	Free		Free"

(D) by striking out items 685.21 through 685.31 and inserting, in numerical sequence and subordinate to the superior heading to item 685.21, the following new items:

685.20	Radio receivers, other than solid-state (tubeless). Solid-state (tubeless) radio receivers:	6%		35% ad val.
685.21	Designed for motor-vehicle installation.	8.9% ad val.	8% ad val.	35% ad val.
Other:				
685.22	Entertainment broadcast band receivers.	7.7% ad val.	6% ad val.	35% ad val.
685.23	Other	7.7% ad val.	6% ad val.	35% ad val.
Transceivers: Citizens band:				
685.24	Hand-held	6% ad val.		35% ad val.
685.25	Other	6% ad val.		35% ad val.
685.26	Low-power radio-telephonic transceivers operating on frequencies from 48.82 to 49.90 MHz.	3.8% ad val.	2.4% ad val.	35% ad val.

685.27	Other transceivers.....	6% ad val.....	35% ad val.
	Other transmission apparatus incorporating reception apparatus:		
685.28	Cordless handset telephones.....	6% ad val.....	35% ad val.
685.29	Other.....	6% ad val.....	35% ad val.
	Other:		
685.30	Transmitters.....	6% ad val.....	35% ad val.
685.31	Other including parts.....	6% ad val.....	35% ad val.
685.32	Radiotelegraphic and radiotelephonic transmission and reception apparatus, and radiobroadcasting transmission and reception apparatus, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6).	Free.....	"

(E) by inserting, in numerical sequence and at the same hierarchical level as the article description for item 685.40, the following new item:

"685.39	Telephone answering machines, and parts thereof.....	4.5% ad val.	3.9% ad val.	35% ad val."
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(F) by striking out the article description for item 685.40 and inserting in lieu thereof the following: "Tape recorders and dictation recording and transcribing machines (other than telephone answering machines), and parts thereof".

(G) by striking out item 685.50 and inserting in lieu thereof the following:

"Other:				
685.48	Combination articles designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.....	5.9% ad val.	4.9% ad val.	35% ad val.
685.49	Other.....	5.9% ad val.	4.9% ad val.	35% ad val."

(H) by striking out item 688.15 and inserting, in numerical sequence and subordinate to the superior heading to item 688.10, the following new items:

"Other:				
688.17	With modular telephone connectors.....	5.8% ad val.	5.3% ad val.	35% ad val.
688.18	Other.....	5.8% ad val.	5.3% ad val.	35% ad val."

(I) by redesignating item 688.16 as item 688.19, with the article description therefor subordinate to the article description for items 688.17 and 688.18 (as added by subparagraph (G)), and

(J) by striking out item 688.43 and inserting, in numerical sequence and subordinate to the superior heading to item 688.34, the following new items:

"Other:				
688.41	Equipment designed for connection to telegraphic or telephonic apparatus or instruments or to telegraphic or telephonic networks.....	4.5% ad val.	3.9% ad val.	35% ad val.
688.42	Other.....	4.5% ad val.	3.9% ad val.	35% ad val."

(4) Subpart A of part 2 of schedule 7 is amended—

(A) by inserting in numerical sequence the following new items:

	Optical fibers, optical fiber bundles, and optical fiber cables; all the foregoing whether mounted or not mounted.....	13.1% ad val.	8.4% ad val.	65% ad val.
707.90	Optical fiber bundles.....	13.1% ad val.	8.4% ad val.	65% ad val.
707.92	Optical fibers and optical fiber cables.....	13.1% ad val.	8.4% ad val.	85% ad val."

and

(B) by redesignating items 708.09 and 708.29 as 708.10 and 708.30, respectively.

(5) Subpart A of part 3 of schedule 8 is amended by striking out the superior heading to item 837.00 and inserting in lieu thereof the following: "Articles for the National Aeronautics and Space Administration and articles (other than communications satellites and parts thereof) imported to be launched into space under launch services agreements with the National Aeronautics and Space Administration."

(6) Subpart B of part 3 of schedule 8 is amended by striking out the superior heading to item 842.10 and inserting in lieu thereof the following: "Upon the request of the Department of State, articles (other than communications satellites and parts thereof) which are the property of a foreign government or of a public international organization."

(b) CONFORMING AMENDMENTS.—

(1) RATE REDUCTIONS.—

(A) The rate of duty in column numbered 1 of the Tariff Schedules of the United States (as added by subsection (a)) for each item set forth below in the column headed "A" in the table under subparagraph (C) shall be subject to all staged rate reductions for the corresponding item set forth below in the column headed "B" in such table which were proclaimed by the President before the date of the enactment of this Act.

(B) Whenever the rate of duty specified in column numbered 1 of the Tariff Schedules of the United States for each item set forth below in the column headed "A" in the table under subparagraph (C) is reduced to the same level, or to a lower level, as the corresponding rate of duty specified in the column entitled "LDDC" of the Tariff Schedules of the United States for such item, the rate of duty in such "LDDC" column shall be deleted.

(C) The table referred to in this subparagraph is as follows:

A	B
676.13.....	676.15
676.14.....	676.15
676.28.....	676.30
676.29.....	676.30
676.53.....	676.52
676.54.....	676.52
678.48.....	678.50
678.53.....	678.50
684.65.....	684.64
684.66.....	684.64
684.67.....	684.64
685.21.....	685.21
685.22.....	685.24
685.23.....	685.24
685.26.....	685.26
685.39.....	685.40
685.48.....	685.50
685.49.....	685.50
688.17.....	688.15
688.18.....	688.15
688.41.....	688.43
688.42.....	688.43
707.90.....	708.29
707.92.....	708.09

(2) AUTHORITY UNDER THE TARIFF ACT OF 1930.—Subsection (a) of section 322 of the

Tariff Act of 1930 (19 U.S.C. 1322(a)) is amended by adding at the end thereof the following new sentence: "The authority delegated to the Secretary by this subsection shall not extend to communication satellites and components and parts thereof."

(c) MODIFICATION OF SCHEDULE B.—The President shall modify schedule B of the Tariff Schedules of the United States to reflect the changes made by this section.

(d) EFFECTIVE DATE.—The amendments made by this title shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this title.

TELECOMMUNICATIONS TRADE ACT: SUMMARY

TITLE I: THE TELECOMMUNICATIONS TRADE ACT OF 1984

1. Findings:

The restructuring of the U.S. market for telecommunications will result in a dramatic increase in imports of telecommunications equipment.

Foreign telecommunications markets are characterized by extensive government intervention, including restrictive import practices and discriminatory government procurement.

The world market for telecommunications will be the source of rapid growth in the coming decades.

The United States can increase U.S. telecommunications exports, export-related employment, technological leadership and consumer service by achieving an open world trading system for telecommunications products, services and investment.

The United States should avoid granting improved access for foreign telecommunications products in this market in the absence of improved market access abroad for U.S. exports.

2. Amendments to the Trade Act of 1974:

(a) Telecommunications Trade Negotiating Objectives.—

Competitive opportunities for U.S. exports of telecommunications equipment and services in foreign countries substantially equivalent to the competitive opportunities provided by the U.S. market following AT&T divestiture—with a view to avoiding uncompensated reductions in U.S. import barriers.

Competitive opportunities abroad should be measured in terms of both nominal access opportunities and documented or anticipated results. Government procurement practices, standards, investment restrictions and other non-tariff barriers should be considered, as well as tariff barriers.

(b) Telecommunications Trade Negotiating Authority.—

For a period of three years from enactment, the President is granted the authority to enter into multilateral or bilateral trade agreements providing for open trade in telecommunications equipment. For this purpose, he may reduce, eliminate or otherwise modify U.S. tariff and non-tariff barriers.

Any such telecommunications trade agreement must be approved by Congress and will be treated as a trade agreement under fast-track legislative procedures set out in Sections 102/151 of the Trade Act of 1974.

(c) Suspension of Tariff Bindings.—

Upon enactment, tariff bindings on U.S. imports of telecommunications equipment negotiated in previous GATT trade rounds shall be removed, however

For three years following enactment, U.S. import duties will remain at current rates. After three years, such duties will, in the absence of legislation to implement telecom-

munications trade agreement(s), automatically revert to Column 2 rates (i.e., the higher rates in place prior to GATT trading rounds.)

The President is granted authority to compensate (through offsetting trade concessions, if necessary) major foreign suppliers of products for which tariff bindings have been removed. U.S. negotiators would be expected to cite low pre-divestiture trade levels and involve "reasonable expectations" arguments (re: AT&T divestiture) to minimize compensation in GATT Article XXVIII negotiations.

3. Definitions:

For purposes of this bill, the term "telecommunications products" refers to any telecommunications equipment for which uncompensated reductions in barriers to importation have resulted from court and regulatory orders intended to increase domestic competition in U.S. telecommunications services and products (i.e., related to divestiture.)

(Note: Specific product categories will be drawn from hearings and the ITC report on the trade impact of the breakup of AT&T, and will be substituted later in the legislative process. Products could include:

Transmission Equipment (microwave, satellites, cable, fiber optics, etc.);

Switching Equipment (all central office equipment); and

Customer Premise (Terminal) Equipment (telephones, mobile telephones, PBXs, call directors, pagers, etc.))

4. Consultations:

The President will consult on a regular basis with the appropriate committees of Congress and private sector advisory committees established under Section 135 of the Trade Act of 1974.

TITLE II: TELECOMMUNICATIONS PRODUCT CLASSIFICATION ACT

1. Specifies new tariff (TSUS) nomenclature for telecommunications equipment to clarify and facilitate data collection on trade in telecommunications. (Nomenclature was drafted by the ITC at the request of the Committee on Finance and does not change current tariff rates.)

● **Mr. LAUTENBERG.** Mr. President, January 1 marked the end of an era. It marked the end of the Bell System, and the end of the integrated monopoly. But, January 1 also marked a beginning of a new era; an era of competition.

Like it or not, we have embarked on a monumental experiment unequalled in our industrial history. The prospects are there for boosts in innovation; for a widening variety of services and products; and for rising productivity in the keystone industry of our information based economy. Seven of ten Americans are employed in the service sector of our economy and the quality, efficiency, and variety of communications is key to how well they compete.

But, this great experiment has many risks. We face risks as we move to new ways of pricing telephone service—ways based on cost. Some people may no longer be able to afford basic access. While a move toward cost-based pricing should yield new efficiencies, we cannot abandon universal service as a result. We also face the

risk that regulation will tilt unfairly in one direction or the other. We face another risk. We face the risk that we will lose a major American market to foreign competition. That is the subject of the legislation I join in sponsoring today: Trade in telecommunications in the new era. For while Government sorts out the regulatory strands in the domestic industry, and while industry continues to adjust and shake itself out, with new corporate alignments and new services, something very significant—something very disturbing, is happening at the national border.

What is happening is that America has dramatically slipped from a net exporter of telecommunications equipment to a net importer. This is happening in a nation that, by any reasonable measure, enjoys the world's technological edge. Is it happening in an economic sector whose growth America counts on for America's benefit. Is it happening in an high tech industry, when high tech is key to maintaining our international competitiveness. If we lose ground here, then where do we hold ground?

The numbers are striking. In 1982 we had a trade surplus in telephone and telegraph equipment of \$203 million. In 1983, we had a trade deficit of \$240 million. And the trend seems likely to get worse.

Why is this happening? In part, because foreign manufacturers have products that people want. But why, for 1982 to 1983 did our exports remain virtually unchanged, at around \$830 million, while imports rose some 70 percent, from \$626 million to \$1,075 billion?

A major reason I think, is clear. That reason is divestiture of AT&T and our procompetitive telecommunications policy. Viewed in the light of international trade, the AT&T breakup must be seen as a step of major significance. America has unilaterally withdrawn a major barrier to foreign entry into our market. True, it was a nontariff barrier. But it was a barrier all the same. And America has withdrawn it unilaterally.

Before divestiture, \$13 billion in annual procurement by Bell operating companies went, by and large, to Western Electric. But the Bell operating companies have now been unlinked from AT&T. And already we see the Bell operating companies shopping for the best deal on central switches even if it means going off-shore. Before divestiture, relatively few customers took advantage of the right—granted since 1977—to buy their own terminal equipment. Before divestiture, AT&T rented out some 100 million telephone sets. But as divestiture approached, customers became more and more aware that they could buy their own telephone. AT&T faces competition

not only from GE and GTE, but from NEC—Nippon Electric Co.

Some 70 percent of telephone customers said in a recent survey that buying a phone is a better deal than leasing it. Is it any wonder that analysts predict that the sale of telephone sets will be a multibillion-dollar industry in the eighties? Is it any surprise that the import of telephone handsets rose, in the first 9 months of 1983, a whopping 247 percent over the previous year?

Let there be any doubt about what divestiture means, a comment by a manager of NEC North America is revealing. Quoted in a recent Business Week article, he said, "All at once the United States has become an open market. If you have a good product, you can ride the wave." And, let us not focus solely on the Japanese. Jeumont-Schneider, the largest PBX manufacturer in France, is entering the U.S. market, with a target of 5 percent of a market that should top 10 billion by 1990. A lot of foreign based manufacturers have their eyes set on a bigger piece of the American pie.

What is terribly wrong is not that we have opened our markets. What is terribly wrong is that at the same time, foreign markets remain closed. Unless we act, trade in telecommunications equipment will increasingly be a one-way street. Any rational observer has to wonder whether in the area of trade, the divestiture and our procompetitive policy are a monumental case of American shooting itself in the foot.

While America has opened its doors to new entry, the doors to foreign markets remain largely closed. In most developed nations, the public network is owned and operated by government-owned monopolies—the Postal Telephone & Telegraph or PTT's generally favor their domestic manufacturers. While large American firms may respond by buying into firms abroad, buying into foreign companies is not all that easy for smaller firms. Moreover, such activity does not do as much for American jobs and American economic growth.

Industrial nations adhere to the so-called government procurement code, under which their government agrees to forgo policies of buying domestic. But few have agreed to extend the code to telecommunications agencies.

Japan has entered into a bilateral agreement with the United States. Japan is the second largest telecommunications market. Its government-owned monopoly is Nippon Telephone & Telegraph—(NTT). Since 1980, NTT has promised open procurement under a bilateral agreement with the United States. But in the first 3 years of the agreement, less than 1 percent of the \$3 billion in yearly purchases has gone

to American firms. Meanwhile roughly half our imports come from Japan.

I led 14 other Senators late last year in urging various improvements in the agreement. And shortly after the new year, an agreement was struck between the United States and Japan, incorporating some of those. Time will tell if they will make a difference. But we had something of a warning about overoptimism. Around the time the agreement was extended, Japanese officials clarified their reading of the new agreement. They said that communications satellites were excluded from the agreement. Why? Quite simply because Japan felt it in its national interest to develop a domestic industry. Recent talks between Ambassador Brock and Japanese officials still have not completely resolved this matter.

Obviously, there is no turning back the clock. Divestiture is complete. But, we cannot stand by while our trade position deteriorates. America must take firm steps to insure that trade in telecommunications is a two-way street. The legislation we introduce today is just such a step.

The outline of the solution we are proposing is a simple one. It directs the President to commence multilateral negotiations with our trade partners—to secure access to their markets reciprocal to the access enjoyed in the United States. At the very least, we would demand improvements. Failing to achieve that, the United States would significantly increase tariffs on imports.

For New Jersey, taking these steps for the industry is critical. New Jersey ranks fourth in the Nation in shipments of telephone and telegraph equipment. Home of Bell Labs, New Jersey is a leader in the research and development of new products. Some 40,000 men and women are employed here in the manufacture of communications equipment. It is in their interest that we move quickly, and decisively.

When trade sanctions are mentioned, some people are apt to think, negatively, that that amounts to protectionism. What I am suggesting is not the protection of a sick industry. What I suggest is that we stop the sacrifice of a healthy one; a vital industry; a leading industry. ●

Mr. BRADLEY. Mr. President, I rise today as a cosponsor of the Telecommunications Trade Act because this country needs to be more vigilant in opening up foreign markets for U.S. products. The telecommunications industry is one of the most protected industries in other countries. According to the Department of Commerce:

Other major markets—outside of the United States—remain essentially closed, operating according to the established system of government held PTT's—postal-

telephone and telegraph—and preferential procurement procedures.

We must do more to open those markets for U.S. products because the telecommunications industry is among the world's fastest growing industries. It is estimated that the worldwide telecommunications market will expand from \$59 billion in 1983 to \$88 billion in 1988.

The U.S. market for telecommunications equipment was \$24 billion in 1983 and is expected to rise to \$35 billion in 1988. However, access to this market has been opened up as a result of the AT&T divestiture. In effect, we are unilaterally giving foreign companies new U.S. market opportunities and we are getting nothing for it. We can no longer afford to give something away for nothing. If the U.S. market is open and foreign markets remain closed, foreign producers will have no incentive to pressure their governments to give U.S. companies a chance to sell our telecommunications products in their markets.

In the words of the Commerce Department:

As long as this type of asymmetry persists, firms based in open-market countries—and therefore without the luxury of insulated domestic demand—could find themselves at a temporary competitive disadvantage before their protected counterparts. And since the United States has led the way in terms of liberalization, American telecommunications equipment manufacturers in particular may face unreciprocated foreign competition.

What the act does is to grant for 3 years to the President the authority to enter into trade agreements providing for more open trade in telecommunications equipment. As leverage, the act stipulates that U.S. tariffs on telecommunications equipment will rise after the 3 years to the level that would have been in effect without the commitments made during multilateral negotiations, unless the President successfully negotiates a trade agreement opening up foreign markets for U.S. products. In effect, the act puts another arrow in the quiver of our trade negotiators when they sit down with their counterparts from other countries.

While I am generally reluctant to increase trade restrictions, this country needs to use whatever means available to force other countries back to the bargaining table to liberalize trade. Let me emphasize however, that the act is GATT consistent because compensation is provided for, if in fact tariffs have to be raised. Of course, if other countries negotiate to open their markets, tariffs will not be raised. My hope is that this act will result in more open markets, not less.

National, even international, debate is sadly limited by the brittle clichés of "free trade" and "protectionism." The first is a myth and the second is a menace. Free trade is a noble goal but

like absolute zero in physics or the perfect oil painting copy of the Mona Lisa, it can never be obtained. Liberalized trade, developed under a set of rules which provide a discipline in the international market place, has served the world well since World War II. But those rules are not providing an effective international discipline today. Five years ago this Congress passed the Trade Agreements Act of 1979 and we had high hopes for new codes, including the one on government procurement. But 5 years later we find that precious little has been gained. Our agreement with Nippon Telephone and Telegraph (NTT) has resulted in less than \$200 million in sales.

The policy issue today is not a question of free trade versus protectionism. It is a question of discipline and rules, who obeys and who does not, what is fair and what is not. Is it fair that foreign producers of telecommunications equipment continue to receive protection and support from their governments, while we open up our market to competition from these firms and their governments?

This country must stop treating trade policy as a stepchild of foreign policy and domestic policy. Put bluntly, we do not have a trade policy. In this interdependent world, all of our domestic policies have an effect on industry's ability to compete internationally. We have no idea what our myriad of policies for defense procurement, small businesses, subsidies, tax breaks, and all of our trade restrictions have on the structure of our industry or its ability to compete internationally. The divestiture of AT&T is another in a long list of policy changes which are taken without considering the implications for trade. Until this country adopts a more coherent trade strategy, we will be forced to use whatever leverage the Congress can muster, on a piecemeal basis, to open up foreign markets. That is why I support this bill.

In sum, the world market for telecommunications will be the source of rapid growth in the coming decades. However, foreign telecommunications markets are characterized by extensive government intervention, including restrictive import practices and discriminatory government procurement. Only by using access to the U.S. market as leverage, can the United States achieve an open world market for trade in telecommunications—thereby gaining access for U.S. exports and increasing export-related employment. The time has come for the United States to use that leverage, otherwise our firms will continue to operate at a competitive disadvantage to the detriment of our economic base.

I urge my colleagues to cosponsor and support the bill.

By Mr. McCLURE (by request):

S.J. Res. 286. Joint resolution to approve the "Compact of Free Association," and for other purposes; to the Committee on Energy and Natural Resources.

APPROVAL OF THE "COMPACT OF FREE ASSOCIATION"

● Mr. McCLURE, Mr. President, at the request of the administration, I send to the desk for appropriate reference a joint resolution to approve the "Compact of Free Association," and for other purposes. The text of the President's letter of transmittal appears at page S. 3522 of the RECORD of March 30, 1984.●

ADDITIONAL COSPONSORS

S. 476

At the request of Mr. LEVIN, the name of the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 1163

At the request of Mr. GLENN, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1163, a bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes.

S. 1201

At the request of Mr. MATHIAS, the names of the Senator from Oregon (Mr. HATFIELD) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 1201, a bill to amend title 17 of the United States Code to protect semiconductor chips and masks against unauthorized duplication, and for other purposes.

S. 1746

At the request of Mr. RUDMAN, the name of the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1746, a bill to require that the Federal Government procure from the private sector of the economy the goods and services necessary for the operations and management of certain Government agencies and that the Director of the Office of Management and Budget and the Comptroller General of the United States identify the activities of the Federal Government to produce, manufacture, or otherwise provide goods and services which should be provided by the private sector and prepare a schedule for transferring such activities to the private sector.

S. 1816

At the request of Mr. THURMOND, the name of the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1816, a bill to amend the Textile Fiber Products Identification Act, the Tariff Act of 1930, and the Wool Products Labeling Act of 1939 to improve the labeling of textile fiber and wool products.

S. 1844

At the request of Mrs. KASSEBAUM, the name of the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1844, a bill entitled the "Aviation Tax Reduction Act of 1983."

S. 1884

At the request of Mrs. KASSEBAUM, the name of the Senator from Illinois (Mr. PERCY) was withdrawn as a cosponsor of S. 1884, a bill to relieve the Elephant Butte Irrigation District of certain repayment obligations and for other purposes.

S. 1938

At the request of Mr. HATCH, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1938, a bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, and for other purposes.

S. 2014

At the request of Mr. SPECTER, the name of the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 2014, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide for assistance in locating missing children.

S. 2025

At the request of Mr. NUNN, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 2025, a bill to amend the Highway Improvement Act of 1982 to provide additional funds for the completion of certain priority primary projects.

S. 2096

At the request of Mr. PACKWOOD, the names of the Senator from Illinois (Mr. PERCY) and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 2096, a bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to permit investment by employee benefit plans in residential mortgages.

S. 2374

At the request of Mr. STAFFORD, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 2374, a bill to extend the authorization for 5 years for the low income home energy assistance program, for the community services block grant, and for the Head Start program, and for other purposes.

S. 2423

At the request of Mr. THURMOND, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from South Dakota (Mr. ABDNOR), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. BAUCUS), the Senator from North Carolina (Mr. EAST), the Senator from Florida (Mrs. HAWKINS), the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. COCHRAN), the Senator from Nebraska (Mr. EXON), the Senator from North Dakota (Mr. BURDICK), the Senator from Texas (Mr. TOWER), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Arkansas (Mr. BUMBERS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 2423, a bill to provide financial assistance to the States for the purpose of compensating and otherwise assisting victims of crime, and to provide funds to the Department of Justice for the purpose of assisting victims of Federal crime.

S. 2490

At the request of Mr. STAFFORD, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2490, a bill to amend and extend the Library Services and Construction Act.

S. 2505

At the request of Mr. GORTON, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2505, a bill to provide a right of first refusal for metropolitan areas before a professional sports team is relocated, and for other purposes.

S. 2569

At the request of Mr. MOYNIHAN, the name of the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 2569, a bill to amend XVI of the Social Security Act to make necessary improvements in the SSI program with the objective of assuring that such program will more realistically and more equitably reflect the needs and circumstances of applicants and recipients thereunder.

SENATE JOINT RESOLUTION 55

At the request of Mr. MATHIAS, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of Senate Joint Resolution 55, a resolution to recognize the pause for the Pledge of Allegiance as part of National Flag Day activities.

SENATE JOINT RESOLUTION 87

At the request of Mr. TSONGAS, the names of the Senator from Illinois (Mr. PERCY) and the Senator from Virginia (Mr. TRIBLE) were added as cosponsors of Senate Joint Resolution 87, a joint resolution designating a day

of remembrance for victims of genocide.

SENATE JOINT RESOLUTION 165

At the request of Mr. MATHIAS, the names of the Senator from Missouri (Mr. EAGLETON), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Virginia (Mr. TRIBLE) were added as cosponsors of Senate Joint Resolution 165, a joint resolution to commemorate the bicentennial anniversary of the constitutional foundation for patent and copyright laws.

SENATE JOINT RESOLUTION 260

At the request of Mr. QUAYLE, the names of the Senator from Indiana (Mr. LUGAR), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. THURMOND), the Senator from California (Mr. CRANSTON), the Senator from North Dakota (Mr. ANDREWS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Florida (Mrs. HAWKINS), the Senator from Illinois (Mr. DIXON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. GRASSLEY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. JEPSEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mr. WILSON), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. PERCY), the Senator from Florida (Mr. CHILES), the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. EAST), the Senator from Idaho (Mr. SYMMS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. McCURE), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Hawaii (Mr. INOUE) were added as cosponsors of Senate Joint Resolution 260, a joint resolution designating the week beginning on November 11, 1984, as "National Blood Pressure Awareness Week."

SENATE JOINT RESOLUTION 261

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Joint Resolution 261, a joint resolution to provide for the designation of the last week in June, 1984, as "Helen Keller Deaf Blind Awareness Week."

At the request of Mr. LEAHY, the names of the Senator from Illinois (Mr. DIXON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of Senate Joint Resolution 261, *supra*.

SENATE JOINT RESOLUTION 264

At the request of Mr. TSONGAS, the names of the Senator from New York

(Mr. MOYNIHAN) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of Senate Joint Resolution 264, a joint resolution to designate the month of March 1985 as "National Hemophilia Awareness Month."

SENATE JOINT RESOLUTION 269

At the request of Mr. LEVIN, the names of the Senator from Nebraska (Mr. EXON) and the Senator from Illinois (Mr. DIXON) were added as cosponsors of Senate Joint Resolution 269, a joint resolution designating the week beginning September 23, 1984, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 279

At the request of Mr. KASTEN, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of Senate Joint Resolution 279, a joint resolution to designate the week of November 11, 1984, through November 17, 1984, as "Women in Agriculture Week."

SENATE JOINT RESOLUTION 283

At the request of Mr. THURMOND, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of Senate Joint Resolution 283, a joint resolution to authorize and request the President to designate the week of May 7, 1984, as "National Arson Awareness Week."

SENATE JOINT RESOLUTION 284

At the request of Mr. RIEGLE, the names of the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 2, 1984, as "National School Age Child Care Awareness Week."

SENATE RESOLUTION 241

At the request of Mr. LEVIN, the names of the Senator from Arizona (Mr. DeCONCINI) and the Senator from Virginia (Mr. TRIBLE) were added as cosponsors of Senate Resolution 241, a resolution expressing the sense of the Senate that the foreign policy of the United States should take account of the genocide of the Armenian people, and for other purposes.

SENATE RESOLUTION 360

At the request of Mr. TOWER, the name of the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Resolution 360, a resolution to amend rule XV of the Standing Rules of the Senate to provide that no amendment that is not germane or relevant to the subject matter of a bill or resolution shall be in order unless such amendment has been submitted at the desk at least 48 hours prior to consideration.

SENATE RESOLUTION 364

At the request of Mr. DeCONCINI, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Resolution 364, a

resolution expressing the sense of the Senate that certain recommendations of the President's Private Sector Survey on Cost Control relating to the Veterans' Administration health care system should be rejected as a matter of national policy.

AMENDMENT NO. 3036

At the request of Mr. SASSER, his name was added as a cosponsor of amendment No. 3036 proposed to H.R. 2163, a bill to amend the Federal Boat Safety Act of 1971, and for other purposes.

At the request of Mr. DeCONCINI, his name was added as a cosponsor of amendment No. 3036 proposed to H.R. 2163, *supra*.

SENATE RESOLUTION 375—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF THE PRAYERS OF THE SENATE CHAPLAIN DURING THE 97TH CONGRESS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 375

Resolved, That there be printed with an appropriate illustration as a Senate document, the prayers by the Reverend Richard C. Halverson, D.D., the Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Ninety-seventh Congress, together with any other prayers offered by him during that period in his official capacity as Chaplain of the Senate; and that there be printed such additional copies not to exceed \$1,200 in cost of such document for the use of the Joint Committee on Printing.

SEC. 2. The copy for the document authorized in section 1 shall be prepared under the direction of the Joint Committee on Printing.

SENATE RESOLUTION 376—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF THE PRAYERS OF THE SENATE CHAPLAIN DURING THE 98TH CONGRESS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 376

Resolved, That there be printed with an appropriate illustration as a Senate document, the prayers by the Reverend Richard C. Halverson, D.D., the Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Ninety-eighth Congress, together with any other prayers offered by him during that period in his official capacity as Chaplain of the Senate; and that there be printed such additional copies not to exceed \$1,200 in cost of such document for the use of the Joint Committee on Printing.

SEC. 2. The copy for the document authorized in section 1 shall be prepared under the

direction of the Joint Committee on Printing.

SENATE RESOLUTION 377—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO CAROL JEFFERY TOLIVER, NORMAN LEE TOLIVER, MARVIN LEWIS TOLIVER, CATHERINE AMELIA HENDERSON, RUTH LOUISE TOLIVER, MARY ETTA SAMUEL, PHYLLIS JEAN PELHAM, ALVIN WINDELL TOLIVER, AND GRACE ANN TOLIVER

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 377

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Carol Jeffery Toliver; Norman Lee Toliver; Marvin Lewis Toliver; Alvin Windell Toliver, brothers of James R. Toliver and Catherine Amelia Henderson; Ruth Louise Toliver; Mary Etta Samuel; Phyllis Jean Pelham and Grace Ann Toliver, sisters of James R. Toliver, an employee of the Senate at the time of his death, a sum to each equal to one-ninth of five months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 378—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO RUTH M. FIRSHEIN

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 378

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Ruth M. Firshein, widow of Benjamin H. Firshein, an employee of the Senate at the time of his death, a sum equal to nine months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 379—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO ERIC SWANSON AND KRISTAN BOOTH

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 379

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Eric Swanson, son of Ruth B. Swanson and Kirstan Booth, daughter of Ruth B. Swanson, an employee of the Senate at the time of her death, a sum to each equal to one half of seven and one-half

months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances,

SENATE RESOLUTION 380—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO PATSY L. FUNK

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 380

Resolved, that the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Patsy L. Funk, daughter of Thomas L. Maloney, and employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 381—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO WALTER M. STICKELL

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 381

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Walter M. Stickell, widower of Rita L. Stickell, an employee of the Senate at the time of her death, a sum equal to six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 382—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO LAURA DUDLEY PAGE

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 382

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Laura Dudley Page, widow of Stanley H. Page, an employee of the Senate at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 383—ORIGINAL RESOLUTION TO PAY A GRATUITY TO DANIEL T. FOLEY, MAUREEN C. CANNY, AND EILEEN P. TWIGG

Mr. MATHIAS, from the Committee on Rules and Administration, reported

the following original resolution; which was placed on the calendar:

S. RES. 383

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Daniel T. Foley, brother of Joan V. Foley and Maureen C. Canny and Eileen P. Twigg, sisters of Joan V. Foley, an employee of the Senate at the time of her death, a sum to each equal to one third of seven months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 384—ORIGINAL RESOLUTION REPORTED RELATING TO PURCHASE OF CALENDARS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 384

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed \$65,520 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committee.

AMENDMENTS SUBMITTED

FEDERAL BOAT SAFETY ACT AMENDMENTS

HOLLINGS (AND OTHERS) AMENDMENT NO. 3041

Mr. HOLLINGS (for himself, Mr. STENNIS, Mr. EXON, Mr. ANDREWS, Mr. BINGAMAN, Mr. JOHNSTON, Mr. BUMPERS, and Mr. NUNN) proposed an amendment to amendment No. 3027 proposed by Mr. BAKER (and others) to the bill (H.R. 2163) to amend the Federal Boat Safety Act of 1971, and for other purposes; as follows:

On page 19 of amendment No. 3027:

Sec. relating to limitations of aggregate total budget authority for National Defense and non-defense discretionary activities, is amended by striking out subsections (a) through (e) and inserting in lieu thereof the following:

TITLE X—INCREASING IN REVENUES AND LIMITS ON BUDGET AUTHORITY AND OUTLAYS

DELAY COST-OF-LIVING ADJUSTMENT TO 1990

Sec. 1001. (a) Subsection (f) of section 1 of the Internal Revenue Code of 1954 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended—

(1) by striking out "1964" in paragraph (1) and inserting in lieu thereof "1989", and

(2) by striking out "1983" in paragraph (3) (B) and inserting in lieu thereof "1988".

(b) Subsection (e) of section 104 of the Economic Recovery Tax Act of 1981 is amended by striking out "1984" and inserting in lieu thereof "1989".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1984.

INCREASED TAX AUDIT COVERAGE

Sec. 1002. (a) In the case of revenue agents, the Secretary of the Treasury, pursuant to section 7803(a) of the Internal Revenue Code of 1954, shall employ no less than 15,647 in fiscal year 1985, 16,569 in fiscal year 1986, 17,395 in fiscal year 1987, 18,834 in fiscal year 1988, and 20,320 in fiscal year 1989.

(b) In the case of tax auditors, the Secretary of the Treasury, pursuant to such section, shall employ no less than 4,098 in fiscal year 1985, 4,529 in fiscal year 1986, 5,001 in fiscal year 1987, 5,339 in fiscal year 1988, and 5,773 in fiscal year 1989.

WITHHOLDING OF TAXES ON ROYALTY PAYMENTS AND PAYMENTS TO INDEPENDENT CONTRACTORS

Sec. 1003. (a) Section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(q) EXTENSION OF WITHHOLDING TO ROYALTY PAYMENTS AND PAYMENTS TO INDEPENDENT CONTRACTORS.—

"(1) IN GENERAL.—In any case in which—

"(A) a person issues a royalty payment, or
"(B) notwithstanding subsection (a)(4), a person issues a payment to an independent contractor,

such person or any withholding agent shall deduct and withhold from such payment an amount equal to 10 percent of such payment.

"(2) WITHHOLDING AGENT.—Except as provided in regulations prescribed by the Secretary, the term 'withholding agent' means, with respect to any payment described in paragraph (1), the person who controls, receives, has custody of, disposes of, or pays such payment.

"(3) COORDINATION WITH OTHER SECTIONS.—For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments described under paragraph (1) which are subject to withholding shall be treated as if they were wages paid by an employer to an employee."

(b) The amendments made by this section shall apply to payments made after June 30, 1984.

REVENUE INCREASES

Sec. 1004. (a) Within 45 days after the date of enactment of this Act, the Senate Committee on Finance shall report to the full Senate changes in laws within the jurisdiction of the Senate Committee on Finance sufficient to increase revenues by \$4,300,000,000 in fiscal year 1985, \$7,100,000,000 in fiscal year 1986, \$11,700,000,000 in fiscal year 1987, \$19,000,000,000 in fiscal year 1988, and \$28,700,000,000 in fiscal year 1989.

PAY COMPARABILITY ADJUSTMENT FOR FEDERAL EMPLOYEES

Sec. 1005. Notwithstanding any other provision of this Act or of any other law—

(1) there shall not be an adjustment under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule and in the rates of pay under the other statutory pay systems during fiscal year 1985; and

(2) the overall percentage of the adjustment in such rates taking effect under such section in each of fiscal year 1986, 1987,

1988, or 1989, shall be an increase of 3 percent.

COST-OF-LIVING INCREASES

Sec. 1006. (a)(1) Except as provided in subsection (b), for the purpose of determining or computing the amount of any increase in payments or benefit amounts or in standards for eligibility for payments or benefits taking effect on any date during the fiscal year 1985, 1986, 1987, 1988, or 1989 under any provision of Federal law which requires an increase or change in such payments, benefit amounts, or standards as a result of any change in—

(A) the Consumer Price Index (or any component thereof); or

(B) any other index which measures costs, prices, or wages.

the change in any such index shall be deemed to be the change as computed or determined under such provision of Federal law or (if less)—

(i) zero percent in the case of increases taking effect in fiscal year 1985; or

(ii) 3 percent in the case of increases taking effect in fiscal year 1986, 1987, 1988, or 1989.

(2) Notwithstanding any other provision of Federal law, no person shall be—

(A) entitled to any increase in payments, benefit amounts, or rates of pay; or

(B) eligible for any payments or benefits, under any provision of Federal law to the extent that such increase or eligibility is denied by reason of paragraph (1).

(3) Notwithstanding any other provision of law, any change in any index described in paragraph (1) which would have resulted in an increase in payments or benefit amounts or in standards for eligibility for payments or benefits effective on any date during the fiscal year 1985, 1986, 1987, 1988, or 1989 but for paragraph (1) shall not be taken into account for the purposes of determining or computing any increase or change in such payments, benefit amounts, or standards taking effect on any date during any fiscal year after fiscal year 1989.

(b)(1) With respect to the Social Security Act, subsection (a) shall apply only to cost-of-living adjustments to cash benefits paid under section 202 or 223, and shall not limit cost-of-living adjustments under section 1617 of such Act (42 U.S.C. 1382f), or any other adjustment under any other provision of such Act. The adjustments becoming effective under such section 1617, and any other adjustment to which subsection (a) does not apply, will be made as through there had been made the full cost-of-living adjustment which, but for subsection (a), would have become effective under section 215(1) of such Act (42 U.S.C. 415(1)) with respect to cash benefits.

(2) Subsection (a) shall not apply to increases under section 3(o), 5(c), or 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o), 2014(c), and 2014(e) respectively).

(3) Subsection (a) shall not apply to increases under section 3112 of title 38, United States Code. For the purposes of such section, benefit amounts payable under title II of the Social Security Act shall be deemed to be increased when and by the percentage such amounts would be increased (as a result of a determination made under section 215(1) of such Act) if subsection (a) had not been enacted.

MEDICARE FREEZE

Sec. 1007. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act) or any provision of title XVIII of the Social Security Act, the "appli-

cable percentage increase" under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1984, and before October 1, 1985, shall be zero percent.

(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

LIMITATION ON INCREASE IN BUDGET AUTHORITY FOR NATIONAL DEFENSE ACTIVITIES

Sec. 1008. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act), the Congress declares that—

(1) an urgent priority of the United States Government is the pursuit of a national defense policy that adequately provides for the security of the United States and that of its allies against the threat of their adversaries;

(2) the basic goal of any national defense program of the United States should be to provide a consistent and sustained growth in defense readiness activities and in weapon systems research and development, procurement, and force modernization;

(3) an annual increase in the defense budget of the United States Government, in accordance with the commitment made in 1977 and 1978 by the United States Government and the other members of the North Atlantic Treaty Organization (NATO) to provide for annual increases in the defense budgets of the members by three percent in excess of the rate of inflation, is an essential element in developing a reliable national defense capability; and

(4) the policies relating to the commitment of resources to develop and maintain a strong and comprehensive defense program by the United States must be fully integrated with an overall fiscal and economic policy directed toward restoring the financial credibility of the Government in an equitable manner.

(b) Therefore, it is the sense of the Congress that the amount of budget authority provided for each of the fiscal years 1985, 1986, 1987, 1988, and 1989 for all purchases made by departments and agencies administering activities classified under the functional category of National Defense in the Budget transmitted under section 1105(a) of title 31, United States Code, should be the amount of budget authority provided for such purchases for the preceding fiscal year plus an amount equal to the product of—

(1) the amount of budget authority provided for such purchases for such preceding fiscal year; and

(2) the sum of—

(A) the rate of inflation projected (in accordance with subsection (c)(2)) to occur during the fiscal year 1985, 1986, 1987, 1988, or 1989, as the case may be; and

(B) four percent in fiscal years 1985 and 1986; and

(C) three percent in fiscal years 1987, 1988, and 1989.

(c)(1) For the purposes of subsection (b), budget authority does not include the budget authority provided for the pay of employees of any department or agency described in subsection (b), including members

of the Armed Forces, or for military retired or retainer pay.

(2) For the purposes of subsection (b), the rate of inflation projected to occur during a fiscal year under subsection (b) shall be—

(A) for fiscal year 1985, the percent change in the defense purchases index which is projected for such fiscal year by the Director of the Congressional Budget Office within 30 days after the date of enactment of this Act; and

(B) for fiscal year 1986, 1987, 1988, or 1989, the most recent projection of the percent change in such index for such fiscal year made by such Director before the date on which the Senate or the House of Representatives, or any committee thereof, takes action to provide budget authority for such fiscal year to which subsection (b) applies.

DISCRETIONARY FEDERAL PROGRAMS

Sec. 1009. (a) Notwithstanding any other provision of this Act (or any amendment made by this Act), it is the sense of the Senate that the total amount of budget authority provided for all discretionary Federal programs for fiscal year 1985 should not exceed an amount equal to the total amount of budget authority provided for all such programs for fiscal year 1984.

(b) It is the sense of the Senate that the total amount of budget authority provided for all discretionary Federal programs for each of the fiscal years 1986, 1987, 1988, and 1989, should not exceed an amount equal to the total amount of budget authority provided for all such programs for the preceding fiscal year plus an amount equal to the product of—

(1) the total amount of budget authority provided for all such programs for such preceding fiscal year, multiplied by

(2) three percent.

(c) For purposes of this section, the term "discretionary Federal program" means any Federal program other than—

(1) a program classified under the functional category of National Defense in the budget submitted by the President for the applicable fiscal year under section 1105(a) of title 31, United States Code; or

(2) a program for which spending authority (as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974) is provided by law.

MOYNIHAN (AND D'AMATO) AMENDMENT NO. 3042

Mr. MOYNIHAN (for himself and Mr. D'AMATO) proposed an amendment to amendment No. 3027 proposed by Mr. BAKER (and others) to the bill H.R. 2163, supra; as follows:

At the appropriate place, insert the following:

"Sec. . The Administrator of General Services shall assign to the Secretary of the Interior for use as a public park or recreation area, portions of the Montauk Air Force Station in East Hampton Township, Suffolk County, New York, totaling two hundred and seventy-eight acres that were declared surplus to the needs of the United States Government on December 21, 1981.

"Sec. . The Administrator of General Services shall assign the land identified in the first section of this Act to the Secretary of the Interior within thirty days of enactment of this Act. Within thirty days of said assignment, the Secretary of the Interior shall, in exchange for the transfer of the fee title to one hundred and twenty-five acres of the real property owned by the

State of New York at Fire Island, New York, to the Secretary of the Interior, convey the property to the State of New York for public park or recreation uses in accordance with section 203(k)(2) of the Federal Property and Administrative Act of 1949 (40 U.S.C. 484(k)(2))."

GRASSLEY AMENDMENT NO. 3043

Mr. GRASSLEY (for himself, Mrs. KASSEBAUM, Mr. BIDEN, and Mr. BAUCUS) proposed an amendment to the bill H.R. 2163, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following: "Act.

"LIMITATIONS ON BUDGET AUTHORITY

"Sec. . (a) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed \$264,100,000,000 in fiscal year 1985.

"(b) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed \$137,000,000,000 in fiscal year 1985.

"(c) For the purposes of this section, budget authority shall be determined on the basis applicable for fiscal year 1984.

"(d) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

"(e) It is the sense of Congress that the unprecedented magnitude and persistence of current and projected Federal budget deficits must be addressed in a comprehensive strategy to moderate increases in defense spending while continuing the effective constraints on nondefense discretionary programs. To assure the success of such an initiative, the foregoing procedural restraints. In addition to the total aggregate spending limitations pursuant to the Congressional Budget Act of 1974, as amended, are necessary on budget authority both for defense and for nondefense discretionary programs for fiscal year 1985.

"MEDICARE FREEZE

"Sec. . (a) Notwithstanding any other provision of this Act (or any amendments made by this Act) or any provision of title XVIII of the Social Security Act, the 'applicable percentage increase' under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1984, and before October 1, 1985, shall be zero percent.

"(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

"LIMITATIONS ON COST-OF-LIVING ADJUSTMENTS

"Sec. . (a) Notwithstanding any other provision of law, no increase shall be made

in payments or benefit amounts under any provision of law which would otherwise require such increase to become effective during fiscal year 1985 as a result of changes in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages.

"(b) No person shall be entitled to any increase in payments or benefit amounts under any provision of law if payment thereof is denied by reason of this section.

"(c) Notwithstanding any other provision of law, any change in—

"(1) the consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages,

which would have resulted in any increase in payments or benefit amounts during fiscal year 1985 but for the provisions of subsection (a) shall not be taken into account for purposes of determining any increase in payments or benefit amounts during fiscal year 1986 or any fiscal year thereafter."

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a business meeting on Wednesday, May 2, and Thursday, May 3, to consider legislation pertaining to the child nutrition programs.

The bills to be considered are S. 1994; S. 2545; S. 1913, a proposed measure by Senator DOLE; and S. 2599.

The markup will begin at 10 a.m. in room SR 328-A on Wednesday and Thursday.

For further information, please contact the Agriculture Committee staff at 224-0014 or 224-0017.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 1, 1984, in order to receive testimony concerning S. 2423, the Victims of Crime Assistance Act.

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

SUBCOMMITTEE ON SEA POWER AND FORCE PROJECTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Sea Power and Force Projection, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, May 1, at 10 a.m., to hold a hearing to receive testimony of the Navy's Mark 92 fire control system upgrade program in review of S. 2414, the fiscal year 1985 Department of Defense authorization bill.

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

SUBCOMMITTEE ON STRATEGIC AND THEATER
NUCLEAR FORCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces, of the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, May 1, to hold an executive session on theater nuclear force issues, S. 2414, fiscal year 1985 DOD authorization bill.

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

ADDITIONAL STATEMENTS

NATIONAL NURSES' DAY

● Mr. HOLLINGS. Mr. President, I rise today to salute our Nation's 1.7 million registered nurses. These unselfish and caring individuals are, in this Senator's mind, the backbone of our country's health care system and deserving of special recognition. Sunday, May 6 is National Nurses' Day and citizens all around our country will be involved in events to heighten public awareness of the countless contributions these professionals make in insuring quality health care for all Americans.

The rapid advances in medicine and the changing nature of health care has greatly expanded the role of registered nurses. The intensity of care has increased with more R.N.'s needed to carry out such activities as monitoring vital functions, ventilation therapy with infusion pumps, and the application of many new technologies. The development of these kinds of settings has particularly increased the need for nurses with advanced preparation. And, Mr. President, our Nation's nurses have responded to these challenges, assuming increased responsibilities and accountability for our health care needs.

I am pleased to have joined my distinguished colleague and friend, Senator INOUYE, in sponsoring Senate Joint Resolution 274, a resolution to officially designate May 6, 1984, as National Nurse Recognition Day. Mr. President, these health care professionals are most deserving of this tribute and I urge my colleagues to join me in a demonstration of recognition and support of our Nation's nurses. ●

A SESQUICENTENNIAL POEM

● Mr. MOYNIHAN. Mr. President, on the weekend past, April 28, 1984, to be specific, I had the pleasure of participating in the celebration of Rochester, N.Y.'s Sesquicentennial. On its 150th birthday, the Flower City, as it is known, is indeed flourishing; looking

to its past with pride and to its future with confidence.

The observance had many memorable moments and events, but one in particular stands out for me. It is a poem written specially for the celebration by William Heyen, professor of creative writing at the State University of New York at Brockport.

The poem, "Downriver," elegantly and eloquently captures the spirit and history that has helped make Rochester one of New York's, and the Nation's great cities.

Mr. President, I ask that Professor Heyen's poem, as reprinted on April 29, 1984 in *Upstate*, the magazine of the Rochester Democrat and Chronicle, be printed in the RECORD.

The material follows:

DOWNRIVER

(A Poem for the Sesquicentennial of the
City of Rochester, N.Y.)

I

At the country auction, boxes of books. In one,

Bryant's *Poems*, a gilt-edged, false-leather parlor edition losing its words, disbound, falling apart even while I held it.

Under century-old backyard shagbark hickories

in the spread of full summer, I stood reading "A Forest Hymn" for the first time

in twenty or thirty years.

Do you remember? You probably had it in high school,

as I did. Its hundred-eighteen lines rocked all us little American scholars into oblivion.

Who cared about trees?

This was the day after a Russian pilot tracked a passenger jet, locked in his missiles, and shot it down, killing 269.

I tried to imagine that many people in flames, had counted the auction crowd to half that number.

Bryant rhapsodizes wildflowers growing at the roots

of huge trees. Each one, he says, "With scented breath and look so like a smile,

Seems, as it issues from the shapeless mould,

An emanation of the indwelling Life, A visible token of the upholding Love, That are the soul of this great universe."

There's more in his hymn than heavenly flowers smiling,

but the desperate poet does blame all catastrophe on human pride

his forest could keep us from: "O God," he prays, "when thou

Dost scare the world with tempests, set on fire The heavens with falling thunderbolts, or fill

The swift dark whirlwind that uproots the woods

And drowns the villages; when, at thy call, Uprises the great deep and throws himself Upon the continent, and overwhelms its cities,

Spare me and mine, nor let us need the wrath

Of the mad unchained elements to teach who rules them."

He ends by asking for that quiet wisdom to be found under the emblematic trees in contemplation:

"Be it ours to meditate, In these calm shades, thy milder majesty, And to the beautiful order of thy works Learn to conform the order of our lives."

But I kept brooding the charred fuselage sinking into brine mud with innocent dead, of limbs washed up on beaches.

I knelt to place the book back into its box. A long time seemed to have passed.

II

The auction droned into evening, generations-deep possessions knocked down for the dollars of inflation, spirited

across lawns from home, outbuildings, barns, into cars and vans.

This was one of the old farmsteads along the Genesee

where the river still glides with Seneca apparitions

past graves of the first settlers. Who could have dreamed the American city, a glass and steel skyline,

corporate limbs in a hundred countries? But it was always there, born in the sewn brain-patterns

of homemade quilts, in the first Kodaks giving us back

to ourselves, in flails and scythes, in pots mended by travelling tinkers a

hundred years before, in anvils and ogee mirrors, in hand-ruled

ledgers, cast iron stoves, tin candle moulds, a trophy

buck whose antlers branched above this congregation,

in grains of the high-headboard oak beds whose women bore those who worked this

land, in the now nondescript uniforms of three or four wars,

in shotguns, sheepskin coats, bridal gowns, coarse overalls, a stereopticon, butter

crocks, dovetailed dressers, a rosewood Acolian piano, corn shuckers,

churns, apple peelers, cabbage boards, blue-tinged canning jars, a

loom, a spinning wheel, a Currier & Ives of Sam

Patch above the river, a barrel of Depression glassware now fought

for by dealers, oval walnut frames of ancestral faces, red-

ware, sheet music, an Uncle Sam iron bank, a roll-top desk—

the years cascading forward with yearned-for objects

as though over the river's falls . . . And then,

held up by the auctioneer for special admiration,

a single amethyst jack-in-the-pulpit bud vase, its cowl-

like spathe gleaming above dispersal and the emptiness

of money . . . Did elms once clarify our streets with

toothed translucent leaves? Did we know God because the chestnut hill-

sides blossomed? We pray, again, to invest things with mean-

ing, to build a city within our time but free from the terror of

this new world.

III

The others have gone. Will you, now, stay here with me?
 We will stand beside the river, watch stars hold still
 in the flowing night water. In the same way, we have come here from everywhere,
 and from all time. We, our parents, theirs, theirs,
 followed history, dumbly, or beguiled by it. We were the ones in kitchens, fields, churches
 of a thousand villages who heard the repeated dream
 until we reached for it, or were handcuffed to it,
 or driven toward it by famine, or slavers, or pogroms
 of bayonet and flame. In 1834,
 as he testifies in his *Narrative*, Frederick Douglass
 prepared himself "for a final struggle which should decide
 my fate, one way or the other." For Frederick,
 for Susan B. Anthony in her and her sisters' life-long passionate
 against sexist greed and stupidity,
 the same city still glows, downriver, over the treeline.
 Lord of life and of all things, help us to know,
 now, what our struggle is, its human forms within objects within a world daily
 more dangerous. Help us to know ourselves, the motives
 of our most secret voices and gestures. Stars in the river's water move, but stay,
 as the river passes away, but stays. May we abide,
 but build here the blessed city before we die . . .
 A slag-glass lamp, a book with Bryant's prayer, a two-handed
 crosscut saw . . . let us look into one another's eyes
 imagining flames, imagining love, and decide.●

SOUTH DAKOTA RECOGNIZES THE EFFORTS OF THE NATIONAL FEDERATION OF THE BLIND

● Mr. ABDNOR. Mr. President, I wish to bring to the attention of my colleagues a proclamation issued recently by Gov. William J. Janklow, declaring May as National Federation of the Blind Month in South Dakota.

Mr. President, the National Federation of the Blind is the largest organization of blind persons in our Nation. I am proud of the work the affiliate in South Dakota is doing to insure equality, security, and opportunity for the blind citizens of my State. I wish also to commend and congratulate the president of the South Dakota affiliate, Ms. Karen S. Mayry, for her continued dedication to issues of concern to the blind.

Mr. President, I ask that Governor Janklow's proclamation be printed in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas the National Federation of the Blind of South Dakota is a vital advocacy

group that represents the interests of thousands of blind citizens statewide; and,

Whereas this invaluable organization is an effective voice of the blind for it seeks to enhance the dignity and increase the independence of our state's visually handicapped; and,

Whereas the largest organization of the blind in America, the NFB strives to educate the public about the capabilities of the visually impaired; they are a group of individuals who see themselves not as blind people, but as people who just happen to be blind; and,

Whereas the National Federation of the Blind of South Dakota is a group whose blind members don't as for sympathy, but for empathy . . . they wish not to be pampered, for they only desire to be given a chance to prove how much they CAN do and how little they can't do; and,

Whereas the NFB not only seeks to educate the sighted, but works as well to inform the visually handicapped of their rights and of the many services available to them:

Now, Therefore, I, William J. Janklow, Governor of the State of South Dakota, do hereby proclaim the month of May, 1984, as "National Federation of the Blind of South Dakota Month" in South Dakota. As citizens of this great State, it is important we all recognize the blind as fellow human beings who desire only to live full, rich lives in dignity and equality.●

UPHOLSTERED FURNITURE ACTION COUNCIL MEETING

● Mr. HELMS. Mr. President, American upholstered furniture manufacturers, through their own initiative, are making great strides in consumer safety. Over the weekend in High Point, N.C., at the annual spring furniture market there, the Honorable Terrence M. Scanlon, Vice Chairman of the U.S. Consumer Products Safety Commission, addressed the Upholstered Furniture Action Council. This group has been responsible for spearheading the drive for consumer safety with respect to furniture products.

Mr. President, I believe that my colleagues and the public will find Commissioner Scanlon's remarks important in that he acknowledges the safety contributions made by the furniture manufacturers and he lays stress on the key role that individual consumer responsibility must play in the whole effort of consumer safety.

Mr. President, I ask that the speech by Commissioner Terrence M. Scanlon of the U.S. Consumer Product Safety Commission to the Upholstered Furniture Action Council in High Point, N.C., on Saturday, April 28, 1984, be printed in the RECORD at this point.

The speech follows:

REMARKS OF TERRENCE M. SCANLON, VICE CHAIRMAN AT THE UFAC SPRING MARKET PRESS CONFERENCE, APRIL 28, 1984

CPSC-UFAC, "A SUCCESS STORY"

I am pleased and privileged to address you this morning about the successful cooperative program between the Consumer Product Safety Commission (CPSC) and the Upholstered Furniture Action Council (UFAC) on the upholstered furniture ignition prob-

lem. Many would say industry/government cooperation is simply not appropriate. However, if one takes the time to carefully examine the record, understand the voluntary standard process, and look for the common good, a different conclusion is readily reached.

The long-standing working cooperative effort between UFAC and the CPSC is an excellent case in point. Your successful program now in its second phase is working for the future improvement of furniture from ignitions. Your many efforts in the past, such as the development and patenting of the aluminum welt cord, and other safety improvements, have already greatly contributed to consumer safety, and will continue to do so for years to come. I challenge you to continue this progress.

The UFAC program is cited by my fellow Commissioners in Public Commission meetings and before Congressional committees as a model of successful government/industry cooperation. I share that view as well. You have all heard that before, so let me raise a few new issues. Industry/government cooperation, of course, must be a "two-way street." What is industry's contribution to consumer safety, often at substantial cost, is a contribution to all of our society. The benefits, of course, reach primarily to those we all ultimately seek to protect, the consumers. One of the reasons I am an outspoken proponent of voluntary standards is that in this day of government cutbacks at most levels, "private sector resource" intensive efforts, such as yours are critical to accomplishing our mutually consistent goal of consumer safety.

The government has a special role to play in the partnership of regulator and regulated. We have a special obligation to ensure fairness in our dealing with both the business community and consumers. When a voluntary effort is successful, it is critical to reward that success. That is one reason I support the recognition of voluntary standards. But even more basic efforts can be made by fair treatment of industry. A prime example is the reporting of statistics; in particular the measurement of the improved fire safety in upholstered furniture.

The Commission, in a spasm of "fairness," has agreed to represent the statistics on furniture flammability testing in two ways: chair-by-chair results and cigarette-by-cigarette results. I am concerned, however, that reporting results on a chair-by-chair basis, even juxtaposed to more appropriate cigarette-by-cigarette measurements, can lead to misunderstanding. Frankly, I see no statistical basis for reporting chair-by-chair when there are many cigarettes on each chair. No useful information is provided. This concern is especially serious because of the way the results may be interpreted. I believe responsible regulation requires more sensitivity to the reality of the marketplace and to the way testing results are reported that reflect that reality. The impressive work of the Upholstered Furniture Action Council toward consumer safety is a good place to start.

I would also like to add a new element into this whole cigarette ignition debate, that of consumer responsibility. President Reagan last May on the 10th anniversary of the CPSC said . . . "The effort to prevent accidents is a shared responsibility of industry, consumers and government."

We in government and you in industry can do our share, but individual responsibility and accountability for one's actions is also an essential element, and in fact may be the key element in the long run.

Smoking requires an inherent responsibility on an individual smoker to do so safely, and with consideration for the safety of those around him, both his or her family and the public at large. This must be stressed more and more in the whole debate on cigarette ignitions. You in industry, and we in government can't do it all. Individuals must share this responsibility as well.

In conclusion, I am again glad to be here and I hope my visit to High Point will help to foster this "two-way street" of which I speak. This is one Commissioner who believes that all wisdom does not reside within the confines of Washington. I can assure you that my second visit in two years to your Spring Market will help foster our cooperative efforts, and lead to a greater mutual understanding of our common problems and concerns.

I would especially like to thank Charlie Carey and Bill Richman, UFAC co-chairmen, and Betty Grace Terpstra and Joe Gerard, who represent you so professionally before the Commission in Washington. They work hard at what we all seek in the name of the common good, greater consumer safety.

Again I congratulate you for your efforts, I look forward to a cooperative working relationship in the years ahead as well.

Thank you.●

YWCA CELEBRATES 125TH ANNIVERSARY

● Mr. LEVIN. Mr. President, the Young Women's Christian Association of the United States is currently celebrating their 125th anniversary, and I should like to congratulate this fine organization.

The YWCA has been a pioneer for social justice and peace. They have been in the forefront with such accomplishments as establishing the first day-care center in the country, holding the first retreat for unwed mothers, providing the first typing instruction for women, opening the first school to train practical nurses, conducting the first interracial conference of women to be held in the South, and many others.

On the local level, the YWCA has pioneered in areas of local need and concern, such as teenage social adjustment, school age parents, women offenders, postmastectomy rehabilitation, divorce support, legislative support for "Latch Key" program, and parenting and job clubs.

Founded in Boston in 1859, the YWCA today is a worldwide movement: Women in 83 nations responding to their own needs and those of others, breaking down barriers of race, religion, education, and status to work together for the common good, to improve the life situations of the unemployed, the displaced, the disabled, the powerless, the young, the old, women working in offices, the home and in the fields, women abandoned, or abused women without the necessary skills for survival.

By the turn of the century, the YWCA had moved into communities and college campuses throughout the

United States—into the lunchrooms of factories and department stores, into black neighborhoods and the waiting stalls of Ellis Island, into Indian territory and the farmlands of the Midwest. Wherever women needed a job, a home, a hearty meal, a safe journey, friends, books, exercise, schooling or a counselor, the YWCA was there.

Today the YWCA of the U.S.A. is still there with locally funded community or campus associations in 4,700 locations in our Nation. They have grown, through concern and commitment, to be the largest women's membership organization in the world today, and the only one to have made service synonymous with social change for more than a century.

I am pleased to salute the YWCA on their 125th anniversary, and I wish them continued success in the years ahead.●

STEEL QUOTA BILL NOT INFLATIONARY

● Mr. HEINZ. Mr. President, one of the issues lurking behind the scenes in the steel import quota debate is the likely impact on consumer prices. Since steel is not by itself a retail product, the ultimate price impact, if any, to consumers is difficult to determine. Raw material prices are not always passed on in their entirety by the manufacturers of finished products.

Recently, however, David Cantor, the Congressional Research Services' specialist in industry economics, has done an analysis of the likely impact on the producers price index for intermediate products if steel prices increase. Mr. Cantor does not attempt to predict what quota legislation would do to steel prices; he simply analyzes what the effect of a range of possible price increases on steel would be on intermediate products.

Mr. Cantor's conclusion is that the price effects would be relatively modest: If steel prices rise by 10 to 50 percent, intermediate product prices could increase by 0.65 to 3.26 percent. This is a much more modest impact than has been suggested publicly by some who have not done any serious analysis of the problem.

Mr. Cantor has done such work, and it will facilitate the debate on steel import quotas by focusing on facts rather than rhetoric. I ask that the CRS study be printed in the RECORD at this point.

The material follows:

EFFECTS OF HYPOTHETICAL INCREASES IN STEEL PRICES ON THE PRODUCER PRICE INDEX FOR INTERMEDIATE MATERIALS, DECEMBER 1983 TO DECEMBER 1984

ABSTRACT

If, possibly due to steel import quotas, steel prices rose by 10 to 50 percent, prices of intermediate products used in manufacturing could increase by 0.65 to 3.26 percent. While these increases would probably influ-

ence prices of other goods and the inflation rate, various statistical problems preclude estimating these effects.

EFFECTS OF HYPOTHETICAL INCREASES IN STEEL PRICES ON THE PRODUCER PRICE INDEX FOR INTERMEDIATE MATERIALS, DECEMBER 1983 TO DECEMBER 1984

If, possibly as a result of quotas on steel mill product imports, domestic steel prices were to be raised in the range of 10 percent to 50 percent, the Producer Price Index for Intermediate Materials (hereafter, PPI-I) would, all other things being equal, increase by from 0.65 percent to 3.26 percent. While the PPI-I is by no means a measure of the inflationary impact of increased steel prices, it is an indicator of the prices faced by producers of goods and services, and, thus, of changes in their costs of production. These higher costs of production could influence both wholesale and retail prices, although any changes in them cannot be measured directly or inferred from changes in the PPI-I.

The effect of hypothetical increases in steel prices on the PPI-I

A 10-percent rise in domestic steel prices, as measured by the Producer Price Index of Steel Mill Products, could result in an increase in the PPI-I of 0.65 percent for the period from December 1983 to December 1984. Similarly, a 50-percent increase in domestic steel prices could result in a 3.26 percent increase in the PPI-I in this period. The PPI-I would rise from 315.8 in December 1983 to between 317.9 and 326.1 in December 1984. These and the effects of steel price increases between 10 and 50 percent are presented in table 1.

TABLE 1.—EFFECTS OF HYPOTHETICAL PRICE INCREASES OF STEEL MILL PRODUCTS ON THE PRODUCTS PRICE INDEX FOR INTERMEDIATE MATERIALS, DECEMBER 1983 TO DECEMBER 1984

[1967=100]

Percentage price increase in steel mill products	Producer price index for intermediate materials		
	December 1983	December 1984	Percent change
10	315.8	317.9	0.65
20	315.8	319.9	1.30
30	315.8	322.0	1.95
40	315.8	324.0	2.61
50	315.8	326.1	3.26

Calculated by CRS based on: U.S. Department of Labor, Bureau of Labor Statistics, Producer Prices and Price Indexes Data for December 1983. Washington, January 1984.

The effects on the PPI-I show how the overall PPI-I would react, if only steel mill product prices were allowed to change. The assumption is made that prices of all other intermediate goods—such as: paper, plastics, motor vehicle parts—are unchanged. It should be noted that steel is categorized as an intermediate good, because it is used to produce other products, both final goods and other intermediate goods.

The effects on the price index were calculated by, first, determining the change in the relative importance of steel mill products in the PPI-I, and, then, recalculating the overall PPI-I, based on the revised relative importance. The procedures are presented in more detail in the appendix to this report. The concept of relative importance refers, in principle, to the share of total shipments of all commodities represented

by a particular commodity.¹ In the present case, the share of total shipments of all intermediate goods, as defined by the Bureau of Labor Statistics, represented by steel mill product shipments is the relative importance of steel mill products. Normally, the Bureau of Labor Statistics determines the relative importance of all goods for December of each year. For intervening periods (i.e., some other month), or, as in the present case where total shipments are unknown, relative importance is estimated by the Bureau of Labor Statistics by adjusting the relative importance in the base period by the ratio of the percentage change in relative prices.²

Implications and limitations of the analysis of hypothetical changes in steel prices and the PPI-I

The calculated hypothetical effects of changes in steel prices on the PPI-I are, at best, an indicator only of changes in the costs of production of other goods and services. Thus, while these effects may point in the direction of change of both producer and consumer prices of final goods, they cannot and should not be taken as a quantitative estimate of the ultimate impact of changes in steel prices on other prices or on the rate of inflation. One cannot infer that any changes in price of one product, steel for example, would be passed through completely to steel users and ultimately to producers and consumers of final goods. What can be said about these effects is that costs of production of intermediate goods taken as a whole category of goods would rise by the percentages indicated in table 1, and, to the extent that they can be passed through to buyers of steel and products embodying steel, other prices could be expected to rise.

The effects calculated apply only to one particular price index, the Producer Price Index for Intermediate Materials. Furthermore, any changes in this index are assumed to be due to price changes only in the one commodity, steel. Thus, these effects do not take into consideration changes that might occur in the prices of even other intermediate goods, because those prices were assumed to be constant in order to develop the estimates.

How prices of final goods might be affected by changes in steel prices cannot be estimated using price indices for a variety of reasons. To estimate these effects on the Producer Price Index for all commodities is to risk double-counting of steel prices; that is, the price of steel will be counted once when it is sold by the steel mill, and will be counted a second time as part of the price of the product using that steel. Thus, such an estimate would imply the effect of a change in steel prices on the steel prices built into the price of the final good.

Nor can the effect of steel price changes on consumer goods be determined using price indices. First, some steel, indeed a large share of steel is used only in other producer goods (e.g., machine tools) and only enters into the production of consumer goods indirectly and over time. Second, even as steel is fabricated into consumer goods, its relative share of total inputs declines as it is combined with other inputs (including

labor) at various stages of production and distribution.

One inherent difficulty in using any price index as a measure of inflation is that price indices only track trends in prices, and do not take account of changes in demand. They are constructed on the assumption that the quantities of the goods, prices of which are being measured, remain constant. Thus, price indices do not take account of changes in demand due to price.³ In general, differences in the construction of the various price indices prevent meaningful linking of them.

It should be noted that one analytical technique does exist which permits analysis of the effects of price changes on the Consumer Price Index or other measures of the inflation rate—namely, input-output analysis. This procedure permits one to trace the direct and indirect effects of changes in production in one sector of the economy on all other sectors. In the process, it is possible to assess price effects. While conceptually this approach has great merit, it requires making assumptions regarding technical relationships between sectors as well as about economic performance. Thus, the results of an input-output analysis depend, therefore, upon the validity of the assumptions made.

Clearly, depending on the degree of any price increase of steel mill products, costs of production of manufactured goods could be expected to rise, and perhaps substantially. One can expect some of these costs to find their way into consumer prices, and, therefore, the rate of inflation. What cannot be estimated with confidence is the degree to which prices generally throughout the economy will be affected.

APPENDIX

CALCULATION OF CHANGES IN THE PRODUCER PRICE INDEX OF INTERMEDIATE MATERIALS DUE TO A CHANGE IN THE PRICE OF STEEL MILL PRODUCTS

The procedures employed call, first, for calculating the change in relative importance of steel mill products for the base period of this analysis, December 1983. The most recent published relative importance data is for December 1982; within the intermediate materials index, steel mill products had a relative importance of 6.360. The relative importance of steel mill products in December 1983 is obtained by adjusting the 1982 value of relative importance by multiplying it by the ratio of the percentage change in the price index of steel mill products from 1982 to 1983 to the percentage change in the price index for all intermediate materials. This procedure yields a value of relative importance for steel mill product prices of 6.500 in December 1983.

The Producer Price Index for Intermediate Materials (PPI-I) for December 1984 is calculated by employing the formula:

$$PPI-I_t = ((1 - RIC) + dRIC) \times PPI-I_0$$

where:

$PPI-I_t$ = the Producer Price Index for intermediate materials in time t , or, in this case, December 1984;

RIC = the relative importance of steel mill products (= 6.500);

d = percentage change in steel mill products; and,

$PPI-I_0$ = the Producer Price Index for intermediate materials in the base period, December 1983.●

³ U.S. Library of Congress, Congressional Research Service, U.S. Government Price Statistics, Report No. 81-237 E, by Barry Molefsky, Washington, 1981. 34 p.

C. BRAXTON VALENTINE

● Mr. WALLOP. Mr. President, for those of us, Members and staff, for whom the Senate is a daily experience of life, the Senate community often seems to be one large tumultuous family. When one of the family passes away, we all feel the resulting sorrow on a personal level.

It is, therefore, with regret that I tell my colleagues about the recent passing of a well-respected and honored Senate employee, C. Braxton Valentine, Jr., who until this past November, was the staff director of the Select Committee on Ethics. Although Brack had a very full life as a lawyer in private practice, with the Internal Revenue Service, and with several congressional committees, it was as the first and only staff director of the Select Committee on Ethics that we in the Senate remember him. From the time he accepted that position in 1977 until his retirement in November 1983, my predecessors and successors, the chairmen of the select committee, continually turned to Brack for advice and guidance with respect to the mission of the committee.

As the committee's chairman from 1980 until 1982, I had the privilege of working closely with Brack on many important matters. I trusted his calm demeanor, insightful grasp of legal issues, and the sensible way in which he approached the committee's work. Brack was always noted for a reasoned argument, a pleasing sense of humor, a natty bow tie, and a shy smile.

We all regret his untimely passing and will be forever in his debt. His unselfishness to the Senate will forever be a model for all those who follow in his footsteps. To his wife, Robin, and to their children, we express our profound sense of grief and our condolences. He was a fine man, and we will miss him greatly.●

GRAND RAPIDS JOB CORPS CENTER

● Mr. LEVIN. Mr. President, the Department of Labor's Job Corps program has recently designated May 1984 as "Community Appreciation Month."

I wish to draw special attention to the activities of the Grand Rapids, Mich., Job Corps Center in recognizing the support they have received from the community. The Center, administered by the Grand Rapids public schools, has plans for a number of events to show that they care about Grand Rapids. Some of the events scheduled are: neighborhood clean-ups, Earth day, blood drives, and many other worthwhile projects. Having personally toured the Center, I am well acquainted with the strong bond that has developed between the community and the Center.

¹ U.S. Department of Labor, Bureau of Labor Statistics, Supplement to Producer Prices and Price Indexes Data for 1982, Washington, September 1983, P. 145.

² U.S. Department of Labor, Bureau of Labor Statistics, Information obtained by telephonic communication, Mar. 28, 1983.

The Grand Rapids public schools first received a contract for the Center from the Department of Labor in March 1980 and were recently awarded a 3-year extension. This will insure the continuation of this very fine program. Since 1980, more than 2,700 young people have received vocational and educational training at the Center.

While Community Appreciation Month is intended to show the Nation's Job Corps Centers support for their local communities, I wish to extend my thanks and support to the Grand Rapids Job Corps Center as one example of Job Corps Center achievement in the past, and many that I am confident will follow in the future.●

SAVE THE CHILDREN DAY

● Mr. HOLLINGS. Mr. President, it gives me great pleasure to rise and pay tribute to an organization committed to helping needy children in the United States and 36 countries abroad. Today is the seventh annual celebration of "Save the Children Day" and to commemorate the occasion, children from around the country will visit Capitol Hill in hopes of heightening the awareness for the problems of low-income American children.

In the over 50 years since its founding in southern Appalachia, Save the Children has developed a unique approach to helping the impoverished children of this country and elsewhere in the world. Working in partnership with local residents, this program has proved to be a very effective means to achieve permanent solutions to pressing community problems. However, the common denominator of all Save the Children projects, be they health and nutrition programs, school, home, or road construction, or increased agricultural productivity, is that they have a direct beneficial impact on improving the lives of the children.

As part of the delegation participating in the Save the Children Day—Children's Lobby program, Shannon Mull and Denny Miller of Hilton Head Island, S.C., will share with members their firsthand experience in working with this program. Mr. President, I encourage my colleagues to join me in listening to the message these children bring to Washington. It is my conviction that the future of America depends on the development of its children, and the dedicated work of this fine program will aid us in insuring this goal is achieved.●

NATIONAL SENIOR CITIZEN HALL OF FAME AWARD

● Mr. GORTON. Mr. President, it is my great honor today to present to the Senate an award granted by the National Senior Citizen Hall of Fame. This great honor is given to individ-

uals or groups of people in recognition of outstanding work that makes life more meaningful for our senior citizens.

The National Senior Citizen Hall of Fame was established by Joe Kappler in 1975 in Everett, Wash. Mr. Kappler, the director of the Hall of Fame, is a truly unique individual. Mr. Kappler's work in Washington State deserves our appreciation and respect. Mr. Kappler became disabled in 1968. At that time he decided to get involved with senior citizens, and began his search for those individuals or groups who deserve national recognition for their activities.

The Senate, as a body, has been chosen by Mr. Kappler for this respected award to the National Senior Citizen Hall of Fame. Mr. Kappler feels that the work that the Senate has done over the last 50 years to improve the lives of our senior citizens is truly deserving of this high award. It is my pleasure and honor to present this award to the Senate on his behalf. May the Senate continue to work to make the lives of senior citizens more meaningful. Further, let us all look to Joe Kappler for inspiration in this endeavor.

I ask that the text of the award be printed in the RECORD.

The text follows:

THE NATIONAL SENIOR CITIZEN HALL OF FAME AWARD

Presented to: The United States Senate.

This award is presented as recognition of outstanding work performed that makes life more meaningful for our elder citizens.

Dated April 9, 1984. Signed by Joe Kappler, Executive Director.●

THE 410TH EVAC RECEIVES HIGHEST AWARD

● Mr. DOLE. Mr. President, with our Nation's Armed Forces strength dependent upon its readiness, it is encouraging to know that maintenance management by our reserve units is being accorded recognition.

The Senator from Kansas is particularly pleased to report that the 410th Army Evacuation Hospital from Topeka, Kans., has been singled out for the highest honor a unit can achieve in the area of maintenance management by the Chief of Staff of the Army.

The 300 members of this unit have given unselfishly of their time and efforts, whether supplementing an active duty hospital during summer training or standing by on call in Topeka, Kans. It is a model for readiness, maintenance training, maintenance management, and cost control. Under the command of Col. Donald E. Clark and with the leadership of Sfc. Steven Hansford, this group of physicians, dentists, medical technicians, supply specialists, food service personnel, and maintenance staff has been singled out for recognition by both the

American Defense Preparedness Association and the Chief of the Army Reserves during recent ceremonies here in Washington.

Mr. President, at a time when we are all deeply concerned about fiscal responsibility and preparedness, the Senator from Kansas is proud to cite this group, casually known as the 410th EVAC, which has set an example as the best maintained unit in the U.S. Army Reserve.●

THE SUPREME COURT'S RULING IN THE BOSE CASE: EXERCISING DUE DILIGENCE IN PROTECTION OF THE FREEDOM OF THE PRESS

● Mr. QUAYLE. Mr. President, as a one-time newspaper reporter, a member of a publishing family, and a public official who feels passionately about first amendment guarantees, I welcome and applaud the decision handed down yesterday by the U.S. Supreme Court in the case of Bose Corp. against Consumers Union of U.S. Inc.

Since its ruling in the 1964 case, New York Times against Sullivan, the Supreme Court has consistently held that under the first amendment's guarantee of a free press, public figures cannot win in libel cases unless they can prove that a false statement was published or broadcast about them with "actual malice"—with knowledge that it was false or with reckless disregard for the truth.

At issue in the Bose case was a fairly technical question: Whether a Federal appeals court in a libel case should review not only a trial judge's legal conclusions but also findings of fact in determining if a news organization has published or broadcast a story about a public official with "actual malice."

In its decision yesterday, the Supreme Court quite properly broadened the responsibility of Federal appeals court judges in libel cases from merely examining how a trial court or jury interpreted the law to reviewing their factual determinations on the "actual malice" question as well.

I fully agree with the opinion rendered by Justice Paul Stevens for the Court in the Bose case that the—

Requirement of independent appellate review . . . reflects a deeply held conviction that judges—and particularly members of this Court—must exercise such review in order to preserve the precious liberties established and ordained by the Constitution.

One of the Nation's leading libel attorneys, Floyd Abrams, has cited statistics that in 20 libel cases between 1964 and 1982 in which news media appealed to Federal appeals courts, the trial courts were reversed 14 times. That 70 percent reversal rate, Abrams has noted, is more than triple the reversal rate in other civil cases.

There can be no doubt, as the Court found in the Bose case, that the protection of the first amendment should not be left solely to a trial judge or jury. As Justice Stevens wrote for the majority in this important decision:

The question whether the evidence in the record in a defamation case is of the convincing clarity required to strip the utterance of First Amendment protection is not merely a question for the trier of fact. Judges, as expositors of the Constitution, must independently decide whether the evidence in the record is sufficient to cross the constitutional threshold that bars the entry of any judgment that is not supported by clear and convincing proof of "actual malice."

In ruling as it did in the Bose case, the Supreme Court exercised due diligence in protection of freedom of the press.●

TAIWAN

● Mr. GOLDWATER. Mr. President: With the coming home of President Reagan from his trip to mainland China, it would be well to keep in mind the fact that there is another small piece of land that calls itself China; it is called Taiwan.

The Republic of China moved its Capital to Taiwan over 30 years ago when a group of Chinese left the mainland because they were extremely unhappy with the advent of a Communist government. This literal handful of Chinese people have made out of the Republic of China on Taiwan a prosperous, private enterprise economic area that is a model to all developing countries of the world. It has one of the highest gross national products in the world, and contributes over \$5 billion annually to the United States.

It is very well that the Members of Congress keep this in mind as we will be asked to vote on different concessions from time to time involving Communist China. To forget a proven ally, a proven friend, and a proven economy on Taiwan would be pure foolishness on our part.

I ask that an article appearing in the Tuesday, May 1 issue of the Washington Times be printed in the Record.

The article follows:

[From the Washington Times, May 1, 1984]

TAIWAN THRIVES AS MAINLAND CHINA ECONOMY LIMP

(By Edward Nellan)

TAIPEI, REPUBLIC OF CHINA.—Communist Chinese semantics has tried to create the impression that the mainland is a success story, while the offshore Republic of China on Taiwan is a failure, an outcast or simply an "obstacle" to world peace.

In reality the reverse is true, according to all economic signs.

The track record on the mainland reads like a compendium of failed programs, power struggles, inability to get an economic drive going and the built-in constraints of communism.

But on Taiwan, despite being dwarfed in size by the mainland, the island's 18 million

people outproduce on a per capita basis the one billion people of communist China.

President Reagan was almost defensive in telling the mainland leaders and people that the United States would "stand by old friends," as if sentimental attachment were the only pull to continued relations with the Republic of China on Taiwan.

But there are much more than sentimental advantages for continued Washington-Taipei ties, says Robert Parker, an American lawyer here, past president of Taipei's American Chamber of Commerce and a contributor to formulation of the Taiwan Relations Act.

"Taiwan has its own merits to warrant continued strong U.S. ties," Mr. Parker says.

He notes that the Republic of China on Taiwan is no runt among nations—that it has a larger population than Greece, Sweden, Ireland or Austria, is larger than any country in the Middle East except Iran and Egypt, larger than all the countries in Central and South America except Brazil and Argentina and larger than Australia and New Zealand combined.

"In economic terms," Mr. Parker said, Taiwan is America's sixth largest trading partner—larger than France or Italy, any country in South America, Africa, Eastern Europe and Asia other than Japan."

Mr. Parker makes you sit up and take notice with these statistics: "The Republic of China's—or Taiwan's—trade with the United States is larger than the United States' trade with Communist China and Soviet Union combined."

This country has been so successful that it is both an embarrassment and challenge to Peking. That is the nature of the "obstacle." In embattled El Salvador, Mr. Parker pointed out, Christian Democrat Jose Napoleon Duarte has articulated a vision of hope for his country: "We must do what Taiwan has done—if there is time." He knows that the republic of China on Taiwan is a role model for what a developing country can become.

Commentator Ni Su-Fei, writing in the current issue of the Free China Review Magazine published here, said it is the Peking regime that is the "odd man out" but it has managed to dupe the rest with words.

"Without the Republic of China on Taiwan, there would be no model nor precedent for a Chinese way to success, in the repressive ideology of a monolithic Peking regime which still aspires to be the sole mind, activator and voice for a billion plus people," Mr. Ni wrote. "While the surface propaganda aspects of the Reagan journey are, obviously, useful to Peking, it is nevertheless a certainty that there will be no communist ideological gain at all from the trip among either the American or Chinese people—indeed, quite the contrary."

The mainland regime's censorship of Mr. Reagan's speeches told the story. The U.S. supports the progress and liberalization of the Chinese people and society. But the United States does not support the communist trappings of the regime.

Popular support for America's China policy during the past dozen years has been based on two ideas: selling products to China's one billion and using China as a strategic counterweight to the Soviet Union.

Realistically, China's masses don't have the purchasing power to become genuine customers. India, a democracy, is closest to China in numbers of people, but they aren't big spenders either. The United States has never given India the big rush but continues

to go berserk over the "potential" of selling to China.

Kihg-yuh Chang, director of the Institute of International Relations here, believes it will be the people of the mainland joining the Nationalist ideology rather than the other way around.

"When the present Peking regime tries to open up the economy, the cadres who enjoyed emperor-like status in their domains will resist and turn against the center," Mr. Chang said. "There are millions of them and they will fight all forms of democratization."

"Basically the feudal system is being perpetuated under the guise of communism," Mr. Chang said. "Most of the 10,000 students now studying in the United States are relatives of high officials. They will return home and take good jobs and they will be resented."

But Mr. Chang said the seeds of revolution against the communists are being planted by such study abroad. "Those young people will return to the drab mainland after two years in Los Angeles and San Francisco, shopping in supermarkets that are beyond the wildest dreams of mainlanders. They will insist on change."

Mr. Chang, like many others, believes the urgency of Chinese leader Deng Xiaoping in wanting to "solve" the "Taiwan problem" is based on fears that the longer the issue waits the less likely reunification on communist terms will occur.●

FOSTERING EMPLOYEE SATISFACTION IN THE WORKPLACE

● Mr. SARBANES. Mr. President, our Nation's corporations and small businesses have been facing tough times in recent years. Falling companies, low productivity, and worker discontent have marred our economic prosperity. There are a few exceptional companies, however, who have taken the initiative in tackling these problems, and have developed programs which eliminate worker burnout and high turnover rates, and, in the process, have increased their productivity.

According to the new book "The 100 Best Companies To Work for in America" by Robert Levering, Milton Moskowitz, and Michael Katz, the secret of their success is innovative management techniques, designed to make work more enjoyable by making employees feel like they are part of the team. According to a recent Washington Post article, though each company utilizes various methods of achieving greater productivity, the 100 best share at least the following characteristics:

First, they make workers feel as if they are part of the team, initiating worker-management discussions on various issues that affect employment and employment practices.

Second, they engender pride in workmanship, and always stress quality over quantity.

Third, they initiate profit-sharing programs, savings plans, and stock ownership in addition to the base salary.

Fourth, they minimize hierarchical distinctions by eliminating executive privileges such as special dining rooms or parking places, and so forth.

We in Maryland are proud of the two companies in our State which are included in the 100 best list. The McCormick Co. in Hunt Valley and the Preston Trucking Co. in Preston have utilized these techniques with exceptional results.

Productivity at Preston Trucking Co. has increased over 30 percent in the last 4 years. Worker morale is at an all-time high. At a time when trucking companies are facing severe losses and stiff competition, the Preston Trucking Co. is flourishing. Officials with the company attribute their success to reflective listening, early conflict resolution, easily accessible lines of communication, and nonaggressive approaches to problem solving. Preston was also one of the first trucking companies to use the Scanlon plan: The distribution of any profits derived from increased productivity.

The McCormick Co. attributes its success in part to the establishment of junior boards of directors. Fifteen boards of about 20 members each contribute to diversity of ideas and a sense of participation in the management of the company. Permanent employees are rarely laid off, and employees are encouraged to bid for better jobs within the company structure.

My hope is that companies across America, large and small, will follow the example of these companies, and help to get American industry back on its feet again. It has always been my belief that American workers can make contributions above and beyond what is expected if they are brought into a full partnership with management and perceive themselves as having a real interest in the success of the enterprise. I am most pleased that these Maryland firms are helping to pave the way for a more productive and committed work force.●

KEEPING OUR PROMISE TO TAIWAN

● Mr. QUAYLE. Mr. President, I think most Americans look forward to better trade relations with the People's Republic of China and the promise such trade relations might hold for American export industries.

At the same time, I think that most Americans do not want to go back on any of our stated commitments to our ally and already strong trading partner, Taiwan. Certainly, this is President Reagan's position. He made this clear last Wednesday when he assured Taiwanese officials that the Taiwan Relations Act is still good law. As he noted in a recent interview with journalists from China, "we are not going to turn our backs on old friends in

order to strengthen or make new friends."

In the case of Taiwan, this reflects good sense. Taiwan, after all, conducts much more trade with the United States than does the People's Republic of China. Also, the United States has had constant, good relations with the Republic of China far longer than we have had relations with the People's Republic of China.

In Taiwan we have a good friend. Certainly, we should do nothing in our pursuit of better trade relations with the People's Republic of China to prejudice the freedom and independence of the people under the Republic of China. This is the promise we must keep. To do otherwise would be a disturbing precedent for all of our loyal friends throughout the world.●

WHO REALLY WANTS NEGOTIATIONS IN NICARAGUA?

● Mr. DURENBERGER. Mr. President, we learned on Easter Sunday that all nine of Nicaragua's Catholic bishops signed a pastoral letter to the leaders of the Nicaraguan Government concerning the need for political dialog among all Nicaraguans. In brief, the letter said, and I quote: "Dialog is necessary if we are to have social peace."

This statement would not seem objectionable or inflammatory, yet that is exactly how the Sandinista leadership of Nicaragua responded to it. In past months, Junta Coordinator Daniel Ortega and Interior Minister Tomas Borge had loudly and repeatedly stated that they favor dialog with Nicaragua's opposition and that they support free elections. Their response to the pastoral letter seems to put the lie to their earlier claims of willingness to engage in serious and comprehensive negotiations with opposition elements. For example, Minister Borge states: "This is a criminal suggestion * * *. The Pastoral letter seeks confrontation and violates the law of the land." For his part, Mr. Ortega says that this letter "supports the plans of aggression of the North American administration against the Nicaraguan people" and that it is part of a "plan of internal destabilization."

My question would simply be this: What type of dialog do the Sandinistas really want? My answer would be: None, unless the opposition subordinates itself to the control of the Nicaraguan state. In Nicaragua, opposition is tolerated only to the extent that it provides window dressing. Any person or group with a claim on the affections of large numbers of Nicaraguans, or with the potential to make the Junta give up its privileged status while ordinary Nicaraguans do without, is considered intolerable by the Sandinistas. In short, anybody loyal to the original goals of the revolution is

now viewed as a threat by Nicaragua's new autocrats.

There is more than enough blame to go around for this situation, and we in the United States certainly must recognize our share of responsibility for it. Nevertheless, the greatest blame for the tragedy of Nicaragua must rest with the Sandinista leadership. The Sandinistas made many pledges when they seized power in 1979: Establishment of a pluralistic democracy; creation of a mixed economy; protection of each citizen's rights from arbitrary infringement by the Government; and development of an independent and truly nonaligned Nicaragua. These are all admirable goals and ones which merit our support. Unfortunately, the Sandinista has repudiated these pledges and has sought to impose a dictatorship upon the Nicaraguan people.

It appears that the Sandinista leadership has decided to renew its policy of confrontation with the Catholic Church. Some of us are aware of their policy of harassment of church leaders practiced through 1981-82. As many may remember, Pope John Paul II visited Nicaragua about 1 year ago and was heckled and threatened by numerous Sandinista militants. For a time, the Sandinistas relaxed some of the constraints imposed upon the Catholic Church and seemed to act in a more conciliatory manner toward the church. However, the Sandinistas seem to have given up on negotiations with Catholic leaders. This is particularly unfortunate because the church is uniquely suited to serve as a mediator among the various factions that have embroiled Nicaragua in civil war. And let there be no mistake about this, Nicaragua is in the midst of a civil war.

Sandinista policies since 1979 have polarized and alienated numerous segments of Nicaraguan society, including the Catholic Church, the middle class, and the various Indian minority groups of the Mosquitia region. To give you a brief illustration of the level of disenchantment within Nicaragua today, we need look at the number of Nicaraguan refugees in neighboring countries: In Panama, 20,000 Nicaraguans; in Costa Rica, at least 30,000 Nicaraguans; and in Honduras, 25,000 Nicaraguans. As you can imagine, these 75,000 Nicaraguans place a tremendous burden on these neighboring countries. Nevertheless, Nicaragua's Government denies that a refugee problem even exists or that its policies may have caused this exodus of its citizens.

We must also remember as well that much of the Nicaraguan opposition movement is not composed of former adherents of Anastasio Somoza's dictatorship. Yet, this is how the opposition to the Sandinistas is often por-

trayed in our press. Leaders of the opposition such as Violeta Chamorro, Alfonso Robelo, Arturo Cruz, and Eden Pastora fought Somoza's dictatorship of the right and now oppose the directorate's dictatorship of the left. These people all worked for the implementation of the original goals of the Nicaraguan revolution, yet the regime in which many of them served has now branded them as traitors.

I do not believe that men and women like Robelo and Chamorro are anything but loyal Nicaraguan patriots who also fervently believe in democracy and human rights. Various opposition leaders, both inside and outside Nicaragua, have repeatedly called for a comprehensive effort to peacefully resolve the civil war in Nicaragua. Sadly, the Sandinista directorate has given little more than lip service to these requests for conciliation. I have spoken with a number of individuals in the opposition and they all voice a willingness to open a political dialog with the Sandinista regime. To date, the Sandinistas have indicated that they will not negotiate with any individual who has taken up arms against the Nicaraguan Government and that they may not even permit the participation of many domestic opposition leaders in that country's upcoming elections.

In closing, I would echo the Washington Post's editorial of April 27 in saying that Messrs. Ortega and Borge and the rest of the Sandinista directorate should realize that peace will not return to Nicaragua unless there is a genuine peace dialog among all Nicaraguans. The Nicaraguans demand such a broad-based dialog in El Salvador—they should reciprocate in their country and set a good example for the rest of the Central American region by observing the call for peace of Nicaragua's Catholic Church.

Mr. President, I ask that the text of the pastoral letter and articles on the controversy from the Washington Post and the New York Times be printed in the RECORD.

The material follows:

PASTORAL LETTER ON RECONCILIATION FROM THE NICARAGUAN BISHOPS

*To the priests and deacons in our dioceses:
To members of religious orders:
To catechists and bearers of the Word:
To our brothers and sisters in the apostolic lay movements:
To principals, teachers, and students in Catholic schools:
To all our beloved faithful:*

Grace and peace from God our Father and Jesus Christ our Lord.

DEAR BROTHERS AND SISTERS: At this solemn Easter celebration, the ultimate expression of God's love for mankind through the redemption, we invite you to share more fully in the spiritual wealth of the Holy Year, which will be extended in Nicaragua by a special concession from Pope John Paul II until June 17, 1984, the feast of the Holy Trinity.

This extension and the urgent need in our society for sincere and brotherly reconciliation through individual conversion have moved us to send you this exhortation.

I. DOCTRINAL SECTION

1. Sin, the root of all evil

When sin came into the world, all things were changed profoundly; the soil yielded brambles; civilizations and institutions passed away; man himself rebelled against his fellow men, and the empire of tyranny and death began (cf. Gen. 3:16-19; 4:7-8).

Man, created in the image of God (Gen. 1:26) did not wish to acknowledge or glorify Him; man became vain in his imagination, and his foolish heart was darkened (Rom. 1:21). There were also those who, like Satan, disguised themselves as angels of light to deceive others and lead them to perdition. (cf. II Corinthians 11:14-15). A poorly understood anthropocentrism plunged mankind into the heavy bondage of sin.

2. Redemption by Christ

Christ, by His death and resurrection, has reconciled us to God, to ourselves, and to our brothers and sisters, has freed us from the bondage of sin (cf. Col. 1:20-22, Cor. 5:18), and has given His church the mission of transmitting His message, pardon, and grace (cf. Mt. 29:18-20, Mk. 15-20).

All this should be for us a call to conversion; it should be the beginning of a radical change in spirit, mind, and life (cf. John Paul II, Bull. "Open the Doors to the Redeemer," No. 5).

There are three aspects to this conversion which redeems our individual and collective lives:

(A) We must avoid personal sin, any act that disrupts our baptismal alliance with God.

(B) We must banish any sinful attitudes from our hearts, that is, any habitual rejection, whether conscious or unconscious, of Christian standards and moral values.

(C) We must put an end to such sins of society as participation in injustice and violence.

3. Sin after the redemption

Nonetheless, sin has persisted in the world since our redemption by Christ, because:

(A) Man abuses his freedom and does not accept God's grace.

(B) Society has become secularized and is no longer oriented toward God; it does not heed the church, the universal sacrament of salvation, but considers it an alienating institution.

(C) At times it claims to accept Christ and His teachings, but it repudiates the church and thereby falls into the temptation of establishing other "churches" than the one founded by the apostles and their successors, the legitimate bishops.

(D) We forget that coexistence can only be based on an accurate perception of the individual as an intelligent, free, and religious human being, with rights and duties devolving from his very nature (cf. John XXIII, Enc. *Pacem in Terris* No. 9-10).

(E) Materialistic concepts of mankind distort the person and teachings of Christ, reduce man to merely physical terms without taking account of his spiritual nature, so he remains subject to physical forces called the "dialectics of history." And man, alienated from God and from himself, becomes disoriented, without moral and religious ref-

erence points, without a higher nature, insecure and violent.

II. OUR SITUATION

1. The problem of sin in the world

Pope John Paul II, in his message for the 17th World Day of Prayer for Peace on January 1, 1984, expressed his concern about the current world situation, a concern which we, too, share: "Peace is truly precarious, and injustice abounds. Relentless warfare is occurring in many countries, continuing on and on despite the proliferation of deaths, mourning, and destruction, without any apparent progress toward a solution. It is often the innocent who suffer, while passions become inflamed and there is the risk that fear will lead to an extreme situation."

2. In Nicaragua

A. Belligerent Situation

Our country, too, is plagued by a belligerent situation pitting Nicaraguan against Nicaraguan, and the consequences of this situation could not be sadder:

Many Nicaraguan youths and men are dying on the battlefields.

Many others look toward the future with the fear of seeing their own lives prematurely ended.

A materialistic and atheistic educational system is undermining the consciences of our children.

Many families are divided by political differences.

The suffering of mothers who have lost their children, which should merit our great respect, is instead exploited to incite hatred and feed the desire for vengeance.

Farmworkers and Indians, for whom the Church reserves a special love, are suffering, living in constant anxiety, and many of them are forced to abandon their homes in search of a peace and tranquility that they do not find.

Some of the mass media, using the language of hate, encourage a spirit of violence.

B. The Church

One, albeit small, sector of our Church has abandoned ecclesiastical unity and surrendered to the tenets of a materialistic ideology. This sector sows confusion inside and outside Nicaragua through a campaign extolling its own ideas and defaming the legitimate pastors and the faithful who follow them. Censorship of the media makes it impossible to clarify the positions and offer other points of view.

3. Foreign interference

Foreign powers take advantage of our situation to encourage economic and ideological exploitation. They see us as support for their power, without respect for our persons, our history, our culture, and our right to decide our own destiny.

Consequently, the majority of the Nicaraguan people live in fear of their present and uncertainty of their future. They feel deep frustration, clamor for peace and freedom. Yet their voices are not heard, muted by belligerent propaganda on all sides.

4. The root of these evils

This situation is rooted in the sin of each and every one, in injustice and oppression, in exploitative greed, in political ambition and abuse of power, in disregard for moral and religious values, in lack of respect for human dignity, in forgetting, abandoning, and denying God.

¹ Unless otherwise indicated, quotations throughout the letter have been translated without reference to any official English text.

III. RESPONSE OF THE CHURCH

1. Conversion and reconciliation

The Church ardently desires and encourages peace and tranquility and believes that there is only one path to that end, conversion. This means that we must all turn our eyes and heart to God, our Father, who through Christ offers us the true path to reconciliation, forgiveness, and peace.

"It is not behavior alone that needs to be changed, but the heart that guides our lives. At the community level it is important to examine ourselves as persons, as groups and social units, not only as victims but also as authors of certain collective deviations from God's plan, in order to implement together God's plan for constructive human endeavor." (cf. Peace and Conversion, a Pontifical document issued by the Commission on Justice and Peace at Rome on September 30, 1983.)

The entire universe is the object of redemption since it also reveals the glory of God and must be sanctified and consecrated to God (Cf. Vatican II, Const. Lumen Gentium, No. 34). Christ resurrected is at the center of history and of the world, leading us toward its full maturity and its final liberation from all the forces of evil (Cf. Vatican II, Const. Lumen Gentium, No. 48).

2. Confession: The path of conversion

John Paul II in his address on reform and holiness given at Rome on November 26, 1983, said: "To assist such conversion, the Lord instituted the sacrament of reconciliation. In it Christ Himself goes to meet the man oppressed by the awareness of his own weakness. He raises him and gives him the necessary strength to continue his path. With the sacrament the life of the Resurrected Christ enters the spirit of the believer, bringing forth renewed generosity of purpose and an enhanced capacity to live by the Gospel."

Jesus reconciled all things, bringing peace through the Cross (Col. 2:0) and transmitted this power to His disciples (cf. Jn. 4:21, 13:34-35, 12-17).

Preparing to receive the benefits of the sacrament of confession is an important step in conversion. A sincere examination of our sins, self-criticism of our attitudes and our life, these reveal to us our faults and make us abhor sin which is an offense against God, an affront to the Church, and damage or injury to our neighbor. It encourages us to turn totally to God and to reform our lives, it brings us back to the Church and closer to our brothers.

3. Dialogue

The road to social peace is possible through dialogue, sincere dialogue that seeks truth and goodness. "That [dialogue] must be a meaningful and generous offer of a meeting of good intentions and not a possible justification for continuing to foment dissension and violence." (John Paul II, Greeting to Nicaragua, March 4, 1983)

It is dishonest to constantly blame internal aggression and violence on foreign aggression.

It is useless to blame the evil past for everything without recognizing the problems of the present.

All Nicaraguans inside and outside the country must participate in this dialogue, regardless of ideology, class, or partisan belief. Furthermore, we think that Nicaraguans who have taken up arms against the Government must also participate in this dialogue. If not, there will be no possibility of a settlement, and our people, especially

the poorest among them, will continue to suffer and die.

The dialogue of which we speak is not a tactical truce to strengthen positions for further struggle but a sincere effort to seek appropriate solutions to the anguish, pain, exhaustion, and fatigue of the many, many people who long for peace, the many, many people who want to live, to rise from the ashes, to see the warmth of a smile on a child's face, far from terror, in a climate of democratic harmony.

The terrible chain of reactions inherent in friend-enemy dialectics is halted by the word of God, who demands that we love even our enemies and that we forgive them. He urges us to move from distrust and aggressiveness to respect and harmony, in a climate conducive to true and objective deliberation on our problems and a prudent search for solutions. The solution is reconciliation. (Cf. John Paul II, Peace and Reconciliation. Address by the Pope in El Salvador, March 6, 1983).

If we are not open to objective acknowledgment of our situation and the events that distress our people ideologically, politically, and militarily, then we are not prepared, in a true and Christian way, for reconciliation for the sake of the real, living wholeness of our nation.

Considering that freedom of speech is a vital part of the dignity of a human being, and as such is indispensable to the well-being of the nation inasmuch as a country progresses only when there is freedom to generate new ideas, the right to free expression of one's ideas must be recognized.

The great powers, which are involved in this problem for ideological or economic reasons, must leave the Nicaraguans free from coercion.

CONCLUSION

If we want our conversion to find true expression in the life of our national community, we must strive to lead lives worthy of the Gospel (cf. Ph. 1:27, Ep. 4:1), reject all lies, all harmful or offensive words, all anger and evil utterance, and be benevolent and forgive generously as God forgave us through Christ (cf. Ep. 4:25-32, Co. 13:12-14).

It behooves us to value each life as a gift of God, help the young to find meaning and value in their lives and prepare themselves for their future roles in society, forgive enemies and adversaries, facilitate the return of those who have left their country and welcome them with an open heart, free those imprisoned for ideological differences, create a climate of friendship and peace conducive to social harmony.

"In the great task of bringing peace and reconciliation to the nation, the family as the basic unit of society cannot be ignored. Nor can respect for its rights." (Cf. Gaudium et Spes N.52, quoted by John Paul II in his address to the bishops of El Salvador, February 24, 1984).

May the Holy Virgin, who played her part in our redemption with such exemplary fortitude, provide us with the necessary strength to perform our Christian duty of love and peace.

And may the Lord of Peace grant us all, always and in all our endeavors, the peace and tranquility which we seek (cf. 2 Th. 3:16).

Done at Managua, April 22, Easter Sunday, 1984 (to be read and published in the usual manner), Episcopal Conference of Nicaragua.

Pablo A. Vega, Bishop of Juigalpa, President; Bosco Vivas Robelo, Assistant Bishop of Managua, Secretary; Miguel

Obando Bravo, Archbishop of Managua; Julian Barni, Bishop of Leon; Leovigildo Lopez Fitoria, Bishop of Grenada; Ruben Lopez Ardon, Bishop of Esteli; Salvador Schlaefter B., Bishop of Bluefields, Carlos Santi, Bishop of Matagalpa; Pedro L. Vilchez V., Prelate of Jinotega.

[From the New York Times, Apr. 26, 1984]
NICARAGUAN ASSAILS BISHOPS IN RENEWED CONFLICT

(By Richard J. Meislin)

MANAGUA, NICARAGUA, April 25.—A top Nicaraguan leader today condemned a call by the country's Roman Catholic bishops for talks with the opposition, saying that it was part of a "plan of internal destabilization."

The leader, Daniel Ortega Saavedra, coordinator of the Nicaraguan junta, charged that the nine bishops were "repeating the policy" of the Reagan Administration. He said their position, expressed in a pastoral letter, "supports the plans of aggression of the North American Administration against the Nicaraguan people."

Mr. Ortega's remarks, published in the official newspaper *Barricada*, reflected renewed frictions between the Sandinista Government and the Roman Catholic Church. The way in which the issue has developed, meanwhile, demonstrated the manner in which information and opinion reaches the Nicaraguan public.

The pastoral letter, signed by Nicaragua's nine Catholic bishops, was issued Easter Sunday. It said that "dialogue is necessary if we are to have social peace" and added:

"All Nicaraguans, within the country or abroad, without regard to their ideology, class or political affiliation, should participate in this dialogue. Moreover, we believe that those Nicaraguans who have taken up arms against the Government should participate."

PUBLICATION BARRED AT FIRST

The position of the bishops ran counter to that of the Government, which has repeatedly vowed not to negotiate with the anti-Sandinista rebels. Mr. Ortega said that it was "totally absurd" that the bishops, who he said "have rejected a dialogue with the people and the revolution, on the other hand want us to have a dialogue with the assassins."

The Government initially responded to the pastoral letter by barring its publication. On Monday, the official Sandinista newspaper—the only paper to mention the letter—published a sarcastic article about the bishops' call under the headline, "Bishops ask 'pardon' for the Somocistas."

Much of the criticism in the article stemmed from the bishops' lack of emphasis on outside causes for Nicaragua's problems. The Government regularly asserts that the guerrilla opposition lacks any internal support and functions only because of United States backing.

The pastoral letter said that it was "not always honest to justify internal aggressions and violence on aggressions from outside." But it criticized the superpowers as well, saying that "they see us as an object to support their power, without respecting our people, our history, our culture and our right to decide our own destiny."

ON THE SIDE OF IMPERIALISM

Although the text of the letter had not yet been made public, Tuesday morning's issue of *Barricada* quoted the mother of a young man who died in the 1979 uprising

here as having asked "How is it possible that the bishops propose that the people talk to the assassins?" She said the bishops were "on the side of imperialism, of the traitors."

Other mothers of fallen soldiers, whom the newspaper described as representing "moral authority," were quoted in a similar vein.

The same day's issue of *El Nuevo Diario*, another pro-Government newspaper, published an editorial roundly denouncing the pastoral letter and asking, among other things: "Can the authors of this document present one single mother of a martyr who would confirm that she has been manipulated to hate and seek revenge?"

El Nuevo Diario's editorial appeared directly under a photograph of President Reagan and his wife, Nancy, frolicking in the waters off Hawaii, over the caption, "Happy while the world burns." Beside the editorial was another article reporting the statement of Bishop Paul Moore, Jr. of the Episcopal Diocese of New York on Sunday that the Reagan Administration's Central American policy was "illegal, inconsistent, ill-advised and immoral."

FULL TEXT IS PUBLISHED

The full text of the pastoral letter appeared in Tuesday evening's issue of *La Prensa*, an independent newspaper that frequently spars with the Government.

It was preceded by an explanation from the Interior Ministry, which said that it was authorizing the publication "because of superior orders," even though the letter "contains violations of the laws of our country and positions in open confrontation with the revolution."

It added that it was for the people to "judge the positions of the top ecclesiastical hierarchy."

La Prensa, which has refused to publish several times rather than submit to Government censorship, has published no reaction or commentary about the pastoral letter.

[From the Washington Post, Apr. 26, 1984]
SANDINISTA OFFICIAL ASSAILS BISHOPS' BID FOR TALKS

(By Bernd Debusmann)

MANAGUA, NICARAGUA, April 25.—Interior Minister Tomas Borge has branded as "criminal" a call by the country's Roman Catholic bishops for peace talks, rejecting any negotiations with U.S.-backed insurgents.

"We will never negotiate with the Contras," Borge said in an interview, using the term for right-wing rebels armed and financed by the CIA.

In a pastoral letter read in most of Nicaragua's churches over Easter, the nine Roman Catholic bishops suggested a dialogue for peace involving all Nicaraguans, including those "who have risen in arms against the government."

"This is a criminal suggestion," Borge said. "The pastoral letter seeks confrontation and violates the law of the land."

The rebel forces includes senior former members of ousted dictator Anastasio Somoza's National Guard, the only Nicaraguan organization which was formally declared illegal after Somoza's removal in a broad-based popular revolution spear-headed by the Sandinista National Liberation Front.

Borge, the only surviving founder-member of the front, said the bishops' pastoral letter was "more radical in its anti-Nicaraguan tone . . . than even statements by Kirkpatrick."

Jeane Kirkpatrick, U.S. ambassador to the United Nations, is seen here as a leading proponent of military force to oust the nine Sandinista commanders who effectively run Nicaragua.

Diplomats said the pastoral letter and the Sandinistas' angry reaction to it could herald a new round of confrontation between the church hierarchy and the state.

Church-state tensions were thrown into sharp focus a year ago when Pope John Paul II visited here and harshly criticized the Sandinista-promoted "popular church," whose priests see no conflict between Christianity and left-wing revolution.

The bishops' pastoral letter at Easter said, "The road through which social peace can be achieved necessarily leads through dialogue. All Nicaraguans inside and outside the country should participate in this dialogue, regardless of ideology, class or party position. What is more, we feel that Nicaraguans who have risen in arms against the government must participate."

The Associated Press reported another development from The Hague:

Former State Department legal adviser Abram Chayes told the World Court today "there can be no doubt" that the United States is violating the charter of the United Nations by supporting rebels fighting the Nicaraguan government.

Chayes spoke on behalf of Nicaragua during the first day of preliminary hearings on a complaint Nicaragua filed against the United States. Both Nicaragua and the United States are arguing their cases in the preliminary hearings, although the United States has rejected the court's jurisdiction.

The court granted a one-day recess requested by the U.S. delegation to allow it to "prepare its case," a court source said.

[From the Washington Post, Apr. 27, 1984]

ADVICE FOR MANAGUA

President Reagan has been receiving much good advice, from Congress and, especially generously, from the press, on the subject of Nicaragua. But Nicaragua needs some good advice, too, if Central America is eventually to settle down. It could most usefully come from the Willy Brandt-type social democrats in Europe and those liberals elsewhere who tend to coddle the Sandinistas, and from the larger group that has faulted the interventionist aspects of President Reagan's policy. We have in mind two points.

The ruling Sandinistas stand strongly behind the demand of the Salvadoran guerrillas to be admitted to a "power-sharing" process in El Salvador. In Nicaragua, however, the nine comandantes reject any thought of admitting Nicaraguan guerrillas to power-sharing or even to the elections the regime now plans on Nov. 4. After the country's Catholic bishops called for a peace dialogue involving all Nicaraguans, including those "who have risen in arms against the government"—such dialogue is the left's constant appeal in El Salvador—the Sandinista police chief denounced the call as "criminal." The Sandinistas insist they will not open their elections—elections they seem intent on running in the Soviet style anyway—to the Nicaraguan contras even if the guerrillas lay down their arms.

The Sandinistas, by way of seeking international support, are now broadcasting news of the considerable damage done by the contras. People are being killed in military engagements, but many of the targets are economic and civilian in character, and the results are commonly measured in dollar

terms or in terms of hardships inflicted upon the population. The Sandinistas, of course, show no similar dismay over the substantially greater damage done to economic and civilian targets by the guerrillas whose operations they encourage in El Salvador. Some on the left suggest it is all right to destroy, say, a coffee plantation belonging to an "oligarch." This is rubbish. Peasants work on plantations; Nicaragua's friends in El Salvador have also shot up the bus fleet, which transports the poor.

There is great need for a single standard in judging political events in Central America. There is a need for it in Washington and a need for it in Managua, too. ●

MARGARET HAZARD, A BORN DEMOCRAT

● Mr. PELL. Mr. President, I should like to share with my colleagues the sad news of the death of Margaret M. Hazard, the matriarch of Rhode Island's Democratic Party, who died on Sunday at the age of 101.

She cast her first vote for President in the 1924 election, when she voted a straight Democratic ticket—a practice she continued throughout her life.

Her formal involvement with the Democratic Party started in 1948 when she was a delegate to the National Democratic Convention in Philadelphia and she has been a delegate to each one ever since.

The Democratic Party, both in Rhode Island and nationally, will miss her pioneering spirit, her wisdom, and her charm. I had looked forward to working with her once again at the 1984 Democratic Convention.

Regardless of political party affiliation, I know Rhode Islanders and citizens throughout the Nation join me in mourning her passing and in treasuring her legacy.

I should like to share with my colleagues a brief tribute to her legacy that appeared in the Providence (R.I.) Journal on May 1, 1984, which I ask to have printed in the RECORD.

The article follows:

MARGARET HAZARD, SPIRITED PUBLIC SERVANT

The Democrats will have to get along without Margaret M. Hazard at their national convention this summer in San Francisco. It will be no small loss: the tiny North Kingstown woman probably would have given the party the distinction of being first with a centenarian in its delegate ranks. Mrs. Hazard was a regular since 1948 (except in 1972) at such presidential-nomination sessions. Despite advancing age, she was always a spirited participant, just as she was in Rhode Island political affairs.

"Aunt Margaret," as she was known within the party, was wooed biennially by candidates for the Democratic state ticket. In earlier days, during her half-century on the party's state committee, her support carried special weight. As a deputy clerk for decades of the old district court in Wickford and Wakefield, her endorsement just about put South County's imprimatur on an aspirant. As she became an elder stateswoman, a recommendation from Aunt Margaret still was sought, for its sentimental as well as practical value.

One convention at which she showed her mettle was the 1968 embroglio in Chicago, the scene of violent Vietnam War protests. Tightly guarded buses transported delegates from their hotels to the Stockyards convention center, which was ringed with fencing, and national guardsmen. Mrs. Hazard, then 85, took all the turmoil in stride. Though the security measures didn't deliver delegates back to bed until well after midnight, she was invariably first on line each morning for the return trip to the arena, meantime soothing colleagues concerned about their safety.

Probably the only thing that could have kept her from San Francisco this July was her death, which occurred Sunday at age 101. To the very end, Aunt Margaret remained the darling of state politicians—Republicans, too. Her charm as well as her longevity had put her above partisanship. All will miss her. ●

HOME HEALTH CARE

● Mr. GLENN. Mr. President, my colleagues and I have had many discussions about community-based services and their importance in the care of frail elderly and disabled. I know that many other Senators share my interest and support for these services. I was therefore pleased to learn that a home health agency from my home State of Ohio, the Visiting Nurse Service (VNS) of Toledo, was recently chosen the agency of the month by the National Association for Home Care.

The Toledo VNS was founded in 1902 and incorporated in 1908 as the Toledo District Nurse Association (TDNA). For more than 80 years the agency has provided nursing, home health, and therapeutic services. It currently makes 50,000 home visits a year, and in 1982, the VNS/TDNA provided care to 3,763 individuals.

Home health services are particularly vital for the elderly, who often suffer from multiple chronic conditions which severely limit their ability to care for themselves. Once stabilized through the services of agencies like the VNS/TDNA, these individuals are often able to remain at home. The VNS/TDNA also assists families caring for young children or adults who would otherwise require hospitalization or prolonged institutionalization.

In the past I have sponsored legislation to extend the services of home health agencies and have supported resolutions recognizing the importance of these valuable programs. This includes measures such as National Nurse Recognition Day on May 6 which acknowledges one of the health professionals so responsible for the success of home care.

I ask that the article, "Visiting Nurse Service of Toledo—Eighty-three Years of Caring" from the April issue of *Caring* be printed in the *RECORD* so my colleagues can share in my appreciation for this fine organization.

The article follows:

VISITING NURSE SERVICE OF TOLEDO—EIGHTY-THREE YEARS OF CARING

The Visiting Nurse Service of the Toledo District Nurse Association (VNS/TDNA) has been caring for elderly and disabled persons for over eighty-three years. During that time they've given 4.3 million home visits to needy persons.

HISTORY

The agency was originally founded in 1901 by two philanthropic women's groups in Toledo, Ohio—the Thalian Society and the Kings Daughters. The first nurse, Margaret Edmond, was hired in 1901 at \$50/month and operated out of the local Humane Society office. In 1902, the Visiting Nurse Aid Society was finally founded. In 1908 the nursing service of the Kings Daughters and Visiting Nurse Aid Society were incorporated as the Toledo District Nurse Association (TDNA).

In 1960, TDNA and the Public Health Nursing Program of the City of Toledo combined to form what was then called Community Nursing Services. With increasing budget problems for the City of Toledo in the late 1970s, the city gradually withdrew its staff and support to the combination and, in late 1980, the combination arrangement was ended. TDNA, the survivor, began using the name "Visiting Nurse Service" in addition to its original title as incorporated. The ending of the combination agreement resulted in the termination of the agency's school nursing program and some related services.

OPERATIONS

VNS/TDNA's annual number of home visits peaked at about 63,000 in 1978 and has stabilized at about 50,000 in 1982 and 1983. In 1982, the 49,778 visits covered 3,763 persons. About 55 percent of the clients were 65 years of age or older, and about 18 percent were 19 years of age or younger. The bulk of the clients (76.6 percent) were referred from hospital with ten percent being referred by agency staff and 7.4 percent by physicians.

Medicare accounted for the major part of the agency's income (60 percent) with trust/investment income being twelve percent, private insurance—eleven percent, United Way—seven percent, Medicare—four percent, and self-pay, grants and miscellaneous income accounting for two percent each. Agency expenditures, as with most home health agencies, reflect the labor-intensive nature of home care. The agency has 84 full-time and part-time employees and about seven therapists on contract. Sixty-three percent of all expenditures went for salaries, sixteen percent for payroll taxes/health and retirement benefits, twelve percent for contract services, three percent for rent and utilities, two percent for transportation, and four percent for other.

The core of the agency's program is a traditional Medicare-certified program providing home care services to the sick elderly and disabled persons. VNS/TDNA also has maternity, communicable disease, and health promotion programs.

The most unique program may be the agency's "60-Plus Home Health Maintenance Program" which is jointly funded by the United Way and the Area Agency on the Aging with Federal Older Americans Act funds. The "60-Plus" program patients are seen at no charge by a nurse and at clinic sites throughout the city. The budget for this service is about \$150,000 per year. The program is in two parts: a clinic program, at twelve sites, serving 874 clients in 1983, and a home maintenance/followup

program, serving 450 clients, primarily the frail elderly.

The goals of the program are:

Maintain a level of functioning with adequate support systems to allow independent living in a person's own familiar surroundings.

Prevent persons from becoming more severely impaired, therefore requiring more intensive level of services.

Prevent complications or acute episodes requiring hospitalization.

Enhance the continuity of care as needs of the clients change or become more apparent.

Under the program, a nurse will make an initial visit to do the following:

Assess abilities to perform activities of daily living, overall health condition, environment, support systems, access to an adequacy of medical care, etc.

Identify health care and health-related needs.

Provide nursing intervention to assist persons to make realistic plans around their individual needs. This might indicate the need to contract their physician, aid in finding a physician, or simply refer to other available community services agencies for appropriate assistance, etc.

Evaluate the effectiveness of the intervention; i.e., follow up on the outcome.

If the nurse determines further visits are warranted, the following additional services are available:

Teaching regarding good health practices, normal changes occurring in the older person, etc.

Monitoring of health conditions to detect new problems or changes in frequency of existing problems.

Instructing in relation to the client's medical plan of treatment to increase knowledge of special diets, medications, activities, and disease process.

Counseling in regard to options for health care with accent on client choice and decision-making.

Referring to other health and/or social service agencies, as needed, such as care-of-the-sick services at homedelivered meals, etc.

THE PEOPLE

VNS/TDNA is guided by its Executive Director, Robert "Chip" Liversidge, Jr., and board of trustees President Mr. S. Orrick Jennings. Mr. Liversidge has been the agency's Executive Director since 1978 and only the ninth executive director in the agency's 83 year history. He has a masters in business administration from George Washington University and a bachelor's degree from Cornell University.

In addition to running his agency, Mr. Liversidge is a well-known and active professional at the national level. He currently serves both as Secretary of the Board of the National Association for Home Care (NAHC) and President of the Board of the newly-founded Foundation for Hospice and Homecare. He is a past president of the former National Association of Home Health Agencies (NAHHA) and former Vice-Chairman of the NAHC Board.

At the state level, Mr. Liversidge is a past president of the Maine Association of Home Health Agencies and served as chairman of the Legislative Committee of the Ohio Council of Home Health Agencies.

Mr. Liversidge's 84 employee staff is coordinated by a six member executive staff which includes; Jeanne Johnston, RN, BSN, MPH (deputy director), Janet Blaufuss, RN,

BSN (director of home health services), Barbara Cook, MPA (director of development), Judith King, RN, BSN, MBA (controller), Nan Pawlaczyk (office manager), and Dorothy Siebert, RN, BSPHN (director of quality assurance).

The Board of Trustees headed by Mr. Jennings also includes as officers: Mrs. Robert Younger (Vice President), Mr. James J. Secor (Treasurer), Mrs. Russell Berman (Recording Secretary), and Mrs. Patrick Murlow (Corresponding Secretary). Mrs. Berman's husband is President of Ohio Citizens Bank and Mr. Secor's grandmother (Mrs. Jay Secor) was the first president of the agency's Board, serving from 1902-1907. Another Trustee, John Gibbs, MD, heads the agency's Medical Advisory Committee and is Chief of Staff at Toledo Hospital.

THE CARING TOUCH

The teamwork of the executive staff, employees, trustees, and client families results in continuation of an 83-year caring tradition for VNS/TDNA clients. Some of the personal results of this teamwork are described in the special writeup of case histories accompanying this article.

Such care has earned the VNS/TDNA plaudits from clients and professional colleagues as well. Dr. Paul Miller, Cardiology Fellow at the Medical College of Ohio, wrote the agency in August 1983:

"I wanted to thank all the nurses at the Toledo Visiting Nurses' Association for the tremendous effort and care they have given the patients I have worked with at the Medical College clinic over the past three years.

During the medicine residency, I have found even the best laid-out therapeutic plans could be quickly destroyed when the patients were discharged if their social problems and education about their disease was not also planned for. I was continually amazed at the resourcefulness the nurses demonstrated in acquiring supplies, arranging for transportation, increasing the patient's ability to remain functional and in educating entire families about diseases and the health-care system."

An employer of a client wrote:

"Just a short note 'Unsolicited Testimonial' to thank you for the fine care given to my employee after his recent surgery and release from the hospital.

He had an excellent nurse, very compassionate and caring.

Mr. and Mrs. () have only praise for her. Never having had surgery before, the family was unaware that this fine service existed in the city of Toledo."

And the wife of another client wrote in February 1983:

"Thanks, and we commend your services which were given to my husband the past six weeks. I found our nurse efficient and concerned with our particular problems. She made many helpful suggestions.

The aide was also a great help to me. She was efficient and prompt and easy to have in my home."

CARING is proud to salute the Visiting Nurse Service of the Toledo District Nurse Association for establishing such a fine caring tradition.●

TAX FREEDOM DAY

● Mr. HELMS, Mr. President, the taxpayers of our Nation have cause to celebrate. Today marks the arrival of Tax Freedom Day, the day average taxpayers stop working for the Gov-

ernment and begin earning for themselves and their families.

Economists at the Tax Foundation, a Washington-based tax watchdog organization, report that Americans have been working from January 1 until today to satisfy tax obligations owed to Federal, State, and local governments if every dollar earned this year had gone to the tax collector.

For the second year in a row, Tax Freedom Day falls on May 1. However, taxpayers will actually have worked an extra day—122 instead of 121—since 1984 is a leap year. That additional day is needed, the foundation reports, despite a slight drop in the Federal tax bite that resulted from passage of President Reagan tax cut proposals in 1981—or, I should say, the portion of the tax cut left after increases in payroll tax. What Uncle Sam leaves in taxpayers' pockets, State and local governments take out, plus a little more.

Mr. President, for workers who put in an 8-hour day, it will take 2 hours and 40 minutes to pay the average tax bill. Of that, 1 hour and 43 minutes will be for Uncle Sam and the rest for State and local governments.

Mr. President, a milestone in tax history will occur this year. For the first time ever, total tax receipts will exceed \$1 trillion. Yet, unless Congress puts a stop to its wasteful and reckless spending practices, it will again manage to spend far more than its share of that amount.

Last week Senators had an opportunity to significantly reduce Federal spending by cutting funds for all Federal programs except social security, medicare, and defense, yet only 26 of my colleagues supported the plan. If adopted, it would have saved the taxpayers over \$200 billion in 3 years.

There will no doubt be other opportunities this week and later in the year for Senators to cut spending and reduce the size of Government. As the options are considered, I urge my colleagues to keep in mind the working men and women who pick up the tab for the costly Government spending programs Congress authorizes and funds. In terms of Tax Freedom Day next year and beyond, we ought to think of rolling back the clock.

Mr. President, the Tax Foundation has furnished me with several tables which illustrate the tax burden on families. I ask that they be printed in the RECORD.

The tables follow:

Tax Freedom Day—selected years, 1930-84

Year:	Tax Freedom Day
1930	February 13
1940	March 8
1950	April 3
1960	April 17
1970	April 28
1975	April 28

	Tax Freedom Day
1980 ¹	May 4
1981 ¹	May 6
1982 ¹	May 3
1983 ¹	May 1
1984 ²	May 1

¹ Revised. ² Forecast.

TAX BITE IN THE 8-HOUR DAY—SELECTED YEARS, 1930-84

Year:	Hours and minutes		
	Total	Federal	State and local
1930	:57	:17	:40
1940	1:29	:45	:44
1950	2:02	1:30	:32
1960	2:22	1:40	:42
1970	2:34	1:40	:54
1975	2:35	1:38	:57
1980 ¹	2:43	1:49	:54
1981 ¹	2:46	1:53	:53
1982 ¹	2:41	1:47	:54
1983 ¹	2:39	1:43	:56
1984 ²	2:40	1:43	:57

¹ Revised. ² Forecast.

TAX BITE IN THE 8-HOUR DAY AND TAX FREEDOM DAY, 1979-84

Item:	May 3, 1979 ¹	May 4, 1980 ¹	May 6, 1981 ¹	May 3, 1982 ¹	May 1, 1983 ¹	May 1, 1984 ²
Taxes	2:41	2:43	2:46	2:41	2:39	2:40
Federal	1:48	1:49	1:53	1:47	1:43	1:43
State and local	:53	:54	:53	:54	:56	:57
Food	1:03	1:05	1:03	1:06	1:05	1:04
Housing and household operation	1:25	1:28	1:27	1:35	1:35	1:34
Clothing	:22	:22	:21	:22	:21	:21
Transportation	:42	:42	:41	:42	:43	:42
Medical care	:27	:30	:31	:35	:37	:36
Recreation	:19	:19	:19	:20	:20	:20
All other *	1:01	:51	:52	:39	:40	:43

¹ Revised.

² Preliminary.

* Forecast.

* Includes personal care, personal business, private education and research, religious and welfare activities, net foreign travel, and net savings.

Source: Tax Foundation, derived from data supplied by U.S. Department of Commerce, Bureau of Economic Analysis.

HOW THE FEDERAL GOVERNMENT WILL SPEND A WORKER'S TAX DOLLARS IN FISCAL 1984 ¹

Function:	Worker's share		Total amount (millions)
	Amount	Percent of total	
Income security ²	\$2,055	31.58	\$275,118
National defense	1,775	27.26	237,548
Net interest	809	12.42	108,239
Health ³	685	10.53	91,729
Education, training, employment, and social services	214	3.29	28,683
Transportation	195	3.00	26,123
Veterans' benefits and services	193	2.96	25,799
International affairs	101	1.55	13,502
Natural resources and environment	92	1.41	12,302
Agriculture	80	1.23	10,693
General science, space, and technology	62	.95	8,291
Community and regional development	57	.87	7,594
General purpose fiscal assistance	50	.77	6,741
Administration of justice	45	.69	6,021
General government	42	.65	5,652
Commerce and housing credit	28	.44	3,805
Energy	26	.40	3,463
Total	6,509	100.00	* \$83,760

¹ In this example, the worker is the sole source of support for a spouse and two dependent children, and earns \$26,000 per year.

² Includes social security.

³ Includes medicare.

⁴ After deducting \$17,541 million for undistributed offsetting receipts not classified by function.

Source: Office of Management and Budget, and Tax Foundation computations, based on official budget estimates presented February 1, 1984.●

ELECTION IN PANAMA

● Mr. PELL. Mr. President, the pivotal and important nation of Panama is about to complete the difficult transition from military rule to democratically elected civilian government this Sunday. For the first time in 16 years, the citizens of Panama will once again be exercising their constitutional right to elect a President through their popular will and I congratulate them on this action. The election offers the opportunity for the people of Panama to establish a civilian government which will be especially responsive to their hopes and aspirations for tranquility and economic well-being.

The election is also important in the context of the turmoil that we are witnessing today in Central America. A democratic election in Panama will serve as a symbol and a beacon of hope for the people of Central America who struggle for peace. A strong civilian government, supported by the military institution that ruled the country for the past 16 years, will certainly offer inspiration for the people of El Salvador, who also will elect their President on Sunday, and for the people of Nicaragua, where elections will be held in November. A democratic election in Panama also will strengthen the Contadora process as Panama's civilian leadership will be able to work for peace in the name of the people.

It is with great satisfaction that I recall the days of the debate and the passage of the Panama Canal treaties in the Senate. That was certainly an important milestone. That is exactly what this coming election offers. The election of Sunday, May 6, symbolizes the hopes and aspirations of the proud people of Panama for a truly democratic government and a bright future.●

● Mr. SARBANES. Mr. President, at a time when education in our country is the occasion of so much attention, it is indeed a pleasure to praise the achievements of a remarkable educator, Miss Helen Stevens. On June 10, after an unprecedented 49 years of distinguished service to education, Miss Stevens will retire from the Gilman School in Baltimore, Md. Over the course of the last half century, she has been a gifted teacher of both young students and their teachers. In addition, she has served as director of admissions for the Gilman Lower School and has been the adviser and confidant of four headmasters.

Helen Stevens came to the Gilman School in 1935 as a young graduate of Penn State to serve as a second grade teacher and as an inspiring instructor in music and drama. While actively teaching, she continued her studies in graduate work at the University of Maine, the Peabody Conservatory in Baltimore, and the Philadelphia Conservatory of Music and went on to re-

ceive her masters in education at the Johns Hopkins University.

Over the years she assumed additional responsibilities. She shaped the language arts and reading and study skills program for the lower, middle, and upper schools at Gilman, programs which bear her stamp to this day. From 1963-80, she went on to help fashion the Gilman summer school program, which is an important resource for the entire public and private school population in the Baltimore area.

So successful were her programs that she was invited to teach at the Johns Hopkins University; and for 17 years she, in conjunction with Miss Mary York of the St. Louis Public School system, instructed graduate students and practicing teachers in language arts and communications skills. As a university instructor, Miss Stevens, through the thousands who took her course, influenced the reading, language arts, and study skills of many schools, both public and independent, all across the country.

Over the years, as her reputation grew as a thorough, compassionate, knowledgeable teacher and expert in the field of communication skills, she was increasingly called upon to advise developing teachers, to speak before education groups, and to chair meetings of such organizations as the National Council of Teachers of English, the Association of Supervision and Curriculum Development, and the International Reading Association.

In her half century at Gilman, Miss Stevens has helped to launch the academic careers of thousands of today's business, professional, and public service leaders in Maryland. So impressive and varied have Miss Stevens' contributions to the Gilman School been over the years that in June 1979 she became the first recipient of the Edward T. Russell Memorial faculty chair.

As she enters upon an active and busy retirement schedule already packed with long-planned projects, I am delighted to join with generations of students, faculty, and parents in saluting a magnificent teacher and educator from whose example young teachers everywhere can draw lasting inspiration.●

CHILD SUPPORT ENFORCEMENT

● Mr. MATHIAS. Mr. President, the child support enforcement bill the Senate passed April 25 is an important piece of legislation. It should be of great benefit to the many children in our country who live in single-parent households and who depend on the financial support of the noncustodial parent to meet their basic needs. I want to emphasize that nothing in this legislation inhibits the States' efforts to enforce vigorously the visita-

tion rights of noncustodial parents. To the contrary, the bill expresses the Senate's desire to encourage such enforcement.

Financial support is important, indeed critical to the well-being of children of divorced parents. But the emotional support of both parents is critical, too. The emotional support of the noncustodial parent must be guaranteed and supported by the States. The conscientious enforcement of visitation decrees helps to insure that this emotional support will be provided. We must guarantee financial stability; but we must also encourage the strong and continuing bond between the child and both parents. I hope the States will redouble their efforts in this area.●

SIXTH ANNIVERSARY OF COMMUNIST COUP IN AFGHANISTAN

● Mr. PELL. Mr. President, April 27 marked the sixth anniversary of the coup in Afghanistan which brought a Communist regime to power in Kabul. The coup, known locally as the Saur revolution, launched a series of events leading up to the 1979 Soviet invasion and the ongoing tragedy in Afghanistan today.

This tragic anniversary coincided with a major Soviet offensive against the freedom fighters in the Panjsher Valley. This fertile and strategically important valley has been in the hands of the freedom fighters since the Soviet invasion. In the past, Soviet forays into the valley have met fierce resistance and, following Soviet withdrawal, the freedom fighters have quickly reestablished their control. This time the Soviets apparently intend to pacify the Panjsher by killing everyone in it. Day after day, for the past week, Soviet bombers have been carpet bombing the entire valley. This massive air attack does not distinguish between military objectives and the many civilians in the valley. The carpet bombing of the Panjsher is barbaric; it is also in keeping with the forces unleashed by the Saur revolution.

Six years after the Communist coup in Afghanistan, the resistance of the Afghan people continues unabated. As recent events in the Panjsher Valley demonstrate, the Afghan people pay a terrible price for their determination to be free. Nothing, however, more conclusively demonstrates the failure of the Communist coup in Afghanistan than the events in the Panjsher Valley.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Member and Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 which would permit Senator JIM SASSER and two members of his staff, Mr. John Callahan and Mr. Jerry Grant, to participate in a program in the Republic of China, sponsored by the Chinese National Association of Industry and Commerce, from April 17-20, 1984.

The committee has determined that participation by Senator SASSER and Messrs. Callahan and Grant, in the program in Taiwan (Republic of China), at the expense of the Chinese National Association of Industry and Commerce, to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I ask that the time for transaction of routine morning business be terminated.

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

MISCELLANEOUS TARIFF, TRADE, AND CUSTOMS MATTERS

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3043

(Purpose: To reduce the deficit of the U.S. Government for fiscal year 1985)

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

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for himself, Mrs. KASSEBAUM, Mr. BIDEN, and Mr. BAUCUS, proposes an amendment numbered 3043.

In lieu of the matter proposed to be inserted, insert the following: "Act.

"LIMITATIONS ON BUDGET AUTHORITY

"SEC. . (a) It shall not be in order in the Senate or House of Representatives to consider any bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed \$264,100,000,000 in fiscal year 1985.

"(b) It shall not be in order in the Senate or House of Representatives to consider any

bill or resolution making appropriations, if the enactment of such bill or resolution, as recommended by the respective committee on appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed \$137,000,000,000 in fiscal year 1985.

"(c) For the purposes of this section, budget authority shall be determined on the basis applicable for fiscal year 1984.

"(d) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

"(e) It is the sense of Congress that the unprecedented magnitude and persistence of current and projected Federal budget deficits must be addressed in a comprehensive strategy to moderate increases in defense spending while continuing the effective constraints on nondefense discretionary programs. To assure the success of such an initiative, the foregoing procedural restraints. In addition to the total aggregate spending limitations pursuant to the Congressional Budget Act of 1974, as amended, are necessary on budget authority both for defense and for nondefense discretionary programs for fiscal year 1985.

"MEDICARE FREEZE

"SEC. . (a) Notwithstanding any other provision of this Act (or any amendments made by this Act) or any provision of title XVIII of the Social Security Act, the 'applicable percentage increase' under section 1886(b)(3)(B) of the Social Security Act for any 12-month cost reporting period or fiscal year beginning on or after October 1, 1984, and before October 1, 1985, shall be zero percent.

"(b) The Secretary of Health and Human Services shall report to the Congress within 45 days after the date of the enactment of this Act with respect to suggested methods for assuring that hospitals will not increase amounts charged to patients who are not entitled to benefits under title XVIII of the Social Security Act in order to compensate for amounts not paid by reason of the limitation under subsection (a).

"LIMITATIONS ON COST-OF-LIVING ADJUSTMENTS

"SEC. . (a) Notwithstanding any other provision of law, no increase shall be made in payments or benefit amounts under any provision of law which would otherwise require such increase to become effective during fiscal year 1985 as a result of changes in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages.

"(b) No person shall be entitled to any increase in payments or benefit amounts under any provision of law if payment thereof is denied by reason of this section.

"(c) Notwithstanding any other provision of law, any change in—

"(1) the Consumer Price Index (or any component thereof); or

"(2) any other index which measures costs, prices, or wages,

which would have resulted in any increase in payments or benefit amounts during fiscal year 1985 but for the provisions of subsection (a) shall not be taken into account for purposes of determining any increase in payments or benefit amounts during fiscal year 1986 or any fiscal year thereafter."

Mr. GRASSLEY. Mr. President, this amendment represents the best collective effort of a number of Members on both sides of the aisle to freeze the Federal budget for fiscal year 1985 at the 1984 level as our way of getting the Federal budget deficit under control.

This bipartisan budget freeze is not a cap on aggregate expenditures, for it looks at each program of the Federal budget and determines the way in which that program can or should be frozen. For instance, all discretionary spending, defense and nondefense alike, is frozen at the budget authority level rather than the outlay level. In defense, a budget authority freeze allows for \$18 billion additional growth in outlays in fiscal year 1985 as a result of money already in the pipeline.

In benefit entitlements, we would freeze benefit levels, but not the number of individuals eligible.

In medicare, we would not cap total expenditures, but rather reimbursements to hospitals and physicians. In this amendment, however, only hospital reimbursements are addressed since the Senate has already passed a freeze in physician pay.

Overall, the budget freeze, all elements included, lowers spending by \$27 billion in fiscal year 1985. It is the only spending reduction plan that makes any sense, given the revenue increases already passed in the Senate. In the freeze plan, defense savings and entitlement savings will each equal the revenue savings.

So from that standpoint, it is a very balanced approach, Mr. President.

I yield the floor.

Mr. BAKER. Mr. President, I thank the Senator from Iowa. As I indicated in my earlier statement, it is not the intention of the leadership to proceed further on this question at this time.

ORDERS FOR WEDNESDAY, MAY 2, 1984

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

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

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

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order on tomorrow, I ask unanimous consent that there be a special order in favor of the distinguished Senator from Wisconsin (Mr. PROXMIRE) of not to exceed 15 minutes.

I make that request, Mr. President.

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

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I further ask unanimous consent that following Senator PROXMIRE's special order there be a period for the transaction of routine morning business not to go past 10:30 a.m. in which Senators may speak for not more than 2 minutes each.

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

RECESS UNTIL 10 A.M.
TOMORROW

Mr. BAKER. Mr. President, I have been advised by the minority leader

that he has nothing further. If I could determine from the distinguished ranking member of the Budget Committee if he has nothing else, I am prepared to ask the Chair to recess the Senate.

Mr. CHILES. Mr. President, I have nothing more.

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to and, at 6:27 p.m., the Senate recessed until Wednesday, May 2, 1984, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1, 1984:

THE JUDICIARY

Alicemarie H. Stotler, of California, to be U.S. district judge for the central district of California.

DEPARTMENT OF JUSTICE

Bohdan A. Futey, of Ohio, to be chairman of the Foreign Claims Settlement Commission of the United States for the remainder of the term expiring September 30, 1985.

DEPARTMENT OF DEFENSE

Chapman B. Cox, of Virginia, to be General Counsel of the Department of Defense.