SENATE—*Thursday, September 6, 1984*

(Legislative day of Wednesday, September 5, 1984)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Let us pray.

Gracious Father in Heaven, at the end of the 98th Congress a great statesman will retire, Senator JENNINGS RANDOLPH. We offer to You, dear God, our profound gratitude for giving our Nation such a faithful, productive public servant. We thank You for his four decades of dedicated, effective service on the Hill. We thank You for the remarkable breadth of his interests and concerns—education, youth, aviation, commerce, human rights, the arts, among many others—and for the influence of his leadership in so many areas of the private sector. We remember with deep appreciation the sense of respect, dignity, privilege, and honor in which he holds the Senate.

Father God, this gentleman—this strong, compassionate, thoughtful, kind man of integrity and faith, this gracious friend—will be sorely missed. We commend him to Your loving providence and direction in his years of retirement. May they be as fruitful and blessed as were his years of tireless involvement in public affairs. In the name of the Lord he reverences and serves so faithfully, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

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

THE CHAPLAIN'S PRAYER

Mr. BAKER. Mr. President, I commend the Chaplain for his excellent prayer this morning. At a later date I will extend my own observations about the most extraordinary and excellent service of our friend, the senior Senator from West Virginia.

RESERVATION OF LEADERSHIP TIME

Mr. BAKER. Mr. President, I ask unanimous consent that the time I do not utilize under the standing order today and the entire time of the minority leader, with the exception of that which may be utilized by the acting minority leader, be reserved for our respective use during the course of this calendar day.

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

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I further ask unanimous consent that after the execution of the special order in favor of the distinguished Senator from Wisconsin [Mr. PROXMIRE] today there be a period for the transaction of routine morning business until 1 o'clock in which Senators may speak for not more than 5 minutes each.

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

SENATE SCHEDULE

Mr. BAKER. At 1 o'clock, Mr. President, the Senate will resume consideration of the Baker motion to proceed to the consideration of S. 2851, which is Calendar Order 1056, referred to sometimes as the banking bill. It is the hope of the leadership on this side that we can reach the banking bill today and make it the pending business. It is also the hope of the leadership that we can finish our deliberations on that measure this week and if not this week, then early next week.

Mr. President, I have been asked by some Senators and members of the press whether the Senate will be in session tomorrow. I do anticipate that the Senate will be in session tomorrow. If we are, I anticipate we will be on the banking bill or perhaps other matters if they can be arranged by unanimous consent.

THE GENOCIDE TREATY

Mr. BAKER. Mr. President, the Senator from Wisconsin is in grave peril. I spoke recently of his diligence in bringing the Genocide Convention to the Senate and in having spoken on that matter every day continuously for a great number of session days of the Senate, a diligence that I greatly admire. Then I read in the newspaper this morning that the administration may be pushing for the ratification of the Genocide Treaty. The peril is if we ratify that thing, I do not know what the Senator from Wisconsin is going to do with his special order time. But I commend once more the Senator from Wisconsin and I may consult with him on how you convince the administration on issues of this sort. In any event, these remarks are made, Mr. President, in jest, and I do congratulate the Senator from Wisconsin for the useful work for this cause that he has championed for so very long.

Mr. President, under the order previously entered my time remaining is reserved and I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

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

Mr. CHILES. Mr. President, under the unanimous-consent request of the majority leader, the time of the minority leader was also reserved and the acting minority leader has nothing further at this time.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank my good friend, the majority leader, for his gracious remarks. I deeply appreciate them. He made a wonderful speech not long ago. He may or may not agree with me on some of the substance of the issue, but he was so gracious about it. I know that at least one good reason for ratifying the Genocide Treaty is it would shut my mouth.

DOES THE REAGAN ADMINISTRATION DESERVE CREDIT FOR GENOCIDE RATIFICATION? THE TEST

Mr. PROXMIRE. Mr. President, yesterday may have been the biggest day for the ratification of the genocide convention in the 35 years that treaty has been pending before the Senate. Yesterday the Reagan administration affirmed its support of the treaty. Why is the Reagan support of the Genocide Treaty after it has waited 35 years for Senate confirmation so critical? Was not the treaty recommended to the Senate by every one of the seven previous administrations, Republican and Democratic, since President Truman sent the treaty to the Senate in 1949? Why is the support of this administration so special?

The answer, Mr. President, is that the Reagan administration is far and away in the strongest position to give

the Genocide Treaty the kind of decisive support it needs to win Senate ratification. Why is this? Because the Reagan administration is a conservative administration. Its conservative credentials can only be challenged by the super conservative truly far right. If the Reagan administration after 3½ years of careful scrutiny and consideration can endorse the treaty as being in the interests of this country, if this conservative administration can agree that the treaty does not constitute a threat to this country's sovereignty, if the Reagan administration can conclude that this treaty will not endanger our national security, if this administration concludes the treaty is legally as well as morally right, then what credible basis is there for any genuinely conservative opposition?

Mr. President, this Senator feels this treaty is so important that I have addressed the Senate every single day we have been in session since January 11, 1967. That means I have delivered nearly 3,000 speeches in favor of the treaty. I have done so because I cannot imagine a crime worse than genocide—the planned, premeditated extermination, usually by murder, of an entire racial, religious, or ethnic group.

Why are the victims of genocide killed? Not because they have committed any crime, not because they necessarily constitute any kind of a threat, but because they happen to be Jews or Armenians or Carthaginians or Cambodians. Who perpetrates the crime? In almost every case, it is the government of the country where the victims live. And because it is the government, the perpetrators of genocide cannot be reached by statutes against murder. They can only be reached by an international law that will provide the basis for bringing such genocidal perpetrators to justice.

Can the Genocide Treaty have any effect in stopping genocide? The answer is not decisive. The international law established by the Genocide Treaty provides only a gradual, only a partial, only a possible punishment. Those government officials who engage in genocide would suffer punishment for their crime only after their government had been overthrown. But the Genocide Treaty does mark a critical beginning of the end of this terrible curse of hatred and murder that has plagued mankind since the beginning of recorded history and probably before that.

So for the prospect of Senate ratification of the Genocide Treaty, the decision of the Reagan administration to support the treaty is indeed the best news in 35 years. Now, Mr. President, let us face it: Some have accused the administration of playing politics with this issue. They point out that the administration's endorsement of the treaty comes barely 2 months before the Presidential election. It comes on the eve of the appearances by President Reagan and Walter Mondale before the B'nai B'rith. In the past, the Genocide Treaty has been a matter of intense concern and overwhelming support by American Jews. It is reported that former Vice President Mondale intended at this meeting to point to the failure of the President to support ratification of the treaty and to the fact that such a failure would have marked the Reagan administration as the only administration of the past eight that had failed to support ratification—Republican or Democrat.

On the other hand, Mr. President, this Senator and my staff have carried on a long and frank exchange with the administration on the Genocide Treaty. I can report that the administration has given the treaty very careful consideration. The two key agencies on this matter in the administration, the Justice Department and the State Department, have both indicated strong support for the treaty months ago and promised that a decision, and probably a favorable decision, would be forthcoming and soon. This Senator is a Democrat. I enthusiastically support the Mondale-Ferraro ticket in November. But I believe that in this case the administration supported the Genocide Treaty on its merits. Still, the timing suggests that this is a judgment call.

How do we tell? Well, there is a way to tell. The administration can, if it wishes, win ratification of the treaty before the Senate adjourns this session and before the election. Why should that not be the test? Why should we not hold the administration to that test? Over the past several years, I have talked with most of the Senators who might be opposed to the treaty. There are not many and there are even fewer who will delay it. Certainly, a filibuster of the treaty is a prospect. But there is no question in my mind that, with Reagan administration support, we can easily secure the 60 votes needed to cut off a filibuster and the 67 Senate votes we need to win ratification of the treaty.

Time is short. The agenda is already crowded. The Congress is determined to adjourn sine die on October 5. But with Reagan administration support, the treaty deserves a shot. Republicans control the Senate. So whether the treaty gets that shot it deserves in these closing weeks will determine whether the administration deserves the credit for winning its ratification.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Michigan.

Mr. RIEGLE. Mr. President, I just want to join the majority leader in commending the Senator from Wisconsin for the tremendous leadership he has shown in the Genocide Treaty issue over a great many years.

The comments today of the Senator from Wisconsin are particularly important for us to consider. But the fact that he has been so steadfast and so outstanding in his leadership on this issue is really something that I want to commend, and I think all Members of the Senate feel the same. I thank him for yielding for this purpose.

Mr. PROXMIRE. Mr. President, I thank my good friend from Michigan—a good friend, and I mean it. He and I have served together for years on the Committee on Banking, Housing, and Urban Affairs. I gratefully appreciate his very kind and generous remarks.

CAN WE VERIFY NUCLEAR ARMS TREATIES? COLBY SAYS: "YES"

Mr. PROXMIRE. Mr. President, on July 6 I wrote to William Colby to secure his views on what has become the big arms control issue: Can we verify nuclear arms control treaties with the Soviet Union. Why Colby? Mr. President, as former head of the CIA, Mr. Colby is one of this country's few true experts on the threat to America represented by Soviet military, technological, and economic power.

So I asked Mr. Colby for his assessment of the adequacy of our current verification capability to monitor Soviet compliance with present nuclear arms control treaties with the Soviet Union.

Mr. President, again and again—whether talking to plain American citizens in Wisconsin or with my senatorial colleagues or with military officers—I find that support for nuclear arms control depends on the degree of confidence in this country's capacity to verify Soviet compliance. The general opinion is that the Soviets will cheat if they can get away with it. Many Americans fear that if the Russians cheat and get away with it, they could gain a decisive advantage in military power. Some of these Americans wonder if American intelligence could detect that cheating and verify whether or not the Soviets were complying with nuclear arms control agreements that limit the United States.

So who can give us an answer to this question? How about a former head of the Central Intelligence Agency, a man who has no partisan axe to grind for or against the administration and its arms control policies, but who has precisely the kind of professional experience that would qualify his opinion as expert? How about William Colby?

In his letter responding to my inquiry, Mr. Colby made five telling points. First, he pointed out that we

are going to verify Soviet weaponry whether there is a treaty or not.

Let me reiterate that: We are going to verify Soviet weaponry whether there is a treaty or not.

We have to do this as a matter of national security. How thorough and competent a job does this country do in this respect, right now? Mr. President, the Defense Department turns out an astonishing amount of detailed information about Soviet weapons. Mr. Colby admits that some of what we would like to know we cannot know precisely. But we can and do identify it sufficiently to, as Mr. Colby writes, "design counterweapons and negotiating strategies."

Second, Colby points out that the nuclear arms control treaties facilitate this information gathering process. They are specially useful in securing data from the closed Soviet society with its long tradition of secrecy and paranoia. The treaties can provide a monitoring process that can open up areas that the Soviets would instinctively conceal. Colby warns us that the process cannot be perfect. We should be careful to recognize that after all Russia is the locale of the Potemkin villages.

Third, Mr. Colby writes that the treaty provides the legitimate and formal basis for this country directly asking the Soviet Union about developments which, absent the treaty, they could simply call none of our business. In fact, we have had specific discussions with the Soviets of ambiguities or violations. Sometimes they have been able to reassure us. Other times we have been able to win a change in their behaviour.

Fourth, Colby argues that the existence of a nuclear arms control treaty can and usually does protect our national security. Does an arms control treaty with effective verification provisions provide greater security for this country than the continuation of the nuclear arms race? What is Mr. Colby's answer? His answer is an emphatic yes. Furthermore, he points out that our intelligence and verification systems have "identified Soviet weapons developments well ahead of their becoming a real threat to us, giving us ample time for countermeasures or negotiations." He cites our knowledge of the radar site in Siberia as an example.

Finally, former Director Colby raises the key question: Are we going to let arms control fail because we insist on absolute, perfect verification? Or will we recognize that "reasonable restraints on arms control developments with an assurance that any substantial threat to our security would be telegraphed long in advance of its actuality."

Colby's question goes to the heart of the intransigence of the administration negotiating a test ban treaty and a treaty to ban antisatellite missiles. In both cases the administration has pleaded that we could not verify such an agreement. The scientific community vigorously disagrees with the administration position on both these treaties. Seismologists contend that we could, indeed, verify a treaty prohibiting all nuclear weapons explosions that could have military significance. How about an antisatellite treaty? Could we verify an antisatellite treaty? Yes, adequate verification of an antisatellite treaty would cost a small fraction of the beginning expenses for a race with the Russians into a militarization of space would be led by the antisatellite technology.

Mr. President, I ask unanimous consent that the letter to which I have previously referred from former CIA Director William Colby be printed at this point in the RECORD.

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

WASHINGTON, DC,
July 30, 1984.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, DC.

DEAR SENATOR PROXMIRE: Thank you for your note of July 6, raising a question about the verification problems of various arms control agreements with the Soviet Union. Your own commitment to this worthy cause has certainly inspired many of us to think about the necessity of arms control to manage life on this planet with our Soviet adversaries in a fashion which will prevent our destroying each other. My own contribution has largely been with respect to the verification aspect on the problem. This has focused not on the measurement of the last quarter inch of the fin of some missile, but rather on the function of verification itself. My points are very simple: We are going to verify Soviet weaponry whether there is a treaty between us or not, because we must know about Soviet weapons development for our own security. In fact, we do a pretty good job, as can be seen by the various publications of the Defense Department outlining in great detail the Soviet military forces, to include many things which are inherently nonverifiable in a precise sense, but which nonetheless, we can identify sufficiently clearly to be able to design counterweapons or negotiating strategies.

My second point is that most treaties have a number of elements which facilitate this monitoring process, and that the Soviets have shown their willingness to move in the direction of such cooperative measures to the extent they desire the treaty in question, despite its conflict with their traditional paranoia and secrecy. The provisions of the SALT treaty, the Peaceful Nuclear Explosions Treaty, etc., all indicate this attitude by the Soviets. We must be careful on the topic of cooperative measure and inspections, as the Soviet Union was the original home of the Potemkin village, but I think there are vehicles for adequate monitoring.

My third point is that a treaty provides a vehicle for discussion of Soviet weaponry and activity which does not exist in the absence of such a treaty. Without a treaty, a question by us about some Soviet development can be met with the true statement that it is none of our business; with the treaty, we can and indeed have had detailed discussion with the Soviets on ambiguities and possible violations. In some cases, we have been reassured that the item was not a violation, and in some cases, we have obtained changes in Soviet behavior to comply with the treaty.

My last point is a very simple one. We are not engaged in a breach of contract suit demanding evidence beyond a reasonable doubt. The purpose of arms control and verification is to protect our national security. A marginal violation of an arms control treaty would present less threat to our national security than a continuation of the uncontrolled arms race in these deadly weapons. The evidence since Sputnik in 1958 has been that we have identified Soviet weapons developments well ahead of their becoming a real threat to us, giving us ample time for countermeasures or negotiations. The most recent identification of the radar site in Siberia is an example of this, in that we have seen it in the course of its construction long before it has any operational capability whatsoever.

Thus I think the key question in verification is whether we are going to allow ourselves to fail in the arms control process because of an unrealistically rigid insistence on absolute verification, or whether we will better protect the security of our country by reasonable restraints on arms control developments with an assurance that any substantial threat to our security would be telegraphed long in advance of its actuality. We need leadership such as yours to bring us to a better solution than merely piling up useless and dangerous weapons.

Sincerely,

WILLIAM E. COLBY.

ECONOMIC INDICATORS FORECAST TROUBLE AHEAD AND SUPER FEDERAL DEFICITS

Mr. PROXMIRE. Mr. President, for the second consecutive month the Nation's leading economic indicators tell us the long economic expansion that began in November 1982, nearly 2 years ago, may be coming to an end. For 21 consecutive months until this June, the indicators forecast continued economic expansion, meaning far more jobs, sharply improved productivity, growing personal income, and in general an increasingly thriving economy. Month after month, in fact, for 21 months in a row the forecast turned out to be right. And, of course, it should be right. It is not based on some economic guru who sucks his thumb, stares at the wall, and then guesses what is going to happen to interest rates or stock market prices. The leading indicators put together 12 hard factual developments which, in each case, tend to foreshadow what we can expect to happen to the economy as a whole. There is no hocus-pocus here. Consider the makeup of the leading indicators. Here is what they include:

The average work-week, production workers (manufacturing hours) average weekly initial claims, State unemployment insurance; vendor perform-

ance, companies receiving slower deliveries from vendors.

They include new orders for manufacturing consumer goods and materials, obviously foretelling what is likely to happen. New orders indicate what is going to be produced in the future.

They include net business formations, indicating new companies coming in and forming companies; contracts and orders on plant and equipment, which certainly foretell what is going to happen; building permits, which indicate that we are going to have building in the future as they increase.

And they include a number of other factual developments which have been found in the past foretell an economic downturn or upturn, such as:

Change in inventories on hand and on order;

Change in sensitive material prices;

Stock prices (500 common stocks);

Money supply; and

Change in credit—business and consumer borrowing.

Mr. President, the leading indicators provide without question the most solid and reliable foretelling of what is to come in the economy. Of course, the drop in the indicators in June and July, the most recent months for which data is available, cannot forecast our economic future with certainty. A change in 1 month tells us little, even if it is the first negative showing in 21 consecutive months. But a similar negative showing in 2 consecutive months suggests that by the end of this year or more likely next year the recovery may come to an end. Mr. President, the changes in June and July were not marginal. In June the leading indicators fell by a substantial 1.3 percent. In July they fell again, this time by 0.8 percent, another significant change. In the past the leading indicators have usually foreshadowed a change in economic activity with a lag ranging from 2 or 3 months to 1 year.

Of course, the big political enchilada is unemployment. Does this change indicate that unemployment will rise? And, if so, when? It may indicate that, but very likely not this year. Unemployment is not a leading indicator. Our experience has been that it is not even a coincident indicator. It is a lagging indicator. And, for obvious reasons. Most employers are very reluctant to lay off employees. As business activity recedes, employers will first cut overtime. Then they may have employees work shorter than usual hours. In June unemployment fell sharply from 7.4 to 7 percent. But in July it rose again, right back to 7.4 percent. Unemployment will probably resume its fall. Jobs will probably continue to increase through the rest of this year. But both the surprising 2 consecutive month decline in the leading indicators and the rise in the latest month on which we have figures, in July unemployment, should remind us that no one has repealed the business cycle. The economic expansion will probably end in the next year or so.

If this happens this Congress will face some very painful decisions. And I mean painful. Will Congress reduce spending for unemployment compensation? Will it cut welfare? Will we end jobs programs? Will we stop assistance to beleaguered small businessmen? Will we cancel or reduce nutrition and other feeding programs that millions of people may need as personal income falls? I doubt it. Federal spending in a 1985 or 1986 recession will climb sharply, and we all know it. But that is only half the problem. If the leading indicators are right the coming recession will diminish Federal revenues as profits and incomes fall and tax receipts sink with them. When that happens will this Congress increase taxes or will it try to shorten the recession and bring back economic recovery by cutting taxes and deepening the deficit further?

Mr. President, regardless of what this Congress may decide to do, if we do suffer a recession we can expect the annual Federal deficit of nearly $200 billion that has haunted this body for the past 2 years to become far worse than we imagined. Of course, none of this may happen. We cannot predict the future. All of us hope that somehow we can emerge from this tough economic dilemma. But the June and July leading indicators tell us how painfully difficult that is likely to be. The fact is the deficits of the past 2 years and the certainty of continued deep deficits to come have put this country into economic danger more serious than either Members of Congress or the press has previously imagined.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Senate will now proceed to the transaction of routine morning business wherein Senators may speak for not to exceed 5 minutes each.

JACOB JAVITS CONTINUING EDUCATION GRANTS

Mr. HATCH. Mr. President, on August 9, 1984, I introduced the Continuing Education Act of 1984 which was referred to the Committee on Labor and Human Resources of which I am chairman. This measure revises Title I of the Higher Education Act of 1980 to provide post-secondary continuation and outreach grants, research in the area of continuing education, and a National Advisory Council on Continuing Education.

Mr. President, I wish to take this opportunity to announce that at the proper time, I will seek to amend S. 2919 to enable the continuing education grants made under its authority to be designated as "Javits grants" in honor of my distinguished predecessor as ranking Republican on the Committee on Labor and Human Resources, the Honorable Jacob K. Javits.

The thought occurred to me as I shared in the tribute paid to the distinguished late chairman of the House Education and Labor Committee, Mr. Carl Perkins, when this body, in passing the Vocational Education Act, renamed several provisions of that landmark legislation in honor of Carl Perkins. I want the record to show that I enthusiastically support this action of the Senate.

Mr. President, it is because I feel so strongly that we should express our respect and appreciation for individuals while they are still alive and can appreciate the high esteem of their former colleagues and of this Nation that I want us to honor our former colleague, Jacob K. Javits.

Jack Javits, throughout his career in the House and in the Senate, and especially as a member of the Senate Education Subcommittee, was an active proponent of facilitating educational programs for all of our citizens. He worked tirelessly on legislation to insure access to educational opportunities for adults and especially for those who, for whatever reason, had missed the chance for needed schooling in their earlier years. Frequently, Mr. Javits would refer to his own mother who, late in life, learned to read and write English, and he would recall the great pride she took in being able to read newspapers and understand signs which previously had no meaning for her. Jack Javits knew from his own experience that the years beyond the usual school age not only add to an individual's usefulness to family and to society but also result in greater personal fulfillment and earning capacity.

Mr. President, Jack Javits would often quote the maxim that he who does not add to knowledge decreases it. I believe that there is a corollary to that: The person who does not add to opportunities for knowledge decreases knowledge. Such a precept is consistent with the history of the Republican Party and dates back to the trying period of the Civil War when the Nation was being torn asunder. In those dark days, a Republican Congress and a Republican President encouraged postsecondary education by achieving the enactment of the Morrill Land Grant College Act, which laid the foundation for the continuing education programs of today.

Mr. President, former Senator Jacob Javits' body is crippled by disease, and he has great difficulty in moving about, but he remains an intellectual giant. His commitment to the principle of access to education for everyone

who needs it or who can profit from it is unshakably strong. It is therefore most proper that a program of continuing education grants be named in his honor.

ALASKA AND THE LOWER 48—A SOLID CONNECTION

Mr. STEVENS. Mr. President, recently an excellent article in the July-August 1984 issue of Horizon magazine entitled "Alaska and the Lower 48 . . . A Solid Connection" by Lionel Fisher came to my attention. The article is an excellent introduction to the significant commercial contribution Alaska has and is making to the economy of the lower 48, especially the Pacific Northwest region. This article points out in just a small way how extensive the U.S. business and the commercial opportunities are available and are being developed in Alaska.

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

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

ALASKA AND THE LOWER 48 . . . A SOLID CONNECTION

(By Lionel L. Fisher)

Most of it is still the way the world was created.

Majestic in its vast, jagged grandeur. Bountiful, forbidding, pristinely beautiful. Larger than life. Or the Garden of Eden, depending on when and where you view its diversely brilliant vistas.

Alyeska! "The Great Land" in the Aleut tongue.

It celebrates its 25th year of statehood this year.

The locals proudly call their immense, unspoiled northland "the last frontier." Their state embraces half the entire U.S. coastline, 100,000 glaciers (one the size of Rhode Island), three million lakes, 14 navigable rivers, 57 volcanoes, 17 of America's 20 tallest peaks—and drama as limitless as its horizons.

Alaska's scale is overwhelming, its initial impact a dynamic dilation of the five senses.

The 49th state's 586,412 square miles equal one-fifth the area of the lower 48. That computes to 1.3 square miles per Alaskan. (Washington averages 61 people per square mile, Oregon 27.) But this elbow room is shrinking, if imperceptibly. By 1990, Alaska's population should hit half a million, posting a 25 percent gain for the decade and boosting the work force to some 272,000. And its people are as young as the state. Just under 60 percent are under 30, close to 80 percent are under 40. The average age is 26. And a third of the permanent population has lived there less than five years.

Yet, only a splinter of Alaska's prodigious land mass is inhabited by other than grizzly, walrus and caribou. Two-thirds of the current 415,000 residents live in the cities of Fairbanks, Juneau and Anchorage. Most of the other third make up the smaller coastal and interior cities.

Alaska today—poised between frontier myth and a great stride into the modern world—is a last outpost of magnificent opportunity, not only for the reawakening giant but those linked to it by history and geography. Alaska in the Eighties is a land of glittering promise and enormous opportunities.

While the lower 48 states foundered in recession bordering on depression, Alaska spurted into the new decade. Fueled on five economic fronts, it gained some 55,000 new citizens between mid-1980 and '82. Over the same period, employment surged by 9.5 percent—four times the state's preceding three years' rate of growth. The 1983 employment gain was 6 percent, with a 3 to 4 percent average growth predicted this year. Still, the 1984 economy should register another "outstanding overall performance with the absolute level of activity above that of 1983," according to Robert Richards, Vice Chairman, Alaska Pacific Bancorporation.

The vanguard of Alaska's economic advance and its greatest stabilizer is, of course, the petroleum industry—balancing the state's traditional, highly cyclical industries of fishing, forest products, tourism and construction. Completion of the North Slope pipeline has funneled in tremendous revenues. And even though fluctuating world oil prices set the enthusiasm level for exploratory drilling, both public and private petroleum development—to the tune of nearly $11.5 billion over the next five years—demand long lead times that will continue to bolster local employment. Another estimate has the industry investing some $7 billion a year over the next half-century in development, transportation and operating expenditures in Alaska.

Another driving force in the state's economy is the state's expanding role as a major investor in capital construction and infrastructure projects—in turn, encouraging further expansion by the private sector. At the same time, native corporations have emerged as Alaska's major private landowners (60 percent of Alaskan land is owned by the federal government, 28 by the state government). The federal government is in the process of transferring 44 million acres of land—equivalent in size to the state of Washington—to these private owners, endowing them with a wealth of natural resources.

Add to these factors a resurgence of interest in Alaska's resources by Asian nations, particularly Japan and Korea. And a blossoming atmosphere of cooperation and support for increased economic activity within the state under pro-development Governor Bill Sheffield. Plus continuing construction, particularly public works projects, along with sustained annual gains in tourism (visitors to Alaska this year should exceed 1983's crop by at least 7 percent).

As for Alaska's ports—with its 14 principal rivers, some 34,000 miles of coastline and close to 40,000 registered vessels, the state has moorage capacity for only 7,000 of them. Add over $400 million to meet all small boat harbor needs and another $5 billion for adequate funding of state port developments. And $20 million could easily be spent in the Eighties on a plan to shape up 500,000 of the state's 20 million agricultural acres for farming.

Vast wealth and natural resources—matched by virtually unlimited markets. Little wonder, then, that Alaska is being wooed so arduously by its neighbors to the south. "Gateway to Alaska" has taken on a fresh, lucrative ring. And suddenly the ports of Seattle, Tacoma and Portland, along with their business communities, are looking north to the Great Land of opportunity.

Seattle, because of its size and proximity, has long been the dominant supplier of services and non-petroleum commodities to Alaska. As such, it has the largest stake in Alaska's vast emerging potential. But it's one that the Queen City has had to defend with renewed vigor recently as Tacoma and Portland continue to vie for increasingly bigger pieces of the commerce.

"We in Seattle and the Puget Sound region regard Alaska as our number one trading partner," says J.W. "Jube" Howe, Regional Manager—Alaska for the Port of Seattle. "Alaska is our single largest trade destination compared to Japan, Korea, Taiwan, Hong Kong and all other major countries," he claims.

Howe, who lived in Anchorage from 1940 to 1958 prior to relocating to New York, then Seattle, estimates that 27% of the total air and marine traffic now flowing through Port of Seattle facilities moves north. The port's waterborne trade to Alaska increased 6.4% in 1980 and 9.7% in '81 after sharp downturns in 1976–79 following the pipeline construction years of 1974 and 1975 when waterborne traffic surged 28.9 and 32.2% respectively.

For example, Alaska-Hydro Train is adding a second deck to its barges that will complement the company's rail barge service with roll-on/roll-off trailer capacity, says Howe. And the Seattle area is the main gateway to Alaska for such active shipping operations as Coastal Alaska Lines, Dillingham Maritime Services, Pacific Western Lines and Sampson Tug & Barge, Seaway Express and Alaska Marine Lines.

Meanwhile, 25 nautical miles from Elliott Bay, the Port of Tacoma is becoming more important. Totem Ocean Trailer Express (TOTE), an Alaskan corporation that provides twice-weekly, 2½ day service between Anchorage and Tacoma, relocated from Seattle in 1976. A new $10-million, 25-acre facility on the Port's Blair Waterway—aptly christened the Alaskan Terminal—will begin servicing TOTE this spring.

A more recent coup involves Tacoma Terminals, Inc., a subsidiary of Sea-Land, the world's largest containership operator. Tacoma Terminals will begin operating at a new multi-million Port of Tacoma facility in May 1985. Construction is underway at the present TOTE site on Sitcum Waterway.

"Because TOTE is in Tacoma, and Tacoma Terminals will soon be handling Sea-Land's service in Tacoma, more and more companies that produce goods for Alaska are thinking about joining us," said Port of Tacoma Communications Manager Rod Koon. Palmer G. Lewis, a shipper of lumber and other building materials to Alaska, has a major warehouse at the Port, advised Koon. Also, Northland Hub, a supplier of Alaska grocery stores, is moving its distribution center from Kent, Washington, to a 14,400-square-foot Port of Tacoma building, according to Koon.

"We see exciting things happening in the Great Land," said the Port's Executive Director, Richard Dale Smith. "And we expect to grow as Alaska develops."

And in the Rose City, Mayor Frank Ivancie, in concert with the Portland Chamber of Commerce and Development Commission, has mounted increasingly strong attempts to snare some of "the awesome trade potential that awaits Portland on the northern horizon." On September 25, the mayor led a week-long Chamber of Commerce Alaska trade mission for the fourth straight year. In 1982, the delegation hit a high-water mark of 52 delegates.

"We showed up in Anchorage last year—over 40 strong—with several thousand

copies of a 700-member Portland area business directory under one arm and Mayor Ivancie under the other," laughingly offered Elizabeth Radigan, with the Portland Development Commission's Department of Economic Development. "Don't think we didn't get Alaska's attention—and noticed by other trade groups!"

The direct result of last year's mission, revealed Chamber of Commerce Manager of Business Development Sharon Kafoury, was $9,718,750 worth of a new business for Portland tri-county firms, all of which had participated in the trade efforts.

"Two years ago no one wanted information on Alaska," added Kafoury. "Now we have 1,200 on the list. Word is getting out, and more and more people want to get involved."

"Slowly, but surely, Portland's presence is being felt," remarked Laurie Gray, Alaska sales manager for Alaska-Hydro Train.

Actually, the Portland Chamber of Commerce has campaigned for over four decades to foster business relations with Alaska. "Portland does not seek all the trade, does not expect to get it, and could not get it even if it did seek it," Oregonian Marine Editor Lawrence Barber quoted Portland Chamber of Commerce Assistant Manager George Henderson back on January 5, 1947. "Portland seeks only its just share in proportion to Oregon's production and distribution ability."

That ability got another large boost last August when Alaska-Hydro Train began barge service between Portland and Anchorage. And last spring, Alaska's Port of Valdez hired Portlander Vernon Chase as its marketing director after completing a new $53-million marine terminal. Located just east of the center of Valdez—dubbed "the Switzerland of Alaska" because of the city's alpine beauty—the new terminal boasts the largest floating concrete dock ever constructed for cargo use.

Adjacent to the cargo terminal and 21-acre marshaling yard are nine concrete grain silos, each 112 feet tall and 33 feet in diameter with a 522,000-bushel capacity. The terminal complex is connected to the Richardson Highway, leading to Alaska's great interior, by an 1,800-foot causeway.

Not far from its port, the City of Valdez has over 3,000 acres of "very desirable" industrial land available for lease or purchase, says Chase. "Soon, Valdez will have Alaska's only duty-free foreign-trade zone located at several industrial park sites and their marine facilities," adds Chase.

Also, the Valdez airport has just inaugurated the world's only commercial microwave landing system to ensure that the city will always receive reliable air service, he reveals.

"All these state-of-the-art facilities allow us to once more function as the ideal gateway to Alaska's burgeoning interior," Chase concluded.

David Enroth, Vice President of Seattle's Alaska Maritime Agencies and current chairman of the Seattle Chamber of Commerce Alaska Committee, sees the growing Northwest competitiveness as "healthy" for everyone concerned. Especially Alaska. "Greater competition tends to produce superior services, lower prices and better products," Enroth said.

And so, nearly a century after the great gold rush, Alaskans and Northwesterners again struggle to stake out a place in the midnight sun.

TRIBUTE TO PHARMACISTS AGAINST DRUG ABUSE

Mrs. HAWKINS. Mr. President, in continued efforts to eradicate drug abuse, an organization known as Pharmacists Against Drug Abuse [PADA] has been formed.

Launched in April of this year, PADA was established by McNeil Pharmaceutical and Johnson & Johnson as an educational antidrug abuse program aimed at children and parents. Geared to utilize the resources of the country's 55,000 community pharmacies, this program is directed toward informing parents and children of the dangers of such commonly abused drugs as alcohol, marijuana, and cocaine.

These pharmaceutical companies feel, as do concerned parties everywhere, that unless something is done, quickly, society is going to see more and more the devastating effects of drug abuse. The use of illicit narcotics is so widespread in our Nation that the U.S. Department of Justice recently reported that over one-third of all young people in America use illegal drugs, and that the average age for first use of drugs is about 11½ years. The same Department of Justice report indicated that the illegal drug market was approximately $80 billion a year, two-thirds of this figure representing proceeds from dealing in marijuana and cocaine.

In trying to prevent our youth from becoming victims to drug abuse, Pharmacists Against Drug Abuse is directing its considerable resources toward the possible remedy of stopping drug abuse at the experimental stage, before it gets a grip on young America. As part of their campaign, PADA is working very closely with ACTION, the Federal agency responsible for the Government's volunteer programs; pharmaceutical associations in all 50 States; and the national pharmaceutical organizations.

PADA has put together a fine information brochure, at no cost to the public, entitled "The Kinds of Drugs Kids Are Getting Into." This publication is available at all participating pharmacies and describes drug abuse, tells how to spot someone who is using drugs, identifies some of the most widely used drugs and advises parents on how to cope with the situation.

Mr. President, this organization deserves our appreciation and support, and its creators our commendation. If we continue to work together in the fight against drug abuse, we can indeed win the war.

SOVIET JEWISH EMIGRATION TOO SLOW

Mr. PERCY. Mr. President, in keeping with my recent practice of reporting to the Senate the monthly emigration of Soviet Jews, I today note that 83 Jews left the Soviet Union in the month of August. In the previous month, 85 left the Soviet Union, bringing the total number of Jewish citizens who have left the Soviet Union this year to 652. At this rate, Soviet Jewish emigration for 1984 would fall well below the already dismally low level of 1983, when 1,315 Jews left the Soviet Union.

This rate of emigration is terribly low and it violates international commitments of the Soviet Union. We must not remain silent in the face of these grim numbers. We must continue to take every opportunity to press the Soviet Government to allow its Jewish citizens to join their families outside the Soviet Union.

I am pleased that the U.S. delegate at the recently concluded meeting of the U.N. Human Rights Commission Subcommission on the Prevention of Discrimination and the Protection of Minorities offered a resolution in support of religious freedom for Soviet Jews. The Subcommission held meetings in Geneva from August 6 to 31. Mr. John P. Roche, the U.S. expert at the meeting, sponsored a resolution which dealt with the problems for Soviet religious minorities. It sought to improve their access to religious articles, materials, and instruction. Unfortunately, the Subcommission decided against adopting Mr. Roche's resolution as well as two other U.S.-sponsored measures, due to Soviet opposition.

I also want to report that Alexander Paritsky, a Ukrainian Jew jailed 3 years ago for anti-Soviet propaganda, has been freed from a Siberian labor camp upon completion of his sentence. Mr. Paritsky suffered from a severe heart condition during his confinement, and I hope that he will receive much-needed medical treatment at this time. I also hope that he will not suffer further harassment.

As we near the beginning of the new Jewish year of 5745, I want to express my sincere wish that this year will bring redemption for the Jews of the Soviet Union. Until then we have a moral responsibility to continue and intensify our struggle on their behalf and on behalf of all oppressed peoples everywhere.

OUR MAN IN ROMANIA

Mr. HELMS. Mr. President, the Reagan administration has had the good fortune to appoint a series of excellent ambassadors from the ranks of experienced and knowledgeable private citizens. We have many good ambassadors who are in the career Foreign Service, and they are to be commended. But no President could conduct his foreign policy without the infusion of new ideas and new talent from outside the career service. It

takes a mix of both kinds of ambassadors for the successful conduct of foreign policy.

One of these outstanding ambassadors is our man in Romania, Ambassador David Funderburk. Ambassador Funderburk came from academic life, as a professor of history in Campbell College, in Buies Creek, NC. But he is well grounded in the language, history, and culture of Romania, having studied there and written numerous scholarly articles and books on the topic.

In his work in Romania, Ambassador Funderburk has never hesitated to put forward the U.S. interest—and won the grudging respect of Romanian officials, despite the criticism of careerists who said that strategy would never work. Furthermore, he has continually gone down the line for human rights in Romania, championing the cause of oppressed Jews, Baptists, Catholics, and other persecuted minorities. The work he has done is truly outstanding, and he deserves the highest congratulations.

This month, Ambassador Funderburk's alma mater, Wake Forest University, in its university magazine, published a profile entitled "David Funderburk—Our Man in Romania." It is a fine piece which reviews Ambassador Funderburk's work for the United States and for human rights.

Mr. President, I ask unanimous consent that the article from the Wake Forest University magazine be printed in the RECORD.

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

DAVID FUNDERBURK—OUR MAN IN ROMANIA

(By Bill Wells)

In 1978 a young history professor wrote a pamphlet entitled "If the Blind Lead the Blind," alleging "scandal" in the misteaching of communism in American universities and charging the State Department with understanding human rights violations in Eastern Europe.

Two years later, the White House was calling.

The author of the paper was David Funderburk ('66, MA '67), a specialist in Eastern European affairs, then teaching at Hardin-Simmons University in Abeline, Texas and soon to be appointed associate professor of history at Campbell College in Buies Creek. That move put him closer to Winston-Salem and his alma mater. And when he moved back to his native North Carolina, he became involved in the campaign of Jesse Helms for the US Senate. But since then, Funderburk has moved out of academia into other things. His card now reads "Ambassador of the United States of America, Bucharest."

"I'm a political appointee," Funderburk acknowledges when asked how he got the job. But political appointee or seasoned career diplomat, there are seldom chances to appoint as ambassador to a country someone with such special expertise and experience in the people and the language.

"I came to the attention of the White House because of my involvement in the campaign, and they were pleased with the things I had written and called to ask if I would agree to be interviewed for the job. I remember standing in my kitchen when the White House operator came on the line and trying to decide if it was a joke. I never dreamed someone so young would get the job. I was delighted and overwhelmed to even get a call from the White House."

The Romanian ambassador was cool and relaxed on a recent visit to the Graylyn Conference Center. In offhand conversation, reminiscing about old friends, he seemed to at least muffle the ancient lament that "we are too soon old and too late smart." A great deal of study has been crammed into relatively few years, most of it centered on modern Eastern Europe in general and Romania in particular. It was an interest begun as a Wake Forest undergraduate with courses under Keith Hutchins and others. This work culminated, via a Fulbright and other fellowships, in a 1974 PhD from the University of South Carolina. During that time, in the early 70s, Funderburk mastered Romanian and worked in Romania with the US Information Agency. He is thus atypical among American ambassadors, not only for his youth, but for his level of prior expertise in his country of assignment.

Ambassador since October, 1981, Funderburk describes himself as "mellowing" in his job. "I've learned a lot of patience, he notes, "you just can't come in and take radical positions . . . you have to settle for a lot less than 100 percent, for a few pieces."

Indeed, relations with Romania might be described as on the upswing over the past several years. In 1975 the US had first extended most favored nation trading status to Bucharest and re-extended it last summer. But for all that, the first time diplomat insists, Romania remains an unremittingly communist country with all the apparatus of oppression. Attempts to emigrate are often viewed as quasi-treasonous, and during the two or more years delay between applying to emigrate and being allowed to go, applicants often lose their jobs, their apartments, and find it difficult to get consumer goods. The most favored nation status has given Washington a lever in easing emigration restrictions; the threat of its loss recently persuaded the Ceaucsescu government to drop a heavy tax penalty on prospective emigres. This exodus has provided a major, ongoing theme in Funderburk's work. He spoke with particular emphasis about the plight of Romanian Jews, who are one of the largest sources of immigration into Israel. Romania is the only East European nation to maintain diplomatic ties with Israel.

"I think my own Baptist heritage, with its stress on absolute religious freedom, makes me doubly conscious of the plight of Christians and Jews in Communist countries," the ambassador said. Fuderburk was in this country to make a presentation in Washington at a human rights conference. He was visiting his college friend Bill Brady ('65, MD '70), who in turn planned to visit in Romania this summer.

For all his criticism of a dour regime, one senses in the young diplomat a genuine appreciation of the land and it's people.

"Romanians are very friendly, very willing to help," he observed. "They move in many subtle ways to temper the fact of Communism. 'We have learned,' said one Romanian close to Funderburk, 'to bend without breaking. We have learned over the years to be smarter and shrewder than the others. We have been invaded by Turks, Austro-Hungarians . . . the lot. We know we only hurt ourselves by rebellion.'"

His friend explained that when the Romanians are dissatisfied with the government they protest by making things "not work," but they never openly protest. Since the export of goods is so important to the government, messing up the quality of items that are sent abroad is a surer way to harm the government than an open protest. There have been no parallels in Romania to Budapest-1956, Prague-1968, or even the Solidarity movement in Poland.

Romania is an anomaly. It is described as the Paris of Eastern Europe. Romanian is a Romance language, rather than a Slavic one as is spoken in neighboring countries. "Romanian is not far removed from Italian," Funderburk noted. "These people have tried hard to steer what seems a third course. They supported Anwar Sadat when he was in office. The regime has been outspoken in objecting to the Russian adventure in Afghanistan. They have cultivated ties with Peking and Washington alike.

"It's in foreign policy that they vary most from Moscow," says Funderburk. "There's a lot of bad feeling at all levels toward the Russians. The USSR simply swallowed (formerly Romanian) Bessarabia at the end of World War II. And there's a lingering sense of betrayal at the US for granting Stalin carte blanche at Yalta." FDR, Funderburk noted, refused to hear Churchill's distrust of Stalin.

That observation approaches the heart of the ambassador's expertise. His doctoral dissertation concerned British-Romanian relations up to the Second World War. This 220 page study has since been published in Romanian by the government, a gesture made all the more unusual by the fact that it contains the first officially sanctioned reference in Romanian to the Russian-German pact which preceded the dismemberment of Poland and plunged Europe into war.

All this seemed very far from a lovely afternoon at Graylyn. Funderburk seemed both enlivened by his work and glad to see a bit of home. He has no hard and fast plans for the future. He and his wife, Jo Swaim Funderburk, formerly of Pine Bluff, NC, and their two children have plenty to do through this year.

Even when another ambassador replaces him in Bucharest, he will never be far from Romania. And the experience and credentials the assignment has given him are valuable—"almost as valuable as my Wake Forest education," he says with a smile. "Without that I doubt I would have had any of the other."

SENATOR CARL LEVIN ON COMBAT READINESS

Mr. BYRD. Mr. President, it is my hope that the Senate will have an opportunity to pass the fiscal year 1985 Defense Department authorization conference report. As my colleagues are well aware, the conference committee on that measure has been stalled over the future of the MX Program and the question of the overall level of defense spending. In addition, it is imperative that we also have an opportunity to pass the fiscal year 1985 budget resolution conference report. That agreement is also being

stalled as a result of White House intransigence over the spending level for the Nation's defense program.

This administration is focusing on the wrong targets. Instead of refusing to entertain responsible accommodations on the MX Program, it ought to be zeroing in on the obscene level of waste in Pentagon programs. There is apparently an unacceptable and lackadaisical attitude toward cost consciousness. This week it was reported that one contractor's work has finally been stopped on missiles which for several years have been turned out in a shoddy manner. As Pentagon whistle blower, Mr. A. Ernest Fitzgerald, stated in a report in the September 4, 1984, edition of the Washington Post, he had informed the Air Force over 2 years ago that the management practices by this contractor were "catastrophic." The problems were so severe that a local newspaper had to detail them at this particular plant. As Mr. Fitzgerald was quoted by the Post:

Why should they build a decent missile? Until now, they've gotten paid for building bad ones, and then gotten paid for repairing them.

This story is just the latest in what appears to be an endless series of revelations of inadequate levels of spare parts, exorbitant prices for spare parts, inadequate attention to quality control, and inadequate attention to basic combat readiness. The House Armed Services Committee recently released a very detailed study which concluded that the war-fighting capabilities of our Armed Forces have improved little, if at all, even with the large defense budgets which Congress has passed at the administration's request.

Where has all the money gone? It is becoming difficult to justify a 7-percent real growth increase in the defense budget which is the level of the Senate Armed Services Committee bill over fiscal year 1984, if we cannot identify improvements.

Instead of entertaining reasonable accommodations on the level of the defense budget in the context of the congressional budget resolution, the administration is causing a major breakdown in the way Congress conducts the Nation's business. The administration is spending too much money on procurement, and not enough on readiness. To what end will be the funding of our multiple strategic weapons systems if our conventional forces cannot sustain a conflict, or simultaneous conflicts in several theatres? The result will be that we will be forced to use nuclear weapons or accept defeat on the conventional battlefield.

Mr. President, the largest real growth of any category of our defense program has been in procurement. It is roughly 61 percent over the life of the Reagan administration, fiscal years 1981–84. This is to be compared with only a 22-percent real growth increase in operations and maintenance, or in basic readiness matters. So, real growth in procurement has been triple that of operations and maintenance.

The result of these skewed priorities, in combination with inadequate oversight, has been a disappointing record in our basic combat readiness. The distinguished Senator from Michigan, Mr. LEVIN, who has been a leader in attacking waste and mismanagement in the Pentagon, has outlined in the September 5 New York Times, the unsettling tale. He goes into great detail in support of his contention that the administration has failed to improve the Nation's defenses despite the large budgets it has been granted.

Senator LEVIN has become one of the most knowledgeable Members of this body on these matters, and has offered many constructive proposals to remedy these problems. Unfortunately, those proposals, having passed the Senate, now are stalled in the moribund defense authorization conference. By stonewalling the congressional process on defense, the administration reveals its utter disdain for taking corrective measures which will help improve the combat readiness of our Armed Forces.

I commend Senator LEVIN for his initiatives, his leadership, and for his insightful piece in the New York Times. I recommend that my colleagues, and the administration, examine it closely.

Mr. President, I ask unanimous consent that the article from the New York Times be printed in the RECORD.

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

GOLDEN ARMS, LEADEN READINESS

(By Carl Levin)

WASHINGTON.—When Congress reconvenes today, it will face major decisions on the largest peacetime defense budget request in recent American history. In doing so, it must address the deeply unsettling question: have taxpayers received the improved defense and improved combat readiness that they have paid for—and been promised—over the past four years?

I believe the answer—an answer provided by the Administration's own evidence—is a disturbing "no."

A close examination of the record leads to the conclusion that the Administration has slighted military readiness and sustainability—our conventional forces' capacity to go to war and keep fighting long enough to win—while buying more strategic nuclear weapons systems than are required to deter the Soviet Union.

Indeed, the Administration has squandered billions of dollars on unneeded strategic nuclear weapons, such as the destabilizing MX missile and the limited-performance B-1B bomber, and has consistently neglected to allocate enough to insure the combat readiness of our conventional forces.

These conclusions have been reinforced by the Administration's own top readiness official, Lawrence J. Korb, the Assistant Secretary of Defense for Manpower, Installations and Logistics. In February, he admitted: "Finally, we must recognize that all of our readiness-related programs are not fully funded despite our pronouncements about the high priority we accord to readiness."

They were also reinforced in February, in testimony before the Senate Armed Services Committee, by leaders of most of our important military commands.

Adm. William J. Crowe, for example, whose Pacific Command covers the strategically vital Far East and Pacific Ocean sea lanes, testified: "We currently have critical shortages . . . of combat support and combat service support, as well as spare parts and equipment."

The Atlantic Command's top officer, Adm. Wesley L. McDonald, expressed a similar view, Gen. Howard Stone, chief of staff of the Army's European Command, stated that the Administration's entire defense program falls "short of our objective in munitions, spares, consumables, weapons and equipment."

The North Atlantic Treaty Organization's top military officer, Gen. Bernard W. Rogers, the Supreme Allied Commander, has put it even more bluntly: "We have mortgaged our defense to the nuclear response. . . . We have failed to provide sufficient sustaining capacity—ammunition stocks, prepositioned matériel to replace losses of equipment on the battlefield such as tanks and howitzers—to keep . . . fighting for a sufficient length of time. Under current conditions, if attacked conventionally, we will have to request the release of theater nuclear weapons fairly quickly."

Other official Defense Department information shows what has happened to our combat readiness under this Administration.

The Army's backlog of tanks, helicopters and other equipment to be overhauled has increased 34 percent since 1980.

The Air Force's backlog of buildings and facilities needing maintenance and repair has increased by 45 percent since 1980.

The Navy's backlog of unrepaired buildings and facilities has increased 31 percent since 1981.

The rates measuring the overall operating condition of the Air Force's airlift and tanker aircraft are lower now than in 1981.

During the last four years, the Pentagon's budget has increased by $116 billion, or 40 percent, in constant dollars. Yet the unwise spending of these sums has led to unsatisfactory readiness and sustainability.

Congress shares some blame. With few major changes, it ratified the initial Reagan defense budget requests, especially those for big ticket items such as the MX and the B-1. Since then, however, several Congressional attempts to increase funding for combat readiness and conventional weaponry at the expense of strategic nuclear programs have been defeated, principally by the Administration's supporters in the Senate.

In the next few weeks, Congress will grapple with these issues—either in formulating an omnibus continuing resolution for fiscal 1985 or in debating a separate Defense Appropriations Act.

The record shows clearly enough that this Administration has spent too much for fancy aircraft, vulnerable surface ships and redundant strategic nuclear weapons, while spending too little on the nuts, bolts and staying power of conventional-forces readiness. Even at this late date, Congress must try to correct this troubling defense policy.

CONFERENCE SITUATION ON MX

Mr. NUNN. Mr. President, I spoke on the Senate floor on August 10 to urge that every effort be undertaken to break the impasse on the fiscal year 1985 Defense authorization bill. I would urge again that every possible option to accomplish this goal be explored and that Chairman Tower reconvene the conference at the earliest possible opportunity.

I would also restate that it is no secret that the MX is the issue that continues to "hang up" the conference. I continue to believe, however, that a compromise on the MX is possible if both sides are willing to be reasonable and responsible.

A great deal of progress had been made in our conference on many issues, including the so-called "big four": Central America, sea-launched cruise missiles, anti-satellite weapons [ASAT], and even the MX.

While no final agreements had officially been ratified, compromises on Central America and the sea-launched cruise missile had been worked out. We were very close to reaching agreement on a compromise on ASAT.

With those three major issues essentially behind us, the MX was the major outstanding issue but the original positions had informally evolved in the following manner:

First, the House conferees had indicated they could agree to drop the provisions that tied production of the MX to Soviet arms control behavior.

Second, both sides indicated interest in a compromise that would permit funding for long-lead items for missiles authorized for fiscal year 1985 as well as funds for deployment of the fiscal year 1984 missiles.

Third, a part of this compromise would be an agreement that no fiscal year 1985 funds should be used for final assembly of any MX missiles until a vote under expedited procedures by Congress next spring.

What was not agreed to even on a tentative basis, and what essentially deadlocked the conference, was whether that vote should take the form of a joint resolution of approval or a joint resolution of disapproval.

I think it is important to explain the difference between a joint resolution of approval and a joint resolution of disapproval. A joint resolution is just like a law. It must be passed by both bodies and signed by the President to go into effect, and the President may veto it.

Under a joint resolution of approval, the MX would be produced only if both Houses approve the resolution and it is signed by the President.

The situation under a joint resolution of disapproval is more complex. MX production could go forward in one of two cases: First, the resolution of disapproval does not pass in either body; second, if the resolution of disapproval does pass, but is vetoed by the President, and Congress fails to override his veto. In this second case, one-third of either House—by refusing to override the veto—could ensure production of the MX.

Thus, under a resolution of approval, a majority in either House could block the MX. Under a resolution of disapproval, one-third of either body would cause the MX to go forward if vetoed.

The Senate conferees caucused, which is a normal practice, to finalize our approach. This caucus focused primarily on the MX with some discussion of the ASAT issue. There was little discussion on Central America and SLCM since we had already reached general tentative agreement on those issues with the House conferees. I offered a compromise for the Senate conferees' consideration on the MX.

I offered the three-step compromise outlined above and argued that we shold accept the House propsal on the form of the joint resolution; i.e., no final assembly pending a resolution of approval of both the House and Senate next spring.

After a discussion, my proposed compromise on the MX was rejected by the Senate conferees on an 11 "no" to 7 "yes" vote.

The crux of the vote was clear. The Senate conferees were voting on whether or not to have the MX vote next spring by a resolution of approval or disapproval. The effect of the Senate caucus vote rejecting my proposal was to insist that the resolution be a resolution of disapproval by the House and Senate rather than a resolution of approval by both bodies as insisted on by the House conferees.

It was at this point on July 30 that the conference deadlocked and Chairman TOWER recessed it subject to the call of the Chair. Today is September 6 and the Chair still has not called.

We now have a little over 3 weeks and there is no budget resolution setting an agreement on overall defense spending; there is no defense authorization conference ironing out the major and minor differences between the House and Senate bills. The prospects for a defense appropriations bill are dim and there are uncertain waters ahead for any continuing resolution, which would have to iron out all of these issues in a very short timeframe.

Mr. President, we do have an alternative which will be far more beneficial to the defense budget and our national security: First, as suggested by Senator CHILES, to resolve the budget number difference at an agreeable real growth level that becomes not only a ceiling, but also a floor for the appropriation process; second, to resolve the MX issue in our conference in the manner I suggested in July. We would then be able to break the logjam on the budget process, the defense authorization process, and the defense appropriation process.

I urge the Reagan administration and my colleagues in both bodies to allow the spirit of bipartisan compromise to permit forward progress on these key items.

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

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

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now concluded.

FINANCIAL SERVICES COMPETITIVE EQUITY ACT

The PRESIDING OFFICER. The question is on the motion to proceed.

Mr. GARN. Mr. President, let me say at the outset that we will not be able to get to a vote on the motion to proceed today. I thought my colleagues who are listening, or their staffs, might like to be aware of that. Yesterday I had hoped to bring up the bill and be able to discuss it, have opening statements, and proceed with some of the technical changes and committee amendments that were not controversial. I felt that it was necessary for those who were telling me it was only a matter of those who were out of town; that they were delaying until they got back. I understood that. I made no attempt to cut off any discussion yesterday, nor will I today, because I will accept that in good faith, at least for a while longer; that we are involved in delay and not a full-fledged filibuster to kill this bill. However, I should like to repeat a few things I said yesterday.

This process started several years ago. The first bill that was passed in an attempt to try to rationalize a confused banking services industry was under the direction of the former chairman, the distinguished Senator from Wisconsin, of the Banking Committee, the Financial Institution Monetary Deregulation Control Act of 1980.

In 1982, we passed the Garn-St Germain Act, another step. In each case, I think both of us would have liked to have taken a bigger step, but it was not possible. Now the new bill of the Senate Banking Committee at the end of June is a third step in that process.

I think anyone who looks at this realistically will realize these bills are not the cause of the changes in the financial services industry. The marketplace is changing. The real world out there is very different.

When I first came to the Senate a decade ago, we were dealing with rapid changes. Now we are dealing with a revolution in the financial services industry that is occurring regardless of what we do in the Senate. But Congress is very timid. We move very slowly. We need months and years to consider things. Certainly we have to give the lobbyists all the opportunity to earn their big fees, and the longer it takes us to do something the more fees they earn and the more opportunity they have to stand in the corridors and sit in the gallery and try to get their way on individual provisions.

But the fact is the real world is changing if for no other reason than electronic funds transfer, technological changes. There are transactions made today in seconds that 5 years ago could not be done in days. We have things like computers that have revolutionized our lives. Who ever thought we would have the home computers that we have now? It will not be very long until we will not have checks anymore. You will be picking up your phone, pushing the buttons and paying your bill.

But people want to ignore that and say, "Well, the banking laws of the 1930's are just fine. It doesn't matter, the whole world has changed."

So this is another step in the process to get this bill before this body. It is rather interesting that about 95 percent of the bill is not controversial. It is not controversial at all. Nobody has even brought it up. There are a lot of legislative changes as a result of many, many more days of hearings and more than 7,000 pages of testimony. Everybody has been allowed to testify in that committee ad nauseam. Some of these issues were issues before I became a Senator a decade ago. So there is nothing new. There needs to be no more study. We have volumes, tens of thousands of pages of testimony from every conceivable group that has a tenth of a percent interest in this bill. But we will hear through the course of this discussion that we need to consider things more carefully.

It is rather interesting that a year ago there was a pleading for a 6-month moratorium.

Mr. President, let me back up. At the end of October 1982, when Garn-St Germain passed and we removed some controversial provisions to enable it to pass, if I wanted to be a little bit unfair, I would bring back the testimony to the committee of some of my colleagues as to how, if I would just take those provisions out in January 1983, boy, would they be ready to consider them and make decisions.

Well, January 1983 came along and, boy, if we just had a 6-month moratorium until the end of July. By then we will make decisions. We will show some courage and the will of the Senate will be worked. We will make some decisions on these very important issues. We obviously cannot allow these nonbank banks to roll on and on and on and all these loopholes to take place.

Well, what did we get in the summer of 1983? Chairman Volcker sent down a bill which a lot of my colleagues jumped on and said, "Let's have a 6-month moratorium until December 31, 1983, and by then we will be able to make decisions on these vital issues."

Well, it is interesting. Then they want a moratorium until the middle of 1984. All this time has passed that they wanted and here we are 2 years later in September 1984, and you know what they want? "A 6-month moratorium so we can have time to consider it." Maybe if they would come to committee meetings and listen, maybe if they would come back from the recesses and listen, maybe if they would read the 7,000 pages of testimony, they would be prepared to make decisions.

I may be dumb, but I am not so dumb as to keep swallowing this "Six more months and then we will make a decision." They do not want to make any decisions. They are afraid to make decisions. "Good heavens, do not irritate the American Bankers Association. Do not get Citicorp and Chase Manhattan mad. And for heaven's sake, do not make the Independent Insurance Agents Association mad at you, or the realtors or the city banks or the securities industry. My goodness, these are big political issues."

Well, they are not. They are not partisan. They are not Republican or Democratic. And here is the chairman of the Senate Banking Committee, the leader of the great deregulation effort, hounded with hundreds and thousands of letters from all different people saying what an idiot I am for bringing this bill to the floor. Walk down Main Street in Salt Lake City with me. Pick up a typical call or talk to a constituent of JAKE GARN and say, "What do you think about what JAKE GARN has to do with Glass-Steagall?" They will say, "Doesn't he play for the Cubs?"

This is not big issues like inflation and deficits, and so on. The average person in this country has not the faintest idea what we are doing on this floor or what Glass-Steagall is or McFadden or the Dodd amendment. Very small groups of people that are well organized in the associations I have talked about know about it. They may be half a percent of the vote in my State. I do not know if that many people are informed.

We are dealing with very technical, complex issues that take a lot of time and a lot of study. Not only our constitutents do not understand most of it. Most of our colleagues do not, and I know why—because they are not on the committee. I would not try to compete with members of the Agriculture Committee. They are experts in their area.

I do not know where the fear comes from. I really do not understand. I can take all this flack and get 74 percent of the vote in my State.

Nobody ever brought up, in one of my campaigns, "What is your position on Glass-Steagall? What are you going to do with McFadden and the Douglas amendment to McFadden? What do the reserve bankers think about this or that or something else?" Not once.

I have been in public office for 19 years and never had an opponent who came back and dug in the records in the committee and on the floor and brought up in an ad: "Do you know that Senator GARN favors an amendment to Glass-Steagall?" Glass-Steagall was passed a few months before I was born, 52 years ago. They do not even know that the Federal Reserve Act was passed in 1913, the same year as the Internal Revenue Code. It is absolutely amazing.

So now what we are facing is that we are obviously getting into a situation where people do not want to make any decisions again. Good Lord, the fear of making a decision on Glass-Steagall, whether banks should sell municipal revenue bonds. It does not make any difference. The Governors Association favors it. The Securities Industry Association does not. It might give them a little competition for revenue bonds or mortgage-backed securities.

Citicorp and Chase Manhattan do not like those six New England States getting together in a compact. It is terrible for these legislatures to do that, because they do not want New York in. So Citicorp and Chase, those little old banks in New York, are willing to kill the whole bill: throw out the baby with the bathwater. They want most of it, but because they do not want those six New England States to possibly get a perceived advantage, they are willing to kill the whole bill. I guess we have lots of people out there who are willing to throw out 95 percent of the whole thing for what they do not like.

As I said yesterday, the greatest thing I have learned as chairman of the Banking Committee is that I have had the greatest college education in greed that you can have. I have never seen such examples of greed and selfishness, of people just trying to take care of their own ox. The hell with everybody else, so long as they get their provision.

It must be what Chairman DOLE goes through on the Finance Commit-

tee with respect to the tax bill: "Don't worry about the whole country, as long as my little amendment is killed," whichever way they want it to go. I have had a lesson in what BOB goes through in speeches on any tax bill, hundreds of amendments, special interests, one little group: "Boy, have we got it on those financial institutions legislations. Let the country go down the hill. Don't worry about the fact that there is a revolution going on out there, as long as I get my provision; and if I don't get my way, I'll kill the whole bill." Greed, greed, greed.

I guess one accomplishment is that I have made a lot of money for lobbyists in bringing this bill to the floor. The longer we keep it on the floor, can you imagine the fees they are getting paid? It is absolutely amazing. Maybe I should start going to law school at night. Maybe Senator PROXMIRE and I made a mistake in not being lawyers.

J. Bracken Lee, who I worked with when I was mayor of Salt Lake City, said attorneys had a license to steal. Maybe he should have included lobbyists.

Anyway, that is where we are, and I am rather loose about this whole thing. I guess people think old JAKE can sit there: "He puts 2 more years of his life into this, all those hours and hearings and work and conversations and speeches, and we are going to push him. We are going to kill this bill; and if you want it, you have to take all these things out of it."

You have to skinny it down to something we could have done 2 years ago. It did not take any brains to close the nonbank banks loophole or to close the South Dakota loophole 2 years ago. A simple, little provision, a couple of paragraphs; did not need any hearings; did not need any advice; the staff did not need to work; did not need to listen to lobbyists. It was easy. A Senator in his first 2 weeks could have figured those out. So that is no big deal. We should not have gone through this process if that is all we would end up with.

People can do what they want. If they want to kill this bill, I am not going to waste a great deal of time of the Senate. We are going to know in 2 or 3 days and find out whether that selfishness and that greed carry forward to kill this bill.

I repeat what I said yesterday: Out of all this couple of hundred pages of legislation, we are dealing with only four issues that are controversial.

One is the South Dakota loophole, and that is not a matter of whether we should close it. It is only a dispute as to how—the difference between the original committee print and how Senator DODD amended it. We should be able to decide it on the floor—how we are going to do that, whether we keep the Dodd amendment, modify it, or strike it.

Another one is the regional banking issue: whether or not we clear up the constitutional cloud over whether States have the constitutional right to form compacts with each other.

Then, we continue to hear, over and over again: "Good heavens, how could you allow all this additional, huge, massive deregulation in light of Continental Illinois?"

I said yesterday to the senior Senator from New York—and he agreed with me—that Continental Illinois has nothing to do with what we are talking about today. That is not the kind of bank we are dealing with. Their problems have nothing to do with this bill. It is a red herring. It is nice plum for those who say: "Look at Continental Illinois. How could you possibly consider further deregulation?"

So let us talk about the last two provisions in this bill that are controversial and see if people who are really honest in their opposition still say, "Massive deregulation."

We are talking about granting banks authority to sell municipal revenue bonds. They have sold general obligation bonds since the day 1. At the time Glass-Steagall was passed, municipal bonds, for all practical purposes, did not exist.

As a former mayor, I can tell you that the taxpayers of this country would benefit from banks being able to sell municipal revenue bonds. There would be more competition. As mayor, I would have saved a lot of money if there were more than one or two people competing for the sale of those bonds. In some cases, municipal revenue bonds are a lot safer than general obligation bonds, which banks have always been able to sell.

Some revenue bonds are more secure than the full faith and credit of a city. With all due respect to the Senator from New York, the full faith and credit of New York City was not very good a few years ago, and neither was Cleveland's, and other cities have had similar problems.

Some revenue bonds are tied to revenues, such as at Salt Lake airport. In Denver, they keep growing and growing, and there has been no problem at all. So it is not an issue of safety or soundness with revenue bonds. It is an issue of greed. They want the Government to keep the competition out. They are unwilling to compete. They are the same people who give the free enterprise speeches. They are conservatives. They stand up at Rotary and all the other good civic clubs and say: "We have to reduce the role of Government in society, except where it helps me. I am for free enterprise, except where I can get Government to exclude free enterprise for somebody else."

Then, we have mortgage-backed securities, which did not exist when Glass-Steagall was passed. It is a rather new event.

We have a mortgage problem out there for people buying homes. The biggest stumbling block to that massive desire for people to own homes is the inability to qualify for loans.

And we need to expand the secondary mortgage market. Lenders are not going to make long-term fixed-rate mortgages under the economic conditions we have in this country, and the secondary market needs to be enlarged. It needs to be expanded if we are going to have a pool of adequate money for mortgages.

So mortgage-backed securities certainly would be helpful in that way.

The National Association of Homebuilders supports that provision. Maybe they need to lobby a little harder on that. But that is it.

I ask my colleagues: Is that not amazing when I read the letters I am getting, when I read the news accounts, listen to some of my colleagues about what this bill does and what is controversial? Anyone can check it out. There are four provisions: the Dodd amendment on insurance, mortgage-backed securities, municipal revenue bonds, and regional banking. That is it.

After 2 years or 4 years or really 6 years of delay and always going to make a decision in the future, why cannot this body be allowed to make a decision on these four issues?

I happen to favor each of those four provisions but if they are taken out by a vote of this body, I am a big boy—if I have not learned anything else since I have been a Senator, I have learned how to count. I have learned how to count to 51. If there are 51 on my side I win; if there are 51 on the other side I lose.

I wish I could understand why we cannot finally act on this bill. Maybe I should parade out all the statements of my colleagues on the committee, on and off the record, about how they were willing to make decisions in the early spring of 1983 and remind them this is not 1983; it is now the fall of 1984. And what has changed from their promises to be willing to make decisions? Why cannot this body be allowed to make decisions on those four issues?

I do not have any head counts. I have been enjoying the dry air in the mountains of Utah for the last 3 weeks and wish I were still there instead of back here. But that is not the facts of life. We are back in session. We have work to do. We have appropriation bills to do. We have a debt ceiling to pass, and we have a continuing resolution. And above all we should try and avoid a lame turkey session after election. I did not misspeak myself. I said "lame turkey" because I meant it.

Lameduck is too kind to describe what those after-election sessions are like.

I would like to know why we cannot make decisions on those four issues, why we could not have done it yesterday or do it today, tomorrow, or Monday—just simply get out here and debate those four controversial issues, let the Senate vote—I will offer no tabling motions—up or down, no games, no gimmicks, no attempts to hide anything. Each side present its case for or against the amendment and let the Senate work its will.

That is what I would like, but I guess after 10 years I am still kind of naive. We do not do things that way around here. I guess we will find out in the next day or two whether we just have a little delay until our colleagues get back from the recess or whether we really have a filibuster going on, and if we have a filibuster going on, I guess we will have to file cloture and if cloture does not work, I am not going to delay the needed work of the Senate.

I just want everyone to be on notice of what this bill contains, what the controversial provisions are.

I would like to get back to the facts instead of all the distortions and misrepresentations being spread around all this country to stimulate letter writing and lobbying that are simply false or at the very best misleading, and have someone get back to the fact there are four controversial items. And all we would like to do is let the Senate work its will. But if not, I am not going to be a loophole closer. I did not put 2 years of work into this and neither did the Banking Committee, neither did all of the witnesses, to do something we could have done 2 years ago without any hearings at all.

So if anyone thinks out there in the lobbying rooms that all they have to do is JAKE GARN wants a bill passed this year so badly that if we just keep the pressure on he is going to back down and say, "Hey, I surrender, I throw out the white flag. I will take out all the controversial provisions, just give what you want."

They do not know me very well. They have to put up with me at least until January 1987. I will be back for the 99th Congress because I am not up for reelection this year. And we will start over again in January. If we have to hold 6,000 more pages of hearings we will do that, while they try to decide to be indecisive or decisive, or whatever they want to do.

But I am not going to surrender a good piece of legislation for a couple of loophole closers. We will just go on and let the free enterprise system work, with the exception I will repeat what I said yesterday to those who say, well, that would be great, we will just create 500 nonbank banks in the next few months. There is a grandfather date in this legislation. It is July 1, 1983. That was the date that was established when the bill was first introduced as S. 1609, which is the Treasury bill, the original bill, a year ago. So everyone has been put on notice. If you get on nonbank banks after that date, you may be in trouble. If this bill does not pass this year and we do go over to next year, I guarantee everyone the grandfather date will still be July 1, 1983. So if they want to invest a few million bucks on the basis they killed the bill this year, fine. But eventually it will pass. The marketplace will force it to pass. The marketplace will force this Congress to do what we should have done a couple of years ago, and that grandfather date will be July 1, 1983.

I did not intend to talk so long, and I realize when you have a potential filibuster going, you should let the filibusterers talk and you should not aid and abet them, but I thought maybe it was appropriate for me as chairman of the committee to amplify my remarks of yesterday. There might be a few more back today to listen.

Mr. President, I surrender the floor.

Mr. D'AMATO. Mr. President, first, I commend my distinguished colleague and chairman of the Banking Committee, the senior Senator from Utah, for his great leadership. I think he rightly points out that there are many vested interests impacted by S. 2851: the securities industry, the insurance industry, the real estate industry, the banking industry. The banking community itself is very divided on S. 2851. I feel that much more work must be done before Glass-Steagall is chipped away at.

But this Senator does not rise on the floor to take exception to this bill with the premise that a little more time may cure some of the contentious issues mentioned by the chairman.

I have contended at the committee hearings, in private conversation with the Banking Committee staff, indeed, with the chairman and other members of the Banking Committee, that there are major deficiencies in the bill. Some deficiencies are of such a nature that they would do great violence to some of the banking institutions of the State of New York. In good conscience, being a Senator from the State of New York, I could do less than anything and everything in my power to see to it that this bill is not adopted and that indeed it is defeated.

I respect the manner in which Senator GARN has approached this bill. He has given every opportunity to any Senator on the committee to put forth amendments, or even change votes. He has been more than fair.

So it is not an issue of fairness. It is not an issue of more time to study the bill. It is a matter of eliminating the weakness of the bill.

Let me just bring up one area of concern: we talk about political expedience and the pressures that are brought to us by various lobbyists and special interest groups.

By the way, I do not use that term in the pejorative. It is lobbyists. They are lobbying for their constituency. And I wonder why we would think that those who would do the same, whether it be the insurance industry, the homebuilding industry, et cetera, should be thought of in a negative fashion. It is the substance of their argument that we have to look at.

But let me suggest to you that what we have seen take place in this bill: some of the States have come together against New York.

I would suggest that if the Members really want to look at things objectively, we should not enact legislation that just hurts New York. The small States say, "Oh, New Yorkers are bad people. We don't want the Wall Street people, those big banks in our State. They are going to come in and gobble up all our small institutions."

So, I would suggest that a lot of people, a lot of State legislators have made a lot of hay at the expense of a sound banking system. They are willing to build a system that may someday help be the undoing of the great viable financial network that we have because it makes good political capital in various State legislatures and State houses to say that "We are going to fight to keep those big bad bankers from New York out."

And, so, we have regional compacts that, in essence, would say, "The States of New York and California don't exist—almost 40 million people—and their banking institutions are evil.

This is one Senator who is going to use any of the rights that he has as a Senator to see to it that we fight to preserve that rights of the State of New York.

The fact of the matter is that New York will not stand for it. We are the greatest banking capital, and we have helped this Nation in doing much. And because some want to exclude New York which is a viable part of the region, New England kicks us out, and then New Jersey, Pennsylvania, and others try and exclude us. I think that is incredible. If we want to talk about the kinds of actions that smack of political expedience—and I have been known to use stronger terms—that is what it is.

What has happened to the due process clause of the Constitution? What has happened to the commerce clause of the Constitution of the United States? You better believe we are going to have to have this matter tried and go up to the Supreme Court.

But I do not believe that the framers of the Constitution of the United States ever really felt that we would deal one State out and allow other

States to join in compacts. This affects the free flow of commerce.

A circuit court has said that regional compacts are not unconstitutional. Well, the issue will be appealed and will be decided by the Supreme Court. This is where the issue should be decided. We should not short circuit the process.

That is why this Senator is prepared to undertake, I believe, what is a responsibility on my part to assure the process is not short circuited. I may not be successful, but I have an obligation to fight.

So it is not a matter of studying it for another 3 weeks or another month or 3 months or 5 months. It is not going to change this Senator's mind or opinion. The issue is basic. It is not a matter that can be compromised and it is not a matter which I can say 51 of my colleagues in the Senate decided otherwise and we have lost and I have done my best because that is not what this Senate and these halls are all about. It is giving us the opportunity for our Senators who have a unique responsibility to say that where there will be an injustice that will befall your citizens and your State, you have an obligation to go forward and to see to it that that does not take place.

So if it means undertaking extensive debate for hours and hours, this Senator has that obligation. And I do not undertake it lightly. I think I have a sense of responsibility and I must protect New York.

Let me suggest to you that there are other areas that give me grave concern with respect to this bill, so that I did not come here on behalf of the great money center banks of New York. I have been one of their sharpest critics. They do not like me for it at times. I think they made some imprudent investment decisions, aided and abetted by the Federal Government. I think the Federal regulators have done a poor job, a terrible job. Look at Continental Illinois. My God, the regulators should have moved in with much quicker dispatch.

I do not come here on the basis of saying that I am for the big money center banks and I am not going to do what they want in Washington. That is not what I have said.

I have said very clearly that I am against giving them the powers that they seek in the securities business. My God, they better straighten up and get their capital up to snuff and begin to write off some of their bad loans. I do not think they should be embarking into the security business.

So I oppose this bill for two reasons, two main specific grounds. This is not the time for banks to be getting into new areas.

I have been at many, many of the hearings in the committee. I did not attend many of the committee meetings lately because it was a rehash of old ground. I wonder how we are going to deal with the Federal insurance. I wonder how we are going to set up a separate securities sub and how much capital is going to move to that separate sub, and what takes place if it gets in trouble. Hearings have not focused on these issues.

I have some real reservations about adding new powers to banks. But again my primary objection is that I cannot believe that this body will allow for legislation to pass that discriminates against New York and California. We are going to allow regional compacts which exclude these two States from any participation.

How can we justify that when the bill would allow banks, banks from, say, Italy, to come into any State in the Nation. But the same bill does not allow New York banks to do the same. I wonder how we can arrive at that decision. I wonder how, in good conscience, we can really say we are going to do that and exclude two of the great banking capitals and centers of this Nation from participation.

If people want to suggest that we should provide an orderly manner to allow interstate banking, well, then fine. But to simply say, no, for the next 5 years we are going to have certain States to have the power to move accross State bounds, but not New York. I do not think there is any way that we can logically—even if we say we are talking about States rights—say that does not fly in the face of the Constitution.

So, Mr. President, it is with great respect for the chairman that I rise to make these points, and it is not easy when you have a chairman who has been as conscientious as Senator GARN has been. He has made available his time and staff to countless inquiries from all areas. He has been nothing less than fair with those who have sought time before our Banking Committee.

It is for these reasons that I have outlined that I am compelled to take the action which I have indicated I will be taking. Today, we did file a number of amendments which, by the way, I have indicated again in the past that I would undertake, and I have prepared extensive remarks on the bill. I will be prepared to continue this.

Let me suggest that now is not the time to be considering such a major financial service deregulation bill. The financial services industry in the United States has been buffeted for the last 4 years. Now it needs a period of calm in which it can readjust itself to the present situation, and heal the wounds that the past recession has created. The financial services industry suffers during recessions just as all other industries but it suffers later than others, particularly banks and savings and loan associations which are left with massive loan portfolios in which many companies who have been devastated by recession exist as borrowers. It does no good to tell the financial service industry that the recession is over since their balance sheets show the effects of the recession in a continuing day-to-day basis. These bad loans must be worked out through the system. They must be dealt with, worked out, compromised, settled, and written off, if necessary. Bank capital must be replenished where necessary. Some years of good earnings must follow so that the losses can be absorbed. It would be my suggestion that this is the kind of thing that should take place before we begin to consider whether or not we are going to give added powers to these institutions.

This is the situation in which the banking industry finds itself today. It needs a period of stability, and peace, and quiet, not an additional period of change which will require more adjustments, more new people, more new systems, and more additional cost. There is no guarantee that the new powers granted by this bill will result in profits. Moreover, there is no guarantee that those profits, if ultimately they do come, will come soon enough to help the banking system out of its present dangerous situation.

Major collapses such as that of Continental Illinois Bank have been a lesson for many. The Financial Corporation of America is another. Penn Square is a third. Drysdale Securities and the effect it had on Chase Bank, and others, provides a fourth very vivid example. I could go on. But how many examples are needed to prove that banks and thrifts are having a hard enough time operating within their existing charters at this time, and that it would be extremely reckless to give them broadened opportunities to cope with as well.

This is a discussion on the merits. However, I am urging the Senate at this time to consider the situation in which we find ourselves in the financial service industry. One can argue one way or another about whether additional powers might be good or bad for banks, and savings and loan associations. There is no argument, however, that the present condition of the banking industry and its savings and loan association industry is indeed a poor one.

In fact, some commentators have said that it is a dangerous situation. These are facts. The other is speculation.

After the shakeup following the Great Depression, we had a wonderful period in which we had practically no bank failures. Then we started deregulating, and again we had another upsurge in bank failures. In fact, we had one in the mid-1970's when for a while the regulation Q relaxation permitted

unlimited interest payments on so-called wild card savings accounts. This permitted institutions to compete for household savings. In that process, a competitive escalation of interest rates took place as lenders each tried to outbid the other for funds.

In the late 1970's and early 1980's, rising competition for household funds combined with a tight monetary policy caused interest rates to rise. Competition to make loans to energy producers, to Government securities dealers, and to foreign entities became intense. Prudence in lending declined as our experience with recent failures has shown.

Financial institutions are in the midst of working out the problems that exist in their loan portfolios.

Permitting financial institutions to engage in more activities would detract their attention from these problems, and would intensify the scramble for funds and the pressure to place funds in high-yield, high-risk investments. More, rather than less, surveillance and regulation of banks would be necessary at a time when the resources of the Federal financial regulators is already sorely taxed. Monetary policy might be so busy handling additional and different types of regulatory supervision duties that they would not have the time nor resources to give due attention to their monetary policy responsibilities at a time when great, not less, attention is critical.

Another thing that should be looked at very carefully before the financial services industry is changed is the chaotic state of the investment banking industry and the securities industry. Neither of these industries have fully overcome the wild ride they experienced following deregulation of prices a number of years ago. At that time, as we can all remember, a great number of very fine, respectable, old line firms went out of business. Some said it was because they were unable to compete effectively in today's market, and that is probably true. But are we better off because they have failed to survive, or are we worse off because we are not limited to fewer choices in the industry? My own prediction is to say that we are worse off rather than better. The same thing can, and will, happen in the banking industry if we recklessly permit deregulation to proceed during a time in our Nation's history when economic conditions are as uncertain and perilous as they presently are.

President Reagan has forcefully returned our economy from the depths of double-digit inflation and 20-percent-plus interest rates, accompanied by high unemployment, into a position where it is now functioning much more smoothly, and much more effectively. The effects of the recession created by the previous economic conditions and situations, however—to repeat myself—are felt after the fact by the financial service industry. We must let those firms right themselves from the chaos of the recession before we engage in additional deregulation efforts.

One never knows where concentration statistics may settle after a major deregulation effort. In the securities industry, as I said, a number of firms dwindled precipitously following the major deregulation efforts of the seventies. I have no reason to think that the same thing would not happen in the banking and savings and loan association businesses.

(Mr. EVANS assumed the chair.)

Mr. D'AMATO. My State of New York has a fine balance of very large banks, medium size banks, and small banks. They have learned to live together and to function well to serve the population of my State and in fact of the entire world. Concentration is not pronounced in either the savings industry or the commerical banking industry. Because it is not, we have the opportunity to be served by many fine institutions and have many alternatives to offer consumers.

Should further deregulation occur and additional powers be granted, it is doubtful whether that same distribution of many alternative choices would prevail. Certainly it is true that if regional banking compacts are permitted, the concentration figures in those regions will change dramatically as the largest regional banks take advantage of the opportunity to merge with other large banks. In a few years it is likely that the number of regional banking organizations will have been substantially reduced due to mergers and acquisitions. Current antitrust law is ineffective where these so-called market extension mergers and acquisitions are involved. The benefits of competition which could be met by permitting banks from New York State to compete with growing regional giants will not be felt since there is no opportunity, under the regional compacts we have seen thus far, for New York banks to compete in these regions.

I cannot believe that this Congress would seriously think that this is a matter of States rights. Rather, it is a political expedient, as I indicated before. It would simply say to New York and California, "You are persona non grata. Your institutions cannot and will not be permitted to cross State lines." We would come together in such a way that we would have a regional compact in the Far West which might take in the States of Alaska, Hawaii, and Utah and yet exclude California, its institutions and its 20-plus million people. I really cannot believe that anyone seriously thinks that that kind of legislative endeavor does anything in a substantial way to benefit the economic interests of this Nation or to facilitate or be an improvement in terms of modern transactions dealing with the banking industry. Compared to the new techniques and new communications, why would we want to build a wall around the banking centers of New York and California? What interest does that serve? What good purpose? It may be good political fodder back home, to keep the big bankers in California and New York out. By the way, if this is political expedience, what benefit do the stockholders in those banks in the other States derive? What competition is being fostered when we deprive them of an opportunity, yes, of having maybe the the best bank put forth, of having the offer of an economic infusion of capital that they might otherwise not have?

I would suggest in terms of enhancing the banking system that we have today that this bill debilitates it in that one area particularly, that which freezes out New York and California. There can be no justification, there can be no claim that this is a matter of States rights, that this is something that our forefathers under the Constitution would have countenanced.

Certainly if I were a shareholder of a small bank located in one of the States included in a regional banking compact, I would rather have the opportunity to sell my shares of stock to any bidder in the country than be limited to a handful of banks within a region. Particularly is this so since the mergers and acquisitions that have been proposed so far, and those for which applications have been approved by the Federal Reserve, are mergers and acquisitions of the larger banks within the regions with other large banks. The small bank is not being considered. It probably makes some sense to prohibit such large bank to large bank acquisitions within regional centers. As such, it should be considered.

It seems apparent to any of us who have looked at it recently that financial services deregulation that has occurred so far has not been to the benefit of small business and home buyers, for whom long-term fixed rate funds are getting increasingly scarce. Nor has it helped consumer borrowers for whom real interest rates on loans tripled in 1981 and have stayed at that level. Small depositors have been faced with higher fees by savings and loan associations and banks, while large depositors seem to get a higher rate than they were previously able to. Stock purchasers who now have access to discount brokerage seem to pay less for their purchases, as do those who have a large portfolio of assets, and will be granted special privileges because they can keep all of their business under one roof.

New technology and new opportunities have been presented to the financial services industry in recent years and it is not clear yet whether those have been managed well by the industry or poorly. Adjustable rate mortgages, for example, were introduced as the savior of the savings industry of a few years ago. Some S&L's and savings banks put a number of those in their portfolios and a number ignored them. It is still not clear what the ultimate result is when rates go up and customers are forced to pay more per month or pay for longer numbers of months for the same home mortgage that they purchased a few years ago at some other monthly payment rate. What is certain is that adjustable rate mortgages are confusing and perhaps, are risky to consumers and lenders. Warnings about the problems these mortgage instruments will ultimately cause both borrowers and lenders are being sounded. Certainly the educational effort should be pronounced as is the economic pressure on homeowners. The jury is still out on adjustable rate mortgages, which is exactly what I am saying about the need to go slowly in deciding whether to proceed with such a massive deregulation bill as the one we are currently considering. The industry is too busy coping with existing difficulties and should not be encouraged or allowed to create instability by exploring new powers.

Elderly persons have some concern obviously over the plans for the future of the financial services industry. I recall the testimony of the American Association of Retired Persons before this committee on this bill. They noted that there are constant reminders that they should closely and carefully monitor what is taking place in the financial marketplace. They pointed out, for example, that last year, Baldwin-United filed for reorganization under chapter 11 proceedings, after having sold some $4.5 billion of annuities. These annuities were sold as safe investments by the large brokerage houses, with which this bill, S. 2851, would encourage the bank holding companies to compete. The annuities, according to the testimony of the association, were widely sold in interstate commerce. All of the State laws which covered the transactions failed to prevent the large losses which the buyers of those financial service are expected to incur. Their testimony concluded that Congress should be concerned about safety of financial services now sold in interstate commerce rather than promoting additional competition.

There were a great many other witnesses that urged a "go slow" policy in this area and I happen to join with those witnesses. I believe that this is not the time to consider such a dramatically significant bill. While the Senate Banking Committee held extensive hearings on certain aspects of deregulation, on many of these subjects—in particular, regional interstate banking—no hearings were held on Glass-Steagall. Bits and pieces of testimony about regional interstate banking were volunteered, but no thorough look at whether broad interstate banking should be permitted.

As a matter of fact, when the Joint Economic Committee met, in its last hearings, at which Chairman Volcker appeared, we had occasion to talk about regional compacts. He is opposed to them. As a matter of fact, Mr. President, I do not believe that Treasury is in favor of regional compacts. As a matter of fact, I do not know what Federal regulatory agency supports compacts.

By the way, let me suggest that if we really talk about the free enterprise system and competition, why not let it take place? Why should we, on the one hand, call for deregulation, call for banks coming into other areas, and, at the very same time, say, "But, New York and your banks, you cannot compete. We are going to give all the banks expanded powers, but you cannot compete." If we are talking about competition, let it be nationwide.

I remember some years ago, when the State of New York refused to allow the city banks to move outside of New York City. But slowly and surely, the forces of competition led the legislature to reconsider this. The State went through a process of bank expansion which was much more orderly. But it took a number of years.

The first thing the State legislature said was, "You can establish one branch bank outside of the city limits in any county you want. But you may not go into an area in which another bank has its home office."

Some years went by. Some of the trepidations and fears that the local bankers had in terms of the big-city banks moving into the suburbs and moving upstate were quieted. Indeed, a compromise was reached in which the city banks were allowed to expand throughout the State. I must confess to you that there was a rush by the city banks to show the country bumpkins how they were going to do business. They rushed into this wonderful, fertile territory with almost reckless abandon. In some areas of the Island, I remember, where we had traditionally seen the gasoline stations jump up on every corner, we now saw banks coming and setting up their stands at every major intersection that was not developed. In some cases where they were developed, they redeveloped them.

I can tell you, Mr. President, that it was not too long before these same bankers who rushed out there to fill the same vacuum, many of them, were found retreating. Many gave up their branches. Many took terrific beatings. Indeed, the small bank, the medium-sized bank, and the regional bank that operated in the upstate and downstate communities more than held their own.

I suggest that that same kind of free force in the marketplace, the kind of thing that undoubtedly could and would take place, did not arbitrarily wall off regions of the State.

Mr. President, I just cannot see how, on the one hand, we can say that we are looking to deal with the modern world in terms of new transactions that are now facilitated that no one would have dreamed about even 10 years ago, and yet we turn to the kind of environment where we are walling off great areas of capital. Instead, we are putting up great barriers to interstate banking.

While the committee held extensive hearings on certain subjects, we did not get the kind of testimony that I believe would have demonstrated that regional compacts are wrong. I urge Congress to avoid moving forward at this time.

Also, Mr. President, many of the witnesses testifying had urged Congress to look at the whole picture, which would include examining the Federal Deposit Insurance System and the regulatory and supervisory structure in governing financial institutions. These elements are fundamental to the stability of our financial service industry. Confusion, not wisdom, dominates the financial marketplace today. This confusion and the problems with which we are all familiar have been brought about in part by previous deregulation of the financial services industry combined with the troubled climate. Time is what is needed now—time during which financial institutions can adjust and learn to cope wisely with the realities of the situation that we face today.

Mr. President, I would like to touch in greater detail some of the problems with respect to title X of the Regional Banking Compact. The hearings on S. 2181—now S. 2851—were almost entirely devoted to the issue of what new powers should be granted to bankholding companies within the context of the traditional separation of banking and commerce.

The hearing record is almost blank on the merits of title X. And, of course, I have said before and say it again, the reason is that it makes good sense politically to legislators and Governors to say, "We are taking this defensive action against New York." It may even make good sense for Representatives and Senators to say, "We are taking this defensive action against New York." But it does not go to the merits of whether or not we are enhancing the banking system and it does not go to the merits of what we

are doing as to whether or not it is the wise thing to do, whether it is the moral and just thing to do.

In fact, the issue was, until very recently, not even widely debated within the banking community itself since the banking industry had specifically agreed to lay this issue aside while focusing on the powers issue.

I might suggest that when we go through this entire process and if the Senate were to take this up, what we would have in the final analysis would be maybe a closing of the nonbank bank loopholes and probably with a degree of certainty the regional compacts would be endorsed, and, third, all those expanded powers that many of the money center banks were looking for would be done away with in the House, and certainly when we came to conference. And so to a certain extent, I have to say that some of the New York banks and others are really not quite concerned with this—they saw they were not going to get expanded powers. What they are going to have is the worst of both worlds. They are going to get a regional banking system. If this goes through, nonbank bank loopholes will be closed. There will be no expanded powers, and I do not see how the banking system is going to be enhanced one iota.

And so the issue was, until recently, not really looked at. In view of the minimal time devoted to regional compacts in the hearings, it is not surprising that there is little understanding of the true impact of title X. Hopefully, a full, thoughtful, and thorough discussion of this issue on the Senate floor will help educate Senators about title X's far-reaching impact.

But how can that take place in the limited period of time that is allotted? Should that take place without there having been thoughtful and thorough examinations of the issue of title X?

If States can come together and form compacts to bar other States and their banking institutions from doing business, why then I would suggest, what is to prohibit the same kind of things in other areas?

I suggest to you that these are far-reaching issues and that we should not rush into it at the urging of political expedience, because that is what it is. It is good politics back home to keep the New Yorkers out, but I do not believe it is in the interest of this Nation to proceed along this line.

But currently, interest rate banking is limited by the McFadden Act which prohibits interstate branching, and the Douglas amendment to the Bank Holding Act which restricts the interstate acquisition of banks by holding companies.

As discussed further below, there is, nevertheless, a good deal of interstate banking in existence today. The Douglas amendment permits a State to adopt laws allowing out-of-State bank holding companies to enter that State by acquiring a bank. A number of States have adopted such laws.

Some States, for example, have permitted limited-purpose banking, often relating to credit card processing, to be set up.

More recently, however, groups of States have compacted to permit banking institutions from within a particular region to cross boundaries within that region. In two areas of the country, New England and the Southeast, a number of the States have actually adopted such laws. These laws are, to say the least, of dubious constitutionality, and that is why the Congress is now being asked to ratify them.

Let us look at the argument put forth in favor of this ratification of regional compacts.

First, it is often argued that legislation which would permit a State to form regional interstate compacts is merely a matter of confirming States rights. This argument, however, turns the Constitution on its head. Under the Douglas amendment, States now have the right to permit interstate banking, reciprocal or otherwise. That is States rights. Proponents of compact legislation now propose to go further and permit States to set up compacts including some States and excluding others. Apparently it is feared, with good reason, that States cannot set up such compacts on their own without running afoul of the Constitution. Therefore, specific congressional authorization is needed to override in effect the compact and commerce clauses of the U.S. Constitution.

These clauses were adopted for the specific purpose of preventing just this type of State action. For example, the commerce clause reflected a central concern of the framers that was an immediate reason for calling the Constitutional Convention, the conviction that in order to succeed, the new Union would have to avoid the tendencies toward economic balkanization that had plagued relations among the Colonies and later among the States under the Articles of Confederation (Hughes against Oklahoma).

How can the issue of States rights which derived from the Constitution now be invoked to promote a type of State action which is specifically prohibited in that same document? There are three constitutional provisions which may be violated by State laws creating regional banking zones: the compact clause, the commerce clause, and the equal protection clause. The first two, compact and commerce, raise basically the same question and create a constitutional barrier which would be difficult for the States to overcome without a Federal legislative solution.

The compact clause says that no State shall, without the consent of Congress, enter into any agreement or compact with another or with a foreign power. Under Supreme Court decisions, the commerce clause has been interpreted as granting Congress the power to regulate commerce among the States and as limiting power of the States to impose barriers to interstate commerce.

While proponents of the State compact laws have argued in court that their State laws do not constitute a compact or infringe commerce, there is little doubt that the courts will find such laws constitute compacts and are infringements. Even the Federal Reserve Board in approving a merger under the Connecticut and Massachusetts compact laws stated that "on their face the State laws in question would violate the compact and commerce clauses." The constitutionality of State compact laws thus hinges on whether or not the Douglas amendment is a Federal grant of authority to the States authorizing such discriminatory State actions. There is no doubt that the Federal Government would constitutionally authorize State action which otherwise would violate the compact and commerce clauses.

The question is whether or not the Douglas amendment is such an authorization. The Douglas amendment cannot be read to grant such authority. Neither the plain language of the statute nor anything in its rather brief legislative history gives any indication of an intention to allow States to so discriminate. Therefore, the Douglas amendment cannot be held to pass the test set up by the Supreme Court—in order to find an authorization for such State discrimination in a Federal statute, that such authorization be expressly or explicitly or specifically stated in Federal law. Nevertheless, opponents of compact laws argue that the Douglas amendment is in effect a blanket delegation to the States to determine which institutions may enter them. This question is expected to be decided in the second circuit court of appeals in the very near future and, I might add, I would suggest will eventually find its way to the Supreme Court of the United States.

While the Congress could enact legislation affirmatively permitting the States to discriminate and thereby quite possibly remove the constitutional question under the compact and commerce clauses, State compact laws would still be subject to challenge under the equal protection clause.

The equal protection clause of the 14th amendment provides that "[n]o State shall deny to any person within its jurisdiction the equal protection of the laws." To survive a challenge under the equal protection clause, classifications must be rationally related to a legitimate State interest. There is no doubt States have the authority to enact laws for the preservation of

local sources of credit, to prevent unfair competition, and to protect resources. However, the argument would be that States have ample alternative means to accomplish these goals without resorting to invidious discrimination against bank holding companies not headquartered in certain, often arbitrarily defined, regions.

It is also argued that regional compacts will provide a limited experiment in interstate banking. This argument, unfortunately, misreads the forces which will be unleashed by regional compacts. In NOW account legislation, which is often cited as a precedent for compacts, the Congress was capable of limiting this modest experiment on a State-by-State basis. With regional compacts, the Congress is, in effect, abdicating the interstate banking issue to the State legislatures.

This compact phenomenon has grown rapidly since compact legislation was first introduced at the Federal level. It is not hard to imagine that within a year or so the majority of States will be members of four or five compacts which cover the country, except for a few isolated States purposely left out. As discussed more fully below, a rash of intraregional mergers will have taken place, without congressional input, which will permanently change the nature of the banking industry in this country.

Some would argue that this is merely an interim step to full interstate banking, but those who do so are not looking at political realities. After the great majority of States adopt such compacts, where will be the political pressure for a Federal solution? Those States which are left out of compacts are left out for one primary reason—they are the homes of the most feared competitors in the industry. Why would there be any pressure in the future for a Federal solution allowing competition by such competitors? Any pressure for further geographic expansion—or for additional potential bidders for banks wishing to sell—can be taken care of under State law by expanding the compacts or even merging them.

Therefore, title X is quite likely to be the final congressional action on interstate banking for many years to come.

Another argument often made in favor of title X is that it promotes regional economies. If the Congress were to decide to phase-in interstate banking, it might well choose to begin by adopting a regional approach—permitting contiguous State banking, for example. However, the regional economic argument in connection with State compacts is simply belied by the facts. The regions which are being created simply have nothing to do with natural market areas; they are being created based on the economic protectionist fears of the bankers who are promoting them.

One simple fact says it all: Utah has adopted a bill creating a region of 11 Western States—including Alaska and Hawaii, but excluding California. Is this a natural market area?

Two regions are being set up which, in effect, surround, but exclude, New York State. The New England zone includes Connecticut, where the 40,000 residents who work in New York far exceed those commuting to Massachusetts, much less Maine. The proposed Middle Atlantic zone would match new Jersey with Maryland but ignore the more than 200,000 commuters from New Jersey to New York.

I suggest that we are not talking about regional economies, that we are not talking about natural forces, that we are not talking about alliances that make sense in terms of promoting that which we want—commerce and competition. Regional compacts are not a creature of the marketplace. We are stilting the economy.

We have not created a circumstance that addresses interstate banking. We have not solved the problem. We have not addressed the issue. We have relied, rather, on political expediency. We can provide for an orderly, structured manner by which to bring about the banking deregulation and real competition, but we have not attempted to do so. We have not spent time in developing a method that would provide for the orderly movement of banks from one State to the other, to provide a method to do that and to insure that those legitimate concerns of State legislative bodies and others in the banking area are met. So I think that is one of the things we should undertake.

What about the antitrust implications of title X? Members of Congress have often expressed concerns about interstate banking leading to a greatly increased concentration level in the banking industry. And yet Congress is considering permitting a system which will create the worst possible competitive situation, without any federally imposed limits on concentration levels and, indeed, as discussed above, basically without any hearings.

As Senator PROXMIRE stated in his additional views with respect to title X:

> In some ways, regional interstate mergers achieve the worst of both worlds. They undermine the principal of local control while failing to maximize competition from all banks in the system.

Under current antitrust law, it is now widely understood that there are almost no limits on so-called market extension mergers in the banking industry. Where two banks compete in the same market, antitrust law will generally prohibit the consolidation of two banks with large market shares. However, where there is little or no direct competition involved—such as when the largest bank in one State acquires the largest bank in another State—the merger will be permitted. Thus, for example, when the Pennsylvania law was recently changed to permit statewide banking, Mellon, the largest bank in the State and in Pittsburgh, was able to acquire Girard, one of the largest banks in Philadelphia and in the entire State.

Already in New England, where bank concentration levels are already generally high, the very largest banking institutions are signing agreements to merge with each other. Applications for such mergers have been submitted to the Federal Reserve Board and several have been approved, but stayed pending a ruling by a court on the constitutionality of the compact laws. Within the proposed Southeast zone, an agreement to merge has been signed by very large banking institutions in Georgia and Florida. The same Georgia institution has a mutual investment pact with large institutions in South Carolina and Alabama. One can only presume that large institutions in North Carolina and elsewhere will soon be added to this agreement.

The result of compact legislation will be a large number of mergers between the largest banks in the various States in a region. For example, a region of, say, 7 States which now has 20 to 25 regional banks may within a few years only have 5 or 6.

Furthermore, these new regional giants will be protected by law from direct competition from outside their regions. From an antitrust perspective, the result will be worse than a total repeal of all prohibitions on interstate banking. Surely those in Congress who have expressed concern about the impact on concentration levels of interstate banking cannot condone such a result.

A sunset date of 5 years, or even 3 or 4 years, will not prevent a large increase in regional concentration levels. The pace of mergers in recent years when State laws have been changed shows that it will take little time for a number of mergers to occur. Indeed, a sunset date will encourage mergers to take place more rapidly.

Title X should not be adopted by the Senate in its present form. It is protectionist legislation for the regional banks. It is against the basic principles of our Constitution. It raises serious antitrust concerns. And it is an abdication of our duty to deal fully with this important issue at the Federal level.

We have three alternatives at this point for dealing with title X. First, we can simply remove it from the bill and thereby ensure that the issue of interstate banking is dealt with more fully sometime in the near future.

Second, at a minimum we can adopt some antitrust safeguards to assure

that we do not end up with regional monopolies in the banking field.

Third, we can adopt a phased-in approach to full interstate banking, containing whatever safeguards we deem appropriate. In other words, we can deal here and now with this important matter.

I have a series of amendments dealing with all three of these alternatives which it is my intention to offer.

GENERAL DISCUSSION OF INTERSTATE BANKING AND PROPOSED FEDERAL SOLUTIONS

In connection with a phase-in solution, there are several points I would like to make that are absolutely paramount. The truth is that today we in large part already have an interstate system for the delivery of banking services. However, our present system can only be described as a hodgepodge which is inefficient, costly, and unfair both to those offering banking services and to those purchasing them. Let us look at only a partial listing of the interstate system we have today.

First, loan production offices: Most of the larger banking institutions have loan production offices in many locations throughout the country lending to large- and medium-size businesses.

Second, grandfathered bank holding companies: 8 bank holding companies headquartered in 6 States control 128 banks in 21 other States.

Third, nonbank affiliates: Bank holding company nonbank affiliates by the hundreds are spread throughout the country. These affiliates include finance companies, mortgage companies, and industries banks.

Fourth, interstate thrifts: Interstate mergers approved by the Federal Home Loan Bank Board have created interstate systems in 29 States.

Fifth, reciprocal banking: 13 States have adopted various types of State laws permitting out-of-State bank holding companies to enter their States under specified circumstances.

Sixth, nonbank banks: Companies which do not qualify as bank holding companies are in the process of setting up interstate networks of so-called nonbank banks. They can do so because a bank is defined in the Bank Holding Company Act as an entity that both takes demand deposits, and makes commercial loans; therefore an entity which does everything a bank normally does except make commercial loans is not technically a bank and may be acquired across State lines, although this may change under S. 2851.

Seventh, interstate electronic banking networks: Networks of automatic teller machines have been formed allowing bank customers access to such machines interstate.

Thus we have de facto interstate banking today in many respects, but in a very inefficient manner. Customers are prevented from receiving the benefits of true competition in financial services by laws which no longer have any justification except to protect certain segments from competition.

I wonder why we have never had a discussion and debate with respect to de facto interstate banking. Is it because the independent bankers want regional compacts. But they do not want to talk about raising their capital ratios. They change the subject quickly. But they want their precious market protected. They want Congress to protect their illegal compacts.

So we do have interstate banking with all of the inefficiencies and yet little if any of the benefits. Customers are prevented from receiving the benefits of true competition and financial services.

The efficient flow of capital is inhibited. Millions of dollars are wasted in setting up artificial business structures that serve no purpose other than to comply with the technicalities of laws which are totally out of date. Furthermore, the financial industry is unable to plan efficiently since, while almost everyone agrees full interstate banking will come, no one knows how or when.

A number of alternative Federal solutions have been proposed with respect to interstate banking. In January 1981, President Carter issued a report entitled "Geographic Restrictions on Commercial Banking in the United States." This lengthy report, required by Congress under the International Banking Act of 1978, recommended "a phased relaxation of current geographic restraints."

Late last year, I introduced such a phased-in approach. Under this legislation, S. 2107, bank holding companies would be able to acquire—or set up de novo—one bank in each of two States each year for 5 years. In other words, after 5 years, a bank holding company could have expanded to a maximum of 10 States. Under the legislation, at the end of the 5-year period, the present restrictions on the interstate acquisition of banks by bank holding companies would be repealed.

Furthermore, during the initial 5-year period a State may adopt a law which, in effect, nullifies the phase-in as far as that particular State is concerned. In other words, a State may prohibit an out-of-State holding company from entering that State; but, if a State so acts, its holding companies will be unable to acquire banks in other States. Again, at the end of the 5-year period, any such State law affecting the interstate expansion of holding companies would be nullified.

One of my primary purposes in introducing S. 2107 was to spur others to consider the need for a phased-in approach to interstate banking. I am pleased to note that in recent weeks two major associations, both of which represent regional and money center banks, have adopted by overwhelming margins identical proposals. These two groups—the Association of Bank Holding Companies and the Association of Reserve City Bankers—recommended the following:

First, effective upon enactment, congressional sanction should be given to State legislation authorizing regional interstate banking arrangements.

Second, effective 2 years after enactment, a bank holding company would be permitted to acquire other bank holding companies: In any contiguous State; in any State within the same Federal Reserve Bank district as the acquiring bank holding company; if the home State of the acquiring company is a part of two Federal Reserve Bank districts, in any State within both districts; and

Third, effective 4 years after enactment, a bank holding company would be permitted to acquire other bank holding companies anywhere in the country.

I would like to comment briefly on one argument which is often raised against removing the barriers to interstate banking. That argument is that removing such barriers will result in the concentration of economic resources. It is often asserted that the bigger banks will quickly gobble up the smaller ones and that we will in the end have only a dozen or so huge depository institutions.

I do not agree with this argument for a number of reasons. First, we have thousands of strong financial institutions in this country which are quite capable of meeting the competitive challenge and thriving. Second, the antitrust laws, as applied to banking, would prevent such a concentration of resources; furthermore, if a case can be made that the antitrust laws are insufficient, they can be strengthened as part of any legislation to remove the interstate barriers. I am willing to work with others to develop any antitrust protections which may be necessary. Third, the largest bank holding companies in this country simply do not have the financial means to gobble up all the others.

Fortunately, we have test cases which demonstrate that removal of geographic barriers will not result in too much concentration. My own State of New York, which has several of the largest banks in the country, removed its barriers to geographic expansion a little over a decade ago. In the early 1970's, for the first time the huge New York City banks were allowed to enter the upstate market. Some commentators thought these banks with their tremendous resources would soon dominate the entire State. To the contrary, New York today has a highly competitive banking market. In fact, the largest New York City banks, despite great efforts, were unable to make much of a dent against the competition in other parts of the State.

The local institutions were more than up to the challenge. There have been similar results in State after State where geographic barriers were removed.

In summary, we do need a Federal policy on interstate banking. A phased-in approach could be adopted which will ensure that we maintain a highly competitive system. This Senator is certainly ready to move ahead with a Federal solution. Unfortunately, title X is not such a solution; but at the same time, it is not, as some have argued, merely a confirmation of States rights or a limited experiment on the road to full interstate banking. It is instead a grant to the States, which will last for many years to come, enabling the States to adopt anticompetitive, discriminatory compact laws. These compact laws will permanently change the face of banking in this country, and this Congress should not ratify them without a full understanding of what is at stake.

Innovation. There are some who claim, Mr. President, that we need innovation. Indeed, the chairman of the Banking Committee, Senator GARN, spoke of how the marketplace is changing. One such change is a gradual interstate banking.

I am for letting the marketplace change through competition and innovation, but this bill ends innovation. This bill says that New York banks cannot innovate by crossing State barriers. Regional compacts are not innovative. They stifle the marketplace and are discriminatory. That is why I am fighting S. 2851.

As the chairman of the Banking Committee has pointed out, greed has played a role in this bill. There are many factors. Some parties do not want any competition. Many of those parties have established regional compacts because of greed. They want to engage in acquisition, but they do not want New York or California to participate. This is all greed. They are terrified of competition. The Senate should not legislate greed by giving regional compacts credence.

What I am doing today is fighting for the consumers. Today, New York banks are paying almost 12 percent for consumer deposits. These are among the highest rates of deposits in the country. This is because of competition. Regional compacts would be void of competition. Banks in a regional compact would not have to pay the higher rate of deposits. This would hurt the consumer. And so, S. 2851, in essence, is really anticonsumer because regional compacts will prohibit them from getting the highest rate of interest and an infusion of money from other areas.

If this bill were put aside, the Senate could look into such vital issues that are facing us today in terms of deficit reduction, in terms of the vital areas dealing with crime, dealing with the defense of this Nation. And I think we could introduce at a later time a real blueprint for interstate banking. Let the private sector and the marketplace pick winners and losers. We should not protect the weak.

I would be remiss if I did not put forth at this time another concern I have moving away from title X, if I might. How can we say at one time that we are afraid of 10 or 12 or 14 large institutions acquiring all of the capital, doing away with competition, when, on one hand, we say let us give to these institutions much more far-flung powers in the marketplace? What is to prevent the banks from then becoming the dominant force in terms of insurance, interms of, yes, even building construction.

I would suggest that we play with great danger in moving forward at this time in giving those expanded powers to many of the institutions that are in difficult and troubled positions.

I would also suggest that maybe instead of a rush to move away from the traditional recognition of those limits of authority that banks have today, that we had better pay attention to the growth in spending. We might better spend the remaining days of this session dealing with our appropriations bills, and also attempting to fashion an economic plan that will not be the downfall of all our banking institutions.

We are still skating on rather thin ice. If we were to look at the thrift institutions today we will find that a majority of them are indeed losing money. They continue to lose it. Were it not for the net worth certificates that we have provided, they would have collapsed.

So why the rush to give expanded powers until we have seen these institutions work themselves out of some of the problems that they presently have? Instead, why not develop a comprehensive economic plan to deal with the growth in Federal spending, and to devise a program and a plan whereby we across the board hold the line on spending, develop a plan that answers the questions and the issues of fairness that are often raised and in so doing begin to limit the growth in Government spending and the size of the projected Federal deficits.

If we were to do that, I would suggest that the marketplace both in the thrift area and the commercial banking area would respond with the kind of growth in opportunity for all sections of our economy that have been unparalleled for many years.

I would suggest that we would have a decline in interest rates, we would have more capital coming into the Federal Treasury, we would have a lessening of the pressures on State and local governments who have to pay inordinately high interest charges today to finance the cost of their borrowing, that we would reduce the cost to the Federal Government and its borrowing, and that indeed the economic turnaround in the infusion of tax revenues to the Treasury would begin to reduce the deficit substantially.

At that point, we could look to how we could produce more revenues for the purposes of not new and increased spending, but to use those revenues to reduce the deficit. It would seem to me that at this critical time we should not be embarking upon a program of economic balkanization that could have catastrophic results in the banking community.

I suggest to you if a Senator feels so strongly about it, that he will continue to attempt to make these points for an extended period. While the equal protection argument is perhaps not as strong as the commerce clause and compact clause arguments, nevertheless it presents a formidible obstacle.

Furthermore, unlike the commerce clause and the compact clause challenges, the equal protection clause argument cannot be overcome by Federal statute. Thus, even if the Congress should enact legislation such as that contained in title X of S. 2851, the courts will still be required to decide the constitutionality of State compacts. Opponents of the compact statute have demonstrated that they will challenge these statutes all the way to the Supreme Court, if necessary. The Federal Court of Appeals has already stayed two approved mergers pending the decision on the constitutionality of the compact laws. Therefore, Federal action on title X may be vain and at a minimum mergers relying on title X will be challenged in court, and quite possibly delayed for many months.

The equal protection clause of the 14th amendment of the Constitution provides "No State shall deny to any person within its jurisdiction the equal protection of the laws." To survive a challenge under the equal protection clause, classification must be rationally related to a legitimate State interest. There is no doubt that States have the authority to enact laws for the preservation of local credit, to prevent unfair competition, and to protect against concentration of resources. However, States have ample alternative means to accomplish these goals without resorting in invidious, discriminatory actions against bank holding companies not headquartered in certain, often arbitrarily, defined regions. The factual background and suits brought against regional compacts will demonstrate that State compact laws have discriminatory purposes. How else, for example, to explain a region set up in Utah's law that includes Alaska, Hawaii, but excludes California?

There are few equal protection cases involving statutes similar to State banking laws establishing regional compacts because few such statutes have survived judicial scrutiny under the commerce clause. However, in the American Trust Co., Inc., against South Carolina, a three-judge panel threw out such a South Carolina law which prohibited domestic corporations with foreign owners from acting in certain cases as trustees, executors, or administrators. The court held that these statutes violate the equal protection clause since there was no rational relation to the State's objectives assuring that corporate fiduciaries serve the public in preventing unfair competition with South Carolina corporate fiduciaries. American Trust presented issues very similar to those presented by State compact laws. It would indicate that a court challenge of such laws would have a good chance of success regardless of congressional attempts to validate such compacts.

(Mr. TRIBLE assumed the chair.)

The applicability of an equal protection challenge to an economic legislation has been affirmed recently by the Supreme Court in *Zobel* v. *Williams*, 457 U.S. 55 (1982). Let me, if I might, refer to an article which appeared in the Wall Street Journal August 22, 1984. It said that "New York State to ask high court to overturn regional banking laws."

NEW YORK STATE TO ASK HIGH COURT TO OVERTURN REGIONAL BANKING LAWS

NEW YORK.—New York state will ask the U.S. Supreme Court to overturn a recent federal appeals court ruling upholding regional banking laws.

New York Banking Superintendent Vincent Tese said the state will join Citicorp and Northeast Bancorp, New Haven, Conn., in appealing a ruling by the appeals court here earlier this month that upheld three New England bank mergers and said laws in New England states encouraging regional mergers are constitutional.

The case has been watched closely because of the growth of regional banking laws which permit mergers across state lines but only within regions.

The laws effectively keep out money center banks of New York, California, and elsewhere, that want to expand nationwide. Mr. Tese complained that the other States "are sticking it to New York" by designing bank regions that exclude New York and its big banks. Regional banking laws for New England already have triggered a spate of mergers, and more recently, several Southeastern States have passed similar laws on regional mergers. Bankers in other sections of the country are also considering a move toward regional banking. "You have the New England States, the Middle Atlantic States, the Middle Western States, and we're (the New York banks) with Bermuda and Botswana," the New York banking superintendent explained.

That might be amusing were it not so true and where the consequences possibly we are faced with are so devastating.

I would like to refer to another article dated September 5, 1984, in the Wall Street Journal, entitled, "Money at Risk: Financial Institutions Are Showing the Strain of a Decade of Turmoil. High Interest Rates, Easing of Inflation, Bad Loans Hurt Banks, Other Firms—But System Proves Resilient."

A decade of turmoil in the financial-services industry is taking its toll. Cracks are appearing, and they may be only the beginning.

Just weeks after fashioning a multibillion-dollar rescue for Continental Illinois Corp., one of the nation's largest banking concerns, government officials helped oust the management at deeply troubled Financial Corp. of America, the nation's largest thrift organization. Meanwhile, bank failures total 54 so far this year—already exceeding the post-Depression record of 48 for an entire year.

The strains stem from high and unpredictable interest rates, a sudden end to steep inflation, and deregulation. They have been exacerbated by merger mania, reckless lending and a proliferation of new financial products. Moreover, the strains aren't limited to depository institutions; they cut across the entire financial-services industry and are causing a steady procession of financial scares in one business after another. Many big brokerage firms are posting record deficits, and property-casualty insurers are reeling from underwriting losses.

Let me suggest that if this is the time for banks to go into the underwriting business, we have those who have been steeped in this area reeling from losses.

WORRIED EXECUTIVES

"You've got a financial system that is in a state of disrepair," says Thomas F. Donovan, senior executive vice president of Marine Midland Bank. Adds the head of one of the nation's largest banks; "I get up every morning and worry about what could go wrong."

Nobody knows where this turmoil will lead. At the least, analysts expect more mergers and forced liquidations. For investors in the troubled institutions, that could mean big losses. For employees in those institutions, it could mean layoffs. Last month, for example, A.G. Becker Paribas, an investment bank, was taken over by Merrill Lynch & Co. after Becker suffered huge bond-market losses. Hundreds of Becker employees are out of jobs.

Further strains also could weigh heavily on American taxpayers. Although the government doesn't fund deposit insurance, some financial-industry analysts believe that protection against major financial losses—whether for customers of banks, brokerage firms, insurance companies or thrifts—ultimately will be borne largely by the government. But the government's resources are strained; widespread bailouts may force it to either raise taxes or print money to aid failing institutions and the latter course reignite inflation.

SHAKEOUT FORECAST

"We've created an entirely new system in the last 10 years," says Joseph Flom, a takeover attorney. "There's going to be a shakeout."

The procession of jumbo-sized financial scares has been jarring. In 1980, Bache Group Inc., a big securities firm, and some of its lenders teetered on the brink of collapse because of huge loans to the Hunt brothers, whose enormous investments in silver were plunging in value. In 1982, Drysdale Government Securities Inc. went bust, costing Chase Manhattan Bank more than $135 million and nearly hobbling a slew of securities firms. That same year, Penn Square Bank of Oklahoma City failed, sending shockwaves through the banking system. In 1983, Baldwin-United Corp., an insurance and financial-services conglomerate, filed for protection against its creditors, and earlier this year, Charter Co., a similar concern, took the same course. And this summer, Continental's deterioration led to the federal government's largest intervention.

Such a list worries Washington, where later this month the House Banking Committee will hold hearings on Continental's near-collapse. The committee also will probably consider the overall weakness in the financial system. Rep. Fernand St Germain, the committee's chairman, said in a recent interview that the financial system is at a "crossroads." The Rhode Island Democrat added that Congress should decide what the government should do when "a large financial institution gets into trouble."

GONE TOO FAR?

In addition, the House is expected to take up legislation that would push certain nonfinancial companies, such as J.C. Penney Co. and Sears, Roebuck & Co., out of the deposit-taking business. Part of the impetus for the legislation is a growing consensus that the recent growth and diversification among financial-services companies have gone too far.

For all the turmoil, the financial system has shown impressive resiliency. So far, private-sector ingenuity and government intervention have prevented individual disasters from spreading. Referring to the Continental rescue, Mr. Flom notes, "If a bank that size had gotten into trouble in the pre-Roosevelt era, it would have been a national calamity." Federal Deposit Insurance Corp. officials add that crisis-management skills are improving with each banking disaster.

My gosh, is that not something? Imagine that. I think that should be a warning to us that this is not the time to tamper with interstate banking and that title X should certainly be repealed.

Mr. President, let me return to the article.

Yet most analysts predict that the system will continue to be severely tested. Much of the strain will be phychological; financial-services-industry participants say that until recently, the response to crises has been to see them as isolated ailments that could be contained. But they say that has changed, largely because of the international debt crisis and Continental's brush with disaster. Now, they discern an unspoken fear that the whole system is shaky.

Is the system shaky, Mr President? I think we had better be very careful. When we have loans that are questionable and are many times the capital of some of those banks, then we must be careful:

The fact that problems are occurring all at once all across the financial-services industry brings an added level of risk. Because financial institutions are becoming more

interdependent, problems are increasingly likely to migrate from one concern to another. For example, Baldwin-United's travails led to an $83 million after-tax charge last year at Merrill Lynch, which, in its push to diversify, had been selling Baldwin's annuities.

Elsewhere, banks are selling loan participations to other banks more frequently. Thus, Penn Square's reckless lending not only brought that bank down but also led to the merger of Seafirst Bank into BankAmerica Corp. and contributed to Continental's near-collapse two years later. Both banks had purchased loans from Penn Square.

A House economist in Washington worries that "all of these institutions meet every day in the government-securities market," which has proved treacherous at times. The Drysdale Government Securities failure threatened to weaken more than a dozen other dealers until Chase Manhattan Bank agreed to honor the defunct firm's obligations.

The strain also comes from basic economic forces. Ironically, one of those is the halt in high inflation, which the Reagan administration cites as its crowning economic achievement. Continental's troubles stemmed largely from energy, real-estate and foreign loans made on the widely held but mistaken assumption that inflation would rage on unabated. When it didn't, loans extended by Continental, and by others operating on the same assumptions, began to sour.

High inflation also encouraged financial companies to borrow heavily for expansion. Baldwin-United borrowed about $1 billion to acquire a big mortgage insurer, MGIC Investment Corp.; in doing so, Baldwin-United took on a debt burden that ultimately helped sink it.

Optimists interpret the current turmoil as a painful adjustment to new economic conditions rather than as a lasting malaise. "What you're seeing is the beginnings of a cure," in which companies "are doing things to disgorge the excesses of the past," says George Ball, the chief executive officer of Prudential-Bache Securities, Inc. Under high inflation, he explains, financial institutions could paper over bad credit risks. "Now, the climate is such that management mistakes have been coughed up into the light of day."

DEREGULATION'S EFFECTS

Also painful to financial businesses has been the deregulation drive. In the securities industry, Congress ended the fixed-commission system that had protected the income steams of brokerage firms.

Most important has been the congressional deregulation of interest rates, combined with the Fed's October 1979 decision to allow rates to fluctuate more and a resulting, unprecedented volatility in rates. In addition, rates may be permanently higher. Henry Kaufman, the chief economist at Salomon Brothers Inc., believes that "financial deregulation has contributed to a higher structure of interest rates," so that rates remain high even though inflation has subsided.

For thrift institutions, carrying older, low-yielding mortgages, the new rate structure has been devastating. The lofty rates have eaten into capital and forced hundreds of savings institutions into government assisted mergers.

Federal regulators also have allowed financial companies to invade one another's turf. For example, in 1981, the Federal Reserve Board and the comptroller of the currency permitted hundreds of banks to offer discount brokerage services. That new competition is aggravating the stains being felt by Merrill Lynch and other full-service brokerage firms.

TOO MUCH CHANGE

One result of all this is simply that many institutions, and regulators, are suffering from an overdose of change. "The whole system has to stabilize," says Dennis Jacobe, an economist for the U.S. League of Savings Institutions. "Now, it's disequilibrium."

The ways that managers have responded to the shocks have often made things worse. "All of these businesses are overcrowded—banking, securities, insurance," says. Barbara Stewart, the president of Stewart Economics, a consulting firm. "You see banks reaching for riskier and riskier loans. In insurance, companies are taking lower and lower premiums for riskier types of insurance."

Swift growth and big-dollar bets on the direction of interest rates largely account for the problems at Financial Corp., which ballooned to assets of $32.7 billion on June 30 from only $6.6 billion at the end of 1982. American Express, after an orgy of takeovers in securities and banking, was blindsided when its insurance unit, Fireman's Fund Insurance Co., had to jack up its loss reserves by $230 million.

Big financial conglomerates "are only capable of managing so many dollars of assets effectively," says Perrin Long, a financial-industry analyst with Lipper Analytical Distributors, Inc. Or, as Salomon's, Mr. Kaufman says, financial institutions are "larger but weaker."

This raises the question, Mr. President, are the financial institutions today ready to undertake more underwriting powers? And should we really allow diversification at this time without dealing with how we are going to be protecting depositors and seeing to it that we do not have a run on a bank. Indeed, the investment community can be the land of golden opportunity. Yet beneath its waters can lay treacherous, strong currents that move quickly. Then what happens to the great financial banking institutions that we now have? We are not talking now about protecting somebody's turf because the SIA wants us to. It is a matter of safety and soundness. We have not addressed the problems of tie-ins. We have not addressed the problem of what is going to happen if that separate sub is in deep difficulty and its impact on the present. Is that major institution going to send scarce and desperately needed resources into a failing securities subsidiary at the expense of the bank?

Give banks expanded services. Why? What happens to the little insurance broker who is competing, who comes into the big banker, and the banker says, "Oh, by the way, do you know we have our expanded services? We make available insurance and a full line of investment opportunities. Have you looked at them?" He does not have to say, "You better go ahead and take a look at it or your line of credit is going to be cut off." He does not have to say that. It is implicit. And that little broker, if he is going to complete, will he have the right and the ability to go out and borrow the money?

What about that separate securities sub? Are they going to be able to get the necessary capital. What rules have we designed to see to it that there are no depositor funds at risk? No one has ever answered that. No one has ever dealt with illegal tie-ins. You say it is illegal. We have not addressed that. I have not seen it addressed. I do not know why at this time we should be moving in one area of deregulation with such haste and at another time constructing a wall around some of the major banking centers in this Nation. The two things are inconsistent. Title X is definitely inconsistent with the other provisions of this act. But enough of that.

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Here is how the strains are affecting the four main financial groupings.

BANKING

One sign that banks are experiencing systemic troubles is the stock of J.P. Morgan & Co. Known as the bluest chip in banking, Morgan stock nevertheless sells at only about six times earnings, well below the price-earnings ratio for many lackluster industrial companies.

On the lending side, the loans that many banks have made to cash-strapped developing nations and energy companies have turned sour at alarming levels. For banks with more than $10 billion in assets, the ratio of nonperforming assets to total loans and real estate more than doubled between 1980 and 1983. And this doesn't include most of the troubled loans to foreign governments, which regulators generally still allow banks to carry on the books at 100 cents on the dollar.

Banks have accepted riskier loans partly because their safest corporate customers have taken to raising cash by selling commercial paper—short-term corporate IOU's—through investment banks. "You've got more and more banks chasing less-quality types of borrowers," Marine Midland's Mr. Donovan says. "If banks lose sight of

quality (controls), they can fill their portfolios with garbage."

In addition to taking on new and often-riskier customers, such as Third World borrowers, banks have extended novel and sometimes risker credits, such as leveraged buyouts, guaranteed letters of credit for securities offerings, and interest-rate swaps.

Risks also have risen on the deposit side of the balance sheet. Banks have increasingly funded their operations by attracting large, uninsured deposits from nervous institutional investors around the world. As Continental's case demonstrated, financial problems can lead to a lethal run by panicky money managers.

Meanwhile, the FDIC has made some big depositors even more nervous by placing uninsured depositors at risk in the failures of small banks. But the Continental rescue, in which depositors of all sizes were guaranteed, has increased the confusion.

Given all these uncertainties, banks' capital levels are generally viewed as too low. "We've moved to financial deregulation at a moment when many financial institutions have a thinness of capital and a problem with the quality of assets," Mr. Kaufman says.

Federal regulators have proposed tougher standards that would rise to 6 percent the ratio of a bank's total capital to assets, and Fed officials hint that this would be only a first step. Some analysts say that despite efforts in Washington to impose stiffer capital requirements, banks are still let off too easily by being allowed to include loan-loss reserves as part of capital.

A continued economic recovery, particularly if coupled with lower interest rates, would surely help the banks. But regulators are surprised that banks haven't benefited already. FDIC chief William Isaac says that by historical standards, bank failures should have tailed off beginning in June, 18 months after the recovery began. They didn't.

THRIFT INSTITUTIONS

After weathering an industry crisis 2 years ago, in which 1,100 troubled thrifts disappeared through mergers or reorganizations, savings institutions are again strapped. Stubbornly high interest rates, plus the threat of further increases, are the chief culprit. The problems of Financial Corp. stem partly from mistaken bets on which way rates would go this summer.

Says the chairman of another California thrift institution, "For the record, the industry is in tough shape. Off the record, it's a disaster."

Might I say, Mr. President, that is the sentiment which I believe most of us are aware exists in the thrift industry today; that it is a disaster; that we are skating on very, very thin ice.

Although lifting the ceiling on interest rates was initially billed as a competitive aid to thrifts, it has hurt in many ways. The institutions are paying higher interest on deposits, but they still are saddled with billions of dollars in older, low-rate mortgages. By some counts, four of 10 thrifts have lost money in every quarter since 1982.

I really cannot believe that we are seriously considering that title X is anything more than a rush to greed by basically a handful of bankers. Depositors are not going to benefit by doing this. Who benefits? A handful of bankers. That is really the score. And it makes great political hay—"Oh, I passed a bill that keeps the New Yorkers out. We don't want them in here. On the other hand, we don't want them coming in here gobbling us up."

And there will be a day of reckoning when the FDIC is on the hook. Those arguments to allow commercial banks to expand because somehow that will increase their earnings does not ring true and it does not meet the test.

Industry economists say that because of eroded capital structures, the thrifts are less able to withstand losses than they were two years ago.

The Federal Home Loan Bank Board has tried to jawbone thrifts into issuing mainly adjustable-rate mortgages, which, in effect, shift the risk of interest-rate increases to borrowers. Adjustable mortgages extended this year should total $172 billion, Salomon Brothers estimates. But as rates rise, homeowners will have difficulty meeting the higher mortgage payments, and foreclosures could skyrocket.

Diversification has also proved a mixed blessing for the thrifts. Legislation passed in 1982 empowers them to expand beyond mortgages into certain forms of commercial real-estate lending. But these new ventures can be much riskier, particularly for the uninitiated. George Davis, executive vice president of First National Bank of Chicago, says some thrifts are writing commercial mortgages "at rates we think are obscene and with structures that are risky. We think they are buying trouble."

That was certainly the case for Empire Savings & Loan Association of Mesquite, Texas, which collapsed last March in the largest thrift failure to date, after pouring money into construction projects outside Dallas. When the projects failed, so did Empire.

The FDIC's Mr. Isaac says the thrift industry's afflictions can be summed up in two words: "high rates." Indeed, Financial Corp.'s future may depend on the level of rates the rest of this year. Jonathan Gray, an analyst at Sanford C. Bernstein & Co., believes that 84% of Financial Corp's deposits will mature within a year, and that if rates rise in the meantime, it may have to pay more to hang on to these deposits. But Financial Corp. can't reprice its assets because only about 30% of its loans and investments mature within a year.

Insurers

Like other financial sectors, the insurance industry is plagued by tougher competition and thinner margins.

But unlike the banking and securities industries, the insurers don't have any federal or industry-supported overall safety net: instead, policyholders are protected by a hodgepodge of state regulations and guaranty funds that critics term inadequate. Baldwin-United annuity holders are hoping that the insurance and securities industries will make up part of the annuity holders' lost interest.

For property-casualty insurers, which cover everything from automobiles to product liability, business is "far riskier than ever," says John Cox, executive vice president and head of financial services at American Can Co. More than half of the insurance premiums currently are for casualty and liability risks, on which claims often don't come in for years and insurers get to keep the premium dollars longer for investment.

These days, however, both the investments and the claims are less predictable. Large settlements over product defects and workplace illnesses have hit insurers hard. Meanwhile, many corporations have been self-insuring the safest, most predictable risks.

High interest rates have exacerbated the boom-and-bust cycle of property-casualty insurers. Record interest rates "mesmerized people inside the industry and outside who believed the business was a cash cow," says M.R. Greenberg, the chief executive of American International Group Inc., a large insurer. People thought that "all you had to do was collect premiums, and investment income would take care of all claims losses," he says.

But the result was a drastic price war, Mr. Greenberg says, with rates on many insurance lines plummeting 40% to 60%. Eventually, investment income couldn't compensate for that.

Now, claims losses are soaring; some big insurers, including Cigna and St. Paul Cos., reported second-quarter losses. And analysts believe that many companies' loss reserves aren't adequate.

However, the two biggest failures have been companies operating in the once-staid life-insurance industry. Baldwin-United and Charter grew too rapidly. Their growth was fueled by skyrocketing sales of the single-premium deferred annuity, which lets buyers build up tax-deferred income.

Experts say neither company understood the risks in the annuity product, particularly given volatile interest rates. Baldwin and Charter both wrote annuities that let buyers cash in their policies and get their money back without penalty if the rates paid on their policies dropped more than a percentage point or two. Amid the general decline in interest rates from their peaks during the Carter-administration years. Baldwin tried to dissuade people from cashing in their policies; it did so by keeping its policy rates artificially high—but at too high a cost to itself. Charter, in contrast, allowed some policy-holders to cash in. Because so much money had earlier flowed into the two companies, a total of $7 billion, both were highly leveraged and thus highly vulnerable.

Mr. President, I point this out in an area where two companies thought they had the sophistication to undertake the sale of insurance and did so with a degree of success, until the bottom fell out.

What happens if, in the same era of steep competition, and it fails? Do the regulators come in? Do we bail out the separate sub? Do we allow them to bail

out the separate sub? Does the FDIC stand behind it, directly or indirectly? This is not the time to allow that.

Congress should be setting about an economic policy that gets those interest rates down. That is what we should be debating in the 20-plus days left in this session, instead of restricting commerce as in title 10.

Securities firms

After a decade of mergers and diversification, Wall Street is finding that bigness and diversity, once viewed as a panacea for the stock market's ups and downs, have drawbacks. Merrill Lynch, the biggest securities firm and long a pacesetter, is shrinking after having expanded to 44,000 employees and hundreds of different financial products—and after a second-quarter loss of $32 million.

The cost of furnishing brokers with computer support and training in new products has ballooned securities firms' expenses. E.F. Hutton & Co. spends $46,000 a year on each broker, before paying any commissions.

Jeffrey Schaefer, an economist for the Securities Industry Association, says that trading volume of 90 million shares a day on the New York Stock Exchange is needed for the large firms to break even. In the second quarter, trading averaged 86.7 million shares a day.

Securities firms also have been hurt by the volatile interest rates. The firms carry large bond portfolios, and many have sustained big losses when interest rates have swung about sharply.

Competition from the banks' discount brokerage operations increases the pressure by making it difficult for the brokers to raise rates to cover the steeper expenses. "As they reach into one another's business, they erode each other's profits," Mr. Schaefer says.

One difficulty with diversification, Lipper's Mr. Long believes, is that it stretches management too thin.

Here again, Mr. President, I believe we had better be cognizant of the fact that many of the large banking institutions will be faced exactly with the problem of having to provide capital that is needed elsewhere. This capital should be used against bad overseas loans. Let them stick to the business they know.

Mr. Long says that—

the problem is that companies refuse to sell things. For example, Sears, Roebuck is faced with the disparate jobs of heading off further losses at Dean Witter Reynolds Inc., its Wall Street arm, while upgrading its image as a retailer of clothes and home products.

As an indication that diversification isn't necessary, Wall Street analysts cite Goldman Sachs, which has stuck to its core-customer base—financial institutions and corporations—but has grown nonetheless. It also has retained its partnership format despite the industry trend to raise capital by going public. Similarly, A.G. Edwards, a traditional brokerage firm, avoided the industry's vogue of expanding into insurance and offering an array of savings vehicles.

Yet, Mr. Long notes, both firms have profit margins well ahead of industry averages.

Mr. President, I believe that one of the areas that we should review is FDIC study of April 15, 1983. So let me, if I might, share some of that report.

EXECUTIVE SUMMARY

The FDIC was established in a time of financial crisis to restore confidence in the banking system. Most observers agree that the FDIC has experienced extraordinary success in maintaining the stability of banking, and many have argued that it has been too successful. Before Federal deposit insurance became a reality, there were concerns expressed that insurance would effectively remove banks from the discipline of the market. These same concerns have been voiced with increasing frequency to the present time.

Since the FDIC began operations, some portion of failed bank situations have been handled in ways that have provided *de facto* 100 percent insurance coverage to all depositors and general creditors. In recent years the vehicle used has been the purchase and assumption transaction (P&A), whereby all liabilities of general creditors (including uninsured deposits) are transferred to an assuming bank. Since the early 1960s, most failed insured banks have been handled by the P&A route. Especially in large banks, there probably is the perception among depositors of minimal risk of loss, and therefore there are few incentives to choose between banks based on financial condition.

During the early years of FDIC operations, a lack of market discipline probably was of little significance. Bankers who survived the Depression were extremely cautious. Although the FDIC handled approximately 400 bank failures from 1934 through 1942, risk in the system probably was not great. Most of the banks that failed during this period were small, and the book losses realized by FDIC were minimal.

The same conservative philosophy to some degree was prevalent throughout the next three decades. Banking was changing, but only 110 banks failed from 1942 to 1972. The economy was growing and much of the restrictive legislation passed in the 1930's was still in place.

In more recent years, banking behavior has changed in many respects. In terms of performance, earnings have become more volatile, and loan losses have risen dramatically. Banking markets have become more competitive, and traditional lines of commerce have begun to blur. The economy during this period has been relatively weak, and more unstable. As a result, the banking system has become more risky, and the risk is likely to increase as the process of deregulation intensifies. In a deregulated environment, the existence of market discipline is likely to become more important to a well-functioning financial system.

INTRODUCTION

There is concern today that the Federal deposit insurance system has removed most market restraints on the ability and willingness of bank management to pursue actions that would not be tolerated in a less economically secure environment. This concern is predicated upon several factors. First, since the early 1960s the FDIC has handled most failed and failing bank situations through merger into a stronger institution, which provided *de facto* 100 percent insurance to all depositors and other general creditors. Until Penn Square Bank failed in mid-1982, no bank with assets of $100 million had been dissolved by way of a payoff of insured deposits. Second, as the powers of banks and bank holding companies expand further and banking markets become more competitive, banks will be under more pressure to maintain profit margins and increase risk-levels. Third, there is considerable evidence that risks in banking already have increased. Increased leverage, primarily at larger banks, and apparent undue concentrations of credit to troubled sectors are often cited as examples.

The purpose of this chapter is to sort through the available evidence to determine the effect of the deposit insurance system on the structure of banking and operating practices of banks. To place recent developments in better perspective, the first section deals with the events preceding the Banking Act of 1933 and chartering of the FDIC, and developments through 1941. The banking environment and FDIC operations during the post-war years through 1972, and from 1972 to the present are then considered, with the final section devoted to a discussion of the current role of Federal deposit insurance and its effects on the current banking structure.

HISTORICAL OVERVIEW

Much of the early history of the U.S. monetary and banking system is characterized by instability and crises. By 1900, however, what was thought to be a relatively stable dual system of state and national banks had evolved. While credit quality problems existed, it was generally recognized that one of the major weaknesses of this system was the absence of a vehicle to prevent liquidity crises from developing. A severe panic in 1907 laid the foundation for the creation of the Federal Reserve System in 1913.

Even with a "lender of last resort" in place, liquidity problems persisted. While member banks had access to borrowings from the Federal Reserve Banks, state banks had to rely on correspondents to supply liquidity. For a number of reasons, including the large proportion of small, rural banks in the system and limited communications facilities available at that time, liquidity remained a major problem. Many banks, seeking to accommodate cash demands or increase liquidity, reduced credit extensions and, in some cases, liquidated assets. This had the effect of reducing cash available to the community which, in turn, placed additional cash demands on banks. Banks were forced to further restrict credit and to liquidate assets, thereby depressing asset prices and further exacerbating the liquidity problems. As more banks were unable to meet withdrawals and were closed, depositors became more sensitive to rumors. Bank "runs" became more common.

Although the decade of the 1920s was generally prosperous, an average of about 600 banks per year failed between 1921 and 1929. While most of these were small, rural institutions, depositors lost an aggregate of approximately $560 million (or about 35 percent of deposits in failed banks) during this period, and had a considerably larger amount of funds tied-up in bankruptcy proceedings. As more banks failed, the volume of assets being liquidated became significant. This activity further depressed asset prices, and added to the problems of banks attempting to gain liquidity.

Between the time of the stock market crash in the fall of 1929 and the end of 1933, about 9,000 banks were closed with an aggregate loss to depositors of about $1.3 billion. The banking and financial system had

almost collapsed, and both the manufacturing and agricultural sectors were operating at a fraction of capacity.

The FDIC was established within this economic climate to help restore confidence in the banking system.[1] By almost any measure, the FDIC has been extraordinarily successful in maintaining stability of the system: bank "runs" soon became a thing of the past; the money supply, both on a local and national basis, ceased to be subject to contractions because of bank failures; liquidation of failed bank assets no longer disrupted local or national markets; and, a significant proportion of community assets no longer was tied-up in bankruptcy proceedings.

Many observers of FDIC operations believe that the Federal deposit insurance program has been too successful, and has effectively removed the necessity for depositors, and perhaps other general creditors, to exercise much discretion in the placement of funds in banks.[2] The literature of the 1930s suggests that these issues were of concern at that time. There was a fear that the complacency of depositors would encourage lax management practices and a general deterioration in credit quality. Additionally, there was concern that deposit insurance would adversely affect the quality of state bank supervision. From its inception, bank examinations have been used by the FDIC to control risks within the system.

The early years of the FDIC's existence were not a period of risk-taking by banks. Bankers who survived the Depression were extremely cautious. Legislation enacted in the 1930s limited bank behavior, essentially to insulate banks from competing with one another too aggressively. Entry was limited by cautious behavior on the part of regulators and by a still depressed economy.

With the exception of the recession years of 1937-1938, the economy expanded throughout the 1930s from the low point reached in 1933. Nevertheless, the FDIC handled approximately 400 bank failures from 1934 through 1942. Most of these were small banks, with the FDIC realizing an aggregate book loss of only about $24 million as a result of these failures. Without the presence of Federal deposit insurance, the number of bank failures undoubtedly would have been greater and the bank population would have been reduced. The presence of deposit insurance also may have limited the necessity for some banks to merge, and may have indirectly encouraged retention of restrictive state branching laws. It had been recognized for some time that a branch banking system potentially was more stable than unit banking because of the ability to geographically diversify the deposit base.

(Mr. ABDNOR assumed the chair.)

Mr. D'AMATO. I might also at this point, Mr. President, suggest to you that same theory is applicable today, not only within my State but nationwide. What we are proposing with respect to title X flies in the face of thoughtful consideration in terms of allowing the marketplace to operate.

As the failure rate began to increase during 1929, many states moved to liberalize branching restrictions; from 1929 to the enactment of the Banking Act of 1935 (authorizing a permanent Federal deposit insurance system), 13 states enacted laws providing broader branching powers for banks. After 1935, it was almost 30 years before any state again liberalized branching. However, limited financial incentives prevailing during most of the 1930s also probably served to reduce bank mergers.

THE PERIOD 1942-72

During World War II, government financial policies and private sector restrictions produced an expanding, very liquid banking system. Bank failures declined significantly (only 28 insured banks failed in the period 1942-1945). Banks emerged from World War II in very liquid condition. Loan losses were practically nonexistent. In fact, many banks experienced sizable recoveries on previously charged off loans.

During the next three decades banking behavior by present standards continued to be very conservative. In general, economic performance was favorable, with recessions reasonably mild and short in duration, and the number of business failures and the volume of loan losses at low levels. This was a period of general prosperity, with a secularly increasing GNP, generally low levels of unemployment and, after the Accord in 1951, a relatively stable price level. Until about 1960, banks continued to operate in an insulated, safe environment. Gradually, banks began to change the way they operated, and some of the restrictions began to be dismantled. The Depression experience ceased to be a dominant force influencing bank management. Still, during the 30 years from 1942 to 1972 there were only 110 failures of FDIC-insured banks, with total book losses aggregating $40 million from the FDIC's beginning through 1972.

It would be an oversimplification to think of this period as being uniform. Banking changed substantially in this 30-year period. Beginning in the early 1960s, some states started to liberalize branching laws. Additionally, the bank holding company vehicle was used increasingly to enter new product markets, and the appearance of negotiable certificates of deposit represented a dramatic shift in bank funding strategy. However, from the standpoint of the FDIC's role and perceived depositor risk, this was a period in which bank failures and their possible occurrence were not very important.

It is difficult to assess the impact of the FDIC on bank structure or the operation of banks with respect to risk. Undoubtedly, the bank examination and supervisory role of the regulatory agencies contributed to the lack of risk in the system during these years. However, a stable economic climate and a vivid memory of the experience of the 1920s and 1930s were contributing factors. On balance, it would be hard to argue that deposit insurance played a dominant role in affecting bank structure in this period.

During this time, there was some concern about how the presence of deposit insurance might limit market discipline. There was occasional discussion about variable-rate premiums, but it was conceded that the 1930s experience might not be relevant, and bank failures and loan losses were too infrequent to provide the bases for any statistical analysis. Whether because of their own conservative behavior, existing legislative constraints or the behavior of bank supervisors, most banks operated during much of this period at a level of risk where market discipline probably did not matter. Indeed, statistical studies relating equity prices to capital ratios and other risk measures suggested that they had not been important or discernible in explaining bank stock prices.

The period from 1972 to present may be most interesting. I will refer to page I-5:

In more recent years banking behavior has changed in many respects. From a performance standpoint, earnings have been more volatile. Loan losses have risen dramatically, and even in some very good years (1977-1978) they never returned to the low 1960s levels. More and more bank funding has involved purchased money, even for moderate sized banks. Demand balances have become relatively less important and, in the case of the household sector, most of these now pay interest. Cheap deposits, in general, have become scarce. Banks have entered new product markets, geographic expansion possibilities have broadened, and traditional banking services are now being offered by some financial conglomerates. Some of these things have developed suddenly while others reflect a regulatory and competitive environment that has been gradually changing.

It is difficult to determine what precisely reflects changing bank behavior and what can be explained by the economic environment. The changing behavior of banks has made the industry more vulnerable to economic conditions. However, in a more stable environment, like that of the 1950s and 1960s, current behavior might not have placed significant strains on the system.

The performance of the economy of the past 10 years has not been very strong. Real growth has been sluggish, averaging approximately 1.4 percent from the first quarter of 1973 through the first quarter of 1983. Recessions have been more severe, and the downturn from which the economy is just emerging is by far the most severe in the post World War II period. Business bankruptcies recently surpassed any level reached prior to the 1930s.

The economy also has been subject to various shocks that have affected banking and business in general. The effects of the rapid increase in oil prices beginning in 1973, and the subsequent role of U.S. banks in recycling petro-dollars may continue to be a problem for some time to come. The more recent deflation in oil prices is causing loan problems for banks heavily into certain energy related credits (this is similar to the problems related to real estate development projects in the mid-1970s). High interest rates accompanying the change in Federal Reserve monetary policy that began in October 1979, have precipitated major loan problems in the commercial banking system, and have, in combination with an unduly heavy emphasis on fixed rate, long-term lending, caused more severe problems in the thrift industry.

Bank failures have increased during the past decade and, more dramatically, recently. There is a greater sense of bank exposure and risk of failure that exists not just among those who regulate and follow banks but with the general public as well. As a result, bank depositors and other bank creditors have had reason to be concerned about exposure and the value of deposit insurance. Consequently, the level of insurance coverage and the manner in which failed banks are handled has become very important.

[1] Although the FDIC represents the first attempt at Federal deposit insurance, several states had deposit insurance programs in effect prior to 1933. The earliest program was established by New York in 1829. By 1930, there were no state programs in existence. For a comprehensive review of these programs, refer to Appendix G.

[2] This topic is reviewed briefly later in this chapter and discussed in more depth in Chapter III of this study.

THE FDIC AND CURRENT BANKING STRUCTURE

There is concern that the manner in which the FDIC has handled most bank failures in the past has removed a perception of risk from depositors and other general creditors. Since 1960 about three-fourths of failed commercial banks and, until Penn Square Bank, all failures over $100 million in size have been handled through purchase and assumption transactions (P&As). In P&As all deposits (including uninsured deposits) and other liabilities of general creditors are assumed by a new or existing bank. Thus, despite a bank failure, all depositors and other general creditors are made whole in a P&A. In those cases where the FDIC pays off a bank, depositors are made whole up to the basic insurance limit. Uninsured depositors and other general creditors usually incur some loss, especially when foregone interest is taken into account.[3]

The P&A had certain advantages over a payoff. The FDIC generally recovers a premium for the assumed deposits, banking site, etc., that it puts up for bids. Banking services are continued and performing loans of the failed bank are purchased by the acquiring institution. There is minimal disruption to the community, little depositor inconvenience and little risk of any secondary effects on other depository institutions.

The FDIC has been reluctant to pay off a large bank because it would involve a substantial cash outlay and it could tie up substantial depositor claims for a long period of time. As long as the market perceives that the FDIC will not pay off a large bank, these banks are able to acquire deposits on risk-free terms despite their capitalization and loan quality. Risk has been encouraged or at least not restrained by the behavior of uninsured depositors. There is little evidence, at least from any analysis during the past several decades, that depositors have ever played a very important role in influencing bank behavior. However, for reasons already cited, bank risk-exposure has become an important issue and deposit insurance does play an important role.

One area where FDIC insurance has clearly been very important during the past few years relates to failing mutual savings banks. Because of their large portfolios of long-term fixed-rate mortgages and bonds, many mutual savings banks incurred substantial losses and capital depletion when interest rates rose so dramatically in 1980-1982. When these institutions approached book insolvency, the FDIC merged these institutions into others and provided financial assistance. Failures was predictable and came as no surprise to much of the financial community. However, because such a large share of deposits was fully insured it became apparent to most that it would be too disruptive and too expensive to pay off any of these institutions. As a result, deposit outflows in anticipation of failure remained modest.

To some extent this situation (and a similar situation for many S&Ls) was facilitated by the increase in insurance coverage to $100,000 in 1980. This represented a significant departure from previous changes in insurance coverage, which had generally been more modest and more or less in line with growth in money GNP. The increase to $100,000 was not designed to keep pace with inflation. Rather, it recognized that many exposed institutions had sizable amounts of large CDs outstanding. The $100,000 limit facilitated their retaining some of these or replacing them with ceiling-free $100,000 CDs (in 1980 only deposit accounts with balances of $100,000 or more were ceiling-free). This increase in insurance coverage provided a vehicle for smaller or moderate-sized banks to compete for funds in regional markets, or through the use of brokers, in national markets.

In retrospect, the increase in the basic insurance limit to $100,000 has been a mixed blessing. On the one hand, it stabilized deposits in troubled bank situations and, in particular, it facilitated the orderly handling of savings bank problems. On the other hand, it also has facilitated participation of large CDs, so that fully-insured accounts within the system could significantly increase. This could hamper any efforts to place large depositors at risk.

Elsewhere in this study alternative means to impart some semblance of market discipline to the banking industry are explored. Chapter II addresses topics related to the feasibility of providing discipline through use of a risk-related deposit assessment scheme, and Chapter III explores the desirability of various other means to impact discipline by shifting risk to depositors or to subordinated creditors. Chapter IV looks at the role of public disclosure in aiding depositors to make an informed judgment regarding the safety of banks. Chapter V discusses the adequacy of the Federal Deposit Insurance Fund, and Chapter VI recommends merging the Federal Savings and Loan Insurance Fund into it. Finally, Chapter VII analyzes the potential for private sector insurance companies to provide discipline by providing excess deposit insurance coverage.

At this time, Mr. President, I might continue what I think you will find most informative in chapter 2 of this wonderful study, "Deposit Insurance, Changing Environment, Federal Deposit Insurance Corporation, April 18, 1983."

I also add, in no way would I like to associate myself with all of those undertakings that the study attempts to examine nor with all of its comments. But I think much of it is worthy of note.

Chapter 2. Risk Related Insurance Premiums. The ideal system for premiums tied closely to risk is simply not feasible. Such a system would require the FDIC to be given an extreme amount of authority. Moreover, it would entail unrealistic data requirements and much more advanced risk qualification techniques than are currently manageable. Even though the "ideal" is not feasible, the FDIC believes that a lesser system based on reasonably sound measures of risk has merit. Relating premiums to risk would reduce the inequity in the current system whereby low-risk banks subsidize the activities of the high-risk banks and discourage excessive risk-taking in an environment that is likely to encourage it.

The chapter goes on to say that because so few banks have failed, there is little meaningful empirical evidence to support the development of any type of comprehensive risk-based insurance system. The system could be based upon perception of risk rather than actuarial evidence or because banks have no viable alternative for deposit insurance. The FDIC believes such efforts should proceed cautiously. Therefore, the FDIC proposes a program that is very limited in scope, one that should reduce some of the inequity in the current system and also provide the basis upon which to build a more comprehensive system.

The proposed system would have only three risk classes: normal, high, and very high. The vast majority of all banks would fall into the normal risk class. It is envisioned that the maximum premium differential would be the assessment credit. However, to insure that the premium differentials did not drop to insignificant levels, the Federal Deposit Insurance Corporation might be given authority to vary the assessment rate to reflect risk.

The proposed plan will focus on credit risk and interest risk as they relate to capital. The latter has been the primary cause in all mutual savings bank failures and the former has been the major cause of most commercial bank failures. This system should be sufficient at the beginning and would be particularly appropriate should there be a merger of insurance banks. Credit risk would be measured by the dollar volume of classified assets and the interest would be measured by computing the present value of potential changes in future pretax earnings resulting from a dramatic point change in interest rates.

Finally, the FDIC also seeks authority to alter the present system whereby banks with high-risk ratings, a composite rating of 3 or worse, are not charged with the disproportionate amount of supervisory time and attention that they require. It is feasible to implement the program whereby insurance premiums more closely reflect the risk which insured institutions pose to the insurance funds.

There are practical limitations on how accurately risk can be quantified, but if approached carefully, a system could be structured to offer worthwhile advantages over the current sytem. This chapter describes a program that is very limited in scope but which will reduce some of the inequity in the current system. It will also provide a basis upon which to build a more comprehensive system.

Federal deposit insurance provides a requirement for public funds to help insure stability in the Nation's financial system. The word "Federal" implies insured deposits and risk-free U.S. Government securities. Insured deposits are less expensive and more reliable than alternative funding sources, and clearly are less influenced by the financial strength of the insured institutions.

Commercial banks and mutual savings banks insurance as prescribed in section 7 of the Federal Deposit Insur-

[3] The topics of market discipline, handling of failed and failing bank situations, and alternative means of increasing market participation in risk evaluation of banks are analyzed in Chapter III.

ance Act are all assessed at rates based on one-twelfth of 1 percent of total deposits after certain adjustments are made. The amount paid by any one institution depends solely upon its deposits and not the risk it poses to the insurance fund. The fact that the present assessment structure does not consider individual bank risks is undeniably flawed but one that has not caused much concern until fairly recently.

Since the 1930's, the level and variation of risk-taking within the banking industry has been very low, because it has been clearly controlled through regulation and supervision.

Mr. MOYNIHAN. Mr. President, without yielding his right to the floor, would my friend and colleague from New York allow me to make some comments on the point which he has just been elaborating? I find it a useful and necessary line of inquiry.

Mr. D'AMATO. Mr. President, if I may, I ask unanimous consent that my distinguished colleague from the State of New York be allowed to speak without my losing my right to the floor and on the condition that at the conclusion of his remarks, I be allowed to regain the floor without its being considered a second speech.

Mr. GARN. Mr. President, reserving the right to object, I do not intend to object as I did yesterday, but I do not like reserving the floor by unanimous consent. I am preferably willing to allow the Senator to yield. I am not going to object or say that the Senator is giving a second speech. On that basis, with that understanding, I shall object in a moment, but I hope the Senator will understand that I am not going to get up tomorrow or later today and say he is making a second speech.

I do not like the precedent of saying, "I am going to keep the floor and yield to somebody." That is supposed to be for answering a question. Obviously, the senior Senator from New York is going to do more than ask a question.

I object, Mr. President.

The PRESIDING OFFICER. The objection is heard.

Mr. D'AMATO. Mr. President, I yield to my distinguished colleague from New York, after having the assurance of my good friend from Utah with respect to the fact that he will not raise the issue of a second speech after the conclusion.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I first express my appreciation and, I am sure, the appreciation of all Senators present for the prevailing courtesy and patience of the Senator from Utah, the distinguished chairman of the committee, who would have grounds for a measure of impatience at this proceeding but who, I think, understands the degree to which we feel there are constitutional issues here that we would like to discuss.

Yesterday, Mr. President, after some extended remarks on this subject, the Senator from Michigan [Mr. RIEGLE] indicated he would like to join in the discussion. I yielded to him for that purpose. It was the point on which the Senator from New York [Mr. D'AMATO] was speaking this afternoon that I had in fact been about to discuss yesterday.

With the always generous indulgence of the Chair, Mr. Chairman, I wish to proceed. That is on the question that, while it is of more than passing interest that a U.S. Senator and group of Senators might think there is a constitutional issue involved in legislation, I would say that, within the confines of this Chamber, such matters are not only in order but are necessary. We have in our procedures a constitutional point of order which can be raised against legislation and decided by the body. That it is our duty here to pass laws and we pass laws in the context of the Constitution, which provides us certain powers and denies us others, and does the same with other units of Government, is the point which I made at some length yesterday, discussing the origins of the Constitution itself and the singular involvement of the issue of State barriers to trade and interstate agreements which involve barriers to trade. I recall the experience of the Articles of Confederation, although in retrospect, it can be recalled as one in which the foreign affairs of the United States proved difficult to conduct. They were that. On the other hand, there was no great foreign policy crisis at the time.

The Napoleonic Wars had not begun. The world was as much at peace as the 18th century world was and as memory serves even somewhat more so. What was troubled in this land was the relations between the economies of the respective States which had great problems that arose out of the Revolutionary War. Extraordinary differences in debt occurred during those years and as a consequence of different levels of taxation in the different Colonies. Some had a great burden of debt. A third or more of the battles of the Revolutionary War were fought on New York soil and put New Yorkers particularly in debt at that time. Virginia had more than its share of warfare, but, unlike New York, it proceeded to pay off it debts. It had not completely done so, but it had arranged to do so, whereas New York had simply issued large long-term bonds which were discounted, one would assume, to a nickel and a dime on the dollar. But this burden of debt in the 13 different jurisdictions meant people looked for revenues. In any unit of government in that kind of exigency the opportunity to impose tariffs seemed irresistible. It seemed, when they saw trade flowing and assumed its profitability, you taxed that trade and assumed it would continue to flow. When you find that it does not, well, it is too late.

But we had begun to tax each other in a most relentless way. I recalled that New York State taxed firewood coming in from Connecticut and vegetables coming in from New Jersey, and this pattern was everywhere. It was exactly this pattern which induced six States to meet in Annapolis, MD, in 1786, at the Annapolis convention to talk about the breaking up of what was at best a tentative and fragile confederation over these barriers in trade and to ask that all 13 States send delegates to a meeting the following year in Philadelphia to ask what was to be done about this.

It was out of that meeting in Philadelphia that this Constitution arose. The simple fact is that almost the first matters they addressed were the problems of giving to the U.S. Congress an absolute responsibility for maintaining one large, single economy, hence, the commerce clause in article I, section 8, which stated unequivocally that "Congress will have the power to regulate commerce," and the provision under article I, section 10, was that, "No State without the consent of Congress will enter into any agreement or compact with another State."

Now, Mr. President, the hour commences to be late. I had hoped to discuss the view of the Federal Reserve Board with respect to the present arrangement in New England, but I can do that tomorrow.

Mr. President, I should like to record what is a matter of public record, that the Federal Reserve Board has stated the regional banking system developing in New England raised "unique and fundamental constitutional issues."

"Unique and fundamental constitutional issues." I hope to have the opportunity to discuss them further in this debate, which is a serious one, and which is being treated seriously by the managers of the legislation, as one would expect given their qualities as legislators and as individuals.

Mr. President, we have had more than our share of the opportunity to speak today. I see that the chairman of the committee has risen. If he would wish me to yield to him at this point, I will be happy to do that.

Mr. President, may I yield with the general understanding of the chairman's previous statement with respect to my friend from New York and which he needs no more say than it is settled with respect to second speech, third speech, and fourth speech.

Mr. GARN. Mr. President, my thoughts on the matter have not changed from 5 minutes ago.

Mr. MATTINGLY. Mr. President, yesterday, the senior Senator from New York [Mr. MOYNIHAN] spoke of anticompetitive banking compacts in reference to his opposition to title X of S. 2851. I would like to set the record straight on the validity of State statutes permitting regionally reciprocal banking and the necessity for Senate action to approve title X.

To quote my colleague from yesterday's CONGRESSIONAL RECORD, page 24238:

> Title X, in the view of this Senator, is an attempt to win congressional endorsement of faulty State legislation that would enable regional banking compacts to be formed which would include some States and exclude others, and to do so in a manner which, in the view of this Senator, violates the expressed provisions of the Constitution, or at least must be made to comport with those, but much more importantly violates a clear spirit of the Constitution which is opposed to the notion of individual States making arrangements with one another that exclude the participation, in whatever the issue involved, of other States.

The enactment of regionally reciprocal State banking laws is consistent with the States rights nature of section 3(d) of the Bank Holding Company Act of 1956—the Douglas amendment. Regionally reciprocal banking laws in no way create an interstate compact and, in any event, because they do not encroach upon Federal sovereignty nor increase the political power of any group of States, the implementation of such laws without congressional approval does not violate the Constitution's compact clause.

Each State which has enacted a regional banking law has reached its own unilateral decision about interstate bank acquisitions, as is graphically demonstrated by the wide divergence in the approaches to interstate acquisitions that have been adopted by the various States which have enacted or are considering regional banking laws. Even assuming, for the sake of argument, that such laws do constitute an agreement among States, implementation of the agreement without subsequent congressional approval would not necessarily violate the compact clause under governing Supreme Court precedent.

The Supreme Court has stated that the application of the compact clause is "directed to the formation of any combination tending to the increase of political power in the States, which may encroach upon or interfere with the just supremacy of the United States." *Virginia* v. *Tennessee,* 148 U.S. 503, 519 (1893); accord, *United States Steel Corporation* v. *Multistate Tax Commission,* 434 U.S. 452, 471 (1978); *New Hampshire* v. *Maine,* 426 U.S. 363, 369 (1976).

The regional banking concept in no way conflicts with the Douglas amendment which, in the absence of regional banking legislation, divides the national banking system into 50 separate banking regions. Nor does it in any way impinge upon Federal interests in the regulation of bank holding companies. Acquisitions pursuant to a regional banking statute remain subject to the requirement of an application for Federal Reserve Board approval. In exercising its responsibility to review such transactions the Board is in a position to ensure that Federal interests as manifested in the Bank Holding Company Act are protected.

The Federal Reserve Board on March 26, 1984, in its order approving certain regional banking mergers in New England, found that "the Douglas amendment should be read as a renunciation of Federal interest in regulating the interstate acquisition of banks by bank holding companies." Thus, the compact clause of the Constitution is not violated. Importantly, the U.S. Court of Appeals for the Second Circuit agreed with the Federal Reserve Board by upholding the Board's three merger decisions based upon the regionally reciprocal State banking statutes of Connecticut and Massachusetts. *Northeast Bancorp Inc., et al.* v. *Board of Governors of the Federal Reserve System,* — F. 2d — (2nd Cir. Aug. 1, 1984). Hence, it can be concluded that the compact clause of the Constitution is not violated by regional banking statutes and that the compact argument is actually only a smoke screen thrown up by those who favor nationwide interstate banking rather than a State's right to determine banking structure within its borders.

Title X of S. 2851 is necessary to clarify present banking law and to counter the costly ongoing court suits which interfere with banks' ability to act under lawfully enacted State banking laws. The uncertainty generated by this litigation also negatively affects the ability of States to adapt their banking system to changing circumstances.

Mr. GORTON. Mr. President, I want to take this opportunity to make clear my support for S. 2851, and to indicate why I believe that we should enact this bill. These comments come from the perspective of one who is a new member of the Banking Committee this Congress, but who has spent many hours listening to testimony and studying the issues over the past 2 years.

I recognize the complexity of the issues now before the Senate, as well as the fact that the nuances of part of the debate will be unfamiliar to those who have not spent a great deal of time on banking issues in the past. The issues indeed are unfamiliar to the general public, and to many members of this body. But they are not at all unfamiliar to the Banking Committee, which has studied them exhaustively and in depth over the past 2 years. I have done so. Along with the other members of the committee, I sat through much of the delivery of the over 6,000 pages of testimony. Day after day, we heard from experts representing ever affected industry, the State and Federal regulatory agencies, academic experts, and consumer organizations. And by an overwhelming margin, their testimony supported this bill.

I did not come to this Congress as a banking expert, and although I know much more about that subject now than I every thought would be necessary, I still do not claim the title of expert for myself. I will leave that title for the distinguished chairman and ranking minority member of the committee, who between them can claim 36 years of experience in dealing with specialized banking legislation.

But I have learned something about these issues, and what I know convinces me that this is a good bill. I believe that Chairman GARN and Senator PROXMIRE are to be complimented for bringing to the full Senate this monumental piece of legislation; a bill which was the subject not only of exhaustive hearings, but also of excruciating negotiation, and lengthy and detailed analysis. This bill is a considered and responsible measure. Far from being any kind of dramatic deregulatory step, it is a reasonable and moderate effort to face up to the dramatic changes which are taking place every day in the financial services industry.

That industry is undergoing change at a rate almost unimaginable only a few years ago. There was a time when banking was thought of almost as a somnolent field—you took in deposits on which, by law, you paid little or no interest, made loans, worked from 9 to 3, and played golf on Wednesdays. There are some, I suspect, who would like to return to those bygone days. But surely such an effort would be futile. Regardless of whether one regards the changes which have overtaken our financial sector as good or bad—and I regard them as good, for the many benefits they have brought to consumers—there clearly is no turning back from the kind of changes we have seen in the past several years. Attempts to force the world to behave in comfortable ways are doomed to defeat—markets and entrepreneurs are simply too clever, and too well-motivated, to be bound for long by laws which refuse to acknowledge the present, let alone the future. Rather than attempting to mold the industry according to outmoded ideas of how we wished the world looked, we must bend our efforts to ensuring that our laws keep abreast of market developments, and that our people are provided with the full benefits that modern technology can provide, while still pre-

serving the safeguards which history has taught us are essential.

This bill does that. This is no dangerous proposal. This bill does not undo the banking safeguards which Congress enacted in the wake of the stock market crash of 1929, and the Depression of the 1930's. Indeed, this bill strengthens those safeguards in several important ways. Opponents have argued that this bill would create conflicts of interest for banks, that it would allow banks to compete with other underwriters on an unfair basis, and that it would pose a threat to the safety and soundness of banking. These are serious charges, and the Banking Committee heard testimony from literally dozens of experts on the subject before it reached its decision.

The bill reported by the Banking Committee contains a number of protections against self-dealing and other competitive abuses. Should a bank elect to undertake any of the new securities powers contained in the bill, it must move all of its securities activities—including general obligation bond underwriting, revenue bond underwriting which is already permitted, and transactions services—out of the bank and into a separate subsidiary of a holding company. Transactions between this subsidiary and the affiliated bank are restricted in numerous ways. Certain transactions would be permissible, but only if they could satisfy arm's-length requirements. Other transactions would be prohibited outright, such as a bank's purchasing, as either fiduciary or principal, any obligation for which its securities affiliate is an underwriter, or a bank's purchasing securities or other assets directly from the underwriter. The bank and the securities affiliate could not use a common or similar name, and the securities affiliate would be fully subject to the rules and regulations of the Securities and Exchange Commission. Finally, banks would lose the advantage they now have over securities firms in their favored tax treatment of underwriting interest expense.

I know we will hear much about bank securities powers in the next serveral days, so I shall not dwell on this subject. But I do want to point out that this is only one small part of this bill. In addition to the very modest expansion of bank holding company securities powers, the bill has numerous other provisions which are of great benefit to consumers, and which are most deserving of the support of all Senators.

The bill closes the nonbank bank and South Dakota loopholes, again subjects on which I will not dwell because I expect them to be well-discussed later.

The bill actually strengthens Glass-Steagall by extending it to certain depository institutions not presently covered by that law.

The bill extends the capital assistance program first enacted in the Garn-St Germain bill, a program vital to the preservation of our savings and loan industry.

The bill establishes new standards for brokered deposits in our banks and thrifts, a concrete and important step to ensuring the health of our Federal deposit insurance system.

Finally, the bill makes several changes in consumer-related law, an area in which I am especially interested:

It applies disclosure and advertising standards to short-term consumer lease agreements, to help combat the sad experience of consumers tricked into paying many times the true value for a television set or other appliance because of misleading financial comeons.

It directs the implementation of provisions to speed up the availability to consumers of funds from checks deposited in banks, putting an end to the annoying and unfair practice of lengthly holds on checks—a practice which must have inconvenienced many of us at one time or another in our lives.

Finally, in a provision of which I am especially fond, the bill repeals the exemption from the Fair Debt Collection Practices Act which attorneys, and only attorneys, enjoy.

There are many other provisions as well—some technical, and some which we will undoubtedly debate at length in the next few days.

I know that many in this body are concerned about the state of our country's financial system. I share these concerns. I, too, read the Wall Street Journal. And I would not support a measure which I felt was inconsistent with the safety, soundness, and fairness of our financial system.

But this is not such a bill. This is a sound bill, whose guiding principle is to maximize benefits to consumers of financial services. It is a measured and forward-looking response to the financial changes which are upon us, and which will continue, regardless of what we do in the next week. We cannot command the tide of change to cease rolling in. Instead, we must ensure that our financial laws are adequate to dealing with the tides of change. The sooner we are about this task, the better for us all.

Mr. President, I support S. 2851, and I urge my colleagues to join me in helping to ensure speedy passage of this bill.

CLOTURE MOTION

Mr. GARN. Mr. President, I send a cloture motion to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 2851, a bill to authorize depository institution holding companies to engage in certain activities of a financial nature and in certain securities activities, to provide for the safe and sound operation of depository institutions, and for other purposes.

Senators Howard H. Baker, Jr., Ted Stevens, Jake Garn, Daniel J. Evans, Mark Andrews, Chic Hecht, William Proxmire, Mack Mattingly, Slade Gorton, Frank R. Lautenberg, Paul S. Trible, Jr., John Tower, Warren Rudman, Richard G. Lugar, Jesse Helms and Strom Thurmond.

AVIATION DRUG-TRAFFICKING CONTROL ACT

Mr. GARN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1146.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1146) entitled "An Act to amend the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert: *This Act may be cited as the "Aviation Drug-Trafficking Control Act".*

SEC. 2. (a) Section 609 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsection:

"TRANSPORTATION OF CONTROLLED SUBSTANCES

"(c)(1) The Administrator shall issue an order revoking the airman certificates of any person upon conviction of such person, and exhaustion of all direct judicial review of such conviction, for violation of any State or Federal law relating to a controlled substance (other than any law relating to simple possession of a controlled substance) if the Administrator determines that (A) an aircraft was used in the commission of the offense, and (B) such person served as an airman in connection with the offense or was on board the aircraft in connection with the offense. The Administrator shall have no authority under this paragraph to review the issue of whether an airman violated any State or Federal law relating to a controlled substance. Before issuing an order revoking a certificate under this paragraph, the Administrator shall provide the holder of such certificate with notice and an opportunity for a hearing on the record. The person whose certificate is revoked by the Administrator's order may obtain judicial review of such order under the provisions of section 1006.

"(2) The Administrator shall issue an order revoking the airman certificates of any person if the Administrator determines that (A) such person has knowingly engaged in an activity which is prohibited by any State or Federal law relating to a controlled

substance (other than any law relating to simple possession of a controlled substance), (B) an aircraft was used in carrying out such activity, and (C) such person served as an airman in connection with such activity or was on board the aircraft in connection with such activity. The Administrator shall have no authority to revoke a certificate under this paragraph on the basis of any activity if the holder of the certificate is acquitted of all charges contained in an indictment or information which relate to controlled substances and which arise from such activity. Before issuing an order revoking a certificate under this paragraph, the Administrator shall provide the holder of such certificate with notice and an opportunity for a hearing on the record. The person whose certificate is revoked by the Administrator's order may obtain judicial review of such order under the provisions of section 1006.

"(3) For purposes of this subsection, the term 'controlled substance' has the meaning given such term by section 102(6) of the Controlled Substances Act.".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 609. Amendment, suspension, and revocation of certificates."

is amended by adding at the end thereof:

"(c) Transportation of controlled substances.".

SEC. 3. Section 602(b) of the Federal Aviation Act of 1958 is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2)(A) Except as provided in subparagraph (B), the Administrator shall not issue an airman certificate to any person whose airman certificate has been revoked pursuant to subsection (c) of section 609 of this title during the five-year period beginning on the date of such revocation.

"(B) The Administrator may issue an airman certificate to any such person before the end of such five-year period (but not before the end of the one-year period beginning on the date of such revocation) if, in addition to the findings required by paragraph (1), the Administrator determines (i) that revocation of the certificate for such five-year period would be excessive considering the nature of the offense or the act committed and the burden which revocation places on such person, or (ii) that revocation of the certificate for such five-year period would not be in the public interest. The determinations under clauses (i) and (ii) of the preceding sentence shall be within the discretion of the Administrator and any such determination or failure to make such a determination shall not be subject to administrative or judicial review.

"(C) In any case in which the Administrator has revoked the airman certificates of a person under section 609(c)(2) as a result of any activity and such person is subsequently acquitted of all charges contained in an indictment or information which relate to controlled substances and which arise from such activity, the Administrator shall issue an airman certificate to such person if such person is otherwise qualified to serve as an airman under this section.".

SEC. 4. Section 501(e) of the Federal Aviation Act of 1958 is amended by inserting "(1)" after "(e)" and by adding at the end thereof the following new paragraph:

"(2)(A) The Administrator shall issue an order revoking the certificate of registration issued to an owner under this section for an aircraft and each other certificate of registration held by such owner under this section, if the Administrator determines that—

"(i) such aircraft has been used to transport a controlled substance, where such transportation is prohibited by any State or Federal law or is provided in connection with any act prohibited by any State or Federal law relating to controlled substances (other than any law relating to simple possession of a controlled substance); and

"(ii) the use of the aircraft was permitted by such owner with the knowledge that the aircraft was intended to be used for transportation described in clause (i) of this subparagraph.

For purposes of this paragraph, an owner of an aircraft who is not an individual shall be considered to have knowledge of an intended use of an aircraft only if a majority of the individuals who control such owner or who are involved in forming the major policy of such owner have knowledge of such intended use. Before issuing an order revoking a certificate under this paragraph, the Administrator shall provide the holder of such certificate with notice and an opportunity for a hearing on the record. Any person whose certificate is revoked under this paragrpah may obtain judicial review of such order under the provisions of section 1006. For purposes of this paragraph the term 'controlled substance' has the meaning given such term by section 102(6) of the Controlled Substances Act.

"(B) Except as provided in subparagraph (C), the Administrator shall not issue a certificate of registration to any person who has had a certificate revoked pursuant to subparagraph (A) of this paragraph during the five-year period beginning on the date of such revocation.

"(C) The Administrator may issue a certificate of registration for an aircraft to any such person before the end of such five-year period (but not before the end of the one-year period beginning on the date of such revocation) if the Administrator determines that such aircraft is otherwise eligible for registration under this section and (i) that revocation of the certificate for such five-year period would be excessive considering the nature of the offense or the act committed and the burden which revocation places on such person, or (ii) that revocation of the certificate for such five-year period would not be in the public interest. The determinations under clauses (i) and (ii) of the preceding sentence shall be within the discretion of the Administrator and any such determination or failure to make such a determination shall not be subject to administrative or judicial review.".

SEC. 5. (a) Section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsection:

"TRANSPORTING CONTROLLED SUBSTANCES WITHOUT AIRMAN CERTIFICATE

"(q) Any person who knowingly and willfully violates section 610(a)(2) in connection with the transportation by aircraft of any controlled substance, where (1) such transportation is prohibited by any State or Federal law or is provided in connection with any act prohibited by any State or Federal law relating to controlled substances (other than any law relating to simple possession of a controlled substance), and (2) such person has knowledge of such transportation, shall be subject to a fine not exceeding $25,000 or to imprisonment not exceeding five years, or to both such fine and imprisonment. For purposes of this subsection, the term 'controlled substance' has the meaning given such term by section 102(6) of the Controlled Substances Act.".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 902. Criminal penalties."

is amended by adding at the end thereof:

"(q) Transporting controlled substances without airman certificate.".

SEC. 6. Section 902(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(b)) is amended—

(1) by striking out "(b) Any person who" and inserting in lieu thereof "(b)(1) Except as provided in paragraph (2), any person who";

(2) by striking out "uses or attempts to use" and inserting in lieu thereof "sells, uses, attempts to use, or possesses with the intent to use"; and

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

"(2)(A) Any person who violates paragraph (1) of this subsection (other than by selling a fraudulent certificate) with the intent to commit any act prohibited by any State or Federal law relating to controlled substances (other than any law relating to simple possession of a controlled substance) shall be subject to a fine not exceeding $25,000 or to imprisonment not exceeding five years, or both.

"(B) Any person who violates paragraph (1) of this subsection by selling a fraudulent certificate with the knowledge that the purchaser intends to use such certificate in connection with any act prohibited by any State or Federal law relating to controlled substances (other than any law relating to simple possession of a controlled substance) shall be subject to a fine not exceeding $25,000 or to imprisonment not exceeding five years, or both.

"(C) For purposes of this paragraph, the term 'controlled substance' has the meaning given such term by section 102(6) of the Controlled Substances Act.".

SEC. 7. This Act and the amendments made by this Act shall apply with respect to acts and violations occurring after the date of enactment of this Act.

Mr. GARN. Mr. President, I further ask unanimous consent the Senate disagree to the House amendments and agree to the conference requested by the House and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. ABDNOR] appointed Mr. PACKWOOD, Mr. GOLDWATER, Mrs. KASSEBAUM, Mr. HOLLINGS, and Mr. EXON conferees on the part of the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ETHNIC AMERICAN DAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 253.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 253) to authorize and request the President to designate September 30, 1984, as "Ethnic American Day."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 3753

(Purpose: To change the date of Ethnic American Day from September 16, 1984 to September 30, 1984)

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for Mr. PRESSLER, proposes an amendment numbered 3753.

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

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

The amendment is as follows:

On page 2, line 4, strike out "16" and insert in lieu thereof "30".

The title of the joint resolution is amended by striking out "16" and inserting in lieu thereof "30".

Mr. PRESSLER. Mr. President, this amendment merely changes the date of Ethnic American Day to September 30, 1984. The reason for this change is to give national ethnic organizations more time to organize events for this occasion.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3753) was agreed to.

The joint resolution (S.J. Res. 253) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 253

Whereas the United States of America is a haven for victims of religious and political persecution and for those who seek freedom and opportunity;

Whereas the United States of America has welcomed oppressed and deprived persons and granted them refuge and citizenship;

Whereas ethnic Americans love the United States of America and have shed their blood in defense of America and its freedoms;

Whereas ethnic Americans have made outstanding contributions in the fields of agriculture, labor, arts, science, medicine, business, and government, and to the quality of life in these United States; and

Whereas designation of an "Ethnic American Day" would contribute to a greater appreciation of the rich ethnic heritage of this Nation and to the unity of all its people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate September 30, 1984, as "Ethnic American Day" and to call upon the people of the United States to acknowledge and advance mutual understanding and friendship among all Americans regardless of their ethnicity.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

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

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I have conferred with the distinguished Democratic leader on this.

I ask unanimous consent that the Senate go into executive sesssion to consider nominations on the Executive Calendar under Interstate Commerce Commission, being Executive Calendar Nos. 942, 943, and 944.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. STEVENS. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations, considered and confirmed en bloc, are as follows:

INTERSTATE COMMERCE COMMISSION

J.J. Simmons III, of Oklahoma, to be a Member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1985.

Paul H. Lamboley, of Nevada, to be a Member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1984.

Andrew John Strenio, Jr., of Maryland, to be a Member of the Interstate Commerce Commission for a term expiring December 31, 1985.

JAKE SIMMONS

Mr. BOREN. Mr. President, Mr. J.J. (Jake) Simmons has been nominated to fill a Democratic vacancy on the Interstate Commerce Commission. I enthusiastically support his nomination.

His distinguished background is well known to the committee. He has previously served as Administrator of the Oil Import Administration, Deputy Director of the Office of Oil and Gas of the Department of the Interior, and Under Secretary of the Interior as well as a brief term as a Commissioner of the ICC.

In addition to his Government services, he has served with ability in the private sector and rose to the position of vice-president of the Amerada Hess Corp.

I am proud to say that Jake Simmons is from my home State of Oklahoma. The friendship of our two families spans three generations. He is being considered for a Democratic position on the Commission. His party credentials are excellent. He has been registered as a Democratic voter in Oklahoma for almost 40 years. He was himself a Democratic candidate for State office in Oklahoma. His father was known as a statewide leader of our party for many years. Both Jake, who served as Muskogee County NAACP president, and his father, who was State president of that organization for a quarter of a century, have been pioneer leaders for civil rights in our State. His brother, Don, is a respected business leader in our State, and served on my Judicial Nominating Commission.

While Mr. Simmons holds solid credentials as a Democrat and is well qualified to serve in a Democratic seat on the Commission. He is above all, a good American who would put the Nation's interest above all else. He is a person of balanced and good judgment. He is fair-minded and capable of objective decisionmaking.

By ability, temperament, and personal character, I believe that J.J. Simmons III is well qualified to serve on the ICC. I recommend him to my colleagues without reservation.

Mr. STEVENS. Mr. President, I ask unanimous consent to reconsider the vote by which the nominations were confirmed en bloc.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

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

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

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

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

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

DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 166

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one revised deferral of budget authority which now totals $331,964,058. The deferral affects the Department of Energy.

The details of the deferral are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *September 6, 1984.*

REPORT ON AGENCIES EXCLUDED FROM MERIT PAY—MESSAGE FROM THE PRESIDENT—PM 167

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Supervisors and management officials in GS-13, 14, and 15 positions throughout the Federal Government are covered by the Merit Pay System as required by chapter 54, title 5, United States Code, unless otherwise excluded by law.

Upon proper application from the heads of affected agencies and upon the recommendation of the Director of the Office of Personnel Management, I have, pursuant to 5 U.S.C. 5401(b)(2)(B), excluded two agencies from coverage under the Merit Pay System. In addition, one agency previously excluded because of emergency conditions will no longer be excluded.

Attached is my report describing the agencies to be excluded and the reasons therefor.

RONALD REAGAN.

THE WHITE HOUSE, *September 6, 1984.*

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-3656. A communication from the Secretary of Agriculture and the Secretary of Health and Human Services transmitting, pursuant to law, the first progress report on the Human Nutrition Research Information Management System; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3657. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Further Actions Needed to Improve Emergency Preparedness Around Nuclear Powerplants"; to the Committee on Armed Services.

EC-3658. A communication from the Secretary of Agriculture and the Secretary of the Air Force transmitting, pursuant to law, notice of the intention of the Departments of Agriculture and the Air Force to interchange jurisdiction of lands in Colorado; to the Committee on Armed Services.

EC-3659. A communication from the Acting Deputy Assistant Secretary of the Air Force for Logistics and Communications transmitting, pursuant to law, a report on the decision to convert the routine pickup and delivery function at McClellan Air Force Base, Calif. to performance under contract; to the Committee on Armed Services.

EC-3660. A communication from the Secretary of the Treasury transmitting, pursuant to law, the 1983 report of the Exchange Stabilization Fund; to the Committee on Banking, Housing, and Urban Affairs.

EC-3661. A communication from the Assistant Attorney General of the U.S. (for Antitrust), transmitting, pursuant to law, a report on the Voluntary Agreement and Plan of Action to Implement the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3662. A communication from the Secretary of the Interior transmitting, pursuant to law, the annual report on the status of implementation of the Redwood National Park Expansion; to the Committee on Energy and Natural Resources.

EC-3663. A communication from the Secretary of Health and Human Resources transmitting a draft of proposed legislation to extend certain child welfare and foster care provisions under the Social Security Act; to the Committee on Finance.

EC-3664. A communication from the U.S. Trade Representative transmitting, pursuant to law, a report on the status of pending cases involving unfair trade practices of foreign governments; to the Committee on Finance.

EC-3665. A communication from the Acting Secretary of State transmitting, pursuant to law, a report on the situation in Grenada; to the Committee on Foreign Relations.

EC-3666. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled Examination of the U.S. Bureau of Engraving and Printing's Financial Statements for the Year Ended September 30, 1983; to the Committee on Governmental Affairs.

EC-3667. A communication from the Secretary to the Railroad Retirement Board transmitting, pursuant to law, a report on a computer matching program of Railroad Retirement records and RUIA Master Benefit records; to the Committee on Governmental Affairs.

EC-3668. A communication from the Governor of the Farm Credit Administration transmitting, pursuant to law, amendments to the 1983 Freedom of Information report; to the Committee on the Judiciary.

EC-3669. A communication from the Assistant Attorney General of the U.S. transmitting a draft of proposed legislation to strengthen and make more efficient the operations of the Federal Bureau of Prisons; to the Committee on the Judiciary.

EC-3670. A communication from the Assistant Secretary of the Air Force for Manpower, Reserve Affairs, and Installations transmitting a draft of proposed legislation to allow the USAF Institute of Technology to adopt certain personnel and pay practices; to the Committee on Armed Services.

EC-3671. A communication from the Secretary of Commerce transmitting, pursuant to law, the annual report on title IV of the Outer Continental Shelf Lands Act; to the Committee on Commerce, Science, and Transportation.

EC-3672. A communication from the Acting Secretary of Agriculture transmitting, pursuant to law, the 1984 global assessment on world food production and needs; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3673. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, the cumulative report on rescissions and deferrals as of August 1, 1984; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-3674. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Canada; to the Committee on Armed Services.

EC-3675. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to the United Kingdom; to the Committee on Armed Services.

EC-3676. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Denmark for defense articles estimated to cost in excess of $50 million; to the Committee of the Armed Services.

EC-3677. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Italy for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-3678. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a listing of contract award dates for the period of September 1, 1984 to October 31, 1984; to the Committee on Armed Services.

EC-3679. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Export Administration for fiscal year 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC-3680. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the 1984 annual report on the economic viability of depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC-3681. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on contracts negotiated under 10 U.S.C. 2304(a)(11) during the period April 1 through September 30, 1984; to the Committee on Commerce, Science, and Transportation.

EC-3682. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Effect of the Airline Deregulation Act on the Level of Air Safety"; to the Committee on Commerce, Science, and Transportation.

EC-3683. A communication from the Secretary of Energy, transmitting, pursuant to law, the quarterly report on the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-3684. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on Federal Government Energy Management for fiscal year 1983; to the Committee on Energy and Natural Resources.

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. SPECTER:

S. 2965. A bill to provide additional funding to accelerate the replacement and rehabilitation of highway bridges; to the Committee on Environment and Public Works.

By Mr. CHILES:

S. 2966. A bill to designate the Federal Building and U.S. Courthouse in Ocala, FL, as the "Golden-Collum Memorial Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

By Mr. JEPSEN:

S. 2967. A bill to amend the Consolidated Farm and Rural Development Act to provide agricultural credit assistance to borrowers of loans made by legally organized lending institutions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATSUNAGA:

S. 2968. A bill for the relief of Marcelino Valdez and Gloria Valdez; to the Committee on the Judiciary.

By Mr. DENTON (for himself, Mr. CHILES, and Mrs. HAWKINS):

S. 2969. A bill for the relief of Teodoro N. Salanga, Jr.; to the Committee on the Judiciary.

By Mr. HELMS:

S. 2970. A bill to amend title II of the Social Security Act to provide for the issuance of a certificate of guaranteed tax-exempt benefits to each individual who is entitled to an old-age insurance benefit under such title or who is 62 years of age and entitled to any other benefit under such title; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. RUDMAN):

S. 2971. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to strengthen the provisions relating to trusteeship requirements and fiduciary responsibilities, and to provide improved provisions with respect to mergers of subordinate labor organizations, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. QUAYLE:

S.J. Res. 349. Joint resolution to designate the month of September 1985 as "National Mental Retardation Awareness Month"; to the Committee on the Judiciary.

S.J. Res. 350. Joint resolution to recognize the importance of the role of the Bureau of Apprenticeship and Training of the Department of Labor in promoting apprenticeship programs; to the Committee on Labor and Human 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. PELL (for himself and Mr. CHAFEE):

S. Res. 436. Resolution to commemorate the 100th anniversary of the Naval War College in Newport, RI; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. Con. Res. 138. Concurrent resolution expressing the sense of the Congress that the President should seek a 6-month moratorium with the Soviet Union on the testing of nuclear warheads in order to negotiate a mutual and verifiable comprehensive test ban treaty; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 2965. A bill to provide additional funding to accelerate the replacement and rehabilitation of highway bridges; to the Committee on Environment and Public Works.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION ACCELERATION ACT

Mr. SPECTER. Mr. President, today I am introducing legislation that would provide additional funding to accelerate the replacement and rehabilitation of the deficient highway bridges across our Nation. The "Highway Bridge Replacement and Rehabilitation Acceleration Act of 1984" is targeted at ameliorating the continuing problem of bridge deterioration.

The funding of $2.5 billion will require no new or increased taxes since there are ample funds currently available in the $9 to $10 billion surplus in the highway trust fund. This bill would recognize this priority item and would allocate and expend these funds which, as I say, are currently available.

The introduction of this bill is particularly timely as it coincides with the issuance of the Federal Highway Administration's fifth report to Congress. This report shows that little improvement has been made.

Many of our bridges have fallen into a state of disrepair and constitute major safety hazards. I am acutely aware of this problem as my State of Pennsylvania has some 3,800 structurally deficient bridges; in fact, every State suffers from this deterioration. Deficient bridges cause a disruption in the flow of commerce, and adversely impact both truckers and consumers. For every mile a trucker detours, his operating costs increase an additional $1.10. Consider a 10-mile detour due to a deficient bridge. Further, consider average daily traffic of 2,000 trucks forced to use this detour. This translates into an additional 20,000 miles traveled, or an additional $8 million yearly resulting from only one deficient bridge.

The Department of Transportation has reported that an estimated 253,000 bridges are deficient and are capable of causing disruption of this magnitude. Since last year, the number of deficient bridges has increased by 2 percent, while the cost of rehabilitation has increased by 2.7 percent. Moreover, the number of structurally deficient bridges on and off the Federal-aid system has increased more than 4 percent. The total cost to replace and rehabilitate deficient bridges is $48.9 billion. The $7.05 billion authorized for this purpose for the life of the Surface Transportation Assistance Act of 1982—while representing the continuing Federal commitment to preserve bridges on the public highway system—does not make a large enough dent in the problem.

An aggressive attack on this critical infrastructure problem is surely the most effective approach. The cost of repairing and replacing our bridges is already exorbitant and, if left uncontrolled, will skyrocket. Federal Highway Administration analysis has shown rehabilitation to be cost effective as it provides for an extended bridge-service life if undertaken before deterioration reaches an advanced stage. By accomplishing rehabilitation early, more costly replacement can be averted, and a given bridge can provide reliable transportation to the public for an extended time. If we proceed in streamlining these bridge projects, we can mitigate this problem now and can count on saving time and money in the long run.

This bill multiplies current funding levels because it primarily concentrates on the so-called big bridges, whose repairs would require at least $10 million. States simply cannot afford such costs—either financially or in terms of the spiralling difficulties which deterioration of bridges presents to them.

The big bridge bill would appropriate an additional $625 million out of

the highway trust fund for each of fiscal years 1985, 1986, 1987, and 1988, totaling $2.5 billion for the life of the bill. Since the level of bridge disrepair has reached crisis proportions, it is imperative to increase funding levels twofold. This level of funding will not require additional revenues or new money, because there is a $9 to $10 billion surplus in the highway trust fund.

This legislation includes a provision that targets areas hurt by high unemployment. Unemployment sadly continues to plague too many communities. It is crucial that we adopt a two-tracked approach aimed at improving both of these grave situations. Six factors would be employed in determining priorities under this program, including weather conditions, operational capacity, unemployment, and economic needs of the community.

Under this bill the State matching requirement for funding would be reduced to 10 percent from the current 20 percent, giving States better ability to leverage their funds at a time when revenues at the local level have decreased. This change would greatly help States burdened with a large number of structurally dangerous bridges which have been limited in their ability to undertake bridge repair because of the demanding matching requirement. Assuming the availability of Federal funding which this bill would provide, States could do twice the amount of bridge work they currently undertake.

Mr. President, I would like to conclude by stressing the importance of the timing of this legislation. Congress must take steps now to facilitate the rapid replacement and rehabilitation of our bridges if we are to protect our Nation's transportation needs. Not only will this bill strengthen and support interstate commerce, but it will also target the unemployment problem by creating thousands of new job opportunities. I know that many of my colleagues join me in my concern. Let us take the necessary action now to alleviate this tremendous strain on America's infrastructure.

I ask unanimous consent that the bill be printed in full in the RECORD.

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

S. 2965

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 "Highway Bridge Replacement and Rehabilitation Acceleration Act of 1984".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "Secretary" means the Secretary of Transportation;

(2) the term "bridge" means a structure, including approach ramps, on which a highway crosses over waterways, other topographical barriers, other highways, and railroads;

(3) the term "highway" shall have the meaning provided in section 101(a) of title 23, United States Code;

(4) the term "deficient" means structurally deficient or functionally obsolete;

(5) the term "Federal-aid system" shall have the meaning provided in section 101(a) of such title;

(6) the term "State" shall have the meaning provided in section 101(a) of such title; and

(7) the term "application" means any application submitted under section 5 or 9 of this Act in a form and manner prescribed by the Secretary.

FINDINGS AND PURPOSE

SEC. 3. (a) The Congress finds that—

(1) the Surface Transportation Assistance Act of 1978 established the Highway Bridge Replacement and Rehabilitation Program and authorized a total of $42,000,000,000 for fiscal years 1979 through 1982;

(2) the greatly increased funding level over the four-year period provided an incentive to State and local governments to prepare plans and advance bridge projects to construction;

(3) from an analysis of the current bridge data, an estimated two hundred and fifty-three thousand bridges are deficient with nearly 27 per centum located on the Federal-aid system;

(4) the number of deficient bridges has increased approximately 2 per centum since the last report to Congress with a corresponding increase of 2.7 per centum in replacement and rehabilitation costs;

(5) the total cost to replace and rehabilitate deficient bridges is $48,900,000,000; and

(6) the $7,050,000,000 authorized for fiscal years 1983 through 1986 by the Surface Transportation Assistance Act of 1982 should continue efforts to improve bridges on the public highway system throughout the Nation.

(b) The purpose of this Act is to accelerate the replacement and rehabilitation of the deficient bridges in the United States.

PROJECT FUNDING

SEC. 4. (a) The Secretary shall pay 90 per centum of the costs of any eligible bridge project approved under section 5 and selected under section 6.

(b) The Secretary shall be authorized to pay the total costs of any emergency bridge project approved under section 9.

PROJECT ELIGIBILITY

SEC. 5. The Secretary may approve for selection any deficient Federal-aid system bridge project application under this Act which is eligible for funding under the provisions of section 144 of title 23, United States Code, and which costs more than $10,000,000, or if less than $10,000,000, costs at least twice the amount apportioned to the State in which such project is located under section 144 of such title for the fiscal year in which the application is made.

SELECTION PROCESS

SEC. 6. The Secretary shall select for funding eligible bridge projects approved under section 5 pursuant to a process of priorization based on the following factors and considerations:

(1) the continuation and completion of any bridge project previously begun with discretionary bridge funds under section 144 (g) of title 23, United States Code;

(2) any bridge project in any State or community having an unemployment rate in excess of the national average unemployment rate (as determined by the Bureau of Labor Statisitics for purposes of computing the total nonseasonally adjusted rate of unemployment) during the latest month prior to the date of project application for which such unemployment rates have been determined;

(3) the sufficiency rating of any bridge computed as illustrated in appendix A of the Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges, USDOT/FHWA (latest edition);

(4) the additional costs incurred in operating commercial motor vehicles with more than two axles detoured around any weight restricted bridge;

(5) the operational status of any bridge with special consideration given to any bridge which is closed, or under a twenty ton or less restriction, or in need of immediate repair to avoid such restriction; and

(6) any bridge project in any State which—

(A) has many high cost bridge project candidates,

(B) has greater than the average total bridge needs for each State, or

(C) has demonstrated a commitment to improving deficient bridges through a responsible State bridge repair program.

ACCELERATED REPLACEMENT AND REHABILITATION

SEC. 7. (a) Notwithstanding any other provision of law, the preparation of any bridge project application pursuant to the provisions of this Act shall satisfy all procedural and substantive requirements for any statement, analysis, or study under subparagraphs (C), (D), and (E) of section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)).

(b) Subsection (a) shall not apply to any bridge project application involving the total relocation of any bridge for replacement purposes as determined by the Secretary.

PROJECT CONTRACTS

SEC. 8. Except as provided by the Secretary, all planning, design, surveying, mapping, construction inspection, and related services related to any bridge project under this Act shall be procured from firms selected under the provisions of title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

EMERGENCY PROJECTS

SEC. 9. The Secretary may approve for funding any emergency project application for the repair or rehabilitation of any Federal-aid system bridge which has been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to structural deficiencies or physical deterioration.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. (a) There is hereby authorized to be appropriated out of the Highway Trust Fund $625,000,000 for each of the fiscal years 1985, 1986, 1987, and 1988, to carry out the provisions of this Act. Sums appropriated pursuant to the authorization contained in the preceding sentence shall remain available until expended.

(b) Of the amount available for each fiscal year under subsection (a), $100,000,000 shall be available for expenditure under section 4(b). If in any fiscal year the total of all expenditures under section 4(b) is less than the amount available in such fiscal year, the unexpended balance of such amount under section 4(b) shall remain available for ex-

penditure to carry out the remaining provisions of this Act.

By Mr. JEPSEN:

S. 2967. A bill to amend the Consolidated Farm and Rural Development Act to provide agricultural credit assistance to borrowers of loans made by legally organized lending institutions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL CREDIT ASSISTANCE ACT

Mr. JEPSEN. Mr. President, we are here today when rural America is undergoing some real rough times, some real tough financial times.

Bold action is needed to overcome the current crisis in agriculture. We must invest in agriculture today, so that farmers can survive tomorrow.

It is for this reason that today I am introducing legislation which coordinates Federal and local community resources to restructure farm debt and lower interest rates for financially troubled farmers and agri-businesses.

This legislation, which I call the Iowa plan, was developed after consultation with scores of Iowa farmers and agri-business leaders and literally hundreds of people throughout the country in the last 18 months in hearings conducted by my committee, the Joint Economic Committee.

Today, Mr. President, our Nation celebrates renewed economic opportunity and optimism. We celebrate double-digit growth in our gross national product; during the past 3 years we've witnessed a 46-percent increase in corporate profits, a 40-percent increase in wages and salary incomes, a 28-percent increase in personal dividend and interest income, and a 24-percent increase in income-support Government transfer payments. During this same remarkable period domestic automobile sales have gone up better than one-third; housing starts have almost doubled, and more than 5 million more people are now at work than were 3½ years ago.

However, Mr. President, there is little joy in rural America. This Nation's first and largest industry remains in the throes of recession. President Reagan has acknowledged the fact that American agriculture lags behind in its economic recovery. The combined effect of a slow global economic recovery, the persistently high value of our dollar compromising our competitive position in world markets, huge increases in farm production costs and debt incurred primarily during the late 1970's, and interest rates which are still too high have placed tremendous financial stress on America's farmers and ranchers.

I am confident that the economic policies of the Reagan administration will lead agriculture into economic recovery. But because of agriculture's extreme dependency on export markets, this recovery can only occur when the effects of these economic policies begin to be reflected in the growth of the economies of our foreign food and fiber customers. Agriculture is the most internationalized of any major sector of our economy. One-half of the income earned from the sale of crops comes from foreign purchases. We are only now beginning to understand and appreciate the economic implications of this fact: Agricultural economic recovery is perhaps more closely tied to global economic recovery than to domestic economic recovery. Depressed world economies yield reduced food and fiber imports and depressed U.S. farmer revenues. The adequacy of revenues, of course, can only be measured relative to the costs incurred in producing the output which generates those revenues. In 1983 farmers and ranchers spent $135.3 billion to earn cash marketing receipts of $138.7 billion—a net of $3.4 billion for an industry whose assets are valued at more than $1 trillion. Said another way, in 1983, it took more than $40 of product sales to yield $1 of net income from sales. This net income, of course, excludes income from other sources and Government payments.

The primary objective of the bill I introduce today is to significantly improve the net income or cash-flow position of farmers and ranchers who are on the brink of bankruptcy and foreclosure by reducing their interest payments on debt. The means employed is a temporary Government buy-down of the farmer's interest rate.

Rather than foreclosure and the dumping of more land on an already depressed farm real estate market, under this act, bankers and farm credit system lending institutions are given the option to trade a troubled farm mortgage to the Government in exchange for a Federal security. The face value of that security can vary anywhere from 95 to 75 percent of the value of the mortgage—5 to 25 percent write-downs. That security will yield the bank interest payments at market rates; for example, 3-year treasury bills are currently yielding about 12½ percent. For each 5 percent of loan write-down the farmer's current interest rate will be reduced by 1 percentage point. The magnitude of the write-down depends on how much interest payment relief an individual farmer needs to significantly improve his cash-flow position. When commercial interest rates have declined to the level of the Government buy-down or the financial position of the farmer has improved, the bank must buy back the original mortgage with the Government security, and the farmer will resume his payments to the bank.

An example can best illustrate:

Assume the value fo debt is $750,000 and that the farmer is paying an interest rate on this debt of 14 percent. Interest payments therefore amount to $105,000 per year—$750,000 multiplied by 14 percent.

This farmer cannot make it paying interest charges of $105,000 but he could make it, and, importantly, qualify for an operating loan next spring if his interest payment were reduced to $67,500, thus increasing his net income by $37,500.

To bring his annual interest payment down to $67,500 on a $750,000 loan, the interest rate would have to be reduced to 9 percent—$750,000 multiplied by 9 percent.

To buy this interest rate down a full 5 percentage points—14 to 9 percent—the Government would offer a security to the bank equal to 75 percent of $750,000 or $562,500 on which the bank would earn an interest rate payment equal to the market rate applicable to that security.

When commercial interest rates decline to 9 percent the bank would be required to trade in its $562,500 security for the $750,000 mortgage now carrying a market interest rate of 9 percent.

Should market interest rates not decline to Government bought-down levels, all terms of the arrangement are subject to renegotiation at the end of 3 years including the possibility of terminating assistance if it is judged that the financial condition of the farmer has materially improved.

We have estimated the annual Government cost of this program as follows:

Interest payment to bank from Government $562,500 × 12½ percent	$70,312.50
Interest payment from farmer to Government $750,000 × 9 percent	67,500.00
Net cost	2,812.50

If 10 percent of all farmers qualify (240,000 farmers) at this worst case or most expensive level, total Government cost would be: $675 million (240,000 farmers × $2,812.50).

Benefits to a lender include the following:

Relieved of the risk of a potential nonperforming loan and possible foreclosure and more land sales further depressing land values and other farmer and borrower equity positions.

The lender now has a guaranteed Government security and interest income which will improve its financial stability.

The farmer benefits in that annual interest payment has declined from $105,000 to $67,500, yielding an improvement in net income of $37,500.

The act also authorizes the Secretary of Agriculture to form "community farm finance advisory committees" for the purpose of reviewing the financial problems and needs of individual farmers. These committees would make recommendations to the farmer,

his lender and Federal officials regarding debt restructuring options.

The Agricultural Credit Assistance Act of 1984 also sets the maximum amount of debt to be restructured at $750,000, to better target average-sized family farms and limit Government costs. In addition a maximum interest rate buy-down of 5 percentage points is established.

Mr. President, one great challenge remains in achieving our goal of a full and lasting economic recovery. Such interim assistance to agriculture as provided in this bill is essential if we are to ensure that the American farmer or rancher is not a patient that dies in the course of an economic recovery.

I ask unanimous consent that a copy of the bill and the outline of the Iowa Plan be printed in the RECORD at this point.

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

S. 2967

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 "Agricultural Credit Assistance Act of 1984".

AGRICULTURAL CREDIT ASSISTANCE

SEC. 2. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 349. (a) As used in this section:

"(1) The term 'county committee' means a county committee appointed under section 332.

"(2) The term 'market interest rate' means the current average market yield on outstanding marketable obligations of the United States having maturities of not to exceed five years.

"(b) In order to provide credit assistance to a farmer or rancher who is a borrower of a loan made by a legally organized lending institution, the Secretary may, in accordance with the section and after consultation with the appropriate county committee, issue an obligation to such institution and make payments under such obligation to such institution if—

"(1) such institution agrees to accept such payments during the period prescribed in subsection (e) in lieu of payments from such borrower under such loan; and

"(2) such borrower agrees to make payments to the Secretary during such period in accordance with this section.

"(c) The Secretary may provide assistance under this section to a borrower of a loan only if the borrower—

"(1) is—

"(A) a farmer or rancher who is primarily and directly engaged in agricultural production and is a citizen of the United States;

"(B) a farm cooperative, private domestic corporation, or partnership that is primarily and directly engaged in agricultural production and in which a majority interest is held by members, stockholders, or partners, as the case may be, who are citizens of the United States and are primarily and directly engaged in agricultural production; or

"(C) a small business which is located in a rural area and is engaged in furnishing to farmers and ranchers machinery, supplies, and services directly related to the production of agricultural commodities;

"(2) has the experience or training and resources necessary to assure a reasonable prospect for successful operation with the assistance provided under this section;

"(3) needs such assistance in order to maintain a viable agricultural production or business operation; and

"(4) is not able to obtain sufficient assistance elsewhere due to economic stress, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.

"(d) Assistance under this section may be provided to a borrower of a loan made by a lending institution only if such loan was made for a purpose authorized for a loan under this Act.

"(e)(1) The period for assistance under this section shall be three years.

"(2) If the Secretary determines at the expiration of any period of assistance under this section that the market interest rate exceeds by more than three percent the increase in the Consumer Price Index published by the Bureau of Labor Statistics over the most recent one year period for which data is available, the Secretary may, after consultation with the appropriate county committee and with the agreement of the borrower and lending institution, extend such period for one year.

"(f)(1) The rate of interest payable to a lending institution under this section shall equal the market interest rate, except that the rate of interest payable to a lending institution to assist the borrower of a loan under this section may not be more than the rate of interest on such loan.

"(2) The principal amount of the obligation issued by the Secretary under this section to a lending institution to assist the borrower of a loan under this section shall be determined by the Secretary, after consultation with the appropriate county committee, on the basis of the rate of interest payable by such borrower to the Secretary under this section as provided in the following table:

"If the rate of interest payable by a borrower of a loan to the Secretary is the:	The amount of the obligation issued by the Secretary to a lending institution shall be determined by multiplying the outstanding amount of such loan by the following applicable percentage:
Market interest rate less 5 percent	75 percent
Market interest rate less 4 percent	80 percent
Market interest rate less 3 percent	85 percent
Market interest rate less 2 percent	90 percent
Market interest rate less 1 percent	95 percent.

"(g)(1) The rate of interest payable by a borrower of a loan to the Secretary under this section shall be determined by the Secretary, in consultation with the appropriate county committee, on the basis of the amount of the obligation issued by the Secretary to a lending institution to assist the borrower of such loan under this section as provided in subsection (f)(2), except that such rate may not be less than 8 percent.

"(2) The amount of principal payable by a borrower of a loan to the Secretary under this section shall equal the amount of principal that would have been payable to the lender of such loan during the period prescribed in subsection (e) but for the operation of this section.

"(h) Notwithstanding any other provision of this section:

"(1) The Secretary may not provide assistance to any borrower under this section on the amount of any loan in excess of $750,000.

"(2) If at any time during the period prescribed in subsection (e) the market interest rate becomes equal to or less than the rate of interest payable by a borrower of loan to the Secretary under subsection (g)(1), the Secretary may not provide assistance under this section to such borrower with respect to such loan.".

AGRICULTURAL CREDIT INSURANCE FUND

SEC. 3. Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking out the period at the end of clause (6) and inserting in lieu thereof "; and"; and

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

"(7) to issue obligations and make payments to legally organized lending institutions in accordance with section 349.".

By Mr. DENTON (for himself, Mr. CHILES, and Mrs. HAWKINS):

S. 2969. A bill for the relief of Teodoro N. Salanga, Jr.; to the Committee on the Judiciary.

RELIEF OF TEODORO N. SALANGA, JR.

Mr. DENTON. Mr. President, I rise today to introduce legislation for the relief of Teodoro N. Salanga, Jr. The bill which will grant permanent residence to Mr. Salanga, is the companion to H.R. 1150 introduced by Congressman EARL HUTTO.

Mr. Salanga is a 48-year-old native and citizen of the Philippines who entered the United States as a visitor on March 2, 1979. He currently resides in Niceville, FL. A petition filed on June 7, 1979, to accord Mr. Salanga fifth preference status was approved on July 31, 1979, but visa numbers under the preference for the Philippines are not available. Therefore, on January 26, 1984, deportation proceedings were instituted on the grounds that Mr. Salanga had remained in the United States for a longer time than permitted.

Mr. President, Mr. Salanga, or Teddy, is a Filipino war hero who as a young boy risked his life by providing food, medicine, and clothing to American prisoners of war held by the Japanese during World War II. A number of those former POW's have attested to Teddy's valor and bravery and have credited him with saving their lives. As a former POW myself, I empathize with those whom Teddy aided and I commend him for his bravery.

I ask unanimous consent that five letters, from former POW's, in support of Teddy's application appear in the RECORD immediately following my statement.

Teddy also served American interests during the Vietnam war by working for Page Communications and ITT's Federal Electric Corp., from 1966 until 1975 as a data engineer in Saigon. Additionally, he was assigned to the U.S. Army's 1st Signal Brigade as a noncombatant civilian. He was evacuated from Saigon in 1975 and returned to the Philippines with his Vietnamese wife and their two children.

Teddy has lived in the United States since 1979 and has exhausted all available administrative remedies.

Mr. President, this war hero has waited over 5 years to become a permanent resident of the country that he has so bravely and proudly served. Teddy will make an outstanding American, and I urge my colleagues expeditiously to move the bill to final passage.

I ask unanimous consent that 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:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Teodoro N. Salanga, Junior, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas which are made available to such natives under section 202(e) of such Act.

SURRENCY, GA,
May 20, 1981.

To Whom It May Concern:

My name is Fredrick E. Wilson. I live at Route #1, Surrency, Georgia. During 1942-1944, I was stationed at Camp John Hay, Baguio, in the Philippines as a prisoner of war under Japanese occupation. During that period of time I came to know the Salanga family. They were patriotic citizens of the Philippines. At the risk of losing their lives they did much to help American Prisoners of War. In the Salanga family there was a little boy named Teodoro Salanga, Jr. He was seven or eight years of age. Being small, he was able to slip through barbwire fences and other baracades to obtain supplies for the prisoners. In fact I feel that he and his family saved many American lives.

That little boy, Teodoro Salanga, Jr., now a man, wishes to obtain Special Immigrant Permit Status so that he may remain in the United States until he becomes a full citizen. In view of what he did for the American P.O.W.'s a long time ago, I highly recommend that Special Immigrant permit be granted, or whatever is necessary to help him become a useful citizen of this country.

Should you require any additional information in regards to this, please feel free to call me. My telephone number is (912) 367-3865.

Very truly yours,

FREDRICK E. WILSON,
M/Sgt. (USAF-Ret.).

To Whom It May Concern:

This is to certify that Teodoro Salanga, Jr. and his family were most helpful to all Prisoners of War who were interned by the Japanese during their occupation of the Philippines in World War II.

Mr. Salanga Jr. who was between six to eight years old was doing dangerous work at that time. He had great success in crawling under the barbed wire fence and sneaking through the Japanese guards in delivering us various supplies or other needs.

They risked their lives many times by providing food, clothing, medicine and many other acts of kindness during the two years that it was my pleasure to know them from 1942 until 1944.

Mr. Teodoro Salanga, Sr. was a restaurant owner and he and his whole family personally aided me and I feel that these services that they performed could possibly have saved my life.

I feel that I can never repay these kind people for helping to alleviate the sickness, suffering, mental anguish and physical abuse that I and all the other Prisoners of War that came across their path during this great war.

It is a privilege for me to help provide justification for Mr. Teodoro Salanga, Jr. to remain in the United States of America and that he be granted Special immigrant status or American citizenship for his incredible courage and bravery.

Very truly yours,

EVAN D. JOHNSON,
M/Sgt. (Ret.).

OCEAN SPRINGS, MS,
February 1, 1981.

To Whom It May Concern:

During World War II, as a Prisoner of War in the Philippine Islands, I was sent to Camp John Hay, Baguio, Mountain Province along with twelve other prisoners as truck drivers and mechanics. While in Baguio, we made numerous trips to San Fernando, La Union, to pick up supplies. This is where we were contacted by Mr. Teodoro Salanga, Sr.

Mr. T. Salanga, Sr., who had been a cook for several years before the war on one of our naval ships, told me that he had opened a restaurant for the sole purpose of aiding the American prisoners with whom he could make contact. These contacts and the delivery of contraband was usually done by his children. His son, Teodoro Salanga, Jr., who was about six years old at the time, had great success in slipping by the Jap guards and delivering food, clothing, medical supplies or other needs. It is to be noted that should one of these kids been caught, they would have been bayoneted, beheaded, or shot on the spot. This would have resulted in Mr. Salanga being executed and most probably his entire family.

This was a very patriotic American Filipino family and now the little six year old boy, Teodoro Salanga, Jr., who holds a Bachelor of Science degree in Civil Engineering, Bachelor of Science degree in Sanitary Engineering, and Associate degree in Surveying, desires to remain in the United States until such time as he can become an American Citizen.

Considering Mr. Salanga Jr.'s contribution of aid to the many starving, sick, and suffering Prisoners of War at the risk of his and his family's life, it is an honor for me to recommend that he be processed for citizenship without having to wait for a Quota System.

It is a foregone conclusion that Mr. Salanga Jr. will be an outstanding patriotic American Citizen.

JAMES D. GAUTIER, Jr.,
M/Sgt. (USAF-Ret.).

State of Mississippi,
County of Jackson.

I, Sandia J. Goodin (Gautier) a Notary Public in and for said County and State hereby certify that James D. Gautier, Jr. whose name is signed to the foregoing document, and who is known to me, acknowledged before me on this day that being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the 1st day of February A.D., 1981.

SANDIA J. GOODIN,
Notary Public.

ALBUQUERQUE, NM,
May 29, 1981.

To Those Concerned:

I would like to verify that I have known of Teodoro Salanga, Jr. and his family since they rendered extensive aid to me and other American POW's who were held in a Japanese field hospital at San Fernando, La Union province of the Philippines during the summer of 1942.

Teodoro, at great risk, often smuggled supplies and information to us by various means when the enemy guards were not watching. Teodoro, pretending to be a shoe shine boy, brought me much needed medicine for treating our Beri-Beri which was in an advanced stage with most of us. He slipped through the fence guarding our compound many times.

The Salanga family all participated in giving us aid. When an American prisoner died at the hospital he was buried without ceremony under the supervision of the Japanese during daylight hours. At night the Salangas arranged for funeral services by Christian clergymen of the village. They supplied us with much nourishing food, fruit, fish, and even clothing.

It is my belief that any member of the Salanga family should be welcomed to become a resident and citizen of the United States if they so desire. They have proven their loyalty. Furthermore they are literate and could be contributing citizens.

I am a retired school administrator, having served in the local school system for 27 years. I have lived at the same address for the past 30 years.

Sincerely,

MYRRL W. MCBRIDE.

VIENNA, GA,
May 10, 1981.

To Whom It May Concern:

This is certification that the Salanga family of San Fernando La Union in the Philippine Islands, did support the American Prisoners of World War II, with the neccessities of life. They furnished food, clothing and medicine during the occupation of the Japanese Army.

During this period I was interned at Baguio City as a Prisoner of War and made frequent trips to San Fernando. I was served several times by this family myself. The American Prisoners of War who were interned in and around San Fernando; some

were dependent on this family for their total support and would not have survived without their help.

Mr. Theodoro Salanga owned a small restaurant across the street on the East side of the Farmers Market in San Fernando. This market area was densely populated with hostile occupation troops. This was the area where Mr. Salanga's small children made contact with the Americans.

The service this family has performed is without a doubt on and beyond the normal call of patriotic duty for an American. It is therefore with profound pleasure that I recommend Mr. Theodoro Salanga Jr. for citizenship and beg that he be allowed to remain in the United States of America for his part.

THOMAS J. GROOM,
President, 27 Bomb Group,
U.S. Army Air Corps.

By Mr. HELMS:

S. 2970. A bill to amend title II of the Social Security Act to provide for the issuance of a certificate of guaranteed tax-exempt benefits to each individual who is entitled to an old-age insurance benefit under such title or who is 62 years of age and entitled to any other benefit under such title; to the Committee on Finance.

CERTIFICATE OF GUARANTEED TAX-EXEMPT STATUS

Mr. HELMS. Mr. President, I am today introducing legislation which is long overdue. It is entitled, "The Social Security Guarantee Act of 1984," and will put an end to the purely political rhetoric about "saving" our Nation's retirement system and "protecting" the benefits of senior citizens. My bill would absolutely protect our senior citizens, without question.

I am asking Congress to guarantee, once and for all, the pension obligations owed to every American, young and old, who has paid into the system already, or who will contribute to it in the future. My bill would place the full faith and credit of the U.S. Government behind these obligations.

Mr. President, I have found that many Americans are surprised when they learn that social security benefits are not guaranteed under current law. In fact, in 1960, the U.S. Supreme Court held in *Flemming* v. *Nestor* (363 U.S. 603) that the Federal Government can renege on Social Security benefits at any time.

Small wonder, Mr. President, that so many Americans are concerned about the system. Politicians constantly make a political football out of Social Security, and they deliberately engage in the cruel process of scaring our senior citizens to win votes for themselves. Elderly citizens fear benefit cuts will reduce their already limited incomes and force them to tighten their belts still further. Most younger Americans do not believe Social Security will even be around when they retire. Opinion polls overwhelmingly show that people have no confidence whatsoever in the system. My proposal would restore confidence in the system.

Under my plan, Mr. President, every person who pays into Social Security would receive, upon retirement, a certificate made out in his or her name. It would be an obligation backed by the "full faith and credit of the United States." This bond would guarantee continued Social Security benefits. Never again would a retired American feel that his or her Social Security benefits would be cut by an act of Congress, the courts, or any other agency of the Government. No one could ever—let me emphasize, ever—be denied the credits he or she has earned or will earn under the Government system.

Mr. President, my proposal is not a new one. As some Senators may remember, I offered a comprehensive plan to strengthen our retirement system last year. During the so-called reform debate in March 1983, I outlined a proposal which I felt would serve Americans far better than the program eventually adopted by Congress. While my plan was not approved in its entirety, 11 of the 20 sections of my bill were included in the package which Congress ultimately approved.

The bill I am introducing today was one of the nine sections not adopted in 1983. Yet, in my judgement, it was the most important part of my plan.

Mr. President, citizens in North Carolina, as well as other parts of the country, know of my commitment to a strong retirement system. The bill I am introducing today underscores that commitment.

I realize that time is short, Mr. President. Although the working days remaining in this term of Congress are limited, I hope Senators will give this bill their most careful and urgent attention. Men and women of all ages should not have to wait longer for Congress to do what it should have done many years ago.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 2970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title II of the Social Security Act is amended by adding at the end thereof the following new section:

"CERTIFICATE OF GUARANTEED TAX-EXEMPT BENEFITS

"SEC. 234. (a) The Secretary shall issue to each individual who is entitled to an old-age insurance benefit, or who has attained age 62 and is entitled to any other benefit under this title, a certificate of guaranteed tax-exempt benefits. Such certificate shall be issued at the time such individual first becomes entitled to a benefit under this title, or attains age 62, whichever is later.

"(b) The certificate issued pursuant to this section shall pledge the full faith and credit of the United States to guarantee that benefits shall be paid to such individual (and to other individuals on the basis of such individual's wages and self-employment income) under the provisions of this title as in effect on the date of issuance of such certificate (or as such benefits may be increased thereafter by Congress or under any automatic cost-of-living adjustment), and that such benefits shall not be subject to the tax on income under subtitle A of the Internal Revenue Code of 1954.

"(c) The certificate issued under this section shall also contain—

"(1) a statement of the total amount of the taxes paid by such individual and his employers under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1954 with respect to such individual's wages and self-employment income; and

"(2) a statement that the certificate is nonnegotiable and nontransferrable.".

(b) The amendment made by subsection (a) shall apply to all individuals entitled to a monthly benefit under title II of the Social Security Act on or after the date of the enactment of this Act. The Secretary shall issue such certificates to those individuals who have attained age 62 and are entitled to such benefits on the date of the enactment of this Act within six months after such date of enactment, in the same manner as if they had first become entitled to an old-age insurance benefit on such date of enactment.

By Mr. ROTH (for himself and Mr. RUDMAN):

S. 2971. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to strengthen the provisions relating to trusteeship requirements and fiduciary responsibilities, and to provide improved provisions with respect to mergers of subordinate labor organizations, and for other purposes; to the Committee on Labor and Human Resources.

LABOR TRUSTEESHIPS AND FIDUCIARY AMENDMENTS ACT OF 1984

● Mr. ROTH. Mr. President, on August 27, 1984, as chairman of the Permanent Subcommittee on Investigations, I introduced the subcommittee's report on its investigation of the Hotel Employees and Restaurant Employees International Union [HEREIU]. Today, in conjunction with this report, I am introducing, along with Senator RUDMAN, the Labor Trusteeship and Fiduciary Amendments of 1984, which are a direct outgrowth of the subcommittee's investigation.

The subcommittee's 3-year investigation into the HEREIU was initiated after allegations were received linking HEREIU General President Edward T. Hanley and other HEREIU officers and employees to organized crime interests. The subcommittee also received allegations regarding the misuse of funds from both the union's treasury and the union's health and welfare plans.

As a result of its investigation, the subcommittee has concluded that organized crime interests, primarily in Chicago, have exerted substantial influence over the affairs of the international union. In addition, there is little doubt that local 54 in Atlantic City is now controlled, and local 226 in Las Vegas and local 30 in San Diego have been influenced in the past by organized crime interests.

The subcommittee has concluded that three loans made by the international union shortly after Mr. Hanley became general president, totaling over $6 million, were ill advised and were made to divert funds into the hands of selected individuals. Allegations of kickbacks paid to Hanley in conjunction with these loans were also examined, although the subcommittee has been unable to make a conclusive finding on this point.

The subcommittee report notes serious administrative deficiencies in the dental plans of two major locals, local 54 in Atlantic City and local 226 in Las Vegas, underscoring general problems inherent in closed capitation welfare plans, and criticizes the U.S. Department of Labor's system of monitoring compliance with the Employee Retirement Income Security Act [ERISA] of 1974, which essentially regulates union benefit funds.

Among the report's numerous recommendations are several legislative proposals. Most importantly, the subcommittee recommends passage of several amendments to the Landrum-Griffin Act. These amendments will: First, ensure fair hearings by international unions before local trusteeships are imposed; second, close a loophole in the law regarding the Department of Labor's authority in officer removal cases; and, third, provide DOL with civil enforcement authority in cases of fiduciary breaches by union officers.

We have found numerous abuses of the trusteeship provisions of Landrum-Griffin by the leadership of the hotel workers union. For example, trusteeships have been used to blunt effective local dissent and remove elected local officers who may not be favored by the international union. PSI's investigation has found that the threat of a trusteeship is also a tactic used by this union if an election does not turn out in a desired way or if certain individuals are not placed on local payrolls. As long as the international union can impose a trusteeship without any real restraints, these sorts of tactics are possible. In another instance, PSI investigators were told that a trusteeship was imposed to ensure a merger of local welfare funds with the international's funds, without any input from the rank and file membership.

These actions are not consistent with the permissible purposes of trusteeships, as defined by the Landrum-Griffin Act. Further, the Labor Department can only institute a trusteeship investigation if a union member requsts that it do so. Unfortunately, union members are often unaware of the imposition of a trusteeship, the effects of it, or their rights under Landrum-Griffin.

The proposed legislation will enable DOL to investigate a trusteeship if a statutory violation is suspected, and institute a civil court action for appropriate relief. It will also require that a fair hearing be held before a trusteeship is imposed, to ensure compliance with the union's constitution and bylaws.

The second section of the bill attempts to overturn the ninth circuit's decision in *Donovan* v. *Hotel Employees and Restaurant Employees Local 19*, 700 F.2d 539 (1983), and close a loophole in the Landrum-Griffin provisions for removing union officers.

In 1978, HERE Local 19 (San Jose) President Frank Marolda was convicted for embezzling union funds. Although this conviction was later overturned on procedural grounds, a group of local 19 members attempted to remove Marolda from office, and the Labor Department eventually filed a civil suit for removal. On appeal, the ninth circuit ruled that Landrum-Griffin does not empower DOL to institute a civil suit when a union fails to follow its own internal removal procedures; suit can only be brought if the internal procedures are found to be inadequate or nonexistent. This decision leaves the incongruous situation of not allowing DOL intervention when the union has removal procedures but refuses to use them, while allowing intervention when there are no procedures. This is a distinction without a difference, and the bill which I am introducing today will close this loophole while extending a more flexible enforcement authority to DOL.

Finally, the bill will improve the enforcement of section 501(a) of Landrum-Griffin, which imposes a strict fiduciary responsibility on all union officers, by giving DOL the authority to institute a civil action.

Section 501(a) already imposes a fiduciary responsibility by stating that union officers must hold and use union assets solely for the benefit of the union and its members. Under 501(b), union members may institute civil suits to recover misused funds and secure other equitable relief. Section 501(c) imposes criminal liability for fiduciary breaches by union officers.

Criminal actions, however, are not always practical, and civil suits by union members are difficult to institute and sustain. Most rank and file members are not privy to the evidence which would engender a 501(b) suit; indeed, many are not even aware of their rights under 501(b). Civil suits entail costs which may not be affordable, and a member's suit against an officer invites pressure, intimidation, and perhaps loss of a job. In short, members' suits are not an effective way to deter fiduciary breaches and recover misused funds. DOL is in the best position to act on behalf of the union members, and the proposed legislation will provide this authority.

These added powers are essential if Landrum-Griffin is to survive.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

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

S. 2971

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 "Labor Trusteeships and Fiduciary Amendments Act of 1984".

TITLE I—TRUSTEESHIP INVESTIGATIONS

AUTHORITY TO INVESTIGATE TRUSTEESHIPS

SEC. 101. Section 304(a) of the Labor-Management Reporting and Disclosure Act of 1959 (hereinafter in this Act referred to as "the Act") is amended to read as follows:

"(a) After any investigation in which the Secretary finds probable cause to believe that a labor organization has violated the provisions of this Act, the Secretary shall bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate. Any member or subordinate body of a labor organization affected by any violation of this Act (except section 301 of this Act) may bring a civil action in any district court in the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate.".

FAIR HEARING REQUIREMENT WITH RESPECT TO IMPOSING A TRUSTEESHIP

SEC. 102. Section 304(c) of the Act is amended to read as follows:

"(c) In any proceeding pursuant to this section a trusteeship established by a labor organization conforming with the procedure requirements of its constitution and bylaws shall be valid only if the constitution or bylaws include provision for a fair hearing with respect to the issue of establishing a trusteeship and such a hearing is held. After such fair hearing the executive board or such other body as is provided for in the constitution or bylaws of the labor organization shall certify that the hearing was fair and in conformity with its constitution and bylaws before the imposition of a trusteeship. The hearing and certification required by this subsection may be complied with within a reasonable time (not to exceed 60 days) following the imposition of the trusteeship if the labor organization finds that exigent circumstances exist which prevent the completion of the hearing and certification requirements prior to imposition.".

TITLE II—REMOVAL PROCEDURES

PROCEDURE FOR REMOVAL OF OFFICERS GUILTY OF SERIOUS MISCONDUCT

SEC. 201. Section 401(h) of the Act is amended—

(1) by striking out "the Administrative Procedure Act" and inserting in lieu thereof

"subchapter II of chapter 5 of title 5 of the United States Code", and

(2) by inserting a comma and the following: "or such procedure has not been followed," after "adequate procedure".

TITLE III—PROVISIONS RELATING TO THE FIDUCIARY RESPONSIBILITY OF OFFICERS OF LABOR ORGANIZATIONS RECOUPMENT

SEC. 301. The first sentence of section 501(b) of the Act is amended by inserting before the period a comma and the following: "or other appropriate relief for the benefit of the labor organization, including the restoration of any profits which have been made through the use of assets of the labor organization by the fiduciary to such labor organization, and other equitable or remedial relief, including removal of such fiduciary.".

LIMITATIONS ON LIABILITY

SEC. 302. Section 501 of the Labor-Management Reporting and Disclosure Act of 1959 is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

"(c) No fiduciary shall be liable with respect to a breach of fiduciary duty under this section if such breach was committed before he became a fiduciary or after he ceased to be a fiduciary.".

SECRETARIAL CIVIL ACTION

SEC. 303. Section 501 of the Labor-Management Reporting and Disclosure Act of 1959 is amended by adding after subsection (c) (as added by section 402 of this Act) the following new subsection:

"(d) A civil action to enforce this section may be brought by the Secretary.".

LABOR-TRUSTEESHIPS AND FUDICIARY AMENDMENTS OF 1984—SECTION-BY-SECTION ANALYSIS

TITLE I—TRUSTEESHIP INVESTIGATIONS

Section 101—Authority to Investigate Trusteeships

Secretarial authority to investigate labor trusteeships is unduly circumscribed by section 304(a) of LMRDA (29 U.S.C. 464(a)). Investigative authority is triggered only after a member of a local files a written complaint alleging violation of the act. Frequently workers do not know their rights and in that circumstance the law is useless in protecting these rights. At other times workers will not complain for fear of retaliation. They are reluctant to identify themselves on paper when a telephone call can accomplish the same result. The requirement that a complaint be in writing has a chilling effect on the exercise of those rights under LMRDA.

To remedy this, the secretary is given more flexible power to investigate under his own authority.

Section 102—Fair Hearing Requirement With Respect to Imposing a Trusteeship

Under current law a trusteeship is presumed to be valid for a period of 18 months if it is established in conformity with the labor organization's constitution, and if a fair hearing is held before the organization's executive board or similar body. This presumption can only be overcome by clear and convincing proof that the trusteeship was not established or maintained for a purpose allowable under the statute.

The 18 month presumption is arbitrary and fails to adequately protect the interests of the union members. There is no logical reason for creating a higher burden of proof ("clear and convincing") based upon the duration of the trusteeship. To remedy this, the presumption is removed. Further, if a fair hearing cannot be held before a trusteeship is imposed due to exigent circumstances, the labor organization is given a reasonable amount of time not to exceed 60 days.

TITLE II—REMOVAL PROCEDURES

Section 201—Procedure for Removal of Officers Guilty of Serious Misconduct

Recent case law handicaps Secretarial authority in protecting union integrity. In *Donovan* v. *Hotel Employees Local 19*, 700 F.2d 539 (9th Cir., 1983) the court determined that the Secretary of Labor was powerless to intervene when the union failed to follow internal procedures specified in its constitution for the removal of officers guilty of serious misconduct. Apparently, the Secretary can intervene only when the union's constitution or by-laws do not provide for adequate removal procedures. If those procedures are not followed the Secretary cannot intervene. As such section 401(h) of LMRDA (29 U.S.C. 481(h)) is rendered a meaningless enforcement tool. This amendment puts substance into the law by providing that removal procedures specified in the union constitution must "actually be followed" to comply with the law.

TITLE III—FIDUCIARY RESPONSIBILITIES OF OFFICERS OF LABOR ORGANIZATIONS

Section 301—Recoupment of Profits Made From Conversion of Union Funds

One of the highest forms of dishonesty and disloyalty by a union official acting in a fiduciary capacity is conversion of union funds to personal gain or profit. For such a breach of fiduciary responsibility, the current law, section 501(b) of LMRDA (29 U.S.C. 501(b)), provides only for suit "to recover damages or secure an accounting or other appropriate relief." It is unclear whether this language authorizes the recovery of profits derived from the conversion of union funds or property to personal use.

Recovery of profits derived from the misuse of union funds by a fiduciary is made an explicit statutory remedy. The removal of the fiduciary is also specified as an optional remedy for breach of trust.

While the recovery of profits made from the misuse of union assets and the removal of union fiduciaries may be inherent remedies under the current law—signified by the phase: "other appropriate relief"—it is better to state these options so that no doubt remains. The language in the amendment parallels section 409 of the Employment Retirement Income Security Act (29 U.S.C. 2109) which addresses liability for breach of fiduciary duty within the scope of retirement and welfare fund programs.

Section 302—Limitation of Fiduciary Liability

A new subsection is added to section 501 LMRDA, stating that a fiduciary is liable under this section only for an act which he commits while functioning as a fiduciary. It has long been recognized that labor officials because of their function of leadership, responsibility, power and trust must be held to a high fiduciary standard for their actions. When a labor official occupies such a position the potential for corruptibility is much greater. Therefore an extraordinary standard of care and accountability is appropriate. However, when a labor official no longer occupies a position of power and trust, either by leaving the union or returning to the rank and file, this high standard of care should apply only to actions while he was an official. As a member of the rank and file he should not be held to the same fiduciary standards as that of an official.

Accountability runs with the office. Once out of office the official returns to an "ordinary standard" of care. However, if the official commits improper acts while in office, but the acts are not discovered until after he leaves office, then he shall be held to the fiduciary standard for those acts while he was in office.

Section 303—Civil Action Authority by Secretary

Current law provides no authority for the Secretary to initiate civil suit against official misconduct, section 501 of LMRDA (29 U.S.C. 501(b)). Legal recourse for breach of trust or failure in fiduciary duty is limited to civil action by the labor organization or its governing board. If these bodies do not act with in a reasonable period of time only a member of the labor organization may initiate a civil action for relief.

Authority is sought for the Secretary to initiate suit in his own right to enhance the effectiveness of the fiduciary standards. The Secretary may gain access to information through audit and investigation that might be unknown to labor organization members and that could be the basis of a Section 501(a) suit. Further, the Secretary may develop embezzlement cases which the U.S. Attorney declines to prosecute. In either instance, it could be appropriate for the Secretary to institute civil action on behalf on the members to enforce the LMRDA fiduciary standards. It would also be beneficial to allow the Secretary to bring civil suit upon the complaint of a member, particularly one who may be fearful of complaining to his union about financial mismanagement or of filing suit against union officials. The Secretary could protect the identity of the complaining members and bring suit on behalf of the entire union membership. In addition, recourse to enforcement through the Secretary would be beneficial where a member of a labor organization does not have sufficient financial resources to cover the costs of litigation and is unable to find an attorney willing to take the case on a contingent fee, notwithstanding the provision in Section 501(b) for the recovery of fees to pay legal counsel.●

● Mr. RUDMAN. Mr. President, I take pleasure in sponsoring this bill with Senator ROTH today. The Labor Trusteeship and Fiduciary Amendments of 1984 are a direct outgrowth of a series of hearings on the Hotel Employees and Restaurant Employees International Union held in the Permanent Subcommittee on Investigations since 1981. The subcommittee filed its report on August 27 and endorsed the concept behind this legislation. Specifically, the subcommittee said:

The Labor-Management Reporting and Disclosures Act (1959) should be amended to provide the Department of Labor with express authority to investigate and, if warranted, institute civil actions designed to enforce the requirements of 29 U.S.C. 501(a), which bind union officers to a fiduciary standard of prudence in dealing with union assets. The Act's current reliance upon private enforcement is impractical and criminal prosecutions under 29 U.S.C. 501(c) are rarely brought and are difficult to sustain. Based upon its experience with HEREIU, the Subcommittee further recommends

that, if this civil enforcement authority is granted to DOL, it should be used to review the legitimacy of enormous legal and other professional fees paid by the union to defend its officers when charged with fiduciary violations.

While working closely with the ranking minority member, Senator NUNN, we uncovered a series of transactions by the Hotel Employees and Restaurant Employees International Union which provided the evidentiary support the Senate will need to pass this bill. First and foremost, there is a need to vest authority in the Secretary of Labor to investigate violations of fiduciary obligations by union officers. By amending section 501 of the Landrum-Griffin Act, we propose to give the union rank and file the litigation support necessary to enforce their already existing civil remedies. Obviously, it is not practical to assume that an average union member can institute a lawsuit to enforce his individual rights and to deter financial abuses by union officers.

The subcommittee also found a great potential for abuse with respect to the imposition of trusteeships. It is obviously extremely antidemocratic for the members to first elect a slate of officers and later find that those officers have been removed and a trusteeship imposed over a local union by the International. In some cases, trusteeships are necessary and an effective tool in putting a local union back on its feet. This proposed legislation will enable the Department of Labor to investigate the purposes behind trusteeships if statutory violations are suspected and institute court action if necessary. But the potential remedial aspects of trusteeships will be preserved.

Mr. President, this piece of legislation coupled with the report on Hotel Employees and Restaurant Employees International Union, constitutes another chapter in the long and illustrious history of the Permanent Subcommittee on Investigations in its continuing war on union/management corruption and I would commend the reading of the report to all of the Members of this body and urge that they support this legislation.●

By Mr. QUAYLE:

S.J. Res. 350. Joint resolution to recognize the importance of the Bureau of Apprenticeship and Training of the Department of Labor in promoting apprenticeship programs; to the Committee on Labor and Human Resources.

APPRENTICESHIP PROGRAMS

● Mr. QUAYLE. Mr. President, today I would like to introduce a joint resolution to recognize the importance of the role of the Bureau of Apprenticeship and Training of the Department of Labor in promoting apprenticeship programs. A similar resolution has been introduced in the House by Congressman HILER of Indiana.

It has come to my attention that the number of staff at the Bureau of Apprenticeship and Training has been steadily reduced over the last few years and that a further reduction is proposed for fiscal year 1985. Many of my constituents are concerned that the Bureau will not be able to carry out its duties in an effective manner.

The apprenticeship system is one of the most effective means of fulfilling our need for carpenters, electricians, and other skilled workers. The Bureau of Apprenticeship and Training encourages business and industry to train for existing occupation needs and with no financial assistance from the taxpayers. As a matter of fact, all persons in training are wage earners and taxpayers from the first day training.

Therefore, I want to express my support for the services provided by the Bureau. Apprenticeship is an important component of the education and training system in Indiana.

I ask unanimous consent that the resolution be printed in the RECORD following my remarks.

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

S.J. RES. 350

Whereas a national apprenticeship system under the Federal Bureau of Apprenticeship and Training of the Department of Labor has been in existence since 1937;

Whereas such Bureau provides a valuable service linking industry and labor in developing, promoting, and monitoring apprenticeship programs;

Whereas a Federal role ensures uniform national standards for apprenticeship programs; and

Whereas the effectiveness of apprenticeship programs is undisputed in the training of skilled tradesmen: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress of the United States recognizes the effectiveness of apprenticeship training in developing a skilled work force and commends the Bureau of Apprenticeship and Training for its role in promoting apprenticeship programs.●

ADDITIONAL COSPONSORS

S. 1839

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 1839, a bill to provide for an equitable reduction of liability of contractors with the United States in certain cases, to provide a comprehensive system for indemnification by the United States of its contractors for liability in excess of reasonably available financial protection, and for other purposes.

S. 2266

At the request of Mr. CRANSTON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 2266, a bill to grant a Federal charter to Vietnam Veterans of America, Inc.

S. 2456

At the request of Mr. BRADLEY, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 2456, a bill to establish a commission to study the 1932-1933 famine caused by the Soviet Government in Ukraine.

S. 2470

At the request of Mr. DENTON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 2470, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 2740

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2740, a bill to amend title 5, United State Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not so registered.

S. 2857

At the request of Mr. ANDREWS, the names of the Senator from Nevada [Mr. HECHT] and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 2857, a bill to enable honey producers and handlers to finance a nationally coordinated research, promotion, and consumer information program designed to expand their markets for honey.

S. 2859

At the request of Mr. WEICKER, the names of the Senator from California [Mr. CRANSTON], the Senator from North Dakota [Mr. ANDREWS], the Senator from Kansas [Mr. DOLE], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 2859, a bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination.

S. 2872

At the request of Mr. GRASSLEY, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2872, a bill to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service, and for other purposes.

S. 2893

At the request of Mr. SPECTER, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 2893, a bill to amend the Internal Revenue Code of 1954 to repeal the limitation on the aggregate face

amount of private activity bonds, and for other purposes.

S. 2894

At the request of Mr. MELCHER, the names of the Senator from North Dakota [Mr. ANDREWS] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 2894, a bill to amend the Internal Revenue Code of 1954 to clarify the application of the imputed interest and interest accrual rules in the case of sales of residences, farms, and real property used in a trade or business,

SENATE JOINT RESOLUTION 299

At the request of Mr. ABDNOR, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 299, a joint resolution to designate November 1984 as "National Diabetes Month."

SENATE JOINT RESOLUTION 304

At the request of Mr. HELMS, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 304, a joint resolution to designate the month of October 1984 as "National Quality Month."

SENATE JOINT RESOLUTION 336

At the request of Mr. DENTON, the names of the Senator from South Dakota [Mr. PRESSLER], the Senator from Alaska [Mr. STEVENS], the Senator from Georgia [Mr. MATTINGLY], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 336, a joint resolution to proclaim October 23, 1984, as "A Time of Remembrance" for all victims of terrorism throughout the world.

SENATE JOINT RESOLUTION 342

At the request of Mr. DODD, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 342, a joint resolution to designate November 21, 1985 as "William Beaumont Day".

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. DODD, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution calling upon the Government of the United Kingdom to ban the use of plastic and rubber bullets against civilians.

SENATE CONCURRENT RESOLUTION 120

At the request of Mrs. HAWKINS, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of Senate Concurrent Resolution 120, a concurrent resolution expressing the sense of the Congress that the legislatures of the States should develop and enact legislation designed to provide child victims of sexual assault with protection and assistance during administrative and judicial proceedings.

SENATE RESOLUTION 139

At the request of Mr. ZORINSKY, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of Senate Resolution 139, a resolution disapproving the recommendation of the Study Group on Senate Practices and Procedures to abolish the Senate Committee on Veterans' Affairs.

SENATE RESOLUTION 431

At the request of Mr. DIXON, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. BURDICK], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of Senate Resolution 431, a resolution relating to Canadian pork imports.

AMENDMENT NO. 3592

At the request of Mr. BOSCHWITZ, the names of the Senator from Oregon [Mr. HATFIELD] and the Senator from California [Mr. CRANSTON] were added as cosponsors of amendment No. 3592 intended to be proposed to S. 2722, an original bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to reauthorize certain child nutrition programs for fiscal years 1985 and 1986.

SENATE CONCURRENT RESOLUTION 138—RELATING TO A 6-MONTH MORITORIUM ON TESTING OF NUCLEAR WARHEADS

Mr. PROXMIRE submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 138

Whereas the nuclear arms race between the United States and the Soviet Union is getting dangerously out of control;

Whereas a comprehensive ban on the testing of nuclear warheads would be an important first step in achieving a verifiable United States-Soviet freeze on the nuclear arms race;

Whereas every American president from Dwight Eisenhower on has supported negotiations toward a comprehensive test ban;

Whereas the United States and the Soviet Union pledged in the Limited Nuclear Test Ban Treaty of 1963 "to achieve the discontinuance of all test explosions of nuclear weapons for all time";

Whereas the United States and the Soviet Union pledged in the Threshold Test Ban Treaty of 1974 to "continue their negotiations with a view toward achieving a solution to the problem of the cessation of all underground nuclear weapon tests";

Whereas the United States and the Soviet Union pledged in the Treaty on the Non-Proliferation of Nuclear Weapons of 1968 to "pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date" and a comprehensive nuclear test ban would aid efforts to halt the spread of nuclear weapons;

Whereas the United States signed the Threshold Test Ban Treaty in 1974 and the Peaceful Nuclear Explosions Treaty in 1976, but has yet to ratify these important treaties;

Whereas ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty would greatly aid in the negotiation, verification, and implementation of a comprehensive nuclear test ban;

Whereas President Kennedy on June 10, 1963, challenged the Soviet Union to a test ban and announced a United States moratorium on nuclear tests, and on August 5, 1963, the United States and the Soviet Union signed the Limited Nuclear Test Ban Treaty;

Whereas substantial progress has already been made in previous negotiations toward a comprehensive nuclear test ban so that the conclusion of such a treaty could be quickly achieved;

Whereas a bold initiative is now needed by the United States to achieve a mutual and verifiable halt to the testing of nuclear warheads; and

Whereas a six-month United States-Soviet moratorium on the testing of nuclear warheads would provide the United States and the Soviet Union an opportunity to negotiate a comprehensive nuclear test ban and would aid those negotiations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) immediately seek a six-month verifiable moratorium with the Government of the Soviet Union on the testing of nuclear explosive devices;

(2) utilize the six-month moratorium period to negotiate a verifiable comprehensive nuclear test ban with the Government of the Soviet Union; and

(3) request the advice and consent of the Senate to the ratification of the Threshold Test Ban Treaty of 1974 and the Peaceful Nuclear Explosions Treaty of 1976 in order to aid in the negotiation, verification, and implementation of a comprehensive nuclear test ban treaty.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

SENATE RESOLUTION 436—RELATING TO THE 100TH ANNIVERSARY OF THE NAVAL WAR COLLEGE

Mr. PELL submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 436

Whereas in naval circles, both in the United States and throughout the world, the United States Naval War College is one of our best known institutions, highly respected, and eagerly sought after by officers competing for admission to its highly selective ranks;

Whereas the Naval War College from its very inception has had a singular impact on naval planning and wartime strategy, particularly on the buildup of United States naval forces at the beginning of this century as a result of the influence of Alfred Thayer Mahan and subsequently in the development of United States planning for the war in the Pacific (1941-45);

Whereas in the complexities of the post World War II environment and the nuclear age of the Naval War College has continued

to have a major impact on United States military and strategic thinking;

Whereas the Naval War College throughout its existence has attracted the very highest caliber students and faculty, and has contributed to international understanding through courses of study for officers from allied nations; and

Whereas the Naval War College, as the oldest college of its kind in the world, continues to face the challenge of providing inspiring leadership and innovative thinking to the naval affairs of our Nation, and dedicates itself to building the Navy of the twenty-first century; Now, therefore, be it

Resolved, That the Senate commemorates the Naval War College in Newport, Rhode Island, on the occasion of its 100th anniversary.

Mr. PELL. Mr. President, 1 month from today the Nation will mark the 100th anniversary of one of the world's leading centers of military study, the U.S. Naval War College in Newport, RI. Today, I am proud to join with my colleague Senator CHAFEE in introducing a resolution commemorating the War College on this important centennial milestone.

The State of Rhode Island has been honored to serve as the home for the War College, which was not only the first such institution in the United States, but the first naval war college anywhere in the world. From its earliest years, the War College has been renowned throughout the world for its leadership in military affairs and for its highly motivated student body and superb faculty. Today its student body consists of the most promising midcareer officers in the U.S. Navy, complemented by substantial student representation from our other Armed Forces, civilian agencies, and a number of foreign nations. The faculty is made up of both military officers and civilians, almost all of them recognized experts in professional specialties related to naval operations.

Given the widespread influence of the War College today, it is hard for us to realize what an innovative idea this institution was back in 1884. The United States at that time was still looking inward after the Civil War, unaware of the great responsibilities in both hemisphere and world affairs that would soon be thrust upon the Nation. Many senior naval officers opposed the idea of a war college on the ground that all one needed to know about the Navy could be learned on board ship. The War College did indeed have a modest beginning. Established by a general order of Secretary of the Navy William E. Chandler issued on October 6, 1884, the War College opened with its nine students meeting in what had formerly been the poor house of the city of Newport, located on Coasters Harbor Island in Narragansett Bay.

The founding president of the War College, Stephen B. Luce, recognized that there would soon be much more that the Navy would be called upon to do in support of national policy and he recruited a faculty of equally visionary military strategists, men like Alfred Thayer Mahan and Army Lt. Tasker H. Bliss—whose recruitment established the precedent of having officers from the other services serve on the faculty; Bliss later served as the first Commandant of the Army War College. Mahan's influence was immense, and stemmed from the publication of his memorable War College lectures under the title, "The Influence of Sea Power Upon History, 1660–1783."

Perhaps the greatest indication of the impact of the Naval War College was the fact that in 1942 all of our four and three star admirals and most two star admirals had attended the college. King, Nimitz, Halsey, Spruance—all had spent 1 or more years of study in Newport. Of this experience, Admiral Nimitz told the Naval War College students in 1960:

> The war with Japan had been reenacted in the game rooms at the War College by so many people, and in so many different ways, that nothing that happened during the war was a surprise * * * absolutely nothing except the kamikaze tactics toward the end of the war; we had not visualized these.

The complexities of the post World War II environment and the nuclear age created new challenges for the War College. The curriculum was radically changed to meet these new circumstances, and has continued to adapt to rapidly changing military technology and new directions in international relations. Within the past 10 years, in the post Vietnam period, even greater emphasis has been placed on broadening the curriculum and stressing decisionmaking skills. Students today grapple with a course of study that is roughly twice as demanding, in terms of reading and writing requirements, as the curriculum of a decade ago.

While the course of study has been refined to be responsive to national policy needs, the central mission of the War College has remained unchanged: To provide advanced professional training to those midcareer officers who will soon bear great responsibilities in the national defense. Each year the Navy entrusts to the War College the most promising of its midcareer officers, the greatest single asset it possesses for the future. In the nuclear age, the challenge faced by these outstanding men and women goes far beyond the Clausewitzian premise "war is a continuation of politics by other means." The consequences of a failure of deterrence today are so great that the mission of the War College is truly the preservation of peace and prevention of world annihilation. I salute the War College for its continuing success in producing naval leaders fully capable of meeting the challenges of a world characterized by change, complexity, and uncertainty.

We in Rhode Island are proud to serve as a temporary home to the more than 500 students annually attending the Naval War College, and we take further pride in the fact so many of them have chosen to make Rhode Island their permanent home upon completion of their naval careers.

I urge all of my colleagues to join with Senator CHAFEE and me in sponsoring this resolution to commend the Naval War College—the oldest college of its kind in the world—on its centennial anniversary.

AMENDMENTS SUBMITTED

FINANCIAL SERVICES COMPETITIVE EQUITY ACT

D'AMATO AMENDMENT NOS. 3713 THROUGH 3752

(Ordered to lie on the table.)

Mr. D'AMATO submitted 40 amendments intended to be proposed by him to the bill (S. 2851) to authorize depository institutions holding companies to engage in certain activities of a financial nature and in certain securities activities, to provide for the safe and sound operation of depository institutions, and for other purposes; as follows:

AMENDMENT No. 3713

Strike out Title X, redesignate succeeding provisions accordingly, and amend the table of contents accordingly.

AMENDMENT No. 3714

Strike out Title X and in lieu thereof insert the following:

SEC. 1001. The first sentence of subsection (c) of section 5155 of the Revised Statutes (12 U.S.C. 36) shall be amended by repealing the part thereof that follows the word "recognition" and precedes the period.

SEC. 1002. Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) shall be repealed.

AMENDMENT No. 3715

Strike out Title X and in lieu thereof insert the following:

SEC. 1001. Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) shall be repealed.

AMENDMENT No. 3716

Strike Title X and in lieu thereof insert the following:

SEC. 1001. Effective one year from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) shall be repealed.

AMENDMENT No. 3717

Strike Title X and in lieu thereof insert the following:

SEC. 1001. Effective two years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) shall be repealed.

AMENDMENT No. 3718

Strike Title X and in lieu thereof insert the following:

SEC. 1001. This Title may be cited as the "Banking Geographic Deregulation Act of 1983".

SEC. 1002. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year following the date of enactment of this proviso, a bank holding company may apply to-acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a state which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

SEC. 1003. Effective five years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is hereby repealed.

AMENDMENT No. 3719

Strike Title X and in lieu thereof insert the following:

SEC. 1001. This Title may be cited as the "Banking Geographic Deregulation Act of 1983".

SEC. 1002. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year following one year after the date of enactment of this proviso, a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding compnay, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

SEC. 1003. Effective five years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is hereby repealed.

AMENDMENT No. 3720

Strike Title X and in lieu thereof insert the following:

SEC. 1001. This Title may be cited as the "Banking Geographic Deregulation Act of 1983".

SEC. 1002. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year following one year after the date of enactment of this proviso, a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

SEC. 1003. The Federal Reserve Board shall not approve an acquisition under the provisions of this Act by a bank holding company with over two billion dollars in deposits of a bank with one billion dollars in deposits.

SEC. 1004. Effective five years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is hereby repealed.

AMENDMENT No. 3721

Strike Title X and in lieu thereof insert the following:

SEC. 1001. This Title may be cited as the "Banking Geographic Deregulation Act of 1983".

SEC. 1002. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year following one year after the date of enactment of this proviso, a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

SEC. 1003. The Federal Reserve Board shall not approve an acquisition under the provisions of this Act by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits.

SEC. 1004. Effective five years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is hereby repealed.

AMENDMENT No. 3722

Strike Title X and in lieu thereof insert the following:

SEC. 1001. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting after the first sentence thereof the following:

"A State statute authorizing the acquisition of shares or assets of a State bank by an out-of-state bank holding company may not, directly or indirectly, authorize such acquisitions by bank holding companies based on the geographical location of such companies or the State in which such companies' operations are conducted: *Provided*, That this prohibition shall not limit the ability of a State to enact such a statute requiring reciprocal treatment by other States."

AMENDMENT No. 3723

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. Effective two years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) shall be repealed.

AMENDMENT No. 3724

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. Effective two years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act is amended to read as follows: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits."

AMENDMENT No. 3725

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. Effective two years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act is amended to read as follows: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits."

AMENDMENT No. 3726

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years from the date of enactment of this Act, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) shall be repealed.

(b) One year after the date of enactment of this Act, the Secretary of the Treasury, after consultation with the Federal Reserve Board, the Comptroller of the Currency, the Chairman of the Federal Deposit Insurance Corporation, and the Chairman of the Federal Home Loan Bank board, shall submit to Congress recommendations on legislation concerning interstate banking."

AMENDMENT No. 3727

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective one year from the date of enactment of this title, the provisions of a State statute which grant authority for bank acquisitions on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another State.

(b) A State may not amend or repeal any such statute if any acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, or limiting the ability of institutions in another State to participate in an equal manner under such statute after the one-year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

AMENDMENT No. 3728

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective one year from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another State. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another State to participate in an equal manner under such statute after the one year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits."

AMENDMENT No. 3729

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective one year from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another State. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another State to participate in an equal manner under such statute after the one year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits."

AMENDMENT No. 3730

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. Effective two years from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another state. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

AMENDMENT No. 3731

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years from the date of enactment of this title, the privisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another state. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits."

AMENDMENT No. 3732

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall be null and void and such State shall be deemed to have specifically authorized by its statute laws such authority without regard to the geographic location or proximity of another State. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits."

AMENDMENT No. 3733

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years after the date of enactment of this title, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

(b) Effective five years from the date of enactment of this title, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is hereby repealed.

AMENDMENT No. 3734

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years after the date of enactment of this title, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional of otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits.".

(c) Effective five years from the date of enactment of this title, section 3(d) of the Bank Holding Company Act is amended to read as follows: "The Board shall not ap-

prove an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits.".

AMENDMENT No. 3735

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years after the date of enactment of this title, section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided*, That, for each year a bank holding company may apply to acquire additional banks in each of two States selected by such bank holding company, and, notwithstanding that such acquisitions would otherwise be prohibited hereby, each such application may be approved under this section: *Provided further*, That the foregoing proviso shall not permit (i) an acquisition of shares or assets of, or interests in, a bank located in a State which adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want to permit the acquisition of such shares, assets, or interests by an out-of-State bank holding company, or (ii) any such acquisition by a bank holding company the operations of the banking subsidiaries of which are principally conducted in any such State as defined by subparagraph (i) of this subsection.".

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits."

(c) Effective five years from the date of enactment of this title, section 3(d) of the Bank Holding Company Act is amended to read as follows: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits."

AMENDMENT No. 3736

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. The provisions of a State statute which grants authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States.

AMENDMENT No. 3737

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) The provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits."

AMENDMENT No. 3738

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) The provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits.".

AMENDMENT No. 3739

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. Effective two years from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another contiguous State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

AMENDMENT No. 3740

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another contiguous State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits.".

AMENDMENT No. 3741

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) Effective two years from the date of enactment of this title, the provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not exclude contiguous States, and such State shall be deemed to have specifically authorized by its statute laws such authority with respect to contiguous States. A State may not amend or repeal its statute, if an acquisition, merger, or branch has been approved by the relevant Federal or State banking regulator in reliance upon the authority of such statute, in a manner which would have the practical effect, directly or indirectly, of limiting the ability of institutions in another contiguous State to participate in an equal manner under such statute after the two year period, notwithstanding any conflicting provisions of a State's constitution or statutes, which are hereby preempted.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits.".

AMENDMENT No. 3742

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. The provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not directly or indirectly discriminate against a State with which there is a common Standard Metropolitan Statistical Area.

AMENDMENT No. 3743

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) The provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not directly or indirectly discriminate against a State with which there is a common Standard Metropolitan Statistical Area.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over two billion dollars in deposits of a bank with over one billion dollars in deposits.".

AMENDMENT No. 3744

On page 126, strike out lines 2 through 24 and insert in lieu thereof the following:

SEC. 1007. (a) The provisions of a State statute which grant authority on the basis of limitations such as the geographic location or proximity of another State shall not directly or indirectly discriminate against a State with which there is a common Standard Metropolitan Statistical Area.

(b) Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "The Board shall not approve an acquisition by a bank holding company with over five billion dollars in deposits of a bank with over 250 million dollars in deposits.".

AMENDMENT No. 3745

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company,

directly or indirectly, with over two billion dollars in deposits of a bank with over one billion dollars in deposits.".

AMENDMENT NO. 3746

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, with over five billion dollars in deposits of a bank with over 250 million dollars in deposits.".

AMENDMENT NO. 3747

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which is one of the three largest in a state in terms of bank deposits of a bank which is one of the three largest in another State.".

AMENDMENT NO. 3748

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which would enable a bank holding company principally located in one State to control over ten percent of the bank deposits in another State.".

AMENDMENT NO. 3749

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which would enable a bank holding company principally located in one State to control over five percent of the bank deposits in another State.".

AMENDMENT NO. 3750

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which would enable bank holding companies principally located in other States to control over fifty percent of the bank deposits in one State.".

AMENDMENT NO. 3751

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which would enable bank holding companies principally located in other States to control over twenty-five percent of the bank deposits in one State.".

AMENDMENT NO. 3752

At the end of Title X, add the following:

SEC. 1008. Section 3(d) of the Bank Holding Company Act is amended by adding at the end thereof the following: "Except under section 13(b) of the Federal Deposit Insurance Act, the Board shall not approve an acquisition by a bank holding company, directly or indirectly, which is one of the five largest in a state in terms of bank deposits of a bank which is one of the five largest in another State.".

Mr. D'AMATO. Mr. President, S. 2851, the Financial Services Competitive Equity Act, was recently reported by the Banking Committee. Title X of this bill would authorize States to enter into regional banking pacts, allowing mergers and acquisitions by banking institutions within the compacting States. States not permitted into the compacts could not participate.

The issue presented by title X has been portrayed as a battle between the big money center banks and the regional banks, but it has much, much broader implications of a constitutional nature. It would set a precedent going against one of the cornerstones of our Constitution. If we allow States to set up economic zones which exclude other States in the area of banking, what area will be next? Surely there are any number of industries which would like the States in their home region to protect them from competition from businesses headquartered in other States. In the area of banking, it appears that California and New York will bear the brunt of the discrimination, but the next time around it could be other States. This type of economic protectionism was just what the authors of the Constitution were hoping to avoid—as is evidenced by the commerce and compact clauses.

The incredible irony is that many of the States which are pushing for compacts are open to entry by foreign banks; indeed foreign entry is often encouraged by cities wishing to become financial centers. Nevertheless, entry by American banks headquarters in certain States is to be forbidden.

The bearings on S. 2181 (now S. 2851) were almost entirely devoted to the issue of what new powers should be granted to bank holding companies within the context of the traditional separation of banking and commerce. The hearing record is almost blank on the merits of title X.

In view of the minimal time devoted to this issue in the hearings, it is not surprising that there is little understanding of the true impact of title X. Hopefully a full discussion of this issue on the Senate floor will help educate Senators about title X's far reaching impact.

Let us look at the arguments put forth in favor of this ratification of regional compacts. First, it is often argued that legislation which would permit States to form regional interstate compacts is merely a matter of confirming States' rights. Under the Bank Holding Company Act States now have the right to permit interstate banking. That is States' rights.

Proponents of compact legislation now propose to go further and permit States to set up compacts, including some States and excluding others. Apparently it is feared, with good reason, that States cannot set up such compacts on their own without running afoul of the Constitution; therefore specific congressional authorization is needed to override, in effect, the compact and commerce clauses of the Constitution. These clauses, of course, were adopted for the specific purpose of preventing just this type of State action. For example, the commerce clause "reflected a central concern of the framers that was an immediate reason for calling the Constitutional Convention: the conviction that in order to succeed, the new Union would have to avoid the tendencies toward economic Balkanization that had plagued relations among the Colonies and later among the States under the Articles of Confederation" (Hughes v. Oklahoma). How can the issue of States' rights, which derive from the Constitution, now be invoked to promote a type of State action which is specifically prohibited in the same document?

It is also argued that regional compacts will provide a limited experiment in interstate banking. This argument, unfortunately, misreads the forces which will be unleashed by regional compacts. In NOW account legislation, which is often cited as a precedent for compacts, the Congress was capable of limiting this modest experiment on a State-by-State basis. With regional compacts, the Congress is, in effect, abdicating the interstate banking issue to the State legislatures.

This compact phenomenon has grown rapidly since compact legislation was first introduced at the Federal level. It is not hard to imagine that within a year or so the majority of States will be members of four or five compacts which cover the country, except for a few isolated States purposely left out. A rash of intraregional mergers will have taken place, without congressional input, which will permanently change the nature of the banking industry in this country.

Another argument often made in favor of title X is that it promotes regional economies. If the Congress were to decide to phase-in interstate banking, it might well choose to begin by adopting an interim regional step—permitting contiguous State banking, for example. However, the regional economic argument in connection with State compacts is simply belied by the facts. The regions which are being created simply have nothing to do with

natural market areas; they are being created based on the economic protectionist fears of the bankers who are promoting them.

One simple fact says it all: Utah has adopted a bill creating a region of 11 Western States—including Alaska and Hawaii, but excluding California. Is this a natural market area?

Two regions are being set up which, in effect, surround, but exclude, New York State. The New England zone includes Connecticut, where the 40,000 residents who work in New York far exceed those commuting to Massachusetts, much less Maine. The proposed Middle Atlantic zone would match New Jersey with Maryland but ignore the more than 200,000 commuters from New Jersey to New York.

What about the antitrust implications of title X? Members of Congress have often expressed concerns about interstate banking leading to a greatly increased concentration level in the banking industry. And yet Congress is considering permitting a system which will create the worst possible competitive situation, without any federally imposed limits on concentration levels and, indeed, as discussed above, basically without any hearings.

Under current antitrust law, it is now widely understood that there are almost no limits on so-called market extension mergers in the banking industry. Where two banks compete in the same market, antitrust law will generally prohibit the consolidation of two banks with large market shares. However, where there is little or no direct competition involved—such as when the largest bank in one State acquires the largest bank in another State—the merger will be permitted.

Already in New England, where bank concentration levels are already generally high, the very largest banking institutions are signing agreements to merge with each other. Applications for such mergers have been submitted to the Federal Reserve Board and several have been approved, but stayed pending a ruling by the Supreme Court on the constitutionality of the compact laws. Within the proposed southeast zone, an agreement to merge has been signed by very large banking institutions in Georgia and Florida. The same Georgia institution has a mutual investment pact with large institutions in South Carolina and Alabama. One can only presume that large institutions in North Carolina and elsewhere will soon be added to this agreement.

The result of compact legislation will be a large number of mergers between the largest banks in the various States in a region. For example, a region of, say, seven States which now has 20 to 25 regional banks may within a few years only have 5 or 6.

Furthermore, these new regional giants will be protected by law from direct competition from outside their regions. From an antitrust perspective, the result will be worse than a total repeal of all prohibitions on interstate banking. As Senator Proxmire stated in his additional views with respect to title X: "In some ways, regional interstate mergers achieve the worst of both worlds. They undermine the principle of local control while failing to maximize competition from all banks in the system." Surely those in Congress who have expressed concern about the impact on concentration levels of interstate banking cannot be pleased with such a result.

In sum, Mr. President, title X of S. 2851 is poor public policy. It raises serious problems in the context of the structure of banking in this country. Even worse is the precedent it would set for allowing States to come together for economic protectionist purposes and to discriminate against other States. In this particular case it is the clear intent of these compacts to discriminate against my home State of New York, and I would not be doing my duty to my State if I did not strongly protest this action. I hope other Senators will look beyond the protectionist pleas of their bankers to the fundamental issues involved here and join me in striking title X when and if S. 2851 reaches the floor. If not, I have a number of amendments which it is my intention to offer which deal with the issues I have just discussed.

ETHNIC AMERICAN DAY

PRESSLER AMENDMENT NO. 3753

Mr. STEVENS (for Mr. PRESSLER) proposed an amendment to the joint resolution (S.J. Res. 253) to authorize and request the President to designate September 16, 1984, as "Ethnic American Day"; as follows:

On page 2, line 4, strike out "16" and insert in lieu thereof "30".

The title of the joint resolution is amended by striking out "16" and inserting in lieu thereof "30".

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, the Committee on Agriculture, Nutrition, and Forestry has scheduled a hearing to receive testimony on the nominations of Mr. Robert R. Davis, of Illinois, to be a member of the Commodity Futures Trading Commission and Ms. Crete B. Harvey, of Illinois, and Mr. Melvin A. Ensley, of Washington, to be members of the Federal Farm Credit Board, Farm Credit Administration.

The hearing will be held on Wednesday, September 12, 1984, at 10 a.m. in room 328-A Russell Senate Office Building.

For further information please contact the Agriculture Committee staff at 224-0014 or 224-0017.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a nomination hearing for Susan R. Holmes, Rufus King III, Colleen Kotelly, Noel Anketell Kramer, Robert Richter, Robert Tignor, and Emmett G. Sullivan to the associate judges of the Superior Court of the District of Columbia and Andrew L. Frey to be associate judge of the District of Columbia Court of Appeals on Tuesday, September 11, at 9 a.m. in SD-342 of the Dirksen Senate Office Building. Any persons wishing to submit testimony or further information can contact Ms. Eileen Mayer at 224-4161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, September 6, at 2 p.m., to hold a hearing to consider the nomination of Robert Stuart of Illinois, to be Ambassador to Norway.

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

ADDITIONAL STATEMENTS

BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1984 pursuant to section 311 of the Congressional Budget Act.

Since my last report, the Congress has cleared and the President has signed H.R. 6040, making supplemental appropriations for 1984, and H.R. 4325, Child Support Enforcement Amendments of 1984. The bills affect both budget authority and outlays.

The report follows:

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET STATUS OF THE FISCAL YEAR 1984 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 91

REFLECTING COMPLETED ACTION AS OF SEPT. 4, 1984

[In millions of dollars]

	Budget authority	Outlays	Revenues
Second budget resolution level	922,125	852,125	679,600
Current level	923,981	854,899	666,374
Amount remaining	0	0	0

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $0 million for fiscal year 1984, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 91 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $0 million for fiscal year 1984, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 91 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $0 million for fiscal year 1984, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 91.●

UNITED STATES-SOVIET RELATIONS AND NUCLEAR ARMS CONTROL

● Mr. KENNEDY. Mr. President, at this time of uncertainty over the future course of United States-Soviet relations, a very thoughtful call for common sense and reason has been offered by Averell Harriman, Clark Clifford, and Marshall Shulman, three distinguished experts in United States-Soviet affairs.

In a recent op-ed article in the New York Times, they urge our Nation address the critical issue of nuclear arms control in a serious and bipartisan manner. They note that "until this administration, both parties and recent Presidents—Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter—have sought to reduce danger of nuclear war by limiting nuclear weapons through negotiation. They did so not because they liked the Soviet Union, nor out of any disregard for the military balance, but because they understood that our security requires more moderate and more stable levels of nuclear arms, not unregulated military competition. Our Presidents did not all succeed—but, until now, they have tried."

I strongly agree that it is critical that both the United States and the Soviet Union make the effort to begin serious negotiations on nuclear arms control. Instead of exchanging rhetoric, the superpowers have the responsibility to negotiate verifiable arms control agreements that will reduce the risk of nuclear war.

I urge my colleagues to read this important article and ask that it be printed in the RECORD.

The article follows:

[From the New York Times, Sept. 2, 1984]

BIPARTISANSHIP—OR DANGER

(By W. Averell Harriman, Clark M. Clifford and Marshall D. Shulman)

The spectacle of a great nation leaving crucial issues—the control of nuclear weapons and America's relations with the Soviet Union—to media consultants and image manipulators, the modern gladiators of politics, increasingly is generating apprehension among many Americans as well as in the wider world. What's needed instead is serious discussion leading to solid bipartisanship.

We are accustomed to a certain amount of circus and bombast in election campaigns, but isn't there something fundamentally wrong about letting questions about the future of life on this planet be settled by those who package slogans and promote slick half-truths?

With some issues, this matters less, since we treat campaign platforms and candidates' promises with skepticism. But the most urgent matters confronting us—nuclear weapons and superpower relations—can no longer be left to the vagaries of circus politics. If the governance of this country is to be equal to our responsibilities, both parties must seriously discuss the choices to be made, and out of that discussion must come, in place of extremism, a new articulation of the measured center ground that can restore bipartisan support for responsible policies.

It defies common sense to assert that America has become more secure. In fact, since 1981 our situation has become deeply troubling: there has been a total breakdown in negotiations with the Soviet Union while we have rushed into the largest peacetime military buildup in our history. Some regard these developments with complacency, even satisfaction, but, ignoring the lessons of history, they are blind to the dangerous trends now set in motion.

On both sides of the nuclear blance, the military competition is steadily mounting. New systems planned and introduced are bringing both sides closer to the hair trigger. Many of these systems will prove extremely difficult, perhaps impossible, to verify, and that will make any future arms control agreements far harder to reach.

The lack of serious diplomatic contact heightens the danger of misperception and miscalculation in a crisis. And our allies' diminishing confidence in the wisdom and good sense of our leadership accelerates fragmentation of the alliance and the tensions in and between Western European nations. If present trends continue, the alliance may be reduced in a few years to little more than a shell.

Despite all the boasts from officials like President Reagan and the chief delegate to the United Nations, Jeane J. Kirkpatrick, our national security policy now rests largely on myths, illusions and faulty judgments.

With insistence and zest, the Administration has taken up the erroneous assumption that Moscow has acquired a nuclear advantage, and that huge programs of new nuclear weapons are needed not only to overcome our supposed inferiority but also to achieve security through superiority. The prevailing judgment has been that our military buildup can compel the Kremlin to accept negotiations on our terms and that if it does not, it will break under the strain of trying to keep pace with us. Actually, the effect has been just the opposite: the Administration's military programs have stiffened the Kremlin's determination to match our military efforts whatever the cost.

Our policies have made Moscow more truculent, more persuaded of our malign intent—therefore more dangerous. This embattled state of mind has also tightened the grip of repressive practices in Soviet society.

This Administration has never treated arms control as truly important to national security, and in its more candid moments has said so. Positions have been advanced in negotiations, not to find common ground but to create the appearance of flexibility as a mask to justify a further buildup. Because the proposals have been so one-sided, they have turned the negotiations into an unproductive forum for invective. Moscow's walkout from the strategic-arms talks cannot be excused—indeed, its policies bear a heavy share of the blame, but so must the Administration.

The limited programs of cooperation set up by the Nixon Administration have all been systematically dismantled. Restrictions on trade relations have tightened. The picador rhetoric of hostility has reached a new crescendo, unprecedented in two decades, with angry exchanges only intermittently and tactically constrained. Recently, the Administration revived John Foster Dulles's policy of "rollback" in Eastern Europe—whether as serious policy or merely campaign rhetoric is not clear. The only plausible explanation for the overall course is that those with a dominant voice in the Administration have a not-so-hidden agenda leading toward confrontation, in the mistaken belief that we can force the Russians to buckle. In effect, that agenda has been advanced by Moscow's lack of restraint in exploiting opportunities in the third world and in its military programs—for example, in deployment of the SS-20 missiles.

The absence of strong, self-confident political leadership in the Kremlin during a prolonged success process has made it difficult to exercise control over the military establishment. But the Soviet leadership, whatever its present condition, faces major economic problems, heightened by the prospect of still greater deflection of resources to the military sector in order to keep up with America. Whether Moscow's concern about this is powerful enough to bring it to accept negotiated limits on the military competition is not entirely clear. That possibility should be tested by serious American efforts to shape agreements that serve both nations' legitimate security interests. Such efforts need not presuppose trust or involve illusions about benign Soviet purposes; they depend only on the extent to which Moscow recognizes its self-interest in reducing the risk of war.

Until this Administration, both parties and recent Presidents—Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter—have sought to reduce the danger of nuclear war by limiting nuclear weapons through negotiation. They did so not because they liked the Soviet Union, nor out of any disregard for the military balance, but because they understood that our security requires more moderate and more stable levels of nuclear arms, not unregulated military competition. Our Presidents did not all succeed—but, until now, they have tried.

Restoration of this commitment and creation of a politically effective bipartisan constituency in support of it must be America's No. 1 priority. We can achieve it only through honest discussion and debate—not by bitter, harsh and grotesque simplifications that call into question the patriotism of Americans who believe in the wisdom of the course taken by six Presidents of both parties. As for the Democrats, they would err grievously if, in pursuit of hard-line supporters, they were tempted to compete with the Reagan Administration's extremist appeals.

More than the outcome of the election is at stake: the nature of the debate will affect the level of understanding and the climate of opinion that will influence our policies whoever is elected. If America is to make a new start after the campaign, responsible people, Republicans and Democrats alike, must immediately begin to address the issue of nuclear arms with the seriousness it deserves. There is a potentially lethal reality we must face: what, in the end, will it profit any candidate to win an election but suffer the loss of the peace that so many loyal and dedicated Americans have fought so hard to preserve?

(W. Averell Harriman, former Ambassador to the Soviet Union, has been an adviser to five Presidents and was chief negotiator of the 1963 Limited Test Ban Treaty. Clark M. Clifford was counsel to President Harry S. Truman and Secretary of Defense in the Johnson Administration. Marshall D. Shulman, professor of international relations and director of the Harriman Institute for Advanced Study of the Soviet Union, at Columbia University, served as special adviser on the Soviet Union to President Jimmy Carter's Secretaries of State, Cyrus R. Vance and Edmund S. Muskie.)●

HONORING MARTIN JANIS

● Mr. GLENN. Mr. President, last month the National Association of State Units on Aging and the National Association of Area Agencies on Aging held their annual training conference in Chicago. More than 800 senior citizens and persons who work on behalf of senior citizens attended this conference from across the Nation.

At the conference banquet on August 22, the National Association of State Units on Aging presented their 20th Anniversary Achievement Award to Martin Janis, former director of the Ohio Commission on Aging. I was proud to nominate Martin Janis for this award, which was established to honor the achievements of State directors on aging over the past 20 years and to encourage continued State leadership on behalf of the elderly. Throughout his adult life, Mr. Janis has worked tirelessly on the State and community levels to improve the lives of Ohioans, particularly Ohio's older citizens.

Mr. Janis' career in public service began in Toledo, OH, where he was actively involved in business and community activities from 1935–63. In 1962, he was elected to the Ohio House of Representatives. He sponsored the Ohio Worker Training Act which provided retraining of unemployed persons for new careers. This was one of the first such programs in the country, and an idea which has renewed relevance in today's economy.

In 1963, Mr. Janis was appointed by Gov. James Rhodes as director of the Ohio Department of Mental Hygiene and Correction. He was the first lay person to head this department and served longer than any director, from 1963 through 1970. In 1963, at the request of the Secretary of Health, Education and Welfare, Mr. Janis testified at congressional hearings in support of legislation for a National Community Mental Health Act. He was also instrumental in the passage of State legislation to establish community mental health and mental retardation programs in the State of Ohio. Ohio remains in the forefront of all States in this programming.

In 1968, Mr. Janis worked for the passage of an amendment to the Ohio Constitution which permitted any State department collecting fees for its services to use such revenue for the amortization of revenue bonds issued for capital improvements. This enabled Ohio to replace its antiquated and large State-operated mental health and mental retardation facilities with smaller modern units. It also provided matching funds to local communities for the development of mental health centers and facilities for the mentally retarded.

In 1965, Mr. Janis established the division of administration on aging within the department of mental hygiene and correction. It was one of the first such divisions legislatively established to deal specifically with programs for senior citizens. From 1975 through 1982, Mr. Janis served as director of the Ohio Commission on Aging. Under his leadership the State commission gained national prominence for its outstanding and innovative programs for senior citizens. Following are just a few examples of his numerous contributions to senior citizens:

Established Ohio's two golden age villages—Worley Terrace in Columbus and Glendale Terrace in Toledo. These are unique in that they provide housing and personal care services to older residents. Services include meals, preventive health, barber and cosmetology care, and recreational and social programs. These two housing projects were recognized by the U.S. Senate Special Committee on Aging in 1975 as outstanding examples of congregate living facilities for older persons.

Established seven geriatric centers throughout Ohio which provide nursing home care for patients who do not need to be in a mental hospital but still require specialized nursing attention.

Established the Golden Buckeye Card Program which provides retail services discounts to Ohioans 65 and older. Over 1.2 million older Ohioans carry the Golden Buckeye Card and over 34,000 merchants honor it. It results in estimated savings in excess of $75 million annually to cardholders, and has furthered a better understanding of the needs of senior citizens.

Instrumental in passage of legislation mandating that Ohio's seven medical schools have offices of geriatric medicine.

Established the Ohio network of educational consultants in the field of aging which provides the institutions of higher education with direct input into training and educational programs sponsored by the Ohio Commission on Aging.

Instrumental in development of senior centers as the community focal point in the delivery of services to older Ohioans.

Established annual statewide activities involving senior citizens, including "elderwalk" which emphasizes the importance of physical exercise; the Governor's art show and auction which offers talented older citizens the opportunity to display and sell their artwork; the Governor's conference on aging; and senior citizens day at the Ohio State Fair.

Although Mr. Janis is supposedly retired from public service, he continues to work on behalf of senior citizens. His current efforts include working with local, State, and Federal officials to establish facilities for senior citizens in South Toledo which will cover a full spectrum of needs, including subsidized housing, mental health services, a multipurpose senior center, a nursing home, and offices for the area agency on aging and other aging organizations.

In my work as a Member of the U.S. Senate and the ranking Democratic member of the Special Committee on Aging, I have often relied on the advice and experience of Martin Janis. He is an outstanding citizen of Ohio and the United States of America, and I am proud to regard him as my personal friend and colleague. He is a dedicated advocate for senior citizens, and I am pleased that the National Association of State Units on Aging has honored him with the 20th Anniversary Achievement Award for outstanding service.●

VICTIMS OF CRIME ASSISTANCE ACT

● Mr. COCHRAN. Mr. President, on August 10, shortly before we adjourned for the August recess, the Senate considered and approved S. 2423, the Victims of Crime Assistance Act of 1984.

As a cosponsor of this legislation, I want to commend Senators THURMOND, LAXALT, BIDEN, and other members of the Judiciary Committee for their leadership in bringing this bipartisan measure before the Senate.

For too long, those victimized by crime have been overlooked and neglected. Many are poor and elderly. The rights of criminal defendants in many instances in the past have been more zealously protected than those of the victims of the crimes.

The enactment of legislation to provide Federal assistance to State Victims Assistance Programs is an important step in recognizing the rights of victims.

S. 2423 establishes a crime victims assistance fund into which will be deposited Federal criminal fines, public contributions, penaly surcharges on convicted defendants, and the proceeds received by defendants for the sale of the stories about their criminal misdeeds. This so-called "Son of Sam" provision will serve to prohibit criminals from later profiting from their criminal activities.

This fund, authorized in the amount of $100 million, will be distributed to State compensation and victims assistance programs. Forty percent of the funds will be distributed to the States to existing Victims Compensation Programs based on the assistance provided to victims in the previous fiscal year. Forty-five percent of the funds will be distributed to the States based on population to improve the assistance provided by State and local governments and nonprofit organizations. The remaining 15 percent will be distributed among Federal law enforcement agencies to establish Federal programs.

I am particularly pleased that title V of this bill contains my proposal to provide compensation to the victims of federally protected witnesses. The bill establishes a $1 million fund to be administered by the Attorney General for the payment of restitution and compensation to the victims of crimes causing death or serious bodily injury committed by protected persons.

Payments would be made as provided in the Victims and Witness Protection Act and only to the extent that the victim or his estate has not otherwise recovered. It would also provide compensation payments, only in the case of death, to the victim's estate in cases occurring prior to the date of enactment. These cases include the heinous murders committed by the notorious Marion Albert Pruitt.

I believe we have a special obligation and responsibility to the victims of those persons whom the Government admits into the Federal Witness Security Program and shields from an unsuspecting public. This bill will provide some relief for this special group of victims.

Mr. President, I welcome the adoption of this comprehensive victims assistance legislation and urge my colleagues in the House of Representatives to act as quickly in approving its enactment.●

TRIBUTE TO BAY COUNTY SHERIFF KEVIN F. GREEN

● Mr. LEVIN. Mr. President, on September 11, 1984 the Bay County, MI, Commission and citizens will pay special tribute to Bay County Sheriff, Kevin F. Green.

Sheriff Green is an outstanding individual whose dedication to his community goes far above and beyond the call of duty. He not only carries out all the regular responsibilities associated with his office, but Kevin Green puts in countless extra hours talking to young people and senior citizens.

During the 1983-84 school year Sheriff Green spoke with nearly 14,000 students in Bay County schools. These students range from preschool through high school. To the youngest children Sheriff Green talks about avoiding strangers and bicycle safety. To the older ones he speaks about alcohol and drug abuse, drunk driving, self defense and rape prevention.

Sheriff Green is also a popular speaker with senior citizens groups in Bay County. He spends countless hours speaking with groups about safety and self defense.

I am pleased to have this opportunity to commend Sheriff Kevin F. Green on the excellent job he is doing. His dedication and unselfish interest in his community and its citizens has not gone unnoticed.●

TIM GIAGO SELECTED AS FIRST PRESIDENT OF NATIVE AMERICAN PRESS ASSOCIATION

● Mr. ABDNOR. Mr. President, a very special meeting was recently held in Tuskahoma, OK, which resulted in the creation of the Native American Press Association. Fifteen Native Americans have joined together to create an association which will unite our Nation's Native American newspapers in their efforts to bring greater attention to issues which affect both our Indian and non-Indian populations.

I am especially pleased because this organization was the creation of Mr. Tim Giago, editor of the Lakota Times. This newspaper was founded on the Pine Ridge Reservation of South Dakota in 1981. Since that time it has become the Nation's largest Indian weekly under Tim's able leadership. It is only fitting that he should be selected as the first president of the new Native American Press Association.

While the founding of this association may not appear to be a major milestone to some, anyone familiar with the problems associated with beginning such an undertaking in Indian country can truly appreciate the magnitude of this auspicious beginning. It is important to note that one of the keystones of this organization is to promote greater understanding between Indian people and between Indians and non-Indians. This is indeed a worthy goal and we in South Dakota take great pride and honor in the selection of Tim Giago as president of the Native American Press Association [NAPA].

Mr. President, I should also like to include the following article from the August 29 edition of the Lakota Times which details the creation of the NAPA.

The article follows:

NATIVE AMERICAN PRESS ASSOCIATION FORMALIZED; LAKOTA TIMES PUBLISHER ELECTED FIRST PRESIDENT

(By Adrian C. Louis)

TUSKAHOMA, OKLA.—The fifteen member Board of Directors of the Native American Press Association met at the site of the capitol of the Choctaw Indian Nation and formally adopted their constitution and articles of incorporation. The group, which will be incorporated in the District of Columbia also selected officers who will serve two year terms. Those officers selected were Tim Giago, Publisher of the Lakota Times of the Pine Ridge Reservation as President; Loren Tapahe, Publisher of the Navajo Times as Vice-President Anita Austin, Editor of the Colorado-based Native American Rights Fund newsletter as Secretary; and Mary Polanco, Editor of the Jicarilla (Apache) Chieftain as Treasurer.

The Native American Press Association (NAPA) will seek to develop and improve communications between Indian people and between Indians and the non-Indian public. It will promote the highest standards in professional journalism and will promote the exchange of news, ideas, and experiences through technical assistance among members in print journalism in America. Among the chartering newspapers are the largest Indian weekly, the largest Indian monthly, and the largest Indian daily newspapers in the United States.

Newly elected President Tim Giago sounded a strong note in his address to the delegated Board Members. "There's not a single Indian editor in the United States or Canada who does not throw his hands up in the air every week at some of the garbage printed in major newspapers and magazines about Indian people. Why responsible, professional newspapers would print some of these distorted, ill-conceived articles is beyond us."

Giago went on to stress the value of newspapers to the various Indian communities of this country. "Presently, many Indian newspapers, tribally-owned or funded by an organization, have fallen on very hard times," he said "They are the first to be cut from the budget during tough times. The service provided to the Indian community by a newspaper is intangible. It doesn't put food on the table, pay the rent, or provide health care. The fact that newspapers are a vital link between the tribal structures and the people is often overlooked. If the people are not informed, they cannot make decisions affecting their very survival. The service provided by a newspaper is to inform and educate and that service cannot be measured in dollars."

In a strong show of Indian unity, the Board of Directors agreed that the Native American Press Association would assist and encourage member newspapers by holding workshops in financing and advertising, photography, legal matters, and would provide a powerful link between the general public newspapers and the Indian press. "There are many more services we hope to provide, including a monthly newsletter to

our members, but we are approaching our goals one step at a time," Giago added.

The new organization, which was originally conceived of by Lakota Times Publisher Tim Giago and it's Managing Editor, Adrian Louis, met in an organizational conference at Penn State University in June.

At the Board of Directors meeting hosted by the Choctaw Nation of Oklahoma, Charles Trimble, an Oglala Sioux and founder of an earlier press group called the American Indian Press Association addressed the group and had high praise for their efforts.

Trimble, also a former Director of the National Congress of American Indians, said, "Your basis is more sound than the AIPA's was when we founded it in 1968. You have a great association. If I can be of any service I will, but I caution you on federal dependency. We (AIPA) never meant to be totally dependent on feds, but we did get fed grants. When you do this you are compromised because there is no freedom in a state of dependency."

The first two meetings of NAPA have been funded under grants from the Gannett Foundation. Gannett publishes USA Today, as well owning a large network of daily newspapers.

The NAPA has slated a general membership convention to be held at the Kah-Nee-Ta Resort owned by the Warm Springs (Oregon) Indian Tribe. The tentative date is March 13-16 and at that time it is expected that the vast majority of the several hundred American Indian newspapers in America will send representatives.●

ORDERS FOR FRIDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate stands in recess today, it convene at 10 o'clock tomorrow morning.

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

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. STEVENS. Mr. President, I ask unanimous consent that following the time for the two leaders under the standing order on tomorrow, there be a special order, for not to exceed 15 minutes, for Senator PROXMIRE.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the special order on tomorrow, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

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

PROGRAM

Mr. STEVENS. Mr. President, on tomorrow, following the period for the transaction of routine morning business, the Senate will resume consideration of the pending Baker motion to proceed to the consideration of S. 2851, the banking bill. I am informed that a cloture motion has been filed. It is my understanding that the motion will be voted on Monday.

The PRESIDING OFFICER. That is correct.

RECESS UNTIL 10 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, the Senate, at 4:57 p.m., recessed until tomorrow, Friday, September 7, 1984, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 6, 1984:

THE JUDICIARY

H. Ted Milburn, of Tennessee, to be U.S. circuit judge for the sixth circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

James F. Holderman, Jr., of Illinois, to be U.S. district judge for the northern district of Illinois vice a new position created by Public Law 98-353, approved July 10, 1984.

Richard F. Suhrheinrich, of Michigan, to be U.S. district judge for the eastern district of Michigan vice Russell James Harvey, retired.

James H. Jarvis II, of Tennessee, to be U.S. district judge for the eastern district of Tennessee vice a new position created by Public Law 98-353, approved July 10, 1984.

Thomas A. Higgins, of Tennessee, to be U.S. district judge for the middle district of Tennessee vice L. Clure Morton, retired.

DEPARTMENT OF JUSTICE

James R. Laffoon, of California, to be U.S. Marshal for the southern district of California for the term of 4 years (reappointment).

CONFIRMATIONS

Executive nominations confirmed by the Senate, September 6, 1984:

INTERSTATE COMMERCE COMMISSION

J.J. Simmons III, of Oklahoma, to be a member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1985.

Paul H. Lamboley, of Nevada, to be a member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1984.

Andrew John Strenio, Jr., of Maryland, to be a member of the Interstate Commerce Commission for a term expiring December 31, 1985.

WITHDRAWAL

Nomination withdrawn from the Senate, September 6, 1984:

Paul M. Bator, of Massachusetts, to be U.S. circuit judge for the District of Columbia circuit, vice a new position created by Public Law 98.353, approved July 10, 1984, which was sent to the Senate on July 31, 1984.

HOUSE OF REPRESENTATIVES—*Thursday, September 6, 1984*

The House met at 11 a.m.

The Right Reverend Monsignor James P. Cassidy, director, health and hospitals, Catholic Charities, archdiocese of New York, New York, NY, offered the following prayer:

Almighty God and Father of the whole human family, bless us and pour out Your sustaining grace on this august assembly.

May they fully realize the magnitude of the responsibilities which has been conferred on them by You and the people of this country.

Inspire them, O Lord, to be wise in their judgments. May they always have before them Your greater good, which is the good of each and every person.

Keep them, O Lord, open and responsive to all the uncertainties found in this changing world.

Make them, O Lord, the defenders of life and freedom for everyone in God's human family, and today, in particular, remember the people of Cuba who celebrate the anniversary of their independence. Grant that we may all know that freedom and liberation do not come with a class struggle, but with the peace and freedom of God.

Bless us, O Lord, with Your strength that we may always have the courage to do Your Almighty will here and forever. Amen.

THE JOURNAL

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

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

THE RIGHT REVEREND MONSIGNOR JAMES P. CASSIDY

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

Mr. PEPPER. Mr. Speaker, I share the expression of gratitude of my colleagues that we have been fortunate enough this morning to have the invocation given by the Right Reverend Monsignor James P. Cassidy, a longtime and cherished friend of mine. He is deep in the spirit, eloquent of speech, and great in the Christian service which he has rendered for the benefit of the health and hospital care of the people of New York and of the Nation.

We are grateful to the Monsignor for his inspiring words and for the refreshing spirit which he has brought to our Chamber. We are very much indebted to him for his time.

Mr. BIAGGI. Mr. Speaker, I want to join my colleagues in welcoming a good friend and fellow New Yorker, Msgr. James P. Cassidy, the deliverer of today's opening prayer.

We are indeed honored to be blessed with the spiritual wisdom that is offered today by Monsignor Cassidy. During the more than 15 years he has served with the Catholic Archdiocese of New York, Monsignor Cassidy has established himself as a truly committed and compassionate figure in the Catholic Church. He served for many years under the late Terence Cardinal Cooke, and now serves with equal distinction under Archbishop John O'Connor, the new head of the Catholic Archdiocese of New York.

I also want to take this opportunity to formally congratulate Monsignor Cassidy for his recent appointment to the position of adviser to the Holy See (director) of all Catholic hospitals and health centers throughout the world. His deep devotion to the health and spiritual well-being of his fellow man is clearly reflected in Monsignor Cassidy's appointment to this very important position.

Monsignor Cassidy was accompanied to Washington today by Dr. Joseph R. Julia, of the Cuban Crusade for Relief and Rehabilitation Asssociation, a New York-based group which each year around this time sponsors "Cuban Independence Day," a time to focus on the reunification of the Cuban people under the Almighty, and freedom for all Cubans. Monsignor Cassidy's active involvement in this group is further testimony to his deep and unwavering compassion for his fellow man. His presence here today is deeply appreciated.

ELECTION OF CHAIRMEN OF CERTAIN STANDING COMMITTEES

Mr. LONG of Louisiana. Mr. Speaker, I offer a privileged resolution (H. Res. 576) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 576

Be it resolved that the following Members are hereby elected as chairmen of the committees designated:

Augustus F. Hawkins, Committee on Education and Labor.

Frank Annunzio, Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INTRODUCTION OF THE STATE-CHARTERED SAVINGS AND LOAN ASSOCIATION REGULATORY POLICY ACT

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

Mr. BADHAM. Mr. Speaker, today I am introducing legislation titled the State-Chartered Savings and Loan Association Regulatory Policy Act. This bill is in response to regulations proposed by the Federal Home Loan Bank Board imposing limitations on investment activities of State-chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation. This act provides a workable and reasonable means of reconciling the legitimate concerns of the Board regarding the integrity of the FSLIC insurance fund and the legitimate concerns of the States to retain primary authority over the activities of State-chartered associations.

Under the Nation's dual banking system, the primary responsibility for supervision for State-chartered financial institutions has always been in the hands of State regulatory authorities. Limitations on State authority that would be imposed by the proposed rule appear to be inconsistent with the appropriate balance between State and Federal functions in this area.

The enactment of this legislation would permit the States to determine the activities that may be engaged in by State-chartered associations. Should the State-chartering authority fail to satisfy the standards and procedures adopted by the FSLIC, the associations located in the State would not be permitted to engage in any investment activities in which Federal associations are not allowed to participate. Thus, the legislation preserves the States' authority over the investment activities of State-chartered associations and allows such associations to continue to engage in profitable activities, while at the same time ensuring that these associations are adequately regulated.

The legislation also addresses the issue of the FSLIC's funding over the long term by authorizing the FSLIC to assess additional risk-related premiums against associations whose investments exceed the limitations imposed

on Federal associations. Because this presents a new approach to funding the FSLIC insurance fund, the legislation requires the FSLIC to make a report to Congress after it has had some experience with the additional premium plan, and gives Congress an opportunity at that time to reconsider the plan.

RIOTING AND REPRESSION IN SOUTH AFRICA

(Mrs. COLLINS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, I am outraged by the current wave of violence in South Africa. It has claimed nearly 40 lives including children as young as 6 years old. Police arrested, beat, and shot peaceful student demonstrators and election monitors. This brutality provoked widespread unrest leading to more vicious police retaliation in the desperately poor black townships surrounding Johannesburg.

This horrible series of rioting and repression should come as a surprise to no one. Sadly, it has occurred many times before. We shall not forget the massacre of 64 black passive resisters in Sharpeville in 1960. More recently, the Soweto riots of 1976 continued for months and left more than 600 dead among all races. As we all know, these uprisings will continue until the South African Government finally accepts the need for a truly just and racially equal society.

The Reagan administration policy of so-called constructive engagement with this racist regime is a national shame. It strengthens apartheid and thus postpones peaceful change. I believe that America must reverse this immoral policy and demonstrate its commitment to the oppressed and not to the oppressors.

COMPUTER SURVEILLANCE OF TEENAGERS SUBJECT TO DRAFT REGISTRATION

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

Mr. PAUL. Mr. Speaker, it is now common knowledge that Federal Government computers are routinely used to compare lists of 18-year-olds who get drivers licenses with those who have registered for the draft. Computer surveillance seems appropriate for 1984 and unfortunately the wave of the future. This is in spite of the fact that Social Security's and Health and Human Services' computers are already being used to keep tabs on our 18- and 19-year-olds.

A recent story revealed an imaginary person received a threat from the Defense Department if he did not immediately register for the draft. Two brothers, 7 years ago, signed a fictitious name on an ice cream parlor's list in order to get a free sundae. This list, unbelievably, found its way into the Government files and is now being used for monitoring our teenagers.

Millions of tax dollars are spent on this type of computer surveillance—a disgusting procedure for a professed free society.

The irony is that it's done by an administration that brags about its limited Government philosophy. And the little condemnation we hear comes from those who involve Government in every jot and tittle of our economic lives. Why is it that it's so difficult to defend freedom consistently across the board?

REPUBLICANS IN REALITY BECOMING A WHITE POLITICAL PARTY

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

Mr. MITCHELL. Mr. Speaker, let me say to my colleagues in the House that since 1900 one of the major concerns has been the possibility of the formation of a white political party in this Nation. It has been a constant danger for us. Certainly George Wallace attempted to form a white political party some years ago and was repudiated.

Unfortunately, at the convention in Dallas, had any objective parties looked at that convention, they would have assumed that it was a white political party in formation. Of those who participated in the Republican Convention, there were only 3 percent nonwhite. At the Republican Convention in Dallas the vast majority of the people there, 80 percent, had family incomes of over $100,000.

For many years, good thinking people in this Nation have fought against the possibility of a white political party forming, and I know that many Republicans are repulsed by that idea. I know that many Democrats are also. The American people do not want an all-white party. They want a party that is going to embrace all the diverse elements that exist in this country.

Mr. Speaker, we have been striving toward that consistently and conscientiously and with a great deal of success, but when we witness the Republican Party with just 3 percent nonwhite participation, that suggests to me that that party is becoming a white political party.

□ 1110

MONDALE'S CRUEL TAX HOAX

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

Mr. LOEFFLER. Mr. Speaker, the American taxpayer has been a long-suffering creature. He has been patient beyond expectation, and willing to sacrifice when his Government has convinced him that there is no other way.

Fritz Mondale is determined to convince the American taxpayer that the fate of the Nation depends on the average citizen's willingness to tighten his belt and deliver his wallet to the U.S. Government. Not only is Mondale's solution of massive tax increases way off the mark, it is a cruel hoax.

Mondale plans to take it in with one hand and shovel it out just as fast with the other. The Democratic platform is replete with promises that, if they were to be realized, would result in huge increases in Federal spending.

If Mondale were to try to fund his planned additional spending and reduce projected deficits, the tax increases that would be required would bring the economy to its knees. American taxpayers may have been long suffering, but their memories are also long enough to recall the disastrous Carter-Mondale economic policies and to recognize a tax "shell game" when they see one.

IT IS TIME TO CONCENTRATE ON THE ISSUES, NOT "HIT LISTS"

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

Mr. KLECZKA. Mr. Speaker, I bring to your attention articles appearing in today's Washington Post and yesterday's New York Times. These articles describe a "purge list" sent to the Environmental Protection Agency by the White House in 1981. On this list was a number of career EPA officials that a business organization wanted purged from the agency.

Instead of spending valuable time on "hit lists," the White House should be working to solve the problems that plague America. The poverty rate in this country is a staggering 15.2 percent. Federal housing assistance is barely one-third of what it was 3 years ago. Arms control talks are going nowhere. And only 6 of the 520 hazardous waste sites on the EPA's national priorities list have received action.

With all of these problems and more, I am amazed that the White House had time to work on hit lists.

Mr. Speaker, hit lists are dangerous things, and they also are wasteful. It is time the administration started placing the needs of the American public over their own political goals.

WILLIAMSPORT'S DISTRICT 12 BIG LEAGUE SOFTBALL ALL-STAR GIRLS TEAM WINS CHAMPIONSHIP

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

Mr. GEKAS. Mr. Speaker, recently, while the Little League World Series was taking place at Williamsport, PA, another sports event for our youngsters was taking place at Indianapolis, IN, that being the Big League Softball World Series for Girls.

I am proud to say this counterpart in Little League World Series was captured this year, the world championship this year, by a team from the Williamsport area. The finals were between the team from California, the Arcadia-Pasadena team, against this Williamsport 12 District Team, and Williamsport, as I say, won it.

What this indicates is that girls' softball is just as important as boys' baseball and that youth programs such as this emulate properly the Olympics that we saw in Los Angeles this summer.

Sportsmanship and the American way of life are alive and well in the sports programs for youth.

The Williamsport team included Kay Czap and Tracy Marovich of Loyalsock, Old Lycoming's Donna Shief, Natalie White, Diana Smith, Melissa and Maureen Kennedy, and Colleen McCallus. From Newberry there were Lesa Keller and Deb Peterman and South Williamsport's program added Lorrie Condo, Alicia Eastlake, and Jennifer Stutz. The Williamsport District 12 Big League Softball All-Star Team was managed by Chuck Shaffer of Old Lycoming and coached by Ken Keller of Newberry.

WAIT 'TIL THE POLLS CLOSE

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

Mr. WYDEN. Mr. Speaker, colleagues, earlier this morning I wrote President Reagan and Democratic Presidential nominee Walter Mondale asking them to pledge now to refrain from making an official announcement of victory or defeat on election day until after the polls have closed in the Pacific time zone.

I have made this request of the two candidates because I believe it is important to try and prevent a repeat of the 1980 general election in which an early conclusion of the Presidential race harmed voter turnout in Western States.

There is little doubt that the fact that the 1980 Presidential race was conceded around 5 p.m. Pacific time put a real dent in the turnout of voters throughout Western States.

I commend my colleagues on congressional efforts to ask major television networks to abstain from announcing a victor until Western polls are closed. I must say that I think it unlikely that the networks will agree to hold off on their projections. But whether or not the networks pick a winner while polls are open in the West, the candidates should not unnecessarily discourage voters by conceding defeat or claiming victory before the polls are closed.

I believe that a mutual pledge, made now by both major candidates, not only would go far toward maintaining interest in the Presidential race, but would also help ensure a larger turnout for local races.

All of us want to encourage a large voter turnout this November. The proposal I have made today, if adopted, should help a lot.

MR. MONDALE WON'T TELL YOU, I JUST DID

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

Mr. CAMPBELL. Mr. Speaker, today, on the 49th day of Walter Mondale's secret tax plan, he came to the Hill to talk to his Democrat colleagues. An award should be given for the most patronizing statement of the 1984 Presidential campaign and it most certainly should go to Walter Mondale for the peculiar reasoning and illogical conclusion that stems from his statement, "Let's tell the truth—Mr. Reagan will raise taxes and so will I," he said. "He won't tell you. I just did."

Let us really tell the truth, Mr. Mondale.

Mondale's program would boost the deficit to $234 billion by 1989 before taxes, and require annual tax increases per household of over $1,890. Mr. Mondale will not tell you. I just did.

Mr. Mondale's program will not be able to use his massive tax hike to reduce the deficit because he will need every last billion that he has promised to all the special groups in this country to pay them off. Mr. Mondale will not tell you, but I just did.

Mondale's program according to the Wall Street Journal is estimated to carry a price tag of somewhere between $45 and $90 billion. Mr. Mondale won't tell you. I just did.

Mondale won't consider alternatives to higher taxes. He does not realize that they break the spirit of a worker who is trying to make a better life. Mr. Mondale won't tell you. I just did.

Mondale's program would cripple the economic recovery that has taken several years to establish—interest rates are down, inflation is down, unemployment is down, new workers have decreased the budget deficit by approximately $20 million. Mr. Mondale won't tell you. I just did.

President Reagan is bringing America back—why return to the days of gloom and doom. Mr. Mondale won't tell you. I just did.

THE NONBANK BANKS

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

Mr. ROEMER. Mr. Speaker, yesterday, I began a series of 1-minute presentations on our banking system. Today, I would like to talk about the nonbank banks.

For purposes of regulation, the law defines a bank as any institution accepting deposits and making commercial loans.

Banks, in turn, have been protected by the Federal Deposit Insurance Corporation, for example, and regulated since the 1930's.

Regulations include a restriction on interstate banking and a limit on commercial activities by banks in the fields of insurance, securities, and real estate.

These restrictions were designed to increase the safety and soundness of the banking system by limiting nonbanking speculation by banks and to prevent undue concentrations of money and power, issues still relevant today.

Recently, however, some institutions figured out if they did not make commercial loans, they were not banks, and if they were not a bank, then the institution would not be restricted by geography or type of business. Thus, the nonbank bank loophole, a loophole which is being abused and which is in part threatening a return to the financial crisis of the 1930's.

The House Banking Committee is attempting to close the loophole. They deserve our support.

THE BALANCED BUDGET AMENDMENT, AN AMERICAN ISSUE

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

Mr. CRAIG. Mr. Speaker, Public Law 95-435 mandated a closely balanced budget by 1981. Public Law 96-5 required—and get this—that the House Budget Committee propose balanced budgets for fiscal year 1981 and beyond. These two statutorily required balanced budgets join a number of others that have failed.

Now, the chairman of the Budget Committee proposes another statute that would require the President to submit a balanced budget and the

Speaker says he would move it to the floor in 48 hours.

Statutes don't work and it seems blatantly hypocritical for House leadership to promote legislation to call on the administration to do what law already requires this House to do. It is doubtful that a statute will ever force the budget to be balanced—only the Constitution will.

Mr. Speaker, the balanced budget amendment is not the President's issue—it is not a Republican or Democrat issue—it's an American issue. Let's pass the balanced budget amendment together and call it a victory for all of America.

FAIRNESS IN OUR CONFUSED TAX SYSTEM

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

Mr. SILJANDER. Mr. Speaker, Will Rogers once said that the income tax has made more liars out of the American people than golf has. He went on to say that even when you make out a tax form on the level, you really do not know whether you are a crook or a martyr.

What he said was very appropos. The present income tax system is complicated, confusing, and very elitist.

The Democrat Members of the House met with Walter Mondale, their Presidential candidate this morning, here on the floor. I for one would ask the Democrats whether or not during that meeting Walter Mondale said anything, but the same rheortic that he has made clear that he intends to raise taxes. We know that for sure, but did he ask the Democrats to bring up Bradley-Gephardt and ask for tax simplification? Did he ask to bring up Kemp-Kasten, fair and simple tax? Did he ask to bring up SILJANDER's 10-percent modified flat tax bill?

□ 1120

I rather doubt he did. And if he did I would invite one of the Democratic Members as they alternate their 1 minutes to come down in the well and let us know what Walter Mondale told the Democrats and what he encouraged them to do regarding fairness in our presently complicated, confusing tax system.

The American taxpayers, as Will Rogers appropriately pointed out, have been martyrs long enough.

PRESIDENT REAGAN CAN PICK UP THE PEACE MOVEMENT

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

Mr. DOWNEY of New York. Mr. Speaker, I want to congratulate President Reagan today on his pending announcement to send to the Senate the "Genocide Treaty" for ratification. I think it is long overdue. The treaty was concluded in 1948. It has been a black mark on this country that we have not ratified it.

I would hope that when President Reagan begins his discussions of arms control that he can follow that precedent and possibly offer to the Senate of the United States the SALT-II Treaty for ratification or the Comprehensive Test Ban Treaty; or the Threshold Test Ban Treaty.

It has been said many, many times that the President is the only President in the last 40 years to not meet with a Soviet leader. He has an opportunity not only to win other votes with the Genocide Treaty but to influence the whole peace movement by the ratification of SALT, threshold test ban, comprehensive test ban, and this is not only good politics but good government.

POLICY COMPARISON—REAGAN VERSUS MONDALE-CARTER

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

Mr. BURTON of Indiana. Mr. Speaker, last night on national television you told Walter Mondale to, in effect, attack President Reagan and get tough in this campaign. You also said that if the President really wants a balanced budget, "have him get it over here and I will have it on the floor in 48 hours."

That sounds strange, Mr. Speaker, when you do not even support the constitutional amendment to balance the budget. President Reagan does. Let us look at the record, Mr. Speaker. Under Carter-Mondale inflation went to over 13 percent; under President Reagan it is down to below 4 percent; prime interest rates reached a high of 21.5 percent because of their policies, under Reagan it is about 11 to 13 percent; unemployment because of Carter-Mondale skyrocketed, under Reagan it has headed down, down, down.

Your policies, Mr. Speaker, yours and Mondale's are the policies of the past; President Reagan's are the policies of the future. The American people will not be fooled by you or by Mr. Mondale.

LET US GET TOUGH ON THE ISSUES ALONE

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

Mr. MACK. Mr. Speaker, yesterday Speaker O'NEILL chided Walter Mondale for allowing himself to be pushed around by the Republicans.

Mr. Speaker, the Carter-Mondale-O'Neill-Ferraro ticket is not being pushed around; it is their ideas that are being pushed around.

Yesterday Speaker O'NEILL said that he cannot understand Fritz Mondale. And I might add neither can the American people.

In addition, his sidekick, TONY COELHO, said, and I quote:

> Mondale has to show the American people that he has fire in his belly and is willing to lead. I don't think they are convinced of that.

TONY, for once you and I agree. The American people have been listening to Walter Mondale for the last 8 months and they are less convinced now than they were before.

Mr. Speaker, you challenged Mr. Mondale to toughen up. Well, did he toughen up enough this morning at your caucus to challenge you to bring the balanced-budget amendments to the floor or the line-item veto or criminal justice reform or to appoint conferees to immigration reform? The American people hope that he is going to get tough enough.

ELIMINATING TAX INDEXING LEADS TO HUGE INVISIBLE TAX ON AMERICA'S MIDDLE CLASS AND POOR

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

Mr. McCAIN. Mr. Speaker, like the poor fellow who brought his horse to water but could not make him drink, Walter Mondale proposes to throw more tax money at the deficit with little change of making it shrink.

If, as Mr. Mondale claims, he is able to reduce the deficit by two-thirds, our annual debt would be reduced to less than $100 billion by 1989. On the other hand, if Mr. Mondale makes good on the campaign promises he has so far offered to the American people, he will create a $200 billion deficit by 1989.

This, gentlemen, is a simple mathematical fact.

Where will Mr. Mondale get the money he needs? He will get it by eliminating tax indexing, a move designed by the Democrats to use inflation as an excuse to levy a huge invisible tax on American's middle class. Indexing is the only protection that the middle class and the poor of America have against inflation.

I am sure the American people will reject this move.

LET US GET TOUGH ON THE TOUGH ISSUES NOW, NOT AFTER THE ELECTION

(Mr. LUNGREN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as other Members have indicated yesterday, you gave some advice to Mr. Mondale. You told him to get tough. The question is what did Mr. Mondale tell you and the rest of your Democratic colleagues on this floor a few minutes ago in that closed session that you had.

Did he say "Let's get tough on the tough issues, let's have the courage and the guts to deal with those issues that maybe we would not want to deal with, but the American people know we have to deal with?"

Let us give just one example, Mr. Speaker, immigration reform. As you recall, you got a phone call, I guess in the dark of night, some time ago from Mr. Mondale begging you not to allow the immigration reform bill to be brought to the floor until after the Democratic primary in California. Why? Because Mr. Mondale was afraid that if Members faced a tough issue and really did what the people wanted them to do, and that is exercise their best judgment, some candidates might have lost votes because people would have known when they went to the polls how they were going to vote on a particular issue. It is much tougher, I guess, in Mr. Mondale's lexicon to tell the people how you are going to vote after they have been to the polls.

The question here today, Mr. Speaker, is did Mr. Mondale say let's get tough on issues, let's deal with immigration reform, or did he suggest as he did a few weeks ago, let us postpone it until after the next election so we can keep the people in the dark?

LET US TALK ABOUT ISSUES, NOT ABOUT MEANNESS

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

Mr. McEWEN. Mr. Speaker, it is disappointing to read in this morning's newspaper that you have instructed the Democrat candidate for President, Mr. Mondale, to become additionally mean. You know, after watching the Democrat primary season in which money was collected in churches for Democratic candidates, in which a reverend-minister addressed the convention as a major Presidential candidate, in which the Democratic nominee for Vice President accused our President of being un-Christian, I believe it is time to lay aside these artificial issues, like bringing religion into the campaign, like being mean and vicious.

After listening to the 1 minutes that we heard this morning, this effort to drive wedges among the American people, between rich and poor, black and white, young and old, women and men, I think it is time to get down to the real issues, not just trying to be mean and to divide and separate America as you advise Mr. Mondale. Let us talk about unemployment and how the Reagan administration is bringing new jobs to America. Let us hear about the Democrat position on the crime bill? What about the balanced budget amendment? How about enterprise zones? Let us talk about issues, Mr. Speaker. Let us not just talk about meanness.

PARTY SHOULD NOT RESORT TO A MEAN OR DIRTY CAMPAIGN OF DECEPTION, DISTORTION, OR DEMAGOGUERY

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

Mr. WALKER. Mr. Speaker, the morning papers report that campaign toughness is being urged on Walter Mondale. In fact the Democrats met here in this Chamber this morning on that subject.

Now, think about that. Here is a man that we are being told is tough enough to deal with the Soviets but whose own party does not think he is tough enough to deal with Ronald Reagan. Let us hope that toughness is just not another way of saying meanness or dirty politics. A party, no matter how desperate its election prospects, should not resort to a mean campaign or to a dirty campaign.

What was suggested to Walter Mondale in the Democratic Caucus today? What kind of toughness was urged on him? Let us hope it was merely the kind of toughness that we require when dealing with the Soviets in the unlikely eventuality that he is actually elected. But the meanness of the rhetoric coming from Democratic leaders over the last several weeks makes me think that we can expect not toughness but deception, distortion, and demagoguery instead.

ANOTHER CASE OF THE REPUBLICANS SAYING ONE THING BUT DOING SOMETHING ELSE

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

Mr. RUSSO. Mr. Speaker, as I sit here in this Chamber this morning listening to all the comments by my Republican colleagues, I would just like to remind them of what Mr. WALKER from Pennsylvania just said—what we ought to do is talk about issues, talk about the problems facing the American people, and do away with this meanness—which was evidenced by the comments made by my Republican colleagues this morning about Candidate Mondale.

So, again, it is another case of the Republicans saying one thing but doing something else. It is like President Reagan saying he supports a constitutional amendment to balance the budget but yet giving us the largest budget deficits in the history of the country.

Let us put the rhetoric aside, let us get down to the basic issues which are the concern of the American people. That is what we ought to do.

□ 1130

THE LEVEL OF RHETORIC

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

Mr. WEBER. Mr. Speaker, I, too, agree that we should be talking about the real issues and I hope that that is indeed the advice that Mr. Mondale got today. I hope he will urge this Congress to deal with crime, enterprise zones, the balanced budget constitutional amendment, the line item veto, and the immigration bill.

But, let us look at the kind of debate that the Speaker has engaged in himself in the past before we see what kind of advice he is likely to be giving Mr. Mondale in their closed door session today.

Last year the Speaker said of the President, "It is sinful that this man is President."

He said of Mrs. Reagan, "She could be the queen of Beverly Hills."

And today he urged Mr. Mondale to talk about "the incompetence of this man unless he has his 3-by-5 cards."

It is this elevated level of rhetoric that the Speaker himself has engaged in that we can expect to see out of Mr. Mondale if he indeed follows the advice of the Speaker.

The Speaker, indeed, accused Mr. Mondale of being "too much of a gentleman." That tells us a whole lot about the level of rhetoric that the Speaker is urging upon this Presidential campaign and, indeed, the level of rhetoric in which the Speaker himself has engaged over the last 4 years.

THE ISSUE OF MEANNESS

(Ms. OAKAR asked and was given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, I really have to comment on the issue of meanness. I think it is fair criticism to talk about meanness of the Reagan administration and philosophy.

I would like to cite one group of people where the President's philosophy has been absolutely extraordinarily mean and that is to our senior citizens. It was mean of the President to propose cuts of Social Security that involved $29 billion worth of cuts in his first budget proposal. And guess who was most affected? Poor women who were between 75 and 90 years old. That is mean.

It was mean of the President to propose and foster cuts regarding the only access to health care that most seniors have, to medicare, when what he was proposing were cuts that meant more out-of-pocket expenses for our elderly.

It was mean when the President has proposed and followed through on cutting housing programs in half.

And it was extraordinarily mean when he proposed to cut out the only employment program of the Older Americans Act, title V, and we had to restore it under the leadership of Senator PEPPER.

I think the President's plilosophy is mean. I think senior citizens understand that. I think they fear of what 4 more years will bring if Ronald Reagan is reelected.

THE QUESTION OF A BALANCED BUDGET

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

Mr. DORGAN. Mr. Speaker, I am always a little amused listening to these 1-minutes, particularly by those who talked about balanced budgets.

I would simply like to remind those in the Chamber again that the budget submitted by this President, for this fiscal year, asked for $925 billion in spending and $745 billion in revenue. That is $180 billion in deficits. That is a sea of red ink that this country is going to choke on.

You do not need to change the Constitution to do something about that. All you have to do is ask the President to submit a better budget.

This President submits requests for the biggest budget deficits in the history of the country and then he says, "Let's change the U.S. Constitution so that 5 or 7 or 10 years from now we can prevent somebody from doing what I am doing."

I think that is a little disingenuous. Frankly, I do not think the American people buy this sort of excuse. We in Congress ought to, and this President ought to develop a process that starts to balance this budget. We cannot do it without his help, and we need his real help now.

CONGRESS FACES ITS OWN CHALLENGE

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

Mr. GINGRICH. Mr. Speaker, I think it is wonderful that one of the Presidential candidates came to the Hill today. We have 3½ weeks in which to show the American people that we are capable of passing bills they want, that we can pass an omnibus crime package, that we can pass a constitutional amendment to require a balanced budget, that we could even take serious steps to balance the budget originating right here in the House.

I think, Mr. Speaker, that rather than talking about how angry the campaign should be or how hard the candidates should hit each other, the challenge to every Member of this House for the next 3½ weeks is to avoid delay, to avoid demagoguery, to avoid deception, and to offer the American people a series of specific choices to create a clear record so that we have done our job in the next 3 weeks before we go home.

I would hope, Mr. Speaker, that with your leadership this House, the people's House, would respond to the American people and would take up the specific bills, because I can assure you, Mr. Speaker, in October we will point out the failures if they do occur.

REIMBURSING THE OKEFENOKE RURAL ELECTRIC MEMBERSHIP CORPORATION FOR CERTAIN COSTS

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 806) to provide for a plan to reimburse the Okefenoke Rural Electric Membership Corporation for the costs incurred in installing electrical service to the Cumberland Island National Seashore; and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Ohio?

Mr. McCAIN. Reserving the right to object, Mr. Speaker, will the gentleman explain the measure.

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

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

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Speaker, S. 806 directs the Secretary of the Interior to reimburse the Okefenoke Rural Electric Membership Corp. [REMC] in Georgia for a portion of the cost of powerlines installed on the Cumberland Island National Seashore.

Identical legislation passed the House in the 97th Congress, on October 1, 1982, section 1 of H.R. 6882, but was not acted on by the Senate at that time. S. 806 was introduced in the Senate by Senators SAM NUNN and MACK MATTINGLY and is supported by our colleagues LINDSAY THOMAS and ROY ROWLAND, who represent the area involved.

Cumberland Island was designated as a national seashore in 1972, and the majority of the land has been acquired. Most of the land on the island will ultimately be owned by the Park Service, and the majority of the land will be in wilderness status under legislation enacted in the 97th Congress.

Prior to the designation of the island as a national seashore, the Okefenoke REMC installed underwater transmission lines to the island, transformers, and electric meters. This was based on the planned private development of the island. However, establishment of the Cumberland Island National Seashore has precluded that development, and so the Okefenoke REMC will be unable to recover its capital investment for service to the island.

S. 806 addresses this issue by directing the Secretary to conduct an audit to determine the cost of the equipment installed which serves the needs of the Federal Government on the island. No payment will be made to compensate for the cost of the equipment which serves the remaining private property on the island.

The bill provides an authorization level for payment up to $338,000. However, the amount paid will be based solely on the Department's audit, and its current estimate of the cost is $60,000.

In exchange for the payment, the REMC agrees to continue to operate and maintain electric service to the island for use by the remaining private owners and the National Park Service.

I would point out that the Okefenoke REMC must service the electrical equipment by crossing several miles of open water, maintain trucks and equipment on the island, and keep a stock of equipment and spare parts there as well. In addition, had the Okefenoke REMC not made this capital investment, the Federal Government would have been required to install and service the equipment itself at a cost which today would amount to many hundreds of thousands of dollars.

I conclude by reiterating that an identical bill passed the House in the last Congress, S. 806 supported by all Members of the House and Senate who are affected and the administration has stated in their report that they have no objection to the bill.

Mr. Speaker, I urge passage of S. 806.

Mr. McCAIN. Mr. Speaker, I appreciate the explanation and also I appreciate the hard work of the subcommittee chairman, my colleague, the gentleman from Ohio, on this bill.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the Secretary of the Interior shall reimburse the Okefenoke Rural Electric Membership Corporation for the cost incurred by such corporation in installing transmission lines, transformers, and electric meters which serve the administrative needs of the Federal Government within Cumberland Island National Seashore in the State of Georgia. No such payment shall be made unless—

(1) the Corporation has entered into a written agreement with the Secretary which provides for—

(A) the continued adequate provision of electrical service by the Corporation at reasonable rates to satisfy the administrative needs of the seashore, as determined by the Secretary, and

(B) the prompt repayment of the Secretary of any amounts paid by the Secretary under this Act, plus interest, in the event of the Corporation's future failure to provide electrical service under terms provided pursuant to paragraph (A); and

(2) the Secretary has performed an audit of the Corporation's records to determine the amount appropriately due the Corporation under the terms of this Act, which amount so determined by the Secretary shall constitute the maximum amount to be paid.

The amount so determined by the Secretary shall be reduced by an amount equal to the sum of all reimbursement for such facilities paid to the Corporation by any governmental or nongovernmental source before the date on which payment is made by the Secretary under this Act.

(b) There is authorized to be appropriated to carry out the provisions of subsection (a) not more than $338,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just considered and passed.

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

There was no objection.

THE SAINT CROIX ISLAND INTERNATIONAL HISTORIC SITE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 25) redesignating the Saint Croix Island National Monument in the State in Maine as the "Saint Croix Island International Historic Site," with a Senate amendment to the House amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the Senate joint resolution.

The Clerk read the Senate amendment to the House amendment, as follows:

Strike out lines 1 to 5, of the House engrossed amendment.

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

□ 1140

Mr. McCAIN. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendment?

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

Mr. McCAIN. Yes; I will be glad to yield to my colleague, the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, Senate Joint Resolution 25 would redesignate the St. Croix Island National Monument as the St. Croix Island International Historic Site.

St. Croix Island is located on the boundary between Maine and New Brunswick, Canada.

A companion bill (H.J. Res. 106) was introduced on January 27, 1983 by the gentlewoman from Maine [Ms. SNOWE].

Mr. Speaker, St. Croix Island was settled in 1604 by a group of 150 French settlers who later resettled to a more habitable site across the Bay of Fundy at Port Royal.

In recognition of the importance of the site to the history of both Canada and the United States, Congress authorized the St. Croix Island National Monument in 1949. More recently, in 1981, Canada and the United States dedicated an interpretive structure on St. Croix Island at Red Beach, ME, and a similar structure will be built by New Brunswick on the opposite shore. In addition, Canadian and U.S. officials have signed a memorandum of understanding citing the historic significance of this island to both nations.

Senate Joint Resolution 25 would recognize the truly international significance of St. Croix Island by redesignating the area as the St. Croix Island International Historic Site.

Mr. Speaker, I urge passage of this bill.

Mr. McCAIN. Mr. Speaker, I thank the gentleman again for his work on this bill. I would also like to express our appreciation to our colleague, the gentlewoman from Maine [Ms. SNOWE].

● Ms. SNOWE. Mr. Speaker, I rise in support of Senate Joint Resolution 25, legislation which redesignates the St. Croix Island National Monument in the State of Maine as an international historic site. It is a fitting honor for the famous Island of St. Croix that the House is acting to pass legislation making this designation official.

Since 1604 when Samuel de Champlain first brought settlers to the island, St. Croix has set itself apart by being the first European settlement in Upper North America. The island is situated at the boundary between Maine and New Brunswick, Canada. Both countries have held the island in high esteem, and Congress recognized its proud traditions in 1949 when St. Croix was established as a national monument.

In recent years, the United States and Canada have worked together in support of an island whose traditions are a source of inspiration for both countries. A memorandum of understanding signed by the two nations cites the dual-historic value of St. Croix. Other improvements and the construction of permanent shelters on both shores will help to preserve the island's significance for years to come.

As an established national monument and as a unit of the National Park System, no part of this resolution affects the status of the island. Redesignating St. Croix as an international historic site is a simple but important step we can take to better maintain a common historical bond.

Mr. Speaker, I look forward to the redesignation of St. Croix as an international historic site.●

Mr. McCAIN. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the legislation just considered and adopted.

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

There was no objection.

DRUG PRICE COMPETITION AND PATENT TERM RESTORATION ACT OF 1984

The SPEAKER pro tempore. Pursuant to House Resolution 569 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3605.

□ 1142

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3605) to amend the Federal Food, Drug, and Cosmetic Act to authorize an abbreviated new drug ap-

plication under section 505 of that act for generic new drugs equivalent to approved new drugs, with Mr. DANIEL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, August 8, 1984, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Energy and Commerce shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read. It shall be in order to consider en bloc the amendments recommended by the Committee on the Judiciary now printed in the bill to each title. It shall be in order to consider an amendment offered by Representative DERRICK adding a new title III consisting of the text of title II of H.R. 5929, which shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 3605

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 "Drug Price Competition and Patent Term Restoration Act of 1984".

The CHAIRMAN. Are there any amendments to section 1? If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—ABBREVIATED NEW DRUG APPLICATIONS

SEC. 101. Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following:

"(j)(1) Any person may file with the Secretary an abbreviated application for the approval of a new drug.

"(2)(A) An abbreviated application for a new drug shall contain—

"(i) information to show that the conditions of use prescribed, recommended, or suggested in the labeling proposed for the new drug have been previously approved for a drug listed under paragraph (6) (hereinafter in this subsection referred to as a 'listed drug');

"(ii)(I) if the listed drug referred to in clause (i) has only one active ingredient, information to show that the active ingredient of the new drug is the same as that of the listed drug.

"(II) if the listed drug referred to in clause (i) has more than one active ingredient, information to show that the active ingredients of the new drug are the same as those of the listed drug, or

"(III) if the listed drug referred to in clause (i) has more than one active ingredient and if one of the active ingredients of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the other active ingredients of the new drug are the same as the active ingredients of the listed drug, information to show that the different active ingredient is an active ingredient of a listed drug or of a drug which does not meet the requirements of section 201(p), and such other information respecting the different active ingredient with respect to which the petition was filed as the Secretary may require;

"(iii) information to show that the route of administration, the dosage form, and the strength of the new drug are the same as those of the listed drug referred to in clause (i) or, if the route of administration, the dosage form, or the strength of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), such information respecting the route of administration, dosage form, or strength with respect to which the petition was filed as the Secretary may require;

"(iv) information to show that the new drug is bioequivalent to the listed drug referred to in clause (i), except that if the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in clause (i) and the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in clause (i);

"(v) information to show that the labeling proposed for the new drug is the same as the labeling approved for the listed drug referred to in clause (i) except for changes required because of differences approved under a petition filed under subparagraph (C) or because the new drug and the listed drug are produced or distributed by different manufacturers;

"(vi) the items specified in clauses (B) through (F) of subsection (b)(1);

"(vii) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the listed drug referred to in clause (i) or which claims a use for such listed drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under subsection (b) or (c)—

"(I) that such patent information has not been filed,

"(II) that such patent has expired,

"(III) of the date on which such patent will expire, or

"(IV) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(viii) if with respect to the listed drug referred to in clause (i) information was filed under subsection (b) or (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

The Secretary may not require that an abbreviated application contain information in addition to that required by clauses (i) through (viii).

"(B)(i) An applicant who makes a certification described in subparagraph (A)(vii)(IV) shall include in the application a statement that the applicant has given the notice required by clause (ii) to—

"(I) each owner of the patent which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(II) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative of such holder designated to receive such notice.

"(ii) The notice referred to in clause (i) shall state that an application, which contains data from bioavailability or bioequivalence studies, has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of such drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(iii) If an application is amended to include a certification described in subparagraph (A)(vii)(IV), the notice required by clause (ii) shall be given when the amended application is submitted.

"(C) If a person wants to submit an abbreviated application for a new drug which has a different active ingredient or whose route of administration, dosage form, or strength differ from that of a listed drug, such person shall submit a petition to the Secretary seeking permission to file such an application. The Secretary shall approve or disapprove a petition submitted under this subparagraph within ninety days of the date the petition is submitted. The Secretary shall approve such a petition unless the Secretary finds that investigations must be conducted to show the safety and effectiveness of the drug or of any of its active ingredients of the drug or of the route of administration, the dosage form, or strength which differ from the listed drug.

"(3) Subject to paragraph (4), the Secretary shall approve an application for a drug unless the Secretary finds—

"(A) the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of the drug are inadequate to assure and preserve its identity, strength, quality, and purity;

"(B) information submitted with the application is insufficient to show that each of the proposed conditions of use have been previously approved for the listed drug referred to in the application;

"(C)(i) if the listed drug has only one active ingredient, information submitted with the application is insufficient to show that the active ingredient is the same as that of the listed drug,

"(ii) if the listed drug has more than one active ingredient, information submitted with the application is insufficient to show that the active ingredients are the same as the active ingredients of the listed drug, or

"(iii) if the listed drug has more than one active ingredient and if the application is for a drug which has an active ingredient different from the listed drug, information submitted with the application is insufficient to show—

"(I) that the other active ingredients are the same as the active ingredients of the listed drug, or

"(II) that the different active ingredient is an active ingredient of a listed drug or a drug which does not meet the requirements of section 201(p),

or no petition to file an application for the drug with the different ingredient was approved under paragraph (2)(C);

"(D)(i) if the application is for a drug whose route of administration, dosage form, or strength of the drug is the same as the route of administration, dosage form, or

strength of the listed drug referred to in the application, information submitted in the application is insufficient to show that the route of administration, dosage form, or strength is the same as that of the listed drug, or

"(ii) if the application is for a drug whose route of administration, dosage form, or strength of the drug is different from that of the listed drug referred to in the application, no petition to file an application for the drug with the different route of administration, dosage form, or strength was approved under paragraph (2)(C);

"(E) if the application was filed pursuant to the approval of a petition under paragraph (2)(C), the application did not contain the information required by the Secretary respecting the active ingredient, route of administration, dosage form, or strength which is not the same;

"(F) information submitted in the application is insufficient to show that the drug is bioequivalent to the listed drug referred to in the application or, if the application was filed pursuant to a petition approved under paragraph (2)(C), information submitted in the application is insufficient to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in paragraph (2)A)(i) and that the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in such paragraph;

"(G) information submitted in the application is insufficient to show that the labeling proposed for the drug is the same as the labeling approved for the listed drug referred to in the application except for changes required because of differences approved under a petition filed under paragraph (2)(C) or because the drug and the listed drug are produced or distributed by different manufacturers;

"(H) information submitted in the application or any other information available to the Secretary shows that (i) the inactive ingredients of the drug are unsafe for use under the conditions prescribed, recommended, or suggested in the labeling proposed for the drug, or (ii) the composition of the drug is unsafe under such conditions because of the type or quantity of inactive ingredients included or the manner in which the inactive ingredients are included;

"(I) the approval under subsection (c) of the listed drug referred to in the application under this subsection has been withdrawn or suspended for grounds described in the first sentence of subsection (e), the approval under this subsection of the listed drug referred to in the application under this subsection has been withdrawn or suspended under paragraph (5), or the Secretary has determined that the listed drug has been withdrawn from sale for safety or effectiveness reasons;

"(J) the application does not meet any other requirement of paragraph (2)A); or

"(K) the application contains an untrue statement of material fact.

"(4)(A) Within one hundred and eighty days of the initial receipt of an application under paragraph (2) or within such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall approve or disapprove the application.

"(B) The approval of an application submitted under paragraph (2) shall be made effective on the last applicable date determined under the following:

"(i) If the applicant only made a certification described in subclause (I) or (II) of paragraph (2)(A)(vii) or in both such subclauses, the approval may be made effective immediately.

"(ii) If the applicant made a certification described in subclause (III) of paragraph (2)(A)(vii), the approval may be made effective on the date certified under subclause (III).

"(iii) If the applicant made a certification described in subclause (IV) of paragraph (2)(A)(vii), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (2)(B)(i) is received. If such an action is brought before the expiration of such days, the approval shall be made effective upon the expiration of the eighteen month period beginning on the date of the receipt of the notice provided under paragraph (2)(B)(i) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(I) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval shall be made effective on the date of the court decision, or

"(II) if before the expiration of such period the court decides that such patent has been infringed, the approval shall be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of the forty-five-day period beginning on the date the notice made under paragraph (2)(B)(i) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(iv) If the application contains a certification described in subclause (IV) of paragraph (2)(A)(vii) and is for a drug for which a previous application has been submitted under this subsection containing such a certification, the application shall be made effective not earlier than one hundred and eighty days after—

"(I) the date the Secretary receives notice from the applicant under the previous application of the first commercial marketing of the drug under the previous application, or

"(II) the date of a decision of a court in an action described in clause (iii) holding the patent which is the subject of the certification to be invalid or not infringed,

whichever is earlier.

"(C) If the Secretary decides to disapprove an application, the Secretary shall give the applicant notice of an opportunity for a hearing before the Secretary on the question of whether such application is approvable. If the applicant elects to accept the opportunity for hearing by written request within thirty days after such notice, such hearing shall commence not more than ninety days after the expiration of such thirty days unless the Secretary and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Secretary's order thereon shall be issued within ninety days after the date fixed by the Secretary for filing final briefs.

"(D)(i) If an application (other than an abbreviated new drug application) submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted effective before the expiration of ten years from the date of the approval of the application under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this subsection and if the holder of the approved application certifies to the Secretary that no patent has ever been issued to any person for such drug or for a method of using such drug and that the holder cannot receive a patent for such drug or for a method of using such drug because in the opinion of the holder a patent may not be issued for such drug or for a method of using such drug for any known therapeutic purposes the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted effective before the expiration of four years from the date of the approval of the application under subsection (b) unless the Secretary determines that an adequate supply of such drug will not be available or the holder of the application approved under subsection (b) consents to an earlier effective date for an application under this subsection.

"(5) If a drug approved under this subsection refers in its approved application to a drug the approval of which was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under this paragraph or which, as determined by the Secretary, has been withdrawn from sale for safety or effectiveness reasons, the approval of the drug under this subsection shall be withdrawn or suspended—

"(A) for the same period as the withdrawal or suspension under subsection (e) of this paragraph, or

"(B) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale is not for safety or effectiveness reasons.

"(6)(A)(i) Within sixty days of the date of the enactment of this subsection, the Secretary shall publish and make available to the public—

"(I) a list in alphabetical order of the official and proprietary name of each drug which has been approved for safety and effectiveness under subsection (c) before the date of the enactment of this subsection;

"(II) the date of approval if the drug is approved after 1981 and the number of the application which was approved; and

"(III) whether in vitro or in vivo bioequivalence studies, or both such studies, are required for applications filed under this subsection which will refer to the drug published.

"(ii) Every thirty days after the publication of the first list under clause (i) the Secretary shall revise the list to include each drug which has been approved for safety and effectiveness under subsection (c) or approved under this subsection during the thirty-day period.

"(iii) When patent information submitted under subsection (b) or (c) respecting a drug included on the list is to be published by the Secretary the Secretary shall, in revisions made under clause (ii), include such information for such drug.

"(B) A drug approved for safety and effectiveness under subsection (c) or approved under this subsection shall, for purposes of this subsection, be considered to have been published under subparagraph (A) on the date of its approval or the date of enactment, whichever is later.

"(C) If the approval of a drug was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under paragraph (5) or if the Secretary determines that a drug has been withdrawn from sale for safety or effectiveness reasons, it may not be published in the list under subparagraph (A) or, if the withdrawal or suspension occurred after its publication in such list, it shall be immediately removed from such list—

"(i) for the same period as the withdrawal or suspension under subsection (e) or paragraph (5), or

"(ii) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale is not for safety or effectiveness reasons.

A notice of the removal shall be published in the Federal Register.

"(7) For purposes of this section:

"(A) the term 'bioavailability' means the rate and extent to which the active ingredient or therapeutic ingredient is absorbed from a drug and becomes available at the site of drug action.

"(B) A drug shall be considered to be bioequivalent to a listed drug if—

"(i) the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses; or

"(ii) the extent of absorption of the drug does not show a significant difference from the extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses and the difference from the listed drug in the rate of absorption of the drug is intentional, is reflected in its proposed labeling, is not essential to the attainment of effective body drug concentrations on chronic use, and is considered medically insignificant for the drug.".

SEC. 102. (a)(1) Section 505(b) of such Act is amended by adding at the end the following: "The applicant shall file with the application the patent number and the expiration date of any patent which claims the drug for which the applicant submitted the application or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If an application is filed under this subsection for a drug and a patent which claims such drug or a method of using such drug is issued after the filing date but before approval of the application, the applicant shall amend the application to include the information required by the preceding sentence. Upon approval of the application, the Secretary shall publish information submitted under the two preceding sentences.".

(2) Section 505(c) of such Act is amended by inserting "(1)" after "(c)", by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by adding at the end the following:

"(2) If the patent information described in subsection (b) could not be filed with the submission of an application under subsection (b) because the application was filed before the patent information was required under subsection (b) or a patent was issued after the application was approved under such subsection, the holder of an approved application shall file with the Secretary the patent number and the expiration date of any patent which claims the drug for which the application was submitted or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If the holder of an approved application could not file patent information under subsection (b) because it was not required at the time the application was approved, the holder shall file such information under this subsection not later than thirty days after the date of the enactment of this sentence, and if the holder of an approved application could not file patent information under subsection (b) because no patent had been issued when the application was filed or approved, the holder shall file such information under this subsection not later than thirty days after the date the patent involved is issued. Upon the submission of patent information under this subsection, the Secretary shall publish it.".

(3)(A) The first sentence of section 505(d) of such Act is amended by redesignating clause (6) as clause (7) and inserting after clause (5) the following: "(6) the application failed to contain the patent information prescribed by subsection (b); or".

(B) The first sentence of section 505(e) of such Act is amended by redesignating clause (4) as clause (5) and inserting after clause (3) the following: "(4) the patent information prescribed by subsection (c) was not filed within thirty days after the receipt of written notice from the Secretary specifying the failure to file such information; or".

(b)(1) Section 505(a) of such Act is amended by inserting "or (j)" after "subsection (b)".

(2) Section 505(c) of such Act is amended by striking out "this subsection" and inserting in lieu thereof "subsection (b)".

(3) The second sentence of section 505(e) of such Act is amended by inserting "submitted under subsection (b) or (j)" after "an application".

(4) The second sentence of section 505(e) is amended by striking out "(j)" each place it occurs in clause (1) and inserting in lieu thereof "(k)"

(5) Section 505(k)(1) of such Act (as so redesignated) is amended by striking out "pursuant to this section" and inserting in lieu thereof "under subsection (b) or (j)".

(6) Subsection (a) and (b) of section 527 of such Act are each amended by striking out "505(b)" each place it occurs and inserting in lieu thereof "505".

SEC. 103. (a) Section 505(b) of such Act is amended by inserting "(1)" after "(b)", by redesignating clauses (1) through (6) as clauses (A) through (F), respectively, and by adding at the end the following:

"(2) An application submitted under paragraph (1) for a drug listed under subsection (j)(6) for which investigations described in clause (A) of such paragraph and relied upon by the applicant for approval of the application were not conducted by or for the applicant or for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted shall also include—

"(A) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the drug for which such investigations were conducted or which claims a use for such drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under paragraph (1) of subsection (c)—

"(i) that such patent information has not been filed,

"(ii) that such patent has expired,

"(iii) of the date on which such patent will expire, or

"(iv) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(B) if with respect to the drug for which investigations described in paragraph (1)(A) were conducted information was filed under paragraph (1) of subsection (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

"(3)(A) An applicant who makes a certification described in paragraph (2)(A)(iv) shall include in the application a statement that the applicant has given the notice required by subparagraph (B) to—

"(i) each owner of the patient which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(ii) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative of such holder designated to receive such notice.

"(B) The notice referred to in subparagraph (A) shall state that an application has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of the drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(C) If an application is amended to include a certification described in paragraph (2)(A)(iv), the notice required by subparagraph (B) shall be given when the amended application is submitted.".

(b) Section 505(c) of such Act (as amended by section 102(a)(2)) is amended by adding at the end the following:

"(3) The approval of an application filed under subsection (b) which contains a certification required by paragraph (2) of such subsection shall be made effective on the last applicable date determined under the following:

"(A) If the applicant only made a certification described in clause (i) or (ii) of subsection (b)(2)(A) or in both such clauses, the approval may be made effective immediately.

"(B) If the applicant made a certification described in clause (iii) of subsection (b)(2)(A), the approval may be made effective on the date certified under clause (iii).

"(C) If the applicant made a certification described in clause (iv) of subsection (b)(2)(A), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (3)(B) is received. If such an action is brought before the expiration of such days, the approval may be made effective upon the expiration of the eighteen-month period beginning on the date of the receipt of the notice provided under paragraph (3)(B) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(i) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval may be made effective on the date of the court decision, or

"(ii) if before the expiration of such period the court decides that such patent has been infringed, the approval may be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of the forty-five-day period beginning on the date the notice made under paragraph (3)(B) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under such section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(D)(i) If an application (other than an abbreviated new drug application) submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of another application for a drug for which investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant or which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted effective before the expiration of ten years from the date of the approval of the application previously approved under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this subsection and if the holder of the approved application certifies to the Secretary that no patent has ever been issued to any person for such drug or for a method of using such drug and that the holder cannot receive a patent for such drug or for a method of using such drug because in the opinion of the holder a patent may not be issued for such drug or for a method of using for any known therapeutic purposes such drug, the Secretary may not make the approval of another application for a drug for which investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant or which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted effective before the expiration of four years from the date of the approval of the application previously approved under subsection (b) unless the Secretary determines that an adequate supply of such drug will not be available or the holder of the application approved under subsection (b) consents to an earlier effective date for an application under this subsection.".

SEC. 104. Section 505 of such Act is amended by adding at the end the following:

"(l) Safety and effectiveness data and information which has been submitted in an application under subsection (b) for a drug and which has not previously been disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

"(1) if no work is being or will be undertaken to have the application approved,

"(2) if the Secretary has determined that the application is not approvable and all legal appeals have been exhausted,

"(3) if approval of the application under subsection (c) is withdrawn and all legal appeals have been exhausted,

"(4) if the Secretary has determined that such drug is not a new drug, or

"(5) upon the effective date of the approval of the first application under subsection (j) which refers to such drug or upon the date upon which the approval of an application under subsection (j) which refers to such drug could be made effective if such an application had been submitted.

"(m) For purposes of this section, the term 'patent' means a patent issued by the Patent and Trademark Office of the Department of Commerce.".

SEC. 105. (a) The Secretary of Health and Human Services shall promulgate, in accordance with the notice and comment requirements of section 553 of title 5, United States Code, such regulations as may be necessary for the administration of section 505 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 101, 102, and 103 of this Act, within one year of the date of enactment of this Act.

(b) During the period beginning on the date of the enactment of this Act and ending on the date regulations promulgated under subsection (a) take effect, abbreviated new drug applications may be submitted in accordance with the provisions of section 314.2 of title 21 of the Code of Federal Regulations and shall be considered as suitable for any drug which has been approved for safety and effectiveness under section 505(c) of the Federal Food, Drug, and Cosmetic Act before the date of the enactment of this Act. If any such provision is inconsistent with the requirements of section 505(j) of the Federal Food, Drug, and Cosmetic Act, the Secretary shall consider the application under the applicable requirements of such section. The Secretary of Health and Human Services may not approve such an abbreviated new drug application which is filed for a drug which is described in sections 505(c)(3)(D) and 505(j)(4)(D) of the Federal Food, Drug, and Cosmetic Act except in accordance with such section.

SEC. 106. Section 2201 of title 28, United States Code, is amended by inserting "(a)" before "In a case" and by adding at the end the following:

"(b) For limitations on actions brought with respect to drug patents see section 505 of the Federal Food, Drug, and Cosmetic Act.".

JUDICIARY COMMITTEE AMENDMENTS

Mr. KASTENMEIER. Mr. Chairman, I offer amendments recommended by the Committee on the Judiciary.

The CHAIRMAN. The Clerk will report the committee amendments to title I.

The Clerk read as follows:

Amendments recommended by the Committee on the Judiciary: Page 15, line 3, strike out "(i)."

Page 15, beginning on line 15, strike out all through line 10, page 16.

Page 27, line 5, strike out "(i)."

Page 27, insert close quotation marks at the end of line 21, and beginning on line 22, strike out all down through line 23, page 28.

Mr. KASTENMEIER. Mr. Chairman, this is a very simple amendment. What we propose to do here I think can be agreed to. A little later in the debate in the context of a much larger amendment this issue will surface again.

The amendment, which was approved by the Committee on the Judiciary, deleted from the bill authority of the Commissioner of the Food and Drug Administration to grant exclusive marketing authority for up to 4 years for unpatentable substances. The Judiciary Committee concluded that such authority to issue second class patents should not be granted without a strong showing of urgent need. There was no such showing. Further, the committee concluded that authority to grant the equivalent of a monopoly is something which should be limited to the appropriate Federal agencies, namely the Patent and Trademark Office in the case of nonobvious, useful inventions.

Having said that, I will say that subsequent to agreeing to this amendment, we will consider the question of whether similar authority should be granted, either for terms of 3 years or 5 years. It is my understanding this issue will come up at a later point in time in the form of an amendment that the gentleman from California [Mr. WAXMAN] will offer. I think at this point the amendment offered by the Committee on the Judiciary is not controversial. I urge adoption of the amendment.

The CHAIRMAN. The question is on the committee amendments recommended by the Committee on the Judiciary.

The committee amendments were agreed to.

The CHAIRMAN. Are there any other amendments to title I?

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN:

Page 2, strike out line 17 and all that follows through line 6 on page 31 and insert in lieu thereof the following:

TITLE I—ABBREVIATED NEW DRUG APPLICATIONS

SEC. 101. Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following:

"(j)(1) Any person may file with the Secretary an abbreviated application for the approval of a new drug.

"(2)(A) An abbreviated application for a new drug shall contain—

"(i) information to show that the conditions of use prescribed, recommended, or suggested in the labeling proposed for the new drug have been previously approved for a drug listed under paragraph (6) (hereinafter in this subsection referred to as a 'listed drug');

"(ii)(I) if the listed drug referred to in clause (i) has only one active ingredient, information to show that the active ingredient of the new drug is the same as that of the listed drug,

"(II) if the listed drug referred to in clause (i) has more than one active ingredient, information to show that the active ingredients of the new drug are the same as those of the listed drug, or

"(III) if the listed drug referred to in clause (i) has more than one active ingredient and if one of the active ingredients of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the other active ingredients of the new drug are the same as the active ingredients of the listed drug, information to show that the different active ingredient is an active ingredient of a listed drug or of a drug which does not meet the requirements of section 201(p), and such other information respecting the different active ingredient with respect to which the petition was filed as the Secretary may require;

"(iii) information to show that the route of administration, the dosage form, and the strength of the new drug are the same as those of the listed drug referred to in clause (i) or, if the route of administration, the dosage form, or the strength of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), such information respecting the route of administration, dosage form, or strength with respect to which the petition was filed as the Secretary may require;

"(iv) information to show that the new drug is bioequivalent to the listed drug referred to in clause (i), except that if the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in clause (i) and the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in clause (i);

"(v) information to show that the labeling proposed for the new drug is the same as the labeling approved for the listed drug referred to in clause (i) except for changes required because of differences approved under a petition filed under subparagraph (C) or because the new drug and the listed drug are produced or distributed by different manufacturers;

"(vi) the items specified in clauses (B) through (F) of subsection (b)(1);

"(vii) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the listed drug referred to in clause (i) or which claims a use for such listed drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under subsection (b) or (c)—

"(I) that such patent information has not been filed,

"(II) that such patent has expired,

"(III) of the date on which such patent will expire, or

"(IV) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(viii) if with respect to the listed drug referred to in clause (i) information was filed under subsection (b) or (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

The Secretary may not require that an abbreviated application contain information in addition to that required by clauses (i) through (viii).

"(B)(i) An applicant who makes a certification described in subparagraph (A)(vii)(IV) shall include in the application a statement that the applicant will give the notice required by clause (ii) to—

"(I) each owner of the patent which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(II) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative of such holder designated to receive such notice.

"(ii) The notice referred to in clause (i) shall state that an application, which contains data from bioavailability or bioequivalence studies, has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of such drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(iii) If an application is amended to include a certification described in subparagraph (A)(vii)(IV), the notice required by clause (ii) shall be given when the amended application is submitted.

"(C) If a person wants to submit an abbreviated application for a new drug which has a different active ingredient or whose route of administration, dosage form, or strength differ from that of a listed drug, such person shall submit a petition to the Secretary seeking permission to file such an application. The Secretary shall approve or disapprove a petition submitted under this subparagraph within ninety days of the date the petition is submitted. The Secretary shall approve such a petition unless the Secretary finds—

"(i) that investigations must be conducted to show the safety and effectiveness of the drug or of any of its active ingredients, the route of administration, the dosage form, or strength which differ from the listed drug; or

"(ii) that any drug with a different active ingredient may not be adequately evaluated for approval as safe and effective on the basis of the information required to be submitted in an abbreviated application.

"(3) Subject to paragraph (4), the Secretary shall approve an application for a drug unless the Secretary finds—

"(A) the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of the drug are inadequate to assure and preserve its identity, strength, quality, and purity;

"(B) information submitted with the application is insufficient to show that each of the proposed conditions of use have been previously approved for the listed drug referred to in the application;

"(c)(i) if the listed drug has only one active ingredient, information submitted with the application is insufficient to show that the active ingredient is the same as that of the listed drug,

"(ii) if the listed drug has more than one active ingredient, information submitted with the application is insufficient to show that the active ingredients are the same as the active ingredients of the listed drug, or

"(iii) if the listed drug has more than one active ingredient and if the application is for a drug which has an active ingredient different from the listed drug, information submitted with the application is insufficient to show—

"(I) that the other active ingredients are the same as the active ingredients of the listed drug, or

"(II) that the different active ingredient is an active ingredient of a listed drug or a drug which does not meet the requirements of section 201(p),

or no petition to file an application for the drug with the different ingredient was approved under paragraph (2)(C);

"(D)(i) if the application is for a drug whose route of administration, dosage form, or strength of the drug is the same as the route of administration, dosage form, or strength of the listed drug referred to in the application, information submitted in the application is insufficient to show that the route of administration, dosage form, or strength is the same as that of the listed drug, or

"(ii) if the application is for a drug whose route of administration, dosage form, or strength of the drug is different from that of the listed drug referred to in the application, no petition to file an application for the drug with the different route of administration, dosage form, or strength was approved under paragraph (2)(C);

"(E) if the application was filed pursuant to the approval of a petition under paragraph (2)(C), the application did not contain the information required by the Secretary respecting the active ingredient, route of administration, dosage form, or strength which is not the same;

"(F) information submitted in the application is insufficient to show that the drug is bioequivalent to the listed drug referred to in the application or, if the application was filed pursuant to a petition approved under

paragraph (2)(C), information submitted in the application is insufficient to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in paragraph (2)(A)(i) and that the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in such paragraph;

"(G) information submitted in the application is insufficient to show that the labeling proposed for the drug is the same as the labeling approved for the listed drug referred to in the application except for changes required because of differences approved under a petition filed under paragraph (2)(C) or because the drug and the listed drug are produced or distributed by different manufacturers;

"(H) information submitted in the application or any other information available to the Secretary shows that (i) the inactive ingredients of the drug are unsafe for use under the conditions prescribed, recommended, or suggested in the labeling proposed for the drug, or (ii) the composition of the drug is unsafe under such conditions because of the type or quantity of inactive ingredients included or the manner in which the inactive ingredients are included;

"(I) the approval under subsection (c) of the listed drug referred to in the application under this subsection has been withdrawn or suspended for grounds described in the first sentence of subsection (e), the Secretary has published a notice of opportunity for hearing to withdraw approval of the listed drug under subsection (c) for grounds described in the first sentence of subsection (e), the approval under this subsection of the listed drug referred to in the application under this subsection has been withdrawn or suspended under paragraph (5), or the Secretary has determined that the listed drug has been withdrawn from sale for safety or effectiveness reasons;

"(J) the application does not meet any other requirement of paragraph (2)(A); or

"(K) the application contains an untrue statement of material fact.

"(4)(A) Within one hundred and eighty days of the initial receipt of an application under paragraph (2) or within such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall approve or disapprove the application.

"(B) The approval of an application submitted under paragraph (2) shall be made effective on the last applicable date determined under the following:

"(i) If the applicant only made a certification described in subclause (I) or (II) of paragraph (2)(A)(vii) or in both such subclauses, the approval may be made effective immediately.

"(ii) If the applicant made a certification described in subclause (III) of paragraph (2)(A)(vii), the approval may be made effective on the date certified under subclause (III).

"(iii) If the applicant made a certification described in subclause (IV) of paragraph (2)(A)(vii), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (2)(B)(i) is received. If such an action is brought before the expiration of such days, the approval shall be made effective upon the expiration of the thirty-month period beginning on the date of the receipt of the notice provided under paragraph (2)(B)(i) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(I) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval shall be made effective on the date of the court decision,

"(II) if before the expiration of such period the court decides that such patent has been infringed, the approval shall be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code, or

"(III) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commercial manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent is not invalid or not infringed, the approval shall be made effective on the date of such court decision.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of forty-five days from the date the notice made under paragraph (2)(B)(i) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(iv) If the application contains a certification described in subclause (IV) of paragraph (2)(A)(vii) and is for a drug for which a previous application has been submitted under this subsection containing such a certification, the application shall be made effective not earlier than one hundred and eighty days after—

"(I) the date the Secretary receives notice from the applicant under the previous application of the first commercial marketing of the drug under the previous application, or

"(II) the date of a decision of a court in an action described in clause (iii) holding the patent which is the subject of the certification to be invalid or not infringed,

whichever is earlier.

"(C) If the Secretary decides to disapprove an application, the Secretary shall give the applicant notice of an opportunity for a hearing before the Secretary on the question of whether such application is approvable. If the applicant elects to accept the opportunity for hearing by written request within thirty days after such notice, such hearing shall commence not more than ninety days after the expiration of such thirty days unless the Secretary and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Secretary's order thereon shall be issued within ninety days after the date fixed by the Secretary for filing final briefs.

"(D)(i) If an application (other than an abbreviated new drug application) submitted under subsection (b) for a drug, no active ingredient (incuding any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted effective before the expiration of ten years from the date of the approval of the application under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this subsection, no application may be submitted under this subsection which refers to the drug for which the subsection (b) application was submitted before the expiration of five years from the date of the approval of the application under subsection (b), except that such an application may be submitted under this subsection after the expiration of four years from the date of the approval of the subsection (b) application if it contains a certification of patent invalidity or noninfringement described in subclause (IV) of paragraph (2)(A)(vii). The approval of such an application shall be made effective in accordance with subparagraph (B) except that, if an action for patent infringement is commenced during the one-year period beginning forty-eight months after the date of the approval of the subsection (b) application, the thirty-month period referred to in subparagraph (B)(iii) shall be extended by such amount of time (if any) which is required for seven and one-half years to have elapsed from the date of approval of the subsection (b) application.

"(iii) If an application submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application approved under subsection (b), is approved after the date of enactment of this subsection and if such application contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the application and conducted or sponsored by the applicant, the Secretary may not make the approval of an application submitted under this subsection for the conditions of approval of such drug in the subsection (b) application effective before the expiration of three years from the date of the approval of the application under subsection (b) for such drug.

"(iv) If a supplement to an application approved under subsection (b) is approved after the date of enactment of this subsection and the supplement contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the supplement and conducted or sponsored by the person submitting the supplement, the Secretary may not make the approval of an application submitted under this subsection for a change approved in the supplement effective before the expiration of three years from the date of the approval of the supplement under subsection (b).

"(v) If an application (or supplement to an application) submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted or which refers to a change approved in a supplement

to the subsection (b) application effective before the expiration of two years from the date of enactment of this subsection.

"(5) If a drug approved under this subsection refers in its approved application to a drug the approval of which was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under this paragraph or which, as determined by the Secretary, has been withdrawn from sale for safety or effectiveness reasons, the approval of the drug under this subsection shall be withdrawn or suspended—

"(A) for the same period as the withdrawal or suspension under subsection (e) or this paragraph, or

"(B) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale is not for safety or effectiveness reasons.

"(6)(A)(i) Within sixty days of the date of the enactment of this subsection, the Secretary shall publish and make available to the public—

"(I) a list in alphabetical order of the official and proprietary name of each drug which has been approved for safety and effectiveness under subsection (c) before the date of the enactment of this subsection:

"(II) the date of approval if the drug is approved after 1981 and the number of the application which was approved; and

"(III) whether in vitro or in vivo bioequivalence studies, or both such studies, are required for applications filed under this subsection which will refer to the drug published.

"(ii) Every thirty days after the publication of the first list under clause (i) the Secretary shall revise the list to include each drug which has been approved for safety and effectiveness under subsection (c) or approved under this subsection during the thirty day-period.

"(iii) When patent information submitted under subsection (b) or (c) respecting a drug included on the list is to be published by the Secretary the Secretary shall, in revisions made under clause (ii), include such information for such drug.

"(B) A drug approved for safety and effectiveness under subsection (c) or approved under this subsection shall, for purposes of this subsection, be considered to have been published under subparagraph (A) on the date of its approval or the date of enactment, whichever is later.

"(C) If the approval of a drug was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under paragraph (5) or if the Secretary determines that a drug has been withdrawn from sale for safety or effectiveness reasons, it may not be published in the list under subparagraph (A) or, if the withdrawal or suspension occurred after its publication in such list, it shall be immediately removed from such list—

"(i) for the same period as the withdrawal or suspension under subsection (e) or paragraph (5), or

"(ii) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale is not for safety or effectiveness reasons.

A notice of the removal shall be published in the Federal Register.

"(7) For purposes of this subsection:

"(A) The term 'bioavailability' means the rate and extent to which the active ingredient or therapeutic ingredient is absorbed from a drug and becomes available at the site of drug action.

"(B) A drug shall be considered to be bioequivalent to a listed drug if—

"(i) the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses; or

"(ii) the extent of absorption of the drug does not show a significant difference from the extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses and the difference from the listed drug in the rate of absorption of the drug is intentional, is reflected in its proposed labeling, is not essential to the attainment of effective body drug concentrations on chronic use, and is considered medically insignificant for the drug.".

SEC. 102. (a)(1) Section 505(b) of such Act is amended by adding at the end the following: "The applicant shall file with the application the patent number and the expiration date of any patent which claims the drug for which the applicant submitted the application or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If any application is filed under this subsection for a drug and a patent which claims such drug or a method of using such drug is issued after the filing date but before approval of the application, the applicant shall amend the application to include the information required by the preceding sentence. Upon approval of the application, the Secretary shall publish information submitted under the two preceding sentences.".

(2) Section 505(c) of such Act is amended by inserting "(1)" after "(c)", by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by adding at the end the following:

"(2) If the patent information described in subsection (b) could not be filed with the submission of an application under subsection (b) because the application was filed before the patent information was required under subsection (b) or a patent was issued after the application was approved under such subsection, the holder of an approved application shall file with the Secretary the patent number and the expiration date of any patent which claims the drug for which the application was submitted or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If the holder of an approved application could not file patent information under subsection (b) because it was not required at the time the application was approved, the holder shall file such information under this subsection not later than thirty days after the date of the enactment of this sentence, and if the holder of an approved application could not file patent information under subsection (b) because no patent had been issued when the application was filed or approved, the holder shall file such information under this subsection not later than thirty days after the date the patent involved is issued. Upon the submission of patent information under this subsection, the Secretary shall publish it.".

(3)(A) The first sentence of section 505(d) of such Act is amended by redesignating clause (6) as clause (7) and inserting after clause (5) the following: "(6) the application failed to contain the patent information prescribed by subsection (b); or".

(B) The first sentence of section 505(e) of such Act is amended by redesignating clause (4) as clause (5) and inserting after clause (3) the following: "(4) the patent information prescribed by subsection (c) was not filed within thirty days after the receipt of written notice from the Secretary specifying the failure to file such information; or".

(b)(1) Section 505(a) of such Act is amended by inserting "or (j)" after "subsection (b)".

(2) Section 505(c) of such Act is amended by striking out "this subsection" and inserting in lieu thereof "subsection (b)".

(3) The second sentence of section 505(e) of such Act is amended by inserting "submitted under subsection (b) or (j)" after "an application".

(4) The second sentence of section 505(e) is amended by striking out "(j)" each place it occurs in clause (1) and inserting in lieu thereof "(k)".

(5) Section 505(k)(1) of such Act (as so redesignated) is amended by striking out "pursuant to this section" and inserting in lieu thereof "under subsection (b) or (j)".

(6) Subsections (a) and (b) of section 527 of such Act are each amended by striking out "505(b)" each place it occurs and inserting in lieu thereof "505".

SEC. 103. (a) Section 505(b) of such Act is amended by inserting "(1)" after "(b)", by redesignating clauses (1) through (6) as clauses (A) through (F), respectively, and by adding at the end the following:

"(2) An application submitted under paragraph (1) for a drug for which the investigations described in clause (A) of such paragraph and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted shall also include—

"(A) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the drug for which such investigations were conducted or which claims a use for such drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under paragraph (1) or subsection (c)—

"(i) that such patent information has not been filed,

"(ii) that such patent has expired,

"(iii) of the date on which such patent will expire, or

"(iv) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(B) if with respect to the drug for which investigations described in paragraph (1)(A) were conducted information was filed under paragraph (1) or subsection (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

"(3)(A) An applicant who makes a certification described in paragraph (2)(A)(iv)

shall include in the application a statement that the applicant will give the notice required by subparagraph (B) to—

"(i) each owner of the patent which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(ii) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative of such holder designated to receive such notice.

"(B) The notice referred to in subparagraph (A) shall state that an application has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of the drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(C) If an application is amended to include a certification described in paragraph (2)(A)(iv), the notice required by subparagraph (B) shall be given when the amended application is submitted.".

(b) Section 505(c) of such Act (as amended by section 102(a)(2)) is amended by adding at the end the following:

"(3) The approval of an application filed under subsection (b) which contains a certification required by paragraph (2) of such subsection shall be made effective on the last applicable date determined under the following:

"(A) If the applicant only made a certification described in clause (i) or (ii) of subsection (b)(2)(A) or in both such clauses, the approval may be made effective immediately.

"(B) If the applicant made a certification described in clause (iii) of subsection (b)(2)(A), the approval may be made effective on the date certified under clause (iii).

"(C) If the applicant made a certification described in clause (iv) of subsection (b)(2)(A), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (3)(B) is received. If such an action is brought before the expiration of such days, the approval may be made effective upon the expiration of the thirty-month period beginning on the date of the receipt of the notice provided under paragraph (3)(B) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(i) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval may be made effective on the date of the court decision,

"(ii) if before the expiration of such period the court decides that such patent has been infringed, the approval may be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code, or

"(iii) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commercial manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent is not invalid or not infringed, the approval shall be made effective on the date of such court decision.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of forty-five days from the date the notice made under paragraph (3)(B) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under such section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(D)(i) If an application (other than an abbreviated new drug application) submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of another application for a drug for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted effective before the expiration of ten years from the date of the approval of the application previously approved under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this clause, no application which refers to the drug for which the subsection (b) application was submitted and for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted may be submitted under subsection (b) before the expiration of five years from the date of the approval of the application under subsection (b), except that such an application may be submitted under subsection (b) after the expiration of four years from the date of the approval of the subsection (b) application if it contains a certification of patent invalidity or noninfringement described in clause (iv) of subsection (b)(2)(a). The approval of such an application shall be made effective in accordance with this paragraph except that, if an action for patent infringement is commenced during the one-year period beginning forty-eight months after the date of the approval of the subsection (b) application, the thirty-month period referred to in subparagraph (C) shall be extended by such amount of time (if any) which is required for seven and one-half years to have elapsed from the date of approval of the subsection (b) application.

"(iii) If an application submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application approved under subsection (b), is approved after the date of the enactment of this clause and if such application contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the application and conducted or sponsored by the applicant, the Secretary may not make the approval of an application submitted under subsection (b) for the conditions of approval of such drug in the approved subsection (b) application effective before the expiration of three years from the date of the approval of the application under subsection (b) if the investigations described in clause (A) of subsection (b)(1) relied upon by the applicant for approval of the application were not conducted by or for the applicant and if the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted.

"(iv) If a supplement to an application approved under subsection (b) is approved after the date of enactment of this clause and the supplement contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the supplement and conducted or sponsored by the person submitting the supplement, the Secretary may not make the approval of an application submitted under subsection (b) for a change approved in the supplement effective before the expiration of three years from the date of the approval of the supplement under subsection (b) if the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and if the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted.

"(v) If an application (or supplement to an application) submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this clause, the Secretary may not make the approval of an application submitted under this subsection and for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted and which refers to the drug for which the subsection (b) application was submitted effective before the expiration of two years from the date of enactment of this clause.".

SEC. 104. Section 505 of such Act is amended by adding at the end the following:

"(l) Safety and effectiveness data and information which has been submitted in an application under subsection (b) for a drug and which has not previously been disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

"(1) if no work is being or will be undertaken to have the application approved,

"(2) if the Secretary has determined that the application is not approvable and all legal appeals have been exhausted,

"(3) if approval of the application under subsection (c) is withdrawn and all legal appeals have been exhausted,

"(4) if the Secretary has determined that such drug is not a new drug, or

"(5) upon the effective date of the approval of the first application under subsection (j) which refers to such drug or upon the

date upon which the approval of an application under subsection (j) which refers to such drug could be made effective if such an application had been submitted.

"(m) For purposes of this section, the term 'patent' means a patent issued by the Patent and Trademark Office of the Department of Commerce.".

SEC. 105. (a) The Secretary of Health and Human Services shall promugate, in accordance with the notice and comment requirements of section 553 of title 5, United States Code, such regulations as may be necessary for the administration of section 505 of the Federal Food, Drug, and Cosmetic Act, as amended by section 101, 102, and 103 of this Act, within one year of the date of enactment of this Act.

(b) During the period beginning sixty days after the date of the enactment of this Act and ending on the date regulations promulgated under subsection (a) take effect, abbreviated new drug applications may be submitted in accordance with the provisions of section 314.2 of title 21 of the Code of Federal Regulations and shall be considered as suitable for any drug which has been approved for safety and effectiveness under section 505(c) of the Federal Food, Drug, and Cosmetic Act before the date of the enactment of this Act. If any such provision is inconsistent with the requirements of section 505(j) of the Federal Food, Drug, and Cosmetic Act, the Secretary shall consider the application under the applicable requirements of such section. The Secretary of Health and Human Services may not approve such an abbreviated new drug application which is filed for a drug which is described in sections 505(c)(3)(D) and 505(j)(4)(D) of the Federal Food, Drug, and Cosmetic Act except in accordance with such section.

SEC. 106. Section 2201 of title 28, United States Code, is amended by inserting "(a)" before "In a case" and by adding at the end the following:

"(b) For limitations on actions brought with respect to drug patents see section 505 of the Federal Food, Drug, and Cosmetic Act.".

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Chairman, this amendment makes several changes to title I of the bill to incorporate compromises reached in negotiations between the brand name drug industry and the generic drug industry. While the bill before us has been endorsed by an overwhelming majority of the brand name drug companies as well as the generic drug industry, consumer, senior citizen, and labor groups, several major drugmakers and the Patent and Trademark Office continued to have concerns about some provisions of H.R. 3605.

During the final week of session before the August break, the chairman of the Senate Labor and Human Resources Committee, Senator HATCH, worked tirelessly to address these last remaining concerns. As a result of his diligence and commitment to making more low-cost generic drugs available for our citizens, a number of changes to the bill were agreed upon by the brand name and generic drug industries and subsequently passed by the Senate on August 10.

With technical and minor modifications, this amendment adds those changes to the bill before us. Let me describe the changes.

First, the amendment provides a 5-year period of exclusive market life for drugs approved for the first time after enactment of the legislation. This provision will give the drug industry the incentives needed to develop new chemical entities whose therapeutic usefulness is discovered late when little or no patent life remains.

Generic drugmakers that wished to challenge the validity of any patent life remaining on such drugs would not be barred from doing so. Such patent litigation could commence at the expiration of the fourth year of the period and the generic drugmaker could begin marketing after a favorable court decision or 7½ years after approval of the brand name drug, whichever occurs first.

Second, the 10-year period of exclusive market life for drugs approved between 1982 and the date of enactment of the bill is supplemented by affording a 2-year period of exclusive market life to drugs which are not new chemical entities approved during that same period.

Third, a 3-year period of exclusive market life is afforded to nonnew chemical entities approved after enactment of the bill which have undergone new clinical studies essential to FDA approval. This provision will encourage drugmakers to obtain FDA approval for significant therapeutic uses of previously approved drugs.

Fourth, the period during which a generic drugmaker may not market pending the judicial resolution of a challenge to patent validity is expanded from the 18 months currently in the bill to 30 months. Some of the brand name drug companies felt this change increases the likelihood that such patent litigation will be concluded before the generic drugmaker begins marketing.

Fifth, the bill clarifies the authority of the Food and Drug Administration [FDA] to reject a petition filed by a generic drugmaker for consideration of a combination product that differs from the approved product of the brand name manufacturer.

Last, the authority of the FDA to disapprove generic copies of brand name drugs when the agency is seeking to remove the brand name drug from the market due to safety or effectiveness concerns is clarified.

While there was some discussion on amending section 104 of the bill dealing with the confidentiality of safety and effectiveness data and information submitted in a new drug application, no change is made in that section by this amendment. With the exception of subsection (l)(5), the provision in section 104 statutorily codifies the current FDA regulation pertaining to disclosure of this type of information. FDA's current approach to release of the data and to its policies regarding the extraordinary circumstances when the data would not be released are explained in the preamble to FDA's Freedom of Information Act regulations—39 Federal Register 44602-44642 (December 24, 1974). Section 104 adopts this same approach.

These changes to H.R. 3605 do not upset the fundamental balance of the bill that assures consumers of more low-cost generic drugs when a valid patent expires and the drug industry of sufficient incentive to develop innovative pharmaceutical therapies. I urge my colleagues to support the amendment.

□ 1150

Mr. MADIGAN. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California, which takes care of one of the two administration objections to this bill. I understand that their second objection will be addressed in an amendment to be offered later by the gentleman from California.

The amendment now under consideration adopts the compromise proposals agreed to by Senator HATCH and the chief executive officers of the domestic drug companies that previously were not supporting this bill. These changes are fair and reasonable; they do not alter the basic thrust of H.R. 3605, and they do bring the bill in line with the Senate-passed bill, so that this important measure can be quickly signed into law.

I urge my colleagues to support the amendment of the gentleman from California [Mr. WAXMAN].

Mr. KASTENMEIER. Mr. Chairman, I reluctantly rise in opposition to the amendment offered by the gentleman from California to express strong reservations about the amendment.

The bill before us, H.R. 3605, represents a far from perfect compromise which—on balance—furthers the public interest. This amendment, on the other hand, undoes that balance and tilts too heavily toward unwarranted rewards for private economic interests. Moreover, the various changes suggested by this amendment constitute fundamentally wrongheaded public policy. The proposed changes in the bill include four different types of monopoly or exclusive marketing authority. These changes do little to further the interests of consumers, nor do they strengthen our

system of intellectual property protection.

The first "minor" change made by this amendment is to protect from generic competition until the fall of 1986 drugs approved between 1982 and today which do not constitute "new chemical entities." In lay terms this means that for the next 2 years no one may obtain approval for a generic substitute for the oral contraceptive Ortho-Novum, produced by Johnson & Johnson. This provision also precludes generic competition in the over-the-counter [OTC] market for two newly introduced pain relievers, Advil, made by American Home Products, and NUPRIN, made by Bristol Myers. The sales of the drugs affected by this minor amendment are in the hundreds of millions of dollars. Precluding competition by generics for these drugs cannot and do not serve the interests of consumers.

The second minor change to the bill being proposed is to grant the Food and Drug Administration authority to bar generic competition for either 5-plus or 3 years, depending on the nature of the drug. The grant of authority to issue the functional equivalent of a monopoly should be reserved to the patent and copyright laws. These changes serve to undermine the integrity of our system of intellectual property law. Furthermore, the basic rationale for this grant of authority to the FDA is that patent protection is insufficient. Thus, under this proposal, the FDA will be able to grant a monopoly to persons for ideas which are not sufficiently unique or useful to constitute a patentable invention. Let me give two quick examples of how bad an idea this will be.

First, under this proposal a drug company whose patent is going to expire could—under some circumstances—conduct short, simple, noninnovative, clinical trials and seek FDA approval for an over-the-counter version of the drug. Under this proposal, even though this change would not affect patent status, the drug company would receive a "reward" of 3 years of exclusive marketing authority.

In a second example, a drug company could seek FDA approval for the use of an unpatentable substance—like a naturally occurring chemical or substances like lithium, vaccines, or blood products—and obtain a right to exclude all others from the market for up to 3 years. The proposal does not guide the FDA in determining who first had the idea—which is the approach used in patent law. Rather, the monopoly is to be granted to whomever the FDA grants approval first. This first-to-file or first-to-decision approach is a radical departure from our current intellectual property law.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KASTENMEIER] has expired.

(By unanimous consent, Mr. KASTENMEIER was allowed to proceed for 2 additional minutes.)

Mr. KASTENMEIER. Finally, with respect to the proposed 5-year rule, let me explain to my colleagues what this will mean with respect to patent litigation. Once this provision is in place, then no one will be able to challenge the validity of a patent for at least 5 years. Thus, we will have two types of patents: those subject to challenge at any time after issuance, and those subject to challenge only after the expiration of 5 years. The net effect of this provision is to give pioneer drug companies super patents—unchallengable patents. In addition, this provision will delay the entry of generic competition for up to 90 months—7½ years—even when the original patent is invalid.

I should also note that these giveaways should not have been necessary. We already had made a compromise by putting in the bill a 10-year rule that serves to protect from generic competition drugs approved between 1982 and the date of enactment for the next 10 years. Thus, we are protecting the following drugs:

Zantac by Glaxo/Roche;
Dolobid by Merck Sharpe & Dohme;
Feldene by Pfizer [1];
Cardizem by Marion [1];
Wytension by Wyeth.

These drugs have a combined estimated market of over a half of a billion dollars—$500 million. Thus, we have already given a significant concession to the drug industry, and I fail to see why we should go farther.

CONCLUSION

The agreement which has passed the U.S. Senate—and which is represented in this proposal—is not in the public interest. This proposal is not the result of thoughtful consideration by committees or by Members of Congress; rather it is the byproduct of a backroom deal between two branches of the drug industry. While there are substantial consumer benefits through the easing of approvals for generic competition, there are some significant, anticonsumer provisions in the amendment before us. I urge defeat of the amendment.

□ 1200

AMENDMENT OFFERED BY MR. SHAW TO THE AMENDMENT OFFERED BY MR. WAXMAN

Mr. SHAW. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from California [Mr. WAXMAN].

The Clerk read as follows:

Amendment offered by Mr. SHAW to the amendment offered by Mr. WAXMAN: In the proposed section 505(j)(4)(D)(iii) and 505(c)(3)C) of the Federal Food, Drug and Cosmetics Act, strike out "thirty-month" and insert in lieu thereof "eighteen-month".

Mr. SHAW. Mr. Chairman, as I view the debate this morning and the sleepy pace at which it goes on and the discussion of this not being a controversial substitute to the House bill, I think all the Members should take careful note of exactly what we are doing.

I have heard this morning around this floor talk of compromise. The word "compromise" has been used very often. But I think when we are talking about extending patent protection on medicine that we have to be very conscious and very concerned about people who were not involved in this so-called compromise.

First of all, we have to consider who is using these drugs the most. It is the elderly; it is the sick. And anything that we do to extend the life of patents, anything we do to keep other drugs off of the market, is going to have an extraordinary effect upon this segment of our population.

The House bill, as it came to the Committee on the Judiciary and the other committees of Congress, provided that in the event a new application is filed and infringement notification is also filed, that the new drug—which could be a great drug, could be a great thing for the American consumer—will be held off of the market for 18 months. I do not think that that is good law.

But the language that we are now considering is even worse law. It extends this period of time for 30 months. This means that during the period of time that litigation is going on to determine whether this drug is, in fact, an infringement, that those who would compete in this market would be prohibited from doing so for 18 months, and it is even more extraordinary when we extend that to 30 months.

Now, this is automatic. It is automatic. There are no damages provided for in this bill. If the suit was wrongfully brought just to keep the competition off the market, the generic drug company that was manufacturing the other drug or the other drug company which would, in fact, put itself in a competitive position—and competition does, I must say, mean lower costs to the consumer—there are no responsibilities in this bill for any damages that might be incurred.

So an infringement suit can be brought of a very frivolous nature. It does not, in our Federal court proceeding, require any great attorney to let litigation drag on for 30 months, as clogged as our Federal courts are today. I think that the group that we must talk to are the aged and the sick of this country. That is who I think we have to have a primary responsibility for here in this Chamber today.

[1] These drugs actually received more favorable treatment in the nature of a 10-year protection—the functional equivalent of patent term extension—than any new drug patented after the date of enactment will receive.

This amendment does not do all that much, but I think it is an important step forward and it is one that we should certainly support. I would ask my colleagues to simply vote in favor of this amendment and roll that time period back from 30 months to the 18 months as the language is in the House bill.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman from Florida yield?

Mr. SHAW. I would be glad to yield to the chairman, the gentleman from Wisconsin.

Mr. KASTENMEIER. I thank the gentleman for yielding.

Mr. Chairman, I am pleased to join the gentleman in support of this amendment. I think it is an excellent idea. I think it does get us back to where we were before.

As the gentleman has so well explained, it is certainly in the public interest.

Mr. SHAW. I thank the gentleman for his support, and also the leadership that he has given in the Committee on the Judiciary in getting this House bill before us today.

Mr. WAXMAN. Mr. Chairman, I rise in reluctant but nevertheless opposition to the amendment offered by the gentleman from Florida.

Mr. Chairman, I rise in opposition to the amendment because the change from 18 months to 30 months was a change agreed upon as part of a package to bring along all of the groups that were interested in this legislation.

The facts of life are that a generic drug manufacturer will await, as a practical matter, until the decision of a court on a patent challenge before that manufacturer markets a generic drug. That is the information they have given us as to their practice. We would expect the litigation to be resolved and, once it is resolved, it is determinative of the issue.

What the 18-month or 30-month issue deals with is, should not the litigation be resolved, at what point would we allow the generic manufacturer to go on the market with the generic product anyway. The 30-month period is one that gave further assurance to the brand-name drug manufacturer that the generic drug manufacturer would not put his competitor on that market until that court decision came through.

So as a practical matter, if we accept what the generic drug manufacturers tell us is their practice, that they will await a court decision as to whether that patent is valid or not, then we are not talking about, in any significant way, reducing the number of generic drugs that will be available to the public.

I would have preferred the 18-month to the 30-month period because I do not want to extend that option any further than is necessary. As a matter of fact, I would have preferred that the whole patent infringement law stay the way it is now on the books, without any special rules for drug manufacturers, in order to prevent someone from marketing another competitive product. After all, under the patent law, if someone markets a competitive product, they can go to court and sue for an injunction, or they can sue for treble damages for infringment of that patent. As far as I am concerned, that is sufficient protection for the original manufacturer of a product who has that product under patent protection.

But on balance, what we have is a total bill that I think is very good. It provides low-cost, generic drugs for millions of Americans, saving maybe a billion dollars over a several-year period. There is going to be a significant savings to people who purchase drugs. Twenty percent of the people who buy drugs in this country are elderly. Medicare does not pay for drugs. Many people are under the misapprehension that medicare does. So that is coming out of the pockets of the elderly and obviously the sick.

So on balance this is a good bill, and that provision brought everybody along and, therefore, I would reluctantly resist the gentleman's amendment.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I would be pleased to yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I know that the gentleman, as the chairman, would be opposing this particular amendment reluctantly. I do realize that balance is trying to be reached, but what the Members should be very much aware of, the balance being taking some of the bad with the good.

□ 1210

This is an opportunity to extract some of the bad, so I think we can even get a better balance. What we are talking about, when we are talking about bringing people on board and bringing them along, is trying to stop obstructionism within this House and within the rules by which we do business. I understand that. But I have not seen anything of such a consequence come through this House this week, nor do I expect it will, and I think all the Members have plenty of time to sit here and work on this important piece of legislation.

The gentleman brought up the question of medicare and medicaid. This is also an opportunity for us as Members of this Congress to do some cost containment within the medicare program. This is an extraordinarily important program to the elderly citizens of this country, and this is an opportunity for us to do something constructive which is going to send the message out to the elderly people that we are on their side and in this particular instance we are for lower cost on drugs. And also this is going to have a direct effect on our own budget, which we are very painfully aware of, but it does not in any way take anything away from anybody except perhaps some profits by the big name drug companies, and I think they have plenty of that.

Mr. Chairman, I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, I appreciate what the gentleman has said and, of course, what he has said is the significance of this legislation, which he has pointed out so ably. This legislation will do more to contain the cost of elderly care than perhaps anything else this Congress has passed, because it will bring about lower priced generic alternatives to brand-name drugs once the patent has expired or if there is no valid patent and the courts decide that there is no valid patent in order to give that monopoly protection.

A patent is a monopoly, and when anyone holds a monopoly, that person has the ability or that company has the ability to charge the highest price because there is no one else in competition, and as a matter of public policy we, under the patent law, give that protection to the person who has put money into research and development for an innovative and new product.

But at some point public policy calls for the free market system competition which will bring about the result of a lower price for the consumer. That is the purpose of the legislation.

This particular amendment deals with a very narrow area of when a patent might be challenged and at what point the challenger can market the product that he wishes to market in competition, and as a practical matter generic drug manufacturers will not market a product until the court has decided that they are free to do so without infringing the original patent.

I therefore think that adopting this amendment will not mean more generics on the market for the benefit of the consumers, and as a political matter in dealing with this legislation it would shake the overall compromise that has been signed off on by the original drug manufacturers, the Pharmaceutical Manufacturers Association, the generic drug manufacturers, and the consumers and the elderly, because on balance this is a good bill.

Therefore, Mr. Chairman, we should defeat this amendment and go with the bill.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Waxman amendment and against the Shaw perfecting amendment.

We have struggled for a long time with this legislation, and most of the things that are in this bill, together with the amendments that the gentleman from California [Mr. WAXMAN] will offer today, are the result of much effort and work over a long period of time and which resulted in compromises between the various industries that are involved, the people that will be affected, the senior citizens of our country, the people who manufacture generics, and the people whose patents need to be protected to guarantee that they can get a recovery on the investment that they have made.

Surely this bill in this form, as it is being amended today by the gentleman from California [Mr. WAXMAN], will speed the marketing by generic drugs following patent expiration. If we start fooling around with this formula that has been worked on for long and arduous negotiating periods that have involved Members of Congress, committee chairmen, members of the committees, and so forth, we will end up without a bill that will help our senior citizens, one that will help the generic drug manufacturers, and at the same time protect those people who have invested millions of dollars in new drugs that are needed by all of the citizens of America that would not be produced unless there were some minimum protection for them after they got the drugs on the market.

For that reason, Mr. Chairman, I strongly support the amendment offered by the gentleman from California [Mr. WAXMAN], and I oppose the amendment offered by the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, we keep talking about the balance and we keep talking about the parties to this particular compromise. We are the parties, we are the people who work and labor right here in this Chamber, and we are the ones to make the decisions, not any members of any particular industry. It is going to be up to each Member of this Congress when we get to a vote—and I intend to ask for a recorded vote on this particular item—to decide their exact vote.

I do not know of anyone who was in that room when this compromise was struck. I certainly was not. I was in the Judiciary Committee when the House bill came through, and we worked on what we thought was a good balance at that particular time.

I agree with the other speakers, this bill has a lot of good things in it, and I intend to support it on final passage, I do believe. But I think this is a most important amendment, and when we talk about balance, I think our primary consideration has to be the people, the consumers, and particularly the elderly, the sick, and the infirmed. These are the types of people we have to be concerned about today.

Mr. Chairman, I thank the gentleman for yielding.

□ 1220

Mr. MADIGAN. I appreciate the gentleman's position and his remarks. I am sure he understands that compromise is the essence of any political activity and a compromise is what we have here and the senior citizens of America are the real beneficiaries of this compromise.

I would hate to see it picked apart and destroyed. I would hope this amendment would be defeated.

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I will be very brief, but I did want to comment about some of the suggestions by my friend, the gentleman from California [Mr. MOORHEAD] and others that this bill has been carefully worked out. As a matter of fact, the care that has been taken was with respect to the bill that appears on the floor, the Waxman bill, H.R. 3605, as reported by two committees. There was no care taken with respect to the backroom deal in the Senate involving the chief executive officer of one of the dissenting drug companies and a lobbyist of one of the generic groups. That is really what is being imposed upon this body today.

There is no reason we should not take to conference or to the Senate the original H.R. 3605. If the deal worked out over there has any validity at all, it could, in part, be accepted in conference; but as the gentleman from Florida [Mr. SHAW] has pointed out in this argument, which I support, what we do here is limit the access of the patent law to contest, to challenge a patent, pursuant to conditions of FDA approval for a period of years. That is not necessary and at the very least we should do what the gentleman from Florida suggests, go back to the 18-month period of time.

I would also say that while the gentleman from California [Mr. WAXMAN] may be correct, that consumers and the elderly did support his carefully worked out version, I do not believe there is any evidence that they support the Waxman amendment offered here this morning, which was worked out on a 24-hour basis in the Senate 4 weeks ago.

So I would hope the House would stand on its own feet and approve its version of the bill and if there are any changes to be made, let them be made in an orderly fashion.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just briefly, as the ranking minority member of the Judiciary Committee, I want to speak briefly in support of what my colleague, the gentleman from California [Mr. MOORHEAD] the ranking member of the subcommittee involved, and the gentleman from Illinois [Mr. MADIGAN], speaking on behalf of the minority for the Commerce Committee, said that we do support this compromise legislation which will be presented to us through amendments offered by the gentleman from California [Mr. WAXMAN].

The compromise has two admirable goals: First, to provide renewed incentives for pharmaceutical innovation by restoring some of the patent life lost during periods of Federal premarket regulatory review; and second, give the generic drug industry the ability to bring generic copies of off-patent drugs to market as soon as the patent expires. The consumer is the ultimate benefactor of this legislation because they will receive cheaper drugs today and better drugs tomorrow.

This is important legislation, it is important to the consumer, especially the elderly. It has the support of the pharmaceutical industry, the generic drug industry, the AFL-CIO and a number of individual unions, the American Association of Retired Persons and the National Council of Senior Citizens, and I urge a favorable vote for its enactment.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes, but I think it is important for us to realize that not only the series of amendments that are offered as a substitute for title I, but also the bill itself before us, H.R. 3605, is the result of a great deal of negotiation and compromise and adjustment and an attempt at consensus between various interested parties and groups.

I have stated previously in debate relating to this bill that I do not think you get good legislation that way. I still believe that is the case; however, this is no time to say in this total process that this one step of negotiation is the wrong step. If it is wrong now, it was wrong at the beginning, it was wrong for H.R. 3605 to be a negotiated bill and to be brought to this floor in that form. Let us not say just one step is wrong.

Now, we can say we have done something in this process that has brought us to a point where there ought to be agreement and there ought to be an end to the controversy and there ought to be some balance.

Or, we can say let us start all over in the next Congress, and perhaps that is the better course; but if we are going

to act on a bill today or if there is going to be legislation finalized along with the action of the other body, the gentleman from California [Mr. WAXMAN] has offered the way for that course to be pursued and to be completed in a reasonable manner.

So I would urge that the amendment of the gentleman from Florida be defeated and I would urge that the substitute for title I offered by the gentleman from California [Mr. WAXMAN] be adopted, and that we put an end to the negotiations.

If it does not work out in this Congress, hopefully next time we will do it by the legislative process rather than by the negotiating process.

Mr. SHAW. Mr. Chairman, will the gentleman yield to me?

Mr. MOORHEAD. Yes; I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I would like to just pick up on one item that the gentleman did bring up. He is talking about protection. This is protectionism, this type of provision within the law itself. It is already there to a certain degree, and what we are being asked to do is to extend that.

As the gentleman from California [Mr. WAXMAN] pointed out, the remedies are already in the law, triple damages. How much are we going to give them? This absolutely smothers competition, and it guarantees an absolute monopoly in a particular area that might not even be an infringement. This is wrong.

Mr. Chairman, this is what I am trying to get to, and this is what I am trying to lessen with this amendment.

Mr. MOORHEAD. Mr. Chairman, all patents protect. They create a monopoly. We try to encourage innovation. We try to encourage the development of new products, and to do that we protect products.

But this bill as it is being amended will provide for the generic drug manufacturers and provide senior citizens their drugs more rapidly than they would otherwise get them except for those instances in which a patent is expiring before the drug ever gets on the market. We give them 5 years in which to recover their investment. But for most drugs that are manufactured, the generics will be able to get them and get them on the market and be able to provide drugs for the senior citizens that are reasonably priced for the American people.

Mr. Chairman, I do not think that we want to take away the balance that is in this legislation, which is what the gentleman's amendment would do.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Shaw amendment.

I wish to associate myself with the remarks of the two gentlemen from California [Messrs. MOORHEAD and WAXMAN]. I think what the gentleman from California has just said is absolutely correct.

While it is true that the adoption of the Shaw amendment might make this bill a little bit better for senior citizens, the fact of the matter is that the senior citizens are the principal beneficiaries of the bill to begin with. They are the people we have been trying to help through this whole process, but by trying to make it a little bit better for them, we lose all of the other parties to the compromise that have enabled us to get this far and we insure that this bill thus would never become law.

So I think the two gentlemen from California have been absolutely on target when they said that what we have done is in the best interests of the senior citizens. They want this bill, we want this bill, but we cannot tear it apart now by trying to make it a little bit better here and a little bit better there, because if we do that, we are going to lose the bill.

Mr. SHAW. Mr. Chairman, will the gentleman yield for one short moment?

Mr. MADIGAN. I am happy to yield to the gentleman from Florida.

Mr. GEKAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, over the last 18 months, I have found myself almost automatically opposing everything that the gentleman from California [Mr. WAXMAN] would propose almost viscerally because of our different philosophies.

Now, I am confused today, because I think I agree with him on this particular issue. It seems to me, and this is what I need some clarification on, and I will ask the gentleman from Illinois to state it for me—I talked at side bar with the gentleman from Florida whose amendment we are going to be considering. If indeed we have arrived at a position where the gentleman from California is now offering an amendment that is the consensus of agreement that brings into play the agreement that the administration and senior citizens and the major drug companies and of the regulators, then it seems to me that we rank-and-file people are not privy to all the information that is absolutely necessary to make an independent judgment that gives us a basis upon which to cast a final vote.

Is that indeed the case, this gigantic compromise?

I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

The administration has two concerns about the bill. One of their two concerns is addressed in the amendment offered by the gentleman from California [Mr. WAXMAN]. He then later in the process will offer a second amendment which addresses the administration's second concern and then enables the administration to be supportive of the bill.

The amendment being considered now which addresses one of two administration concerns represents a compromise between all the parties the gentleman described in his statement.

What we have in supporting the Waxman amendment is one-half of what we need for administration support and the compromise that has brought us to this point where we have senior citizens, drug companies, Members of the other body, and everybody in unison in support of what the gentleman from California has asked us to consider.

Mr. GEKAS. In recapturing my time, Mr. Chairman, I would further yield to the gentleman from Illinois to answer one other question.

How would the adoption of the Shaw amendment do serious damage to this compromise if indeed it only affects the 18-month time period extending it to 30 months? Is that a serious blow to the compromise which we are discussing here?

I yield to the gentleman from Illinois.

Mr. MADIGAN. Well, I thank the gentleman for yielding.

What we have done under the leadership of Senator HATCH and Chairman WAXMAN and others is that we have tried to get a compromise that would represent the majority of the things sought by the majority of the people who have been interested in this legislation.

□ 1230

Now, if we are to begin the process by adopting this amendment, and then this amendment, and then this amendment over here—as there is more than one amendment to be considered, each takes away part of this compromise. So the adoption of the Shaw amendment, should that be the case, would be the first stone pulled out of the foundation, and there are other stones that will be attempted to be pulled out of the foundation, and then the whole structure is going to collapse.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

I think it is important and I would like to repeat this particular point: I did not pull this amendment out of the air. This is the amendment that is presently in the House bill. This is the language that is presently in the House bill and it goes back to this language—that is all it does. So this is not anything new or innovative or that is unheard of. It was considered by the

committees of the House of Representatives and passed, and it was done in open hearings, not in back rooms, and it is, I think, a much better language and should be supported.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from California with whom I seem to be agreeing.

Mr. WAXMAN. Well, it is a pleasure that the gentleman agrees with me. I would hope that in the future the gentleman would distrust his visceral reaction which would lead him into disagreement with my position.

Mr. GEKAS. I will try—I will try.

Mr. WAXMAN. I thank the gentleman.

The original 18 months, just for historical footnote, was a number of months that was arrived at after negotiation, not in the legislative hearings but between the various industry groups as they tried to resolve competing concerns.

The generic drug manufacturers—first of all, this bill is a bill dealing primarily with getting generic drugs on the market when the patent expires. The conceptualization of the bill is to give more time and more incentives for research and development.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GEKAS] has expired.

(On request of Mr. WAXMAN and by unanimous consent, Mr. GEKAS was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, will the gentleman yield further?

Mr. GEKAS. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, the whole conceptuality of this bill is to give more time for the firm developing the patented drug, to give them a further incentive for research and development. There is a public good in that. The other side of it is to give the opportunity for competition in generic drugs to be on the market after that patent has expired.

This issue is a side issue. That is a side issue of when there is an invalid patent. The pharmaceutical manufacturers, the brand-name manufacturers were concerned that the generic manufacturers would come in and say that the patent was invalid and immediately go out in the market and compete, and they would be at some disadvantage. There were negotiations back and forth.

As far as I was concerned, the present patent law ought to be operative and they ought to go to court and try to enforce their patents. But instead of leaving the law as it is, it was agreed upon to have a period of time by which there most likely would have been a court adjudication of the patent in question.

As a practical matter, the generic drug manufacturers have told us they wait for a court decision before they will market a drug. But this is a side issue to the overall importance of this bill. But it is a significant issue in terms of emotion.

I must tell you that while we may want the legislative process to be only Congressmen and Senators discussing the issues on a certain academic, intellectual level, there is a practical level by which people deal in day-to-day life. And the pharmaceutical manufacturers had an enormous amount of distrust with the generic manufacturers, the feeling that they may challenge a lot of patents that were quite valid. And the distrust ran the other way as well; the generic manufacturers said, "All they are trying to do is to keep us off the market and keep us from pressing our case."

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GEKAS] has again expired.

(By unanimous consent, Mr. GEKAS was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, will the gentleman yield further?

Mr. GEKAS. I yield further to the gentleman from California.

Mr. WAXMAN. The 18-month figure was a compromise. It was a compromise that brought onboard the Pharmaceutical Manufacturers Association along with the generic drug groups.

The change from 18 to 30 months was a change that brought on the dissident groups within the PMA and has brought us to a package now that we can say with confidence is opposed by no one and backed by all of the groups concerned because their definition of reality has been redefined by virtue of this process having taken place. So I would make that clarification to the gentleman. I appreciate the significance of the legislative process, but let us not elevate procedure over substance.

What we have here is substantively a very good bill in the public interest. The public will benefit twice; by the further incentive for research and development for new, innovative drugs and by the immediate reduction in drug prices when a generic is on the market as a competitor.

That is a very worthwhile objective for this Congress to accomplish.

Mr. GEKAS. I thank the gentleman.

Recapturing my time, Mr. Chairman, I just wish to say that I reluctantly disagree with my colleague from Florida [Mr. SHAW] on this particular issue and I reluctantly agree with the gentleman from California [Mr. WAXMAN] and will support his amendment.

I thank the gentleman for his explanation.

Mr. Chairman, I yield back the balance of my time.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SHAW] to the amendment offered by the gentleman from California [Mr. WAXMAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHAW. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that pursuant to clause 2, rule XXIII, he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 374]

Albosta	Crockett	Gore
Anderson	Daniel	Gramm
Andrews (NC)	Dannemeyer	Gray
Andrews (TX)	Darden	Green
Annunzio	Daschle	Guarini
Anthony	Daub	Gunderson
Applegate	Davis	Hall (OH)
AuCoin	de la Garza	Hall, Ralph
Badham	Dellums	Hall, Sam
Barnes	Derrick	Hamilton
Bartlett	DeWine	Hammerschmidt
Bateman	Dickinson	Hance
Bates	Dicks	Hansen (UT)
Bedell	Dixon	Hartnett
Bennett	Donnelly	Hatcher
Bereuter	Dorgan	Hawkins
Berman	Downey	Hayes
Biaggi	Dreier	Hefner
Bilirakis	Duncan	Hertel
Boehlert	Durbin	Hightower
Boland	Dwyer	Hiler
Boner	Dymally	Hillis
Bonior	Dyson	Holt
Borski	Eckart	Hopkins
Bosco	Edgar	Howard
Boxer	Edwards (AL)	Hoyer
Britt	Edwards (CA)	Hubbard
Brooks	Edwards (OK)	Huckaby
Broomfield	Emerson	Hughes
Brown (CO)	English	Hunter
Broyhill	Erdreich	Hutto
Bryant	Erlenborn	Hyde
Burton (CA)	Evans (IA)	Ireland
Burton (IN)	Evans (IL)	Jacobs
Byron	Fascell	Jeffords
Campbell	Fazio	Jenkins
Carney	Feighan	Johnson
Carper	Fiedler	Jones (NC)
Carr	Fields	Jones (OK)
Chandler	Fish	Jones (TN)
Chappie	Foglietta	Kaptur
Clarke	Ford (MI)	Kasich
Clay	Ford (TN)	Kastenmeier
Clinger	Frank	Kazen
Coats	Franklin	Kemp
Coelho	Frenzel	Kennelly
Coleman (MO)	Frost	Kildee
Coleman (TX)	Garcia	Kindness
Conable	Gaydos	Kleczka
Conte	Gejdenson	Kogovsek
Conyers	Gekas	Kolter
Cooper	Gephardt	Kostmayer
Coughlin	Gibbons	Kramer
Courter	Gilman	LaFalce
Coyne	Gingrich	Lagomarsino
Craig	Glickman	Lantos
Crane, Daniel	Gonzalez	Latta
Crane, Philip	Goodling	Leath

Lehman (CA)
Lehman (FL)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NY)
Martinez
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McEwen
McGrath
McHugh
McKernan
McKinney
McNulty
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Patman
Patterson
Paul
Pease
Penny
Pepper
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Sikorski
Siljander
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Udall
Valentine
Vander Jagt
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1250

The CHAIRMAN. Three hundred and sixty-two Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Florida [Mr. SHAW] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will announce again that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 66, noes 304, answered "present" 1, not voting 61, as follows:

[Roll No. 375]

AYES—66

Applegate
Badham
Bilirakis
Bonior
Boxer
Brown (CO)
Coelho
Conyers
Davis
Dellums
Durbin
Eckart
Edwards (CA)
Fascell
Foglietta
Frank
Garcia
Glickman
Gonzalez
Gore
Guarini
Hall, Sam
Hammerschmidt
Hertel
Hunter
Ireland
Jacobs
Jones (OK)
Kastenmeier
Kildee
Kleczka
Kogovsek
Kramer
Lehman (FL)
Long (MD)
Lowry (WA)
Mack
MacKay
Markey
McCollum
McKinney
Minish
Moody
Morrison (CT)
Oberstar
Obey
Pepper
Petri
Rahall
Roemer
Roth
Russo
Schroeder
Seiberling
Shaw
Slattery
Smith (FL)
Smith (IA)
Snyder
St Germain
Stratton
Vento
Volkmer
Weaver
Weiss
Young (FL)

NOES—304

Albosta
Anderson
Andrews (NC)
Andrews (TX)
Annunzio
Anthony
Archer
AuCoin
Barnes
Bartlett
Bateman
Bates
Bedell
Bennett
Bereuter
Berman
Biaggi
Boehlert
Boland
Boner
Borski
Bosco
Breaux
Britt
Brooks
Broomfield
Brown (CA)
Broyhill
Bryant
Burton (CA)
Burton (IN)
Byron
Campbell
Carney
Carper
Carr
Chandler
Chappie
Clarke
Clay
Clinger
Coats
Coleman (MO)
Coleman (TX)
Collins
Conable
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel
Dannemeyer
Darden
Daschle
Daub
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Downey
Dreier
Duncan
Dwyer
Dymally
Dyson
Edgar
Edwards (AL)
Edwards (OK)
Emerson
English
Erdreich
Erlenborn
Evans (IA)
Evans (IL)
Fazio
Feighan
Fiedler
Fields
Fish
Ford (MI)
Ford (TN)
Franklin
Frenzel
Frost
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Gramm
Gray
Green
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hance
Hansen (UT)
Hartnett
Hatcher
Hayes
Hefner
Hightower
Hiler
Hillis
Holt
Hopkins
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (TN)
Kaptur
Kasich
Kazen
Kemp
Kennelly
Kindness
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Latta
Leath
Lehman (CA)
Leland
Lent
Levin
Levine
Levitas
Lewis (CA)
Lipinski
Livingston
Lloyd
Loeffler
Long (LA)
Lott
Lowery (CA)
Lujan
Luken
Lundine
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NY)
Martinez
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McEwen
McGrath
McHugh
McKernan
McNulty
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Nichols
Nielson
Nowak
O'Brien
Oakar
Olin
Ortiz
Ottinger
Oxley
Packard
Panetta
Parris
Patman
Patterson
Paul
Pease
Penny
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Ratchford
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Roukema
Rowland
Roybal
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schumer
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Smith (NE)
Smith (NJ)
Smith, Denny
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stangeland
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Udall
Valentine
Vander Jagt
Walgren
Walker
Watkins
Waxman
Weber
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (MO)
Zschau

ANSWERED "PRESENT"—1

de la Garza

NOT VOTING—61

Ackerman
Addabbo
Akaka
Alexander
Aspin
Barnard
Beilenson
Bethune
Bevill
Bliley
Boggs
Bonker
Boucher
Chappell
Cheney
Corcoran
Dowdy
Early
Ferraro
Flippo
Florio
Foley
Fowler
Fuqua
Gradison
Gregg
Hall (IN)
Hansen (ID)
Harkin
Harrison
Hawkins
Heftel
Horton
Leach
Lewis (FL)
Martin (NC)
Matsui
McCurdy
McDade
Neal
Nelson
Owens
Pashayan
Rangel
Roberts
Rostenkowski
Rudd
Schulze
Shannon
Simon
Smith, Robert
Stark
Stump
Tauzin
Taylor
Torres
Towns
Vandergriff
Vucanovich
Winn
Wright

The Clerk announced the following pair:

On this vote:

Mr. Nelson for, with Mr. Rangel against.

Mr. WILSON and Mr. BURTON of Indiana changed their votes from "aye" to "no."

Messrs. WEAVER, LOWRY of Washington, and ECKART, Mrs. BOXER, Messrs. DAVIS, LONG of Maryland, and COELHO, Mrs. SCHROEDER, and Mr. KOGOVSEK changed their votes from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1300

The CHAIRMAN. Are there further amendments to the Waxman amendment?

AMENDMENT OFFERED BY MR. QUILLEN TO THE AMENDMENT OFFERED BY MR. WAXMAN

Mr. QUILLEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUILLEN to the amendment offered by Mr. WAXMAN: In the proposed section 505(j)(4)(D) (ii), (iii), and (v), strike out "for a drug" and insert in

lieu thereof "for a drug which is subject to section 503(b)" and in the proposed section 505(j)(4)(D)(iv) is amended by inserting after "change approved in the supplement" the following: "for a drug subject to section 503(b)".

Mr. QUILLEN. Mr. Chairman, I am offering an amendment to the substitute being offered by the gentleman from California [Mr. WAXMAN]. The amendment would limit the application of the bill to prescription drugs only. If the amendment is adopted, over-the-counter drugs would not be affected by the bill's provisions. Congress has debated legislation affecting the drug industry for the past 3½ years. In the last Congress, legislation to restore lost patent protection to drugs was narrowly defeated. That legislation was considered in response to concerns by prescription drug companies that part of their patent protection was lost while drugs were being reviewed by the Food and Drug Administration.

A compromise was developed in this Congress that granted limited patent restoration while at the same time speeding the approval process for generic competitors. Throughout all of this discussion, the debate has been about the prescription drug industry. Extensive hearings have been held in the House Judiciary Committee as well as the Energy and Commerce Committee. The legislation came before the Rules Committee, on which I serve, recently.

Throughout all of this debate, however, no consideration has been given to these issues as applied to over-the-counter drugs. In the last-minute compromise that passed the other body just before the recess, language was inserted to grant a period of market protection outside of the patent system by building in a statutory delay before the Food and Drug Administration could approve generic versions of any drug; prescription or over-the-counter.

This amendment is necessary to avoid sweeping over-the-counter drugs into the provisions of an enormously complex bill without the benefit of any hearings or extensive discussion of this issue. For this reason, I strongly urge my colleagues on both sides of the aisle to support the amendment so that we can revisit the over-the-counter drug issue at a time when it can be given the attention that it deserves.

As a Member of Congress who has devoted much of his time to opposing unnecessary restraints on small business, I am reluctant to vote for a bill that would have such a dramatic and unprecedented effect on the entire drug industry without having the benefit of hearings and informed discussions of its impact on over-the-counter drug companies in general, and small companies in particular.

Mr. Chairman, I have a letter here from Chattem Drug Co. of Chattanooga, TN, dated September 5, 1985, stating:

It has come to our attention that the future of the small over-the-counter pharmaceutical companies of the United States has been placed in jeopardy by language in H.R. 3506, which is scheduled for floor action Thursday. The language originated in a last-minute compromise that produced S. 2926.

□ 1310

The letter goes on to state opposition to the inclusion of over-the-counter drugs, and in closing says:

Circumstances have limited opportunities to respond because no hearings were held, no opportunity for the small drug companies to make an input.

And the views stated by Chattem are shared by Combe, Inc., Schmid Laboratories, Inc., the Mentholatum Co., Goody's Manufacturing Corp., MK Laboratories, Inc., and others.

Mr. Chairman, I urge the approval of this amendment because we could go back to a hearing process and determine in actuality whether or not the provisions of the compromise are really needed.

Mrs. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentlewoman from Tennessee.

Mrs. LLOYD. I thank the gentleman for yielding. Mr. Chairman, I rise in strong support for the amendment offered by my colleague from Tennessee to exempt over-the-counter drugs from the terms of this bill and limit it instead to prescription drugs. As has been mentioned, no hearings, no formal discussion of the inclusion of OTC drugs in this bill were held by House committees. I have been concerned for some time that small, over-the-counter manufacturers, like Chattem, have been completely left out during consideration of this compromise. I don't think we should now be including them in the scope of this legislation.

This bill accords an additional 3 years of protection to the large drug companies, a period of time they can use to establish a strong market foothold. That's a tremendous disadvantage for smaller firms, such as Chattem, Combe, Inc., Schmid Laboratories, Inc., the Mentholatum Co., Goody's Manufacturing Corp., and MK Laboratories in the over-the-counter industry who may have limited advertising budgets.

Passage of this bill will clearly benefit consumers. But I don't think we want to include in it language restricting the ability of the smaller business to freely compete. Their presence in this market is of benefit to consumers as well. We should not, through a reluctance to fully debate, impose unfair, unreasonable, monopolistic limits to their operations.

Mr. DUNCAN. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Tennessee.

Mr. DUNCAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee [Mr. QUILLEN]. It is a good amendment and I urge all of my colleagues to vote for approval of the amendment as stated.

Mr. QUILLEN. I thank the gentleman.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman from Tennessee yield?

Mr. QUILLEN. I would be happy to yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman on his amendment. Obviously, in the original versions neither the Committee on Energy and Commerce nor the Committee on the Judiciary contemplated a monopoly grant for over-the-counter drugs and the gentleman is quite right to raise this as an issue.

I hope the gentleman's amendment succeeds.

Mr. QUILLEN. I thank the gentleman for his contribution.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I would be happy to yield to the gentleman from Tennessee.

Mr. GORE. I thank the gentleman for yielding.

Mr. Chairman, I intend to seek my own time on this amendment, but I just want the Members of this body to understand that this is not just a routine amendment that is going to be debated briefly and then passed by and then never heard from again. This is an extremely important matter.

My colleague, with whom I am proud and privileged to serve, has an extremely important point to make here and I hope that my colleagues will listen to his argument.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. QUILLEN] has expired.

(On request of Mr. GORE and by unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. GORE. If the gentleman will yield further, what happened here is that a compromise was reached between consumer groups and senior citizens' groups and others on the one hand, and the pharmaceutical industry on the other hand, including the large companies and the generic companies, and a pretty sensible balance was struck.

I was one of those who worked along with Chairman WAXMAN in trying to

put this original thing together, and he has done a fabulous job on it. But what happened then is that even though the industry supported the compromise, a few companies within the industry wanted a little more. They wanted some extra provisions, even though the industry as a whole had signed off on it, and they convinced the other body to add some other provisions. Then they let it be known that they would kill the bill if they did not get their way.

The bill came back over here and now some modifications have been made to those new provisions, but essentially they are being offered in the substitute offered by the gentleman from California.

My colleague from Tennessee quite sensibly is saying, "Look, there have been no hearings held on this. This is not what all these groups agreed to. This is not in the public interest."

Yes; it is true that if this amendment passed, then the compromise would have to be revisited. It would be a little more difficult, but they would accept this amendment because it is in the public interest. Let us argue it out.

I support the amendment offered by my colleague, and I am going to seek my own time to speak a little bit longer on it, but I wanted to lend my support on this occasion.

Mr. QUILLEN. I thank the gentleman.

Mr. Chairman, I would hope that the gentleman from California [Mr. WAXMAN] would accept this amendment. It is a good amendment, and I cannot imagine the gentleman from California agreeing to a compromise that neither the Committee on the Judiciary nor the House Committee on Energy and Commerce has held hearings on. No mention of this was made in the Committee on Rules when the rule was requested.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. QUILLEN] has again expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 1 additional minute.)

Mr. QUILLEN. Then to bring it up without the drug companies really knowing what the situation is, and they were not cognizant of the fact before a day or two ago of what language was going into the compromise or whether or not the compromise would be accepted in the House. I think it is not becoming to this body to pass legislation in this way.

Mr. Chairman, I urge the adoption of the amendment.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and my colleagues, I admire the tenacity of the Tennessee delegation in pursuing this amendment. The leading force behind this amendment is evidently an over-the-counter firm in their State, and I appreciate the fact that they can have concerns about the legislation.

For the history of this legislation, let me indicate that we were dealing primarily with prescription drugs and the Proprietary Association which represents the over-the-counter drug manufacturers came to us and said, "Now, wait a second. If we put money into the research and development of a new drug that would be sold over the counter, why should we not be protected?"

I indicated that there has never been an over-the-counter drug that met that classification. Over-the-counter drugs primarily are drugs that previously had been prescription drugs and after a long period of time, when the patents had expired and the record of that drug usage was clear that it was in the public interest and there would be no harm done to sell it over the counter rather than by prescription, then the over-the-counter manufacturer went forward and produced that product.

But at the insistence of the Proprietary Association, we agreed to put them in the bill. So the legislation applies to the over-the-counter drugs.

I do not think they are going to be disadvantaged by the compromise that was worked out that is before us today. The only time an over-the-counter product will receive additional protection is when there is a switch from a prescription drug status to an over-the-counter status, and there were human clinical trials to justify the FDA approving that new drug application.

Under those circumstances, the 3-year provision of the legislation would go into effect. The 3-year protection, in effect, provides that a product that is not a new chemical entity would be protected for 3 years after the FDA approval because there were essential clinical trials submitted to FDA, and only when clinical trials were submitted. Most likely an over-the-counter drug is not going to have a clinical trial period in order to get FDA approval and, therefore, this 3-year rule would not apply, but when there has been an investment by an over-the-counter firm to go through those clinical trials, to get FDA approval, then the argument that the Proprietary Association made to us that they ought to be protected, it seems to me, is a valid one. They ought to be protected because they have made their investment and they would be protected under this legislation for 3 years. This protection is fair, because the manufacturer had to spend a substantial amount of money to conduct those tests. The manufacturer deserves the same period to recoup that investment. If a switch to OTC is made without new studies, then the OTC product would not receive protection from competition.

Therefore, I must reluctantly—and I say reluctantly because of the enormous admiration I have for the gentleman from Tennessee and his colleagues also from Tennessee—oppose this amendment and argue that we ought to leave this compromise that has been worked out in place.

□ 1320

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I am happy to yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I have here, I will say to the gentleman from California, a confidential active member insert from the board to which the gentleman refers as supporting this compromise. This is the Proprietary Association. Let me read it to the gentleman.

PA board members reaffirm position on patent term legislation.

Both the executive committee and the board of directors have overwhelmingly reaffirmed the Proprietary Association's policy of not becoming actively involved in current negotiations.

Now, the gentleman says that they agreed and have worked out the negotiation. I do not understand, because somebody must have been speaking from the Proprietary Association without the authority of the board or the executive committee because it clearly states this.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, I will reclaim my time to respond.

The Proprietary Association wanted to be included in this legislation so they would get the protection for their patent should they receive a patent for one of their products, and on that basis, at the request of the association, we put them in the bill, but they were not involved as participants in the overall working out of this bill because it did not affect them so directly.

The Proprietary Association is not asking for the Quillen amendment. There is only one company asking for the Quillen amendment, a company in the State of Tennessee, and they think they are going to be disadvantaged by this compromise. I disagree with their interpretation.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield on that point?

Mr. WAXMAN. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I read there in my testimony that there are five companies, including Mentholatum and Chattem Drug. I turn the list over, and I see there are five drug companies that are interested in this amendment. And there were others, but others did not know about it.

Mr. Alex Guerry and Mr. Jolly of Chattem Drug are members of the board of directors of the association, and they did not know anything about it. They have repeatedly told me that the Proprietary Association was taking no stand on it.

Mr. WAXMAN. Mr. Chairman, it is my understanding that the Proprietary Association has not come to us with this amendment. This amendment was generated by some representatives of at least one company, maybe more, but I only know of one company in the State of Tennessee that feels that they may be in some way disadvantaged by the changes that have been proposed from the Senate version of the bill which provides for this 3-year protection. But I disagree with them. As I read the bill, I do not think they are disadvantaged, and I think if an over-the-counter drug company puts in the money for research, they ought to be protected for 3 years.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has again expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 5 additional minutes.)

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. Mr. Chairman, I thank the chairman of the subcommittee for yielding.

I understand, having been a party to this, that these people came to us and asked us to put them in the bill, No. 1, and that they asked to be put in the bill because there is a possibility of their making a considerable investment into the processes that would lead to the development and approval, of a new over-the-counter drug.

Mr. WAXMAN. The gentleman is correct.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. The trade association asked to be included in the legislation, and we did that.

Mr. MADIGAN. For the reasons I have just stated, is that correct?

Mr. WAXMAN. That is correct.

Mr. MADIGAN. Now, I am given to understand, and I ask the gentleman if he has the same understanding, that one new over-the-counter drug, an aspirin substitute, has been developed, and under the terms of this bill, because of the development expense that has been incurred, the company would have an exclusive marketing period for that product; is that correct?

Mr. WAXMAN. Yes; that is correct.

Mr. MADIGAN. And now I understand that there is a company in Tennessee that does not want that company to have the exclusive marketing period for the product that they have invested the research dollars in. The company in Tennessee wants to come along piggyback and compete immediately on this new over-the-counter product even though the first company is the company that spent the research and development dollars.

Does the gentleman have an understanding that is anything similar to that?

Mr. WAXMAN. I have the same understanding that the gentleman has.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I have asked the gentleman to yield so I may respond.

The emphasis has been placed on one company from Tennessee. Let me read what I read a moment ago.

The views of the company from Tennessee, Chattem Drug, "are shared by Combe, Inc., Schmid Laboratories, Inc., the Mentholatum Co., Goody's Manufacturing Co., MK Laboratories, Inc., and others."

Now, the gentleman says it is one company in Tennessee. I am proud of that company, and I am glad that they contacted me and talked about this amendment. They are reliable and aboveboard, and they do not want to piggyback on anybody's back. They are leaders in their field, and they do not want to be squeezed by a larger company. So by reference, let us not have this get out of hand.

Mr. WAXMAN. Mr. Chairman, the only comment I would make is that the gentleman may be correct about those other companies. I do not know one way or the other. The only company that has contacted us is Chattem Drug in the State of Tennessee. They may have supporters from other companies as well.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I am pleased to yield to my colleague, the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I want to clear up my colleague's statements about the Proprietary Association. Let me state my understanding of what has happened, and the gentleman can clarify it if he feels it is mistaken.

It is my understanding that the Proprietary Association has not taken any position in favor of the substitute language that the gentleman is trying to put into the bill, nor has it taken a position in favor of the Quillen amendment. It has officially decided to be neutral on this entire question.

Now, my colleague said a moment ago——

Mr. WAXMAN. No; let me clarify that position.

Mr. GORE. All right.

Mr. WAXMAN. By and large, the gentleman is correct, with one addition. The Proprietary Association said to us that if they were not included in the bill, they would not be neutral; they would be opposed to the bill.

Mr. GORE. All right.

Mr. WAXMAN. But once we put them in the bill, then they were satisfied. That is not to say the real issues are those to be decided by the generic and pharmaceutical manufacturers; they are incidental to those issues.

Mr. GORE. All right. That is the statement about which there is some controversy that I want to pursue. My understanding is that it was not the Proprietary Association at all which made the statement to the gentleman that they would withdraw support for the bill unless we put this substitute language in, and in fact the association did not act on this but, instead, one person within the association came and spoke with the gentleman and his staff and communicated his views about it, and there is some great controversy about whether he is purporting to speak for the association or not.

Mr. WAXMAN. No; let me clarify it. I was not saying the Proprietary Association wanted to be included in the coverage of the bill with these amendments. They wanted to be included in the coverage of the bill originally, and it was the head of the association that came to see me, and we agreed to put them in.

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has again expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 1 additional minute.)

Mr. WAXMAN. Mr. Chairman, the only other time we have had contact by an over-the-counter drug manufacturer was not on behalf of the association but on behalf of only one drug manufacturer in the State of Tennessee, and that related to this one issue of the 3-year rule. That individual said he would like to see a change, but he did not represent, nor could he, the association, although he did indicate to us that he is a member of the board of directors. But he did not claim to be representing the association's position; it was only what he thought was in his best interest.

Mr. GORE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, let me try to put this in perspective, if I can.

First of all, it is true that there is a Tennessee company that has a great interest in the outcome of this legislation and this amendment. But it is not true that that is the principal reason for this controversy. As my colleague, the gentleman from Tennessee, stated, there are many other companies involved, and much more importantly than that, the public interest is in-

volved and the interests of consumers and senior citizens are involved.

□ 1330

This entire effort to rewrite the new drug approval procedures and this whole law has been a very difficult and complex effort to strike a balance between the interests of consumers and generic drug companies, on the one hand, which is the interest of having more competition from generic drugs in order to drive drug prices down. That is one interest that is involved here.

The second interest is that we give enough compensation and incentive to the innovators of new drugs to invest the money and develop new drugs.

Now, where do you draw that line? How do you strike that balance? Years ago they said we will have 14 years for patent protection. Well, that 14 years was eroded a little bit by the time necessary for the FDA to approve drugs and then there were proposals to extend the patent period and that is how this controversy began.

I stood with my colleague, the gentleman from California, 2 years ago here in the well of this House speaking against one effort to strike that balance, which he and I and some others felt went too far in taking away from the consumer interests and giving too much incentive and too much encouragement to the innovators of new drugs when they really did not need as much as we felt was given them in that bill. It was a well-intentioned bill and there was a legitimate difference of opinion on it.

Well, we fought that bill and managed to stop that bill, just barely.

Well, in this Congress another effort began to strike a compromise between the consumer interests and the major drug manufacturers' interests to give them incentive and yet stimulate more competition and drive prices down.

OK. That effort was led by my colleague, the gentleman from California, and to put this whole dispute into perspective, let me say very clearly for my colleagues on both sides of the aisle that the gentleman from California [Mr. WAXMAN], the gentleman from Illinois [Mr. MADIGAN], the gentleman from Oklahoma [Mr. SYNAR], and others have worked tirelessly to get what I felt was a tremendous compromise, the biggest change in the Nation's drug laws since the Kefauver amendments of 1962. It is an excellent package, but—and here is the big but—after that compromise was arrived at, then a minority within the pharmaceutical industry said, "Well, there is not enough in it for us. We want more. We want to tilt it away from the consumer a little bit more. We don't want quite so much competition from generic drugs. We don't want to drive the prices down quite so low. We want more protection."

They found champions in the other body.

My colleague, the gentleman from California, the chairman of the subcommittee, would not give them the time of day. He said, "No, you are asking for too much. You are asking for too much from the consumers and senior citizens," and he would not put it into the bill and I admire him for it. His motives here today are perfectly genuine, but let me outline them so that we all clearly understand what is involved.

Members of the other body put in these additional provisions to tilt it away from the consumer interests and more toward the large drug manufacturers and they made it known that they would kill the bill if they did not get their way.

All right. At this point you have this huge effort which has gone on for 2 years to get a compromise which is in the public interest. Overall, you know, this bill needs to pass. It is a good bill, but here we have a situation where the whole endeavor, 2 years worth, is in jepoardy because a minority of the pharmaceutical industry is stamping its feet and saying, "We are going to kill it."

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent, Mr. GORE was allowed to proceed for 5 additional minutes.)

Mr. GORE. Because a minority within the industry is stamping their feet and saying, "We will kill the bill unless you add this additional language."

After the compromise, after the industry accepted the compromise, a minority within the industry was able to get the other body to put these extra provisions in extending it to over-the-counter drugs, putting in this 3-year rule and the 2-year rule and the rest.

All right. We have a decision to make here in this body. Do we want to automatically accept what the other body has done to placate the minority of companies that disagreed with the original compromise for fear that if we do not the whole endeavor may be jeopardized?

Now, it is a legitimate question. I helped in the early days to give birth to this compromise and I certainly understand and appreciate the fact that we do not want to risk this whole endeavor being destroyed or lost because of this dispute.

I would argue to you though, my colleagues, that we do not have to automatically accept what the other body has done. We can say, "Look, we think you went a little bit too far away from the consumer interests, away from the generic companies, away from the small companies, a little bit too far away from competition and driving prices down. We would like to give it one more shot. Let us see if we cannot pass this package, which is a good package overall, without these extra provisions."

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GORE. I will in just a moment.

My colleague said they would not be able to get this provision unless they went to the expense to get new clinical trials. My colleague has no commitment from the industry whether they will accept even that qualification. They may still stamp their feet and insist upon the original Senate version. There is no agreement from the industry that they will accept that.

Second, there is no way to enforce this provision, because the information upon which the new clinical trials are based is confidential and those who wish to challenge it cannot get access to it.

So I would argue very strongly, particularly in light of the fact that the industry and the other body has not agreed to even the refinements my colleague, the gentleman from California, is suggesting, there will have to be further discussions with them in any event. Let us have those further discussions on our terms. Let us have the compromise take place from a good sound House position and what they manage to get in over there in the other body, rather than going toward what is a bad position in the other body and then having a compromise that is worse off from the consumer point of view.

Now I will be happy to yield to my colleague.

Mr. WAXMAN. Mr. Chairman, I thank my friend for yielding to me, because I want to put this in a different perspective. I think the gentleman is painting a picture in which this amendment fits in a much more significant place than it deserves.

We live in a world where there are competing interests. I originally introduced a bill only for the promotion of generic drugs so that consumers could have lower prices. That was the point that I was pushing; but we compromised with the pharmaceutical manufacturers and they said, "Wait a minute. We put in the money for research and development to bring about these innovations. If we did not put in that money, there would be nothing for generics to copy and we ought to be protected."

We tried to balance out those interests. That has been the whole course of the negotiations on this legislation.

It is accurate to say that there were changes brought about in the legislation in the Senate which were more to the liking of the pharmaceutical manufacturers.

Mr. GORE. Because a minority within the industry wanted a little more than the industry as a whole and

wanted those changes. Is that not correct?

Mr. WAXMAN. There was a dissident group of manufacturers who were insisting on further concessions.

Mr. GORE. And this was to satisfy them.

Mr. WAXMAN. Will the gentleman yield to me? It was not an effort to satisfy them that resulted in this OTC company in Tennessee being disadvantaged. That is giving this amendment too much stature. That was not on the table in the discussions.

Mr. GORE. Well, reclaiming my time——

Mr. WAXMAN. Then I will have to seek my own time, because the gentleman is not yielding.

Mr. GORE. Well, I will yield right back to the gentleman.

Mr. WAXMAN. I will give the gentleman my real motivations when I have a chance to talk.

Mr. GORE. Well, I apologize to my colleague. I yield further.

Mr. WAXMAN. Well, I thank the gentleman for yielding further, because I do want to have a chance to match the statement the gentleman made. We do not have an enormous amount of disagreement on the general overall picture with this legislation, but we do disagree on this particular amendment and this particular question that deals with the interest of a particular company primarily in the State of Tennessee and maybe with other companies as well. The Senate approved a rule which established a 3-year protection for a non-new chemical entity where there were clinical tests.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent, Mr. GORE was allowed to proceed for 2 additional minutes.)

Mr. GORE. I yield to the gentleman from California.

Mr. WAXMAN. The bill came over to us with some question about whether an over-the-counter manufacturer would be disadvantaged.

We clarified the language, which by the way everybody has agreed to that is involved in the negotiations, so that the 3-year provision will apply only when a substantial investment is made in new clinical trials.

I must disagree with my friend, the gentleman from Tennessee. If an over-the-counter company developed a drug product or changed a drug product which is of enough significance that new clinical tests are a prerequisite to FDA approval, I think it should be protected.

□ 1340

It would be fine to say that the consumer could get the same drug at a lower price if there were generics of the new drug. But there would not be a new drug to copy if the first company did not put in the money to develop it. What we are saying is if they put the money in to develop it, they ought to have a 3-year protection. We have narrowed it to make sure that it is a significant-enough change so that the 3-year rule will apply only when new clinical tests are essential to getting FDA approval and when there is an investment of some magnitude.

So I disagree. I think this is a provision that we ought to support. I understand the gentleman's [Mr. GORE] concern for the public interest and the Tennessee company's concerns as well, but I think we ought to on balance reject this amendment.

Mr. GORE. If I may reclaim my time, has the gentleman [Mr. WAXMAN] gotten an agreement from those who supported the original language which he is substituting into this bill, has he gotten an agreement from the industry and from the sponsors of that language in the other body that they will accept his requirement that new clinical trials have to be involved?

Mr. WAXMAN. Yes; we have an agreement that they will accept this clarification of the 3-year rule which we are putting in the House bill.

The CHAIRMAN. The time of the gentleman [Mr. GORE] has again expired.

(By unanimous consent, Mr. GORE was allowed to proceed for 1 additional minute.)

Mr. GORE. I will not use a full minute, Mr. Chairman. I simply wanted to conclude by urging my colleagues to support the amendment. I am utterly convinced that the public interest is in favor of passing this amendment and going forward with the negotiations one more time and not letting the dissident companies who form a minority have the last word in this matter and squeeze out an additional concession from the consumers in this country.

But I wanted to conclude by putting it again in perspective by saying that I think my colleagues who have managed this bill and who have written this bill overall have done a fantastic job and are eminently serving the public interest with a monumental effort to reform our Nation's drug laws. I think this bill overall is definitely in the public interest and I strongly support it.

I would urge your support of this amendment.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, if I may have the attention of the chairman of the subcommittee [Mr. WAXMAN], the manager of the bill, I should like to ask him a couple of questions. I thank the gentleman for giving me his attention.

I think one of the things that is important that we address before we vote on this amendment is this issue that has been raised about large drug companies versus small drug companies and something being in this compromise fashioned by the gentleman [Mr. WAXMAN] and others that somehow benefits large companies at the expense of small companies.

That has been suggested now I think three times in the debate. But I have been involved in the process of helping develop this bill and this compromise and I do not know of any provision in the bill anywhere that treats a large company differently than a small company.

Can the gentleman [Mr. WAXMAN] tell me of any provision like that?

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I do want to point out that I think that when that distinction has been made that it is a flare of rhetoric as part of trying to bootstrap a position that ought to be argued solely on the merits of that position.

This protection for 3 years will apply for any company, big or small, that puts in the money as an investment to develop a product that will have to be approved by FDA and requires clinical tests, which means it is not just some minor change in a chemical entity that has already previously been approved, but a change that is significant enough to require clinical tests. Whether the company is big or small, supported the original agreement or came on board later, it does not make any differences. The principle is that we are going to protect their investment for 3 years, and I think that is reasonable.

We were very careful in drafting this to make it narrow enough so that we are only protecting some change that is significant enough to require clinical tests and not some very minor change that would allow a company to come in and claim that there is some reason they ought to be protected on and on and on and on and on.

So I would suggest that when we hear the discussion of big companies or companies that were excessively greedy, and I do not disagree with my colleague's [Mr. GORE's] characterization of some of those dissident companies that were fighting for further changes in this bill; they were fighting for their economic self-interest. And I would also go along with the characterization that he gave them as to their standards, as to what they saw as their interests, irrespective of the public interest.

But this has nothing to do with that. This has to do with the issue of whether we give protection to over-the-counter drugs when an investment has been made to get a drug approved just as it would be for an ordinary pharmaceutical by any pharmaceutical manufacturer, big or large, rich or poor, if there are any poor ones.

Mr. MADIGAN. As a matter of fact, the whole problem with the dissident manufacturers, as they have been described here, dealt more with prescription drugs and patent terms. The over-the-counter thing was not involved in that controversy at all that I recall.

I am directing that a question to the chairman of the subcommittee.

Mr. WAXMAN. Except to the extent that the over-the-counter drug group, the trade association, the proprietary association, wanted to be included in a protection of any patents that they may have. And although it is very rare that they have patented products that would be extended, we are providing for them to be treated the same as the pharmaceutical companies when that rare occasion comes about.

Mr. MADIGAN. Just in summary and to come back to my original question so that this will be clear in everybody's mind, it is 3 years in the bill, it is 3 years to a large company, it is 3 years to a small company, it is 3 years to a middle-size company, it is 3 years whether the company is in Tennessee or New York or Minnesota or wherever they might be located; is that correct?

Mr. WAXMAN. That is correct.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. Yes; I yield to the gentleman from Tennessee.

Mr. GORE. I thank the gentleman for yielding.

I appreciate my colleague yielding.

Mr. Chairman, I would submit that the distinction between large and small is not merely a rhetorical flare. Although there are some small companies that are innovators and research-intensive and though there are many large companies, certainly, that produce generic drugs, by and large it is the case that the research-intensive companies are much larger and they have a set of interests that need to be balanced in this bill and those companies that are more likely to come in and produce generics when the patent period ends, although large companies are in that part of the industry, by and large they are more likely to be smaller companies. And I think you can see a clear distinction.

Now, as for there being no large companies instigating the original change, in the language of the other body, which led to this controversy, the American Home Products Co. can hardly be described as a mom and pop operation. They are the ones that are responsible for this being put in the bill.

Mr. MADIGAN. Well, I think the gentleman, if we just extrapolate what the gentleman has said, he has made the point which I suggested in the beginning of the discussion on this amendment because he is suggesting that the large companies do the research, the small companies do the generic business, over the counter, and the gentleman does not want the large companies to have the 3-year exclusive marketing to recover their investment; the gentleman wants the small company to be able to come in on them immediately.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of H.R. 3065.

Mr. Chairman, I rise today in support of H.R. 3065. I cosponsored H.R. 3065 because I believe that increasing the availability of generic drugs through expedited approval process embodied in the bill is a logical means of showing the rate of increase in the cost of health care. Most importantly, making generic drugs more available offers some relief to the millions of older Americans whose budgets are strained because medicare does not cover the cost of outpatient drugs. Currently, 17 percent of the out-of-pocket payments made by the elderly for health care are devoted to paying for drugs. Giving seniors the option of purchasing lower-priced generic drugs is imperative.

The approval process included in H.R. 3065 assures that, while generic drugs will be made more quickly available, the quality and effectiveness of those drugs will not be reduced. Moreover, H.R. 3065 offers incentives to drug manufacturers to continue to develop new drugs by extending the period in which the developing manufacturer can enjoy exclusive marketing rights.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment, not in opposition to our esteemed colleague from Tennessee but in opposition to his amendment. I think it is interesting, Mr. Chairman, how in debate sometimes we see the different perspectives exhibited, those different perspectives represented by those of us who serve here in this House of Representatives and sometimes we may get things a little out of focus.

The gentleman from Illinois [Mr. MADIGAN] I think has helped to bring things back into focus very nicely but I think there is one other aspect of this whole matter that has gotten a little out of focus, at least from what I understand to be the case.

That is I have never known generic drug manufacturers to be clothed quite so heavily in the cloak of consumerism and protection of senior citizens as has been the case in the discussion of this bill.

□ 1350

They are making money off of those people. Right? They are making money off of those people just as surely as the innovators who invent drugs.

Now, the question is, How much money are they going to make? Are they going to make more money because we say to the innovators who invent the drugs, "No, you only have a little bit of protection here"?

"Patent? Well, forget about patents. We are going to do this kind of outside of the patent law."

"The regulatory process is going to limit your proprietary rights and we are going to work those around in such a manner as is necessary to fulfill a public policy, whatever we decided it is from time to time."

Today we are trying to decide that the public policy is somewhere in the area that balances in a negotiated compromise between all these parties that are concerned. But do not forget the consumer generally is going to paying for all of this.

Now, what is the least expensive way for the consumer to pay for it? Is it to say to the over-the-counter drug people, "well, you don't live under these same rules that are applicable to prescription drugs." In the event that there is some innovation in over-the-counter drugs, we should be treating that innovation and its costly process just the same as though it was a prescription drug, it seems to me. If it is an advantage to the public to have that drug available, it ought to be available on the same terms as a prescription drug. We ought not to say, "well, some people can make more profit out of it than the innovators can make and therefore discourage innovation in the public interest."

That is what we are really down to here. Are we going to discourage innovation in this over-the-counter drug market—and there is not much of it now. Now we say there are small companies. Well OK. Many of them are small, but what they make their living from is a kind of business that is profitable. So let us not feel sorry for them to any greater extent than we feel sorry for anyone else who is providing drugs, whether over-the-counter prescription, to the American public. It is our role to determine what is fair in the law.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Tennessee.

Mr. QUILLEN. I thank the gentleman for yielding.

The gentleman has raised some points that I think could be developed in his committee and in the Commerce Committee, if hearings were held.

The point is that no hearings, no discussion on the inclusion of over-the-counter drugs into this measure has ever taken place in the House of Representatives. Therefore, what we are doing is buying by piggyback what the Senate has done. I do not think it is right for this body to do that. I think we have competent committees that could hold hearings and develop the facts, and if they turn out the way the gentleman is stating, then let us bring it to the floor of the House. But let us not bring it to the floor under an assumption that we are doing the right thing by latching onto something because we think that is the only way we are going to get a measure.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio [Mr. KINDNESS] has expired.

(By unanimous consent, Mr. KINDNESS was allowed to proceed for 2 additional minutes.)

Mr. KINDNESS. Mr. Chairman, I want to thank the gentleman from Tennessee for his observations which are quite correct in a sense, but we have to remember that this bill, as it was reported by the committee, was not subject to hearings either, as I understand it, in the Energy and Commerce Committee. It was the result of a lot of work that followed hearings.

Now, in those hearings there was not a direction of attention to over-the-counter drugs. I understand that. But the principles that apply to drugs that are supposed to be available on the market to help people in their illnesses, those principles ought to be the same, whether the drug is sold only with a prescription or without a prescription. There is no basis for differentiating on that basis alone.

If the FDA has to approve in order for the drug to be marketed and if there is the expense involved, the investment you might call it, in getting the testing done and the data together for the approval, that company that does it, it seems to me, ought to be protected. It does not matter a whit whether it is prescription or not prescription.

The gentleman's point sounds substantial, but when you back off and take a look at it, it is really not a matter of substance. There is really no difference between a prescription drug and a nonprescription drug except that we treat it differently in some aspects of the law.

Mr. QUILLEN. If the gentleman will yield further, we held a hearing in the Rules Committee at which this inclusion was never discussed, never mentioned. The small drug companies, which, to some degree, have been criticized—and I certainly do not—I think they are very responsible and very honorable. They need to be heard. They did not know about the compromise. Although they are members of the board of the proprietary association, they did not know about it.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio [Mr. KINDNESS] has again expired.

(At the request of Mr. QUILLEN and by unanimous consent, Mr. KINDNESS was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. I know that the gentleman from Ohio always advocates complete and thorough hearings on every matter that comes before the House and I know the gentleman from California would like to have hearings on all matters. But when you come before us and say, "Here, now, accept this pig in a poke that the Senate has worked out," without these companies having an opportunity for an input, I think, we are doing an injustice.

Mr. KINDNESS. I thank the gentleman for that observation which is essentially correct about the whole bill. But if the bill is a negotiated bill, as it appears to have been, we are at that stage where we are getting down to the final form of it, I think, and I would urge the defeat of the amendment. Basically, I think we would find that the bill with the additional amendments to be offered by the gentleman from California [Mr. WAXMAN] to be pretty much acceptable.

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I did want to underline the point made by the gentleman from Tennessee [Mr. QUILLEN] that indeed there have not been hearings on this question and, in fact, would underline the statement made by the gentleman from Tennessee [Mr. GORE], who pointed out in his wisdom the gentleman from California rejected this approach formerly.

Apparently the only mention of this general issue before the Subcommittee on Health and Environment, chaired by Mr. WAXMAN, was by Dr. Novich, Deputy Commissioner of the Food and Drug Administration who said:

> Should there be a lengthier pre-eligibility period before ANDAs are permitted to avoid disincentives to drug innovation? This is a controversial issue on which many people have expressed strong views, and we believe it is a legitimate subject for debate. Those who oppose establishing a pre-eligibility period to preserve incentives for drug innovation argue that Congress has established a patent system for the specific purpose of encouraging invention and that FDA should not impose requirements designed to achieve the same objective.

So when the gentleman from Ohio [Mr. KINDNESS] talks about innovation, it is not a patentable innovation. We are not talking about prescription drugs for which patents are obtained. We are talking about investments that any business enterprise might make prior to putting a product on the market.

□ 1400

We do not reward all products that are the product of investment and research with protective monopoly devices such as that included in the Waxman amendment. Indeed, we ought to reject the Waxman amendment.

I think it has been pointed out even the proprietary industry itself is badly split on the 3-year rule which was added in the Senate. At least we know that this is a controversial item for consumers, and I would hope that we could indeed reject the additional device found in the Waxman amendment to protect a product which is not a new chemical entity, and which may be off patent or be an item for which no patent could be obtained.

Mr. Chairman, I hope we agree to the Quillen amendment.

Mr. BOEHLERT. Mr. Chairman, as I considered the proposed amendment, I asked myself some important questions dealing with consumer interests, particularly those of our senior citizens since the impact of any action no doubt will be greatest on this group.

The first question I asked was this: Isn't it in the consumers' interest, particularly our elderly consumers, to have new, improved drugs brought to the market?

The answer, of course, is "Yes."

Then I asked: Isn't it in the consumers' interest, particularly our elderly consumers, to encourage research and development that hopefully will produce new, improved drugs which can be brought to the market?

Here, too, my answer was yes.

Then, I said to myself, isn't it fair to provide some measure of protection for a company, large or small, which makes a substantial investment to develop the new and improved drugs we all want to see available to the public?

My answer to all three of these questions was the same. Yes. Therefore, I have logically and objectively concluded that the pending amendment is contrary to a whole range of interests, the most important of which is that of the consumers, particularly our elderly.

I urge rejection of the pending amendment and in the process wish to commend both the chairman of the subcommittee [Mr. WAXMAN] and the ranking member [Mr. MADIGAN] for their responsible leadership on this issue. We're in agreement.

Mr. ROWLAND. Mr. Chairman, I rise in support of the Waxman amendment to H.R. 3605. I commend the chairman of the Health Subcommittee and members of the Energy and Com-

merce Committee in helping to fashion a compromise between all the interested parties so that we can pass a bill that will provide for the greater availability of generic substitutes to the public. The greater presence of generic drugs, will provide needed relief, especially to the elderly. Our senior citizens, many of whom are on fixed incomes, are the major users of prescription drugs, and few receive any assistance to help pay for this medication. As a former family physician and one who is extremely interested in containing health care costs, I believe this compromise is an important step in addressing the skyrocketing cost of health care.

The CHAIRMAN pro tempore (Mr. BENNETT). The question is on the amendment offered by the gentleman from Tennessee [Mr. QUILLEN] to the amendment offered by the gentleman from California [Mr. WAXMAN].

The question was taken; and on a division (demanded by Mr. WAXMAN) there were—ayes 4, noes 13.

RECORDED VOTE

Mr. QUILLEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 24, noes 347, answered "present" 1, not voting 60, as follows:

[Roll No. 376]

AYES—24

Albosta	Latta	Petri
Cooper	Lehman (FL)	Quillen
Duncan	Lloyd	Sawyer
Gore	McKinney	Seiberling
Hammerschmidt	Moody	Skelton
Jeffords	Morrison (CT)	Vander Jagt
Jones (NC)	Nichols	Vento
Kastenmeier	Obey	Yates

NOES—347

Anderson	Byron	Dickinson
Andrews (NC)	Campbell	Dicks
Andrews (TX)	Carney	Dingell
Annunzio	Carper	Dixon
Anthony	Carr	Donnelly
Applegate	Chandler	Dorgan
Archer	Chappell	Downey
AuCoin	Chappie	Dreier
Badham	Cheney	Durbin
Barnes	Clarke	Dwyer
Bartlett	Clay	Dymally
Bateman	Clinger	Dyson
Bates	Coats	Eckart
Bedell	Coelho	Edgar
Bennett	Coleman (MO)	Edwards (AL)
Bereuter	Coleman (TX)	Edwards (CA)
Berman	Collins	Edwards (OK)
Biaggi	Conte	Emerson
Bilirakis	Conyers	English
Boehlert	Coughlin	Erdreich
Boggs	Courter	Erlenborn
Boland	Coyne	Evans (IA)
Boner	Craig	Evans (IL)
Bonior	Crane, Daniel	Fascell
Borski	Crane, Philip	Fazio
Bosco	Crockett	Feighan
Boxer	D'Amours	Fiedler
Breaux	Daniel	Fields
Britt	Dannemeyer	Fish
Brooks	Darden	Foglietta
Broomfield	Daschle	Ford (MI)
Brown (CA)	Daub	Ford (TN)
Brown (CO)	Davis	Fowler
Broyhill	de la Garza	Frank
Bryant	Dellums	Franklin
Burton (CA)	Derrick	Frenzel
Burton (IN)	DeWine	Frost
Garcia	Mack	Rowland
Gaydos	MacKay	Roybal
Gejdenson	Madigan	Russo
Gekas	Markey	Sabo
Gephardt	Marlenee	Savage
Gibbons	Marriott	Schaefer
Gilman	Martin (IL)	Scheuer
Gingrich	Martin (NY)	Schneider
Glickman	Martinez	Schroeder
Goodling	Mavroules	Schumer
Gramm	Mazzoli	Sensenbrenner
Gray	McCain	Sharp
Green	McCandless	Shaw
Guarini	McCloskey	Shelby
Gunderson	McCollum	Shumway
Hall (OH)	McEwen	Shuster
Hall, Ralph	McGrath	Sikorski
Hall, Sam	McHugh	Siljander
Hamilton	McKernan	Sisisky
Hance	McNulty	Skeen
Hansen (UT)	Mica	Slattery
Hartnett	Michel	Smith (FL)
Hatcher	Mikulski	Smith (IA)
Hawkins	Miller (OH)	Smith (NE)
Hayes	Mineta	Smith (NJ)
Hefner	Minish	Smith, Denny
Hertel	Mitchell	Snowe
Hightower	Moakley	Snyder
Hiler	Molinari	Solarz
Hillis	Mollohan	Solomon
Holt	Montgomery	Spence
Hopkins	Moore	Spratt
Howard	Moorhead	St Germain
Hoyer	Morrison (WA)	Staggers
Hubbard	Mrazek	Stangeland
Huckaby	Murphy	Stenholm
Hughes	Murtha	Stokes
Hunter	Myers	Stratton
Hutto	Natcher	Studds
Hyde	Nielson	Sundquist
Ireland	Nowak	Swift
Jacobs	O'Brien	Synar
Jenkins	Oakar	Tallon
Johnson	Oberstar	Tauke
Jones (OK)	Olin	Thomas (CA)
Jones (TN)	Ortiz	Thomas (GA)
Kaptur	Ottinger	Torricelli
Kasich	Oxley	Traxler
Kazen	Packard	Udall
Kemp	Panetta	Valentine
Kennelly	Parris	Volkmer
Kildee	Patman	Walgren
Kindness	Patterson	Walker
Kleczka	Paul	Watkins
Kogovsek	Pease	Waxman
Kolter	Penny	Weaver
Kostmayer	Pepper	Weber
Kramer	Pickle	Weiss
LaFalce	Porter	Wheat
Lagomarsino	Price	Whitehurst
Lantos	Pritchard	Whitley
Leath	Pursell	Whittaker
Lehman (CA)	Rahall	Whitten
Leland	Ratchford	Williams (MT)
Levin	Ray	Williams (OH)
Levine	Regula	Wilson
Levitas	Reid	Wirth
Lipinski	Richardson	Wise
Livingston	Ridge	Wolf
Loeffler	Rinaldo	Wolpe
Long (LA)	Ritter	Wortley
Long (MD)	Robinson	Wyden
Lott	Rodino	Wylie
Lowery (CA)	Roe	Yatron
Lowry (WA)	Roemer	Young (AK)
Lujan	Rogers	Young (FL)
Luken	Rose	Young (MO)
Lundine	Roth	Zschau
Lungren	Roukema	

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—60

Ackerman	Boucher	Gregg
Addabbo	Conable	Hall (IN)
Akaka	Corcoran	Hansen (ID)
Alexander	Dowdy	Harkin
Aspin	Early	Harrison
Barnard	Ferraro	Heftel
Beilenson	Flippo	Horton
Bethune	Florio	Leach
Bevill	Foley	Lent
Bliley	Fuqua	Lewis (CA)
Bonker	Gradison	Lewis (FL)
Martin (NC)	Rangel	Stump
Matsui	Roberts	Tauzin
McCurdy	Rostenkowski	Taylor
McDade	Rudd	Torres
Miller (CA)	Schulze	Towns
Neal	Shannon	Vandergriff
Nelson	Simon	Vucanovich
Owens	Smith, Robert	Winn
Pashayan	Stark	Wright

□ 1410

Mr. BENNETT and Mr. KOGOVSEK changed their votes from "aye" to "no."

Mr. YATES and Mr. LEHMAN of Florida changed their votes from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any other amendments to the Waxman amendment?

If not, the question is on the amendment offered by the gentleman from California [Mr. WAXMAN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will designate title II.

The Clerk read as follows:

TITLE II—PATENT EXTENSION

SEC. 201. (a) Title 35 of the United States Code is amended by adding the following new section immediately after section 155A:

"§ 156. Extension of patent term

"(a) The term of a patent which claims a product, a method of using a product, or a method of manufacturing a product shall be extended in accordance with this section from the original expiration date of the patent if—

"(1) the term of the patent has not expired before an application is submitted under subsection (d) for its extension;

"(2) the term of the patent has never been extended;

"(3) an application for extension is submitted by the owner of record of the patent or its agent and in accordance with the requirements of subsection (d);

"(4)(A) in the case of a patent which claims the product or a method of using the product—

"(i) the product is not claimed in another patent having an earlier issuance date or which was previously extended, and

"(ii) the product and the use approved for the product in the applicable regulatory review period are not identically disclosed or described in another patent having an earlier issuance date or which was previously extended; or

"(B) in the case of a patent which claims the product, the product is also claimed in a patent which has an earlier issuance date or which was previously extended and which does not identically disclose or describe the product and—

"(i) the holder of the patent to be extended has never been and will not become the holder of the patent which has an earlier issuance date or which was previously extended, and

"(ii) the holder of the patent which has an earlier issuance date or which was previously extended has never been and will not become the holder of the patent to be extended;

"(5)(A) in the case of a patent which claims a method of manufacturing the prod-

uct which does not primarily use recombinant DNA technology in the manufacture of the product—

"(i) no other patent has been issued which claims the product or a method of using the product and no other patent which claims a method of using the product may be issued for any known therapeutic purposes; and

"(ii) no other method of manufacturing the product which does not primarily use recombinant DNA technology in the manufacture of the product is claimed in a patent having an earlier issuance date;

"(B) in the case of a patent which claims a method of manufacturing the product which primarily uses recombinant DNA technology in the manufacture of the product—

"(i) the holder of the patent for the method of manufacturing the product (I) is not the holder of a patent claiming the product or a method of using the product, (II) is not owned or controlled by a holder of a patent claiming the product or a method of using the product or by a person who owns or controls a holder of such a patent, and (III) does not own or control the holder of such a patent or a person who owns or controls a holder of such patent; and

"(ii) no other method of manufacturing the product primarily using recombinant DNA technology is claimed in a patent having an earlier issuance.

"(6) the product has been subject to a regulatory review period before its commercial marketing or use;

"(7)(A) except as provided in subparagraph (B), the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of the product under the provision of law under which such regulatory review period occurred; or

"(B) in the case of a patent which claims a method of manufacturing the product which primarily uses recombinant DNA technology in the manufacture of the product, the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of a product manufactured under the process claimed in the patent; and

"(8) the patent does not claim another product or a method of using or manufacturing another product which product received permission for commercial marketing or use under such provision of law before the filing of an application for extension.

The product referred to in paragraphs (4), (5), (6), and (7) is hereinafter in this section referred to as the 'approved product'. For purposes of paragraph (4)(B) (5)(B), the holder of a patent is any person who is the owner of record of the patent or is the exclusive licensee of the owner of record of the patent.

"(b) The rights derived from any patent the term of which is extended under this section shall during the period during which the patent is extended—

"(1) in the case of a patent which claims a product, be limited to any use approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred;

"(2) in the case of a patent which claims a method of using a product, be limited to any use claimed by the patent and approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred; and

"(3) in the case of a patent which claims a method of manufacturing a product, be limited to the method of manufacturing as used to make the approved product.

"(c) The term of a patent eligible for extension under subsection (a) shall be extended by the time equal to the regulatory review period for the approved product which period occurs after the date the patent is issued, except that—

"(1) each period of the regulatory review period shall be reduced by any period determined under subsection (d)(2)(B) during which the applicant for the patent extension did not act with due diligence during such period of the regulatory review period;

"(2) after any reduction required by paragraph (1), the period of extension shall include only one-half of the time remaining in the periods described in paragraphs (1)(B)(i), (2)(B)(i), and (3)(B)(i) of subsection (g); and

"(3) if the period remaining in the term of a patent after the date of the approval of the approved product under the provision of law under which such regulatory review occurred when added to the regulatory review period as revised under paragraphs (1) and (2) exceeds fourteen years, the period of extension shall be reduced so that the total of both such periods does not exceed fourteen years.

"(d)(1) To obtain an extension of the term of a patent under this section, the owner of record of the patent or its agent shall submit an application to the Commissioner. Such an application may only be submitted within the sixty-day period beginning on the date the product received permission under the provision of law under which the applicable regulatory review period occurred for commercial marketing or use. The application shall contain—

"(A) the identity of the approved product;

"(B) the identity of the patent for which an extension is being sought and the identification of each claim of such patent which claims the approved product or a method of using or manufacturing the approved product;

"(C) the identity of every other patent known to the patent owner which claims or identically discloses or describes the approved product or a method of using or manufacturing the approved product;

"(D) the identity of all other products which have received permission under the provision of law under which the applicable regulatory review period occurred for commercial marketing or use and which are claimed in any of the patent identified in subparagraph (C);

"(E) information to enable the Commissioner to determine under subsections (a) and (b) the eligibility of a patent for extension and the rights that will be derived from the extension and information to enable the Commissoner and the Secretary of Health and Human Services or the Secretary of Agriculture to determine the period of the extension under subsection (g);

"(F) a brief description of the activities undertaken by the applicant during the applicable regulatory review period with respect to the approved product and the significant dates applicable to such activities; and

"(G) such patent or other information as the Commissioner may require.

"(2)(A) Within sixty days of the submittal of an application for extension of the term of a patent under paragraph (1), the Commissioner shall notify—

"(i) the Secretary of Agriculture if the patent claims a drug product or a method of using or manufacturing a drug product and the drug product is subject to the Virus Serum Toxin Act, and

"(ii) the Secretary of Health and Human Services if the patent claims any other drug product, a medical device, or a food additive or color additive or a method of using or manufacturing such a product, device, or additive and if the product, device, and additive are subject to the Federal Food, Drug, and Cosmetic Act,

of the extension application and shall submit to the Secretary who is so notified a copy of the application. Not later than thirty days after the receipt of an application from the Commissioner, the Secretary receiving the application shall review the dates contained in the application pursuant to paragraph (1)(E) and determine the applicable regulatory review period, shall notify the Commissioner of the determination, and shall publish in the Federal Register a notice of such determination.

"(B)(i) If a petition is submitted to the Secretary making the determination under paragraph (A), not later than one hundred and eighty days after the publication of the determination under subparagraph (A), upon which it may reasonably be determined that the applicant did not act with due diligence during the applicable regulatory review period, the Secretary making the determination shall, in accordance with regulations promulgated by such Secretary determine if the applicant acted with due diligence during the applicable regulatory review period. The Secretary shall make such determination not later than ninety days after the receipt of such a petition. The Secretary of Health and Human Services may not delegate the authority to make the determination prescribed by this subparagraph to an office below the Office of the Commissioner of Food and Drugs.

"(ii) The Secretary making a determination under clause (i) shall notify the Commissioner of the determination and shall publish in the Federal Register a notice of such determination together with the factual and legal basis for such determination. Any interested person may request, within the sixty day period beginning on the publication of a determination, the Secretary making the determination to hold an informal hearing on the determination. If such a request is made within such period, such Secretary shall hold such hearing not later than thirty days after the date of the request, or at the request of the person making the request, not later than sixty days after such date. The Secretary who is holding the hearing shall provide notice of the hearing to the owner of the patent involved and to any interested person and provide the owner and any interested person an opportunity to participate in the hearing. Within thirty days after the completion of the hearing, such Secretary shall affirm or revise the determination which was the subject of the hearing and notify the Commissioner of any revision of the determination and shall publish any such revision in the Federal Register.

"(3) For purposes of paragraph (2)(B), the term 'due diligence' means that degree of attention, continuous directed effort, and timeliness as may reasonably be expected from, and are ordinarily exercised by, a person during a regulatory review period.

"(4) An application for the extension of the term of a patent is subject to the disclo-

sure requirements prescribed by the Commissioner.

"(e)(1) A determination that a patent is eligible for extension may be made by the Commissioner solely on the basis of the information contained in the application for the extension. If the Commissioner determines that a patent is eligible for extension under subseciton (a) and that the requirements of subsection (d) have been complied with, the Commissioner shall issue to the applicant for the extension of the term of the patent a certificate of extension, under seal, for the period prescribed by subsection (c). Such certificate shall be recorded in the official file of the patent and shall be considered as part of the original patent.

"(2) If the term of a patent for which an application has been submitted under subsection (d) would expire before a determination is made under paragraph (1) respecting the application, the Commissioner shall extend, until such determination is made, the term of the patent for periods of up to one year if he determines that the patent is eligible for extension.

"(f) For purposes of this section:

"(1) The term 'product' means:

"(A) A drug product.

"(B) Any medical device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act.

"(2) The term 'drug product' means the active ingredient of a new drug, antibiotic drug, new animal drug, or human or veterinary biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and the Virus Serum Toxin Act including any salt or ester of the active ingredient, as a single entity or in combination with another active ingredient.

"(3) The term 'major health or environmental effects test' means a test which is reasonably related to the evaluation of the health or environmental effects of a product, which requires at least six months to conduct, and the data from which is submitted to receive permission for commercial marketing or use. Periods of analysis or evaluation of test results are not to be included in determining if the conduct of a test required at least six months.

"(4)(A) Any reference to section 351 is a reference to section 351 of the Public Health Service Act.

"(B) Any reference to section 503, 505, 507, 512, or 515 is a reference to section 503, 505, 507, 512, or 515 of the Federal Food, Drug, and Cosmetic Act.

"(C) Any reference to the Virus Serum Toxin Act is a reference to the Act of March 4, 1913 (21 U.S.C. 151-158).

"(5) The term 'informal hearing' has the meaning prescribed for such term by section 201(y) of the Federal Food, Drug, and Cosmetic Act.

"(6) The term 'patent' means a patent issued by the United States Patent and Trademark Office.

"(g) For purposes of this section, the term 'regulatory review period' has the following meanings:

"(1)(A) In the case of a product which is a drug product, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a drug product is the sum of—

"(i) the period beginning on the date—

"(I) an exemption under subsection (i) of section 505, subsection (d) of section 507, or subsection (i) of section 512, or

"(II) the authority to prepare an experimental drug product under the Virus Serum Toxin Act,

became effective for the approved drug product and ending on the date an application was initially submitted for such drug product under section 351, 505, 507, or 512 or the Virus Serum Toxin Act, and

"(ii) the period beginning on the date the application was initially submitted for the approved drug product under section 351, subsection (b) of such section 505, section 507, section 512, or the Virus Serum Toxin Act and ending on the date such application was approved under such section or Act.

"(2)(A) In the case of a product which is a food additive or color additive, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a food or color additive is the sum of—

"(i) the period beginning on the date a major health or environmental effects test on the additive was initiated and ending on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and

"(ii) the period beginning on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and ending on the date such regulation became effective or, if objections were filed to such regulation, ending on the date such objections were resolved and commercial marketing was permitted or, if commercial marketing was permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings were finally resolved and commercial marketing was permitted.

"(3)(A) In the case of a product which is a medical device, the terms means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a medical device is the sum of—

"(i) the period beginning on the date a clinical investigation on humans involving the device was begun and ending on the date an application was initially submitted with respect to the device under section 515, and

"(ii) the period beginning on the date an application was initially submitted with respect to the device under section 515 and ending on the date such application was approved under such Act or the period beginning on the date a notice of completion of a product development protocol was initially submitted under section 515(f)(5) and ending on the date the protocol was declared completed under section 515(f)(6).

"(4) A period determined under any of the preceding paragraphs is subject to the following limitations:

"(A) If the patient involved was issued after the date of the enactment of this section, the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(B) If the patent involved was issued before the date of the enactment of this section and—

"(i) no request for an exemption described in paragraph (1)(B) was submitted,

"(ii) no request was submitted for the preparation of an experimental drug product described in paragraph (1)(B),

"(iii) no major health or environmental effects test described in paragraph (2) was initiated and no petition for a regulation or application for registration described in such paragraph was submitted, or

"(iv) no clinical investigation described in paragraph (3) was begun or product development protocol described in such paragraph was submitted, before such date for the approved product the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(C) If the patent involved was issued before the date of the enactment of this section and if an action described in subparagraph (B) was taken before the date of the enactment of this section with respect to the approved product and the commercial marketing or use of the product has not been approved before such date, the period of extension determined on the basis of the regulatory review period determined under such paragraph may not exceed two years.

"(h) The Commissioner may establish such fees as the Commissioner determines appropriate to cover the costs to the Office of receiving and acting upon applications under this section.".

(b) The analysis for chapter 14 of title 35 of the United States Code is amended by adding at the end thereof the following:

"156. Extension of patent term.".

SEC. 202. Section 271 of title 35, United States Code is amended by adding at the end the following:

"(e)(1) It shall not be an act of infringement to make, use, or sell a patented invention solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs.

"(2) It shall be an act of infringement to submit an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505(b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.

"(3) In any action for patent infringement brought under this section, no injunctive or other relief may be granted which would prohibit the making, using, or selling of a patented invention under paragraph (1).

"(4) For an act of infringement described in paragraph (2)—

"(A) the court shall order the effective date of any approval of the drug involved in the infringement to be a date which is not earlier than the date of the expiration of the patent which has been infringed,

"(B) injunctive relief may be granted against an infringer to prevent the commercial manufacture, use, or sale of an approved drug, and

"(C) damages or other monetary relief may be awarded against an infringer only if there has been commercial manufacture, use, or sale of an approved drug.

The remedies prescribed by subparagraphs (A), (B), and (C) are the only remedies which may be granted by a court for an act of infringement described in paragraph (2), except that a court may award attorney fees under section 285.".

SEC. 203. Section 282 of title 35, United States Code, is amended by adding at the end the following:

"Invalidity of the extension of a patent term or any portion thereof under section 156 of this title because of the material failure—

"(1) by the applicant for the extension, or

"(2) by the Commissioner,

to comply with the requirements of such section shall be a defense in any action involving the infringement of a patent during the period of the extension of its term and shall be pleaded. A due diligence determination under section 156(d)(2) is not subject to review in such an action.".

□ 1420

JUDICIARY COMMITTEE AMENDMENTS TO TITLE II

The CHAIRMAN. The Clerk will report the amendments by the Committee on the Judiciary to title II.

The Clerk read as follows:

Committee amendments to title II:

Page 38, line 2, strike out "or the Secretary of Agriculture".

Page 38, strike out lines 13, through 24, and insert in lieu thereof the following:

"(1) the Commissioner shall notify the Secretary of Health and Human Services if the patent claims any human drug product, a medical device, or a food additive or color additive or a method of using or manufacturing such a product, device, or additive and if the product, device, and additive are subject to the Federal Food, Drug, and Cosmetic Act.".

Page 39, line 9, strike out "who is so notified".

Page 39, line 11, strike out "receiving the application".

Page 39, lines 18 and 23, strike out "making the determination".

Page 39, line 24, stike out "such" and insert in lieu thereof "the".

Page 40, beginning in line 3 strike out "of Health and Human Services".

Page 40, beginning in line 7 strike out "making a determination under clause (i)".

Page 40, line 13, stike out "making the determination".

Page 40, lines 15 and 23, strike out "such" and insert in lieu thereof "the".

Page 40, beginning in line 18 strike out "who is holding the hearing".

Page 42, line 6, strike out "drug product" and insert in lieu thereof "human drug product".

Page 42, line 10, strike out "drug product" and insert in lieu thereof "human drug product".

Page 42, beginning in line 11, strike out "new animal" and all that follows through line 15 and insert in lieu thereof the following: "or human biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act)".

Page 43, lines 7 and 8, strike out "512,".

Page 43, strike out lines 10 through 12.

Page 43, lines 21 and 24, insert "human" before "drug".

Page 44, strike out lines 1 through 12, and insert in lieu thereof the following:

"(i) the period beginning on the date an exemption under subsection (i) of section 505 or under subsection (d) of section 507 became effective for the approved human drug product and ending on the date an application was initially submitted for such drug product under section 351, 505, or 507, and".

Page 44, strike out lines 23 through 25 and lines 1 and 2 on page 45 and insert in lieu thereof the following: "human drug product under section 351, subsection (b) of section 505, or section 507 and ending on the date such application was approved under such section."

Page 47, strike out lines 14 through 16 and redesignate clauses (iii) and (iv) as clauses (i) and (iii), respectively.

Page 48, line 25, insert after "patented invention" the following: "(other than a new animal drug or veterinary biological product (as those terms are used in the Federal Food, Drug, Cosmetic Act and the Act of March 4, 1913))".

Mr. KASTENMEIER (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KASTENMEIER. I will be very brief, Mr. Chairman.

I rise in support of the Judiciary Committee amendments.

The amendment deletes authority for patent term extension for animal drugs, because these substances are dealt with in another bill recently ordered reported by the Committee on the Judiciary, H.R. 6034.

I know of no opposition to these amendments and I would hope that the Committee of the Whole could vote for the amendments.

The CHAIRMAN. The question is on the Judiciary Committee amendments to title II.

The Judiciary Committee amendments to title II were agreed to.

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: Page 31, strike out line 7 and all that follows through line 2 on page 51 and insert in lieu thereof the following:

TITLE II—PATENT EXTENSION

SEC. 201. (a) Title 35 of the United States Code is amended by adding the following new section immediately after section 155A:

"§ 156. Extension of patent term

"(a) The term of a patent which claims a product, a method of using a product, or a method of manufacturing a product shall be extended in accordance with this section from the original expiration date of the patent if—

"(1) the term of the patent has not expired before an application is submitted under subsection (d) for its extension;

"(2) the term of the patent has never been extended;

"(3) an application for extension is submitted by the owner of record of the patent or its agent and in accordance with the requirements of subsection (d);

"(4) the product has been subject to a regulatory review period before its commercial marketing or use;

"(5)(A) except as provided in subparagraph (B), the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of the product under the provision of law under which such regulatory review period occurred; or

"(B) in the case of a patent which claims a method of manufacturing the product which primarily uses recombinant DNA technology in the manufacture of the product, the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of a product manufactured under the process claimed in the patent.

The product referred to in paragraphs (4) and (5) is hereinafter in this section referred to as the 'approved product'.

"(b) The rights derived from any patent the term of which is extended under this section shall during the period during which the patent is extended—

"(1) in the case of a patent which claims a product, be limited to any use approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred;

"(2) in the case of a patent which claims a method of using a product, be limited to any use claimed by the patent and approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred; and

"(3) in the case of a patent which claims a method of manufacturing a product, be limited to the method of manufacturing as used to make the approved product.

"(c) The term of a patent eligible for extension under subsection (a) shall be extended by the time equal to the regulatory review period for the approved product which period occurs after the date the patent is issued, except that—

"(1) each period of the regulatory review period shall be reduced by any period determined under subsection (d)(2)(B) during which the applicant for the patent extension did not act with due diligence during such period of the regulatory review period;

"(2) after any reduction required by paragraph (1), the period of extension shall include only one-half of the time remaining in the periods described in paragraphs (1)(B)(i), (2)(B)(i), and (3)(B)(i) of subsection (g);

"(3) if the period remaining in the term of a patent after the date of the approval of the approved product under the provision of law under which such regulatory review occurred when added to the regulatory review period as revised under paragraphs (1) and (2) exceeds fourteen years, the period of extension shall be reduced so that the total of both such periods does not exceed fourteen years; and

"(4) in no event shall more than one patent be extended for the same regulatory review period for any product.

"(d)(1) To obtain an extension of the term of a patent under this section, the owner of record of the patent or its agent shall submit an application to the Commissioner. Such an application may only be submitted within the sixty-day period beginning on the date the product received permission under the provision of law under which the applicable regulatory review period occured for commercial marketing or use. The application shall contain—

"(A) the identity of the approved product and the Federal stature under which regulatory review occurred;

"(B) the identity of the patent for which an extension is being sought and the identity of each claim of such patent which claims the approved product or a method of using or manufacturing the approved product;

"(C) information to enable the Commissioner to determine under subsections (a) and (b) the eligibility of a patent for extension and the rights that will be derived from the extension and information to enable the Commissioner and the Secretary of Health and Human Services to determine the period of the extension under subsection (g);

"(D) a brief description of the activities undertaken by the applicant during the applicable regulatory review period with respect to the approved product and the significant dates applicable to such activities; and

"(E) such patent or other information as the Commissioner may require.

"(2)(A) Within sixty days of the submittal of an application for extension of the term of a patent under paragraph (1), the Commissioner shall notify the Secretary of Health and Human Services if the patent claims any human drug product, a medical device, or a food additive or color additive or a method of using or manufacturing such a product, device, or additive and if the product, device, and additive are subject to the Federal Food, Drug, and Cosmetic Act, of the extension application and shall submit to the Secretary a copy of the application. Not later than 30 days after the receipt of an application from the Commissioner, the Secretary shall review the dates contained in the application pursuant to paragraph (1)(C) and determine the applicable regulatory review period, shall notify the Commissioner of the determination, and shall publish in the Federal Register a notice of such determination.

"(B)(i) If a petition is submitted to the Secretary under subparagraph (A), not later than one hundred and eighty days after the publication of the determination under subparagraph (A), upon which it may reasonably be determined that the applicant did not act with due diligence during the applicable regulatory review period, the Secretary shall, in accordance with regulations promulgated by the Secretary determine if the applicant acted with due diligence during the applicable regulatory review period. The Secretary shall make such determination not later than 90 days after the receipt of such a petition. The Secretary may not delegate the authority to make the determination prescribed by this subparagraph to an office below the Office of the Commissioner of Food and Drugs.

"(ii) The Secretary shall notify the Commissioner of the determination and shall publish in the Federal Register a notice of such determination together with the factual and legal basis for such determination. Any interested person may request, within the 60 day period beginning on the publication of a determination, the Secretary to hold an informal hearing on the determination. If such a request is made within such period, the Secretary shall hold such hearing not later than thirty days after the date of the request, or at the request of the person making the request, not later than sixty days after such date. The Secretary shall provide notice of the hearing to the owner of the patent involved and to any interested person and provide the owner and any interested person an opportunity to participate in the hearing. Within thirty days after the completion of the hearing, the Secretary shall affirm or revise the determination which was the subject of the hearing and notify the Commissioner of any revision of the determination and shall publish any such revision in the Federal Register.

"(3) For purposes of paragraph (2)(B), the term 'due diligence' means that degree of attention, continuous direct effort, and timeliness as may reasonably be expected from, and are ordinarily exercised by, a person during a regulatory review period.

"(4) An application for the extension of the term of a patent is subject to the disclosure requirements prescribed by the Commissioner.

"(e)(1) A determination that a patent is eligible for extension may be made by the Commissioner solely on the basis of the representations contained in the application for the extension. If the Commissioner determines that a patent is eligible for extension under subsection (a) and that the requirements of subsection (d) have been complied with, the Commissioner shall issue to the applicant for the extension of the term of the patent a certificate of extension, under seal, for the period prescribed by subsection (c). Such certificate shall be recorded in the official file of the patent and shall be considered as part of the original patent.

"(2) If the term of a patent for which an application has been submitted under subsection (d) would expire before a certificate of extension is issued or denied under paragraph (1) respecting the application, the Commissioner shall extend, until such determination is made, the term of the patent for periods of up to one year if he determines that the patent is eligible for extension.

"(f) For purposes of this section:

"(1) The term 'product' means:

"(A) A human drug product.

"(B) Any medical device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act.

"(2) The term 'human drug product' means the active ingredient of a new drug, antibiotic drug, or human biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act) including any salt or ester of the active ingredient, as a single entity or in combination with another active ingredient.

"(3) The term 'major health or environmental effects test' means a test which is reasonably related to the evaluation of the health or environmental effects of a product, which requires at least six months to conduct, and the data from which is submitted to receive permission for commercial marketing or use. Periods of analysis or evaluation of test results are not to be included in determining if the conduct of a test required at least six months.

"(4)(A) Any reference to section 351 is a reference to section 351 of the Public Health Service Act.

"(B) Any reference to section 503, 505, 507, or 515 is a reference to section 503, 505, 507, or 515 of the Federal Food, Drug, and Cosmetic Act.

"(5) The term 'informal hearing' has the meaning prescribed for such term by section 201(y) of the Federal Food, Drug, and Cosmetic Act.

"(6) The term 'patent' means a patent issued by the United States Patent and Trademark Office.

"(g) For purposes of this section, the term 'regulatory review period' has the following meanings:

"(1)(A) In the case of a product which is a human drug product, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a human drug product is the sum of—

"(i) the period beginning on the date an exemption under subsection (i) of section 505 or subsection (d) of section 507 became effective for the approved human drug product and ending on the date an application was initially submitted for such drug product under section 351, 505, or 507, and

"(ii) the period beginning on the date the application was initially submitted for the approved human drug product under section 351, subsection (b) of section 505, or section 507 and ending on the date such application was approved under such section.

"(2)(A) In the case of a product which is a food additive or color additive, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a food or color additive is the sum of—

"(i) the period beginning on the date a major health or environmental effects test on the additive was initiated and ending on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and

"(ii) the period beginning on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and ending on the date such regulation became effective or, if objections were filed to such regulation, ending on the date such objections were resolved and commercial marketing was permitted or, if commercial marketing was permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings were finally resolved and commercial marketing was permitted.

"(3)(A) In the case of a product which is a medical device, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a medical device is the sum of—

"(i) the period beginning on the date a clinical investigation on humans involving the device was begun and ending on the date an application was initially submitted with respect to the device under section 515, and

"(ii) the period beginning on the date an application was initially submitted with respect to the device under section 515 and ending on the date such application was approved under such Act or the period beginning on the date a notice of completion of a product development protocol was initially submitted under section 515(f)(5) and ending on the date the protocol was declared completed under section 515(f)(6).

"(4) A period determined under any of the preceding paragraphs is subject to the following limitations:

"(A) If the patent involved was issued after the date of the enactment of this section, the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(B) If the patent involved was issued before the date of the enactment of this section and—

"(i) no request for an exemption described in paragraph (1)(B) was submitted,

"(ii) no major health or environmenal effects test described in paragraph (2) was initiated and no petition for a regulation or application for registration described in such paragraph was submitted, or

"(iii) no clinical investigation described in paragraph (3) was begun or product development protocol described in such paragraph was submitted.

before such date for the approved product the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(C) If the patent involved was issued before the date of the enactment of this section and if an action described in subparagraph (B) was taken before the date of the enactment of this section with respect to the approved product and the commercial marketing or use of the product has not been approved before such date, the period of extension determined on the basis of the regulatory review period determined under such paragraph may not exceed two years.

"(h) The Commissioner may establish such fees as the Commissioner determines appropriate to cover the costs to the Office of receiving and acting upon applications under this section.".

(b) The analysis for chapter 14 of title 35 of the United States Code is amended by adding at the end thereof the following:

"156. Extension of patent term.".

SEC. 202. Section 271 of title 35, United States Code is amended by adding at the end the following:

"(e)(1) It shall not be an act of infringement to make, use, or sell a patented invention (other than a new animal drug or veterinary biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Act of March 4, 1913)) solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs.

"(2) It shall be an act of infringement to submit an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505 (b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.

"(3) In any action for patent infringement brought under this section, no injunctive or other relief may be granted which would prohibit the making, using, or selling of a patented invention under paragraph (1).

"(4) For an act of infringement described in paragraph (2)—

"(A) the court shall order the effective date of any approval of the drug involved in the infringement to be a date which is not earlier than the date of the expiration of the patent which has been infringed,

"(B) injunctive relief may be granted against an infringer to prevent the commercial manufacture, use, or sale of an approved drug, and

"(C) damages or other monetary relief may be awarded against an infringer only if there has been commercial manufacture, use, or sale of an approved drug.

The remedies prescribed by subparagraphs (A), (B), and (C) are the only remedies which may be granted by a court for an act of infringement described in paragraph (2), except that a court may award attorney fees under section 285.".

SEC. 203. Section 282 of title 35, United States Code, is amended by adding at the end the following:

"Invalidity of the extension of a patent term or any portion thereof under section 156 of this title because of the material failure—

"(1) by the applicant for the extension, or

"(2) by the Commissioner,

to comply with the requirements of such section shall be a defense in any action involving the infringement of a patent during the period of the extension of its term and shall be pleaded. A due diligence determination under section 156(d)(2) is not subject to review in such an action.".

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Chairman, my amendment to title II is the same as the text of title II of the Senate-passed bill. This amendment would make one significant change to title II of the bill before us.

The one change involves the rules about which patents can be extended. Under this amendment, the patentholder would be allowed to select the patent to be extended. Under the bill, the first issued patent would have automatically been extended. The rules in the bill which establish the length of patent extension and which allow only one patent per drug to be extended are not changed.

I believe this amendment is acceptable because it gives the patentholder the flexibility to select the most important patent for extension, but it does not undercut the two most important rules. They are that only one patent can be extended per drug and only for up to 14 years.

This amendment also addresses an issue raised by the Patent and Trademark Office [PTO]. The PTO expressed concern that the bill may require it to verify information submitted in an application for patent extension. The amendment clarifies that the PTO may rely upon representations made by a patentowner in its application.

This is a good amendment and I urge all Members to support it.

Mr. MADIGAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this change referred to by the chairman of the subcommittee is the one requested by the Patent Office, and with this change enables the administration to be supportive of not only this amendment but of the bill, and I would urge that all my colleagues support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. WAXMAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DERRICK

Mr. DERRICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERRICK: Insert at the end the following:

TITLE III—AMENDMENTS TO THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT AND THE WOOL PRODUCTS LABELING ACT OF 1939

SEC. 301. Subsection (b) of section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended by adding at the end thereof the following new paragraph:

"(5) If it is a textile fiber product processed or manufactured in the United States, it be so identified.".

SEC. 302. Subsection (e) of section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended to read as follows:

"(e) For purposes of this Act, in addition to the textile fiber products contained therein, a package of textile fiber products intended for sale to the ultimate consumer shall be misbranded unless such package has affixed to it a stamp, tag, label, or other means of identification bearing the information required by subsection (b), with respect to such contained textile fiber products, or is transparent to the extent it allows for the clear reading of the stamp, tag, label, or other means of identification on the textile fiber product, or in the case of hosiery items, this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each hosiery product contained in a package if (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosiery products contained therein, the information required by subsection (b), and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each textile fiber product contained therein.".

SEC. 303. Section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended by adding at the end thereof the following new subsections:

"(i) For the purposes of this Act, a textile fiber product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such textile fiber product, unless such textile fiber product description states in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both.

"(j) For purposes of this Act, any textile fiber product shall be misbranded if a stamp, tag, label, or other identification conforming to the requirements of this section is not on or affixed to the collar of such product if such product contains a collar, or if such product does not contain a collar, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product, or

in the case of hosiery items on the outer side of such product or package.".

SEC. 304. Paragraph (2) of section 4(a) of the Wool Products Labeling Act of 1939 (15 U.S.C. 68b(1)) is amended by adding at the end thereof the following new subparagraphs:

"(5) If it is an imported wool product without the name of the country where processed or manufactured.

"(6) If it is wool product processed or manufactured in the United States, it shall be so identified.".

SEC. 305. Section 4 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68b) is amended by adding at the end thereof the following new subsections:

"(e) For the purposes of this Act, a wool product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such wool product, unless such wool product description states in a clear and conspicuous manner that such wool product is processed or manufactured in the United States of America, or imported, or both.

"(f) For purposes of this Act, any wool product shall be misbranded if a stamp, tag, label, or other identification conforming to the requirements of this section is not on or affixed to the collar of such product if such product contains a collar, or if such product does not contain a collar in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product or in the case of hosiery items, on the outer side of such product or package.".

SEC. 306. Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amended—

(1) by striking out "Any person" in the first paragraph and inserting in lieu thereof "(a) Any person",

(2) by striking out "Any person" in the second paragraph and inserting in lieu thereof "(b) Any person", and

(3) by inserting after subsection (b) (as designated by this section) the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, any package of wool products intended for sale to the ultimate consumer shall also be considered a wool product and shall have affixed to it a stamp, tag, label, or other means of identification bearing the information required by section 4, with respect to the wool products contained therein, unless such package of wool products is transparent to the extent that it allows for the clear reading of the stamp, tag, label, or other means of identification affixed to the wool product, or in the case of hosiery items this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each hosiery product contained in a package if (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosiery products contained therein, the information required by subsection (4), and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each hosiery product contained therein.".

SEC. 307. The amendments made by this title shall be effective ninety days after the date of enactment of this Act.

Mr. DERRICK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

● Mr. DERRICK. Mr. Chairman, the amendment I offered to the Textile Fiber Products Identification Act would do three things: Strengthen and erase some of the ambiguity in current labeling law; require country of origin labeling on catalog sales items to indicate whether the garment was made in the United States or imported; and, require that all U.S.-made goods bear a country-of-origin label. This amendment has been unanimously approved by the House Committee on Energy and Commerce and its Subcommittee on Commerce. The amendment was also approved by the full Senate as an amendment to S. 1538.

A study by the chairman of the department of textiles, College of Home Economics at the University of Missouri, Dr. Kitty Dickerson, reveals that more than one-third of all Americans carefully notice labels in reaching buying decisions to determine if the goods were made in the United States of America, and further feel it is important to know whether the item was produced in this country.

Country-of-origin labeling is currently required on foreign manufactured products by the Textile Fiber Products Identification Act. The Federal Trade Commission has issued regulations to require that a tag or stamp, bearing the English name of the country of origin, be conspicuously placed on all imported goods.

However, because the statute itself does not include this requirement for clear and conspicuous labeling, widespread abuses of these regulations are occurring. Consumers are often led to believe the product was domestically made because the label was not conspicuously placed or because the product entered the United States in bulk, and once separated, no longer carried the import label or it could not be easily seen. These goods are imported in compliance with the regulations set forth by the Federal Trade Commission. But by the time these products reach the consumer they are in violation of the basic objective of the Textile Fiber Products Identification Act and the Wool Products Labeling Act. Because there is no Federal law to require that U.S. goods display a country-of-origin label, consumers are often led to believe the unmarked goods were produced in the United States. This amendment would correct this problem by requiring that U.S.-made goods bear an origin label.

Finally, the proposal I offered as title III of H.R. 3605 would allow consumers who purchase textile products by mail to determine if they were produced in the United States or were imported. Because the buyer does not have an opportunity to inspect the product before purchase, the Federal Trade Commission has issued advisory opinions that the country-of-origin information ought to be included in all mail order promotional material. This legislation will take effect 90 days after enactment. All catalog mail order promotional material printed before that date would not be required to carry the disclosure on country of origin.

This amendment was originally introduced in the House by my distinguished colleague from North Carolina, JIM BROYHILL. His bill was subsequently incorporated as title II of H.R. 5929, introduced by Congressman FLORIO. The Energy and Commerce Committee has marked up H.R. 5929, and has ordered it to be reported. However, the Judiciary Committee has requested referral of this bill due to concerns of members of that panel regarding title I. I would emphasize that the Judiciary Committee's concerns center on title I only, which deals with counterfeit goods. In the Senate, the bill was considered and reported from the Committee on Commerce, and was subsequently added as an amendment to S. 1538 on the floor of that Chamber.

Mr. Chairman, as the record indicates, this measure carries the strong endorsement of Members on both sides of the aisle, and in both Chambers of Congress. The adoption of legislation to clarify and strengthen current textile and apparel, labeling laws would certainly benefit the consumers of textile goods as well as the textile, apparel, and wool industries. This amendment does not impose any onerous requirements on domestic or foreign manufacturers. At the present time section 12 of the Textile Products Identification Act of 1965 exempts a number of items from the country-of-origin rules. Some of these items are: trimmings, facings, interfacings, stiffenings, including window shade accessories. My amendment recognizes this exemption and does not require that these items have to be labeled in regard to their country of origin. I think this is a very worthwhile piece of legislation with great benefit to the workers of this Nation, our economy, and U.S. consumers.●

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I rise in strong support of this amendment.

Mr. BROYHILL, Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendment that has been

offered here by the gentleman from South Carolina [Mr. DERRICK].

He has stated the many problems that are confronting the textile and apparel industry. Certainly they are serious problems. We have seen the textile and apparel imports increasing substantially just in the past 12 months.

What this amendment is about, however, really goes, it seems to me, to a question of what are fair trade practices. Studies have shown that the consumers of U.S. textile and apparel products would prefer American-made products if they know where those products are made. Unfortunately, there is presently in existence in the law no provision or regulation requireing that American-made products be labeled as such. Of course, the public has a tendency to assume that a product is domestically produced unless that product is labeled as coming from a foreign country. But that is not always the case.

What this legislation is designed to do is to give consumers the information they have a right to know and need in order to make informed purchasing decisions.

Now, the amendment that is offered by the gentleman from South Carolina is based on H.R. 5638, a bill that I introduced on May 10, 1984. It has been cosponsored by some 79 of my colleagues. What the amendment offered by the gentleman from South Carolina would do simply is to require that the textile and apparel products be labeled as made in the United States if they are produced domestically, and as I have said, this would assist consumers in making consumer decisions.

Also, the amendment would correct certain ambiguities and strengthen provisions in our present laws. At the present time the Federal Trade Commission has issued regulations to carry out the Textile Fiber Products Identification Act, and those regulations currently provide that all imported textile products bear a country-of-origin label. This requirement is not in the law itself. Many textile and apparel products are not in compliance as they enter this country. Oftentimes the label are placed in inconspicuous places, and it makes enforcement a major problem.

In addition, the amendment offered by the gentleman from South Carolina requires that the bulk container, as well as the individual textile product, be labeled as to country of origin. Frequently we have found in the marketplace that the bulk shipments into the United States are labeled correctly, but on entry and on placement in the shelves, retail shelves, the goods are broken up and packages are broken up, and by the time the product reaches the shelf no label exists.

Finally, the amendment would require that the descriptive material for textile and wool products in catalogs and in mail-order promotional literature must contain an appropriate disclosure of where they were made. Here also American consumers have the right to know what they are buying, and this amendment will assure that they have the information they need to make well-informed choices.

So, Mr. Chairman, as I have stated earlier, this amendment is a good first step toward correcting an imbalance in the law. It provides American consumers with the information they need with respect to the products that they are about to purchase. I urge my colleagues to join with us in voting for this amendment.

Mr. JENKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I rise in strong support of the Derrick amendment on textile labeling. Current law does not address the oversights that this proposal seeks to remedy. I am also opposed to any amendments that will alter its intent. Please bear in mind that this legislation has progressed through a House subcommittee and full committee without a dissenting vote, It has passed the full Senate without a dissenting vote. There would not appear to be a need to make changes on what has unanimously been agreed to in the legislative process.

A few of the most important features of this proposal should be noted. First, under this proposal, all U.S.-made textile products would be required to contain a label noting that they are made in the United States; and all labels—both foreign and domestic—must be conspicuously placed. Consumer surveys have indicated that the American consumer, if given a chance, would like to purchase American-made textile products over their foreign counterparts. However, there are presently no clear-cut ways that the consumer can determine whether a garment is manufactured in the United States or not. The absence of any origin label generally causes the consumer to automatically assume that a product is domestically produced, but such is often not the case. Although there are laws that require that foreign-made textile products be labeled as such, there are various ways the American consumer can be deceived by labels placed in such an inconspicuous manner that few ever detect them. This provision would help provide information that the consumer desires.

A second and most important feature of this proposal is a requirement that mail-order catalog offerings indicate whether a textile product is imported or made in the United States. The Federal Trade Commission has maintained in numerous advisory opinions issued that country-of-origin information should be included in all mail order catalogs and promotional materials, so that the consumer may determine where a textile product originated at the point of purchase. The Federal Trade Commission has based its determination on the fact that when a consumer orders textile products, he or she does not have an opportunity, generally, to inspect the merchandise before making payment.

It should also be noted here that a number of mail order catalog companies already disclose such information, and do not consider this item-by-item type of disclosure as overly burdensome or costly in the least. In response to the mail-order catalog industry's contention that this requirement is costly, I understand that they have provided no data to prove their contention, despite persistent requests for this data from the subcommittee which conducted hearings on this matter.

It should also be pointed out that, in addition to the bill being a consumer information proposal, it requires absolutely no Federal expenditure in order to be enacted.

This proposal comes at a time when the domestic industry is seriously hurting from unfair foreign competition. The textile industry has had to deal in a practical manner with the consequences of a 44-percent year-to-date import increase in textiles and apparel. Hundreds of thousands of job opportunities are being displaced annually due to the phenomenal import surge the industry has witnessed in recent years. I've received stacks of letters from textile workers in my district who have either been laid off or are living in constant fear of losing their jobs to imports. They have asked me to support this labeling proposal. A large coalition known as AFTAC, which is comprised of textile and apparel manufacturers, natural fiber and man-made fiber producers, and two labor unions, has asked me to support this proposal. Let me just name some of the 21 organizations which are members of AFTAC [the American Fiber, Textile, Apparel Coalition] so you may see the broad support that this proposal enjoys: the American Apparel Manufacturers Association, the American Textile Manufacturers Institute, the International Ladies' Garment Workers Union, the Amalgamated Clothing and Textile Workers Union, the National Cotton Council, The National Wool Growers Association, the Man-Made Fiber Producers Association, and the Northern Textile Association.

I once again urge all my fellow colleagues to join me in my support of this proposal by voting down any

amendments that would weaken its intent.

□ 1440

Mr. BROYHILL. Mr. Chairman, would the gentleman yield?

Mr. JENKINS. I would be happy to yield.

Mr. BROYHILL. Mr. Chairman, as one example of what the bill would do, and I hold it in my hand here, a textile product, it is a pair of work gloves, a 100-percent cotton work gloves. These came in a bulk shipment and on the bulk container it was marked from the country of origin. Well, what happened was that the retailer broke these up and put them on the retail shelf and there is absolutely no indication of the country of origin. That is just one of the simple amendments that is included in the gentleman's amendment to assure that when the bulk shipment is broken up that the individual garment or the individual item itself be appropriately marked.

I just wanted to show that to the Members and to indicate this which we have found out there in the market place.

Mr. JENKINS. I thank my colleague for pointing that out. This is a good example of what is occurring today.

I do urge that all my colleagues support this very needed amendment.

Mr. CAMPBELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the textile labeling amendment offered by my colleague, the gentleman from South Carolina [Mr. DERRICK]. This amendment is based on H.R. 5638, of which I was an original cosponsor.

To me this is a straightforward piece of legislation that simply gives American consumers a choice, an option to support American workers and American industry by buying U.S. made textile and apparel goods. I cannot find anything wrong with that.

American consumers have become increasingly aware of the desirability of buying American. The overall trade deficit has skyrocketed in this country, fueled in no small part by the growing textile-apparel trade deficit. Consumers cannot help but be aware of the detrimental effect the trade imbalance has on American jobs. Night after night on the evening news Americans see workers, not only in textile and apparel, but in other areas who have been put out of work because their jobs have been taken by imports. They cannot help but become sensitized to their plight.

Moreover, studies have shown that given the option, consumers prefer to buy American. Yet it is often difficult for them to make an informed choice, and that is what this legislation is all about.

Current law in this area is easily evaded. While there is a requirement that imported goods be marked as to country of origin, the fact is that these labels are often placed in inconspicuous places or are missing entirely on the individual items, as was just pointed out by the gentleman from North Carolina [Mr. BROYHILL]. By requiring that the label in each item be attached to the most conspicuous space on the inner side of the foreign-made product, this amendment would insure that consumers know exactly what they are buying. By also requiring American-made goods to be so labeled, which is not necessarily done today, we could also insure that the consumer knows what the choice is.

Mr. Chairman, the suggestion that this very simple, very straightforward measure could be construed as an unfair trade barrier is frankly somewhat ludicrous and I think if it is made, it should be rejected. It is not a trade barrier. It is merely letting people make an informed choice.

I would also like to say a word about some efforts that have been suggested to delete from the textile labeling amendment the requirement that catalog items be identified as U.S.-made or imported. This is a vital section of the legislation inasmuch as it represents the only way that we can give consumers a choice, since they do not have an opportunity to inspect catalog-ordered merchandise prior to their purchasing it and getting it home.

Now, this obviously is not an onerous requirement, since many catalogs, a Sears catalog I was just looking at had it in it, where it was made; so it is not an onerous requirement. I think that it also should be pointed out, Mr. Chairman, that the catalog language reflects a compromise achieved in the Senate with the input of the catalog and mail order industry.

This is a good bill. This is a good piece of legislation. This is a good amendment to the bill. By adopting this amendment today, we are doing American consumers a service by recognizing their right to choose. We are doing a vital American industry a service by giving them the opportunity to promote American quality and workmanship.

By adopting this legislation, we could join with the industry in the goal of making it as easy as possible for Americans to find U.S.-made textiles and apparel when they go shopping.

I do not know whether you have been shopping lately and tried to look through to see if you could find where something was made or not, but if you have not, go try it and you will see the need for this.

Quite frankly, Mr. Chairman, I believe the American consumer will come through for the American worker under these circumnstances.

In closing, I would just like to reiterate something that my colleague, the gentleman from South Carolina [Mr. DERRICK] said earlier. The textile industry is an employer of some 2 million people in this country. It is an entry level industry. It employs more women and minorities than any other industry in this country and they are being put out of work simply because the American consumer in many instances does not know whether they are buying an American-made product or a foreign-made product.

Does it not make sense just to let them choose for themselves? I trust the American people. Give them the information and I think they will make the right decision. That is what this bill does.

Mr. NICHOLS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise this afternoon to support the amendment of Congressman BUTLER DERRICK to H.R. 3605.

This amendment, known as the "Anticounterfeiting, Textile Fiber and Wool Products Identification Act," contains two very important provisions:

No. 1, all U.S.-made textile products would be required to show an origin label.

Second, all mail order catalogs would be required to indicate whether a textile product is imported or made in the United States of America. The Federal Trade Commission on numerous occasions has maintained opinions that such information should be disclosed in all mail order catalogs and promotional materials.

Mr. Chairman, I represent a district in Alabama which I proudly claim is perhaps the second largest textile apparel district in the country. I must tell you that the unemployment in my home county of Talladega in Alabama for the month of June exceeded 15 percent. We are in bad shape down there in textiles.

Last week I discussed in my weekly column the seriousness of the growth of textile imports in this country. Let me give you some figures. In 1983 textile and apparel imports increased by 25 percent over the figures for 1982, contributing to a textile apparel fiber trade deficit of some $10.6 billion, 15 percent of the Nation's total trade deficit.

The bottom line is that these increases in imports in 1983 represent the loss of some 140,000 American jobs. In the first 4 months of this year, textile apparel imports were up 49 percent over the same period last year.

The amendment now pending will help correct the problem our Nation faces and allow American consumers

to know where the products they purchase are made, so that they can make an informed decision.

I urge my colleagues to oppose all weakening amendments, so that the American public can make an informed decision on the textile products which they purchase.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

□ 1450

Mr. Chairman, I rise in support of the amendment of the gentlemen from South Carolina because I believe we must take some action to protect our own textile industry from the devastation it is suffering not as a result of free trade but of unfair foreign imports.

I was a cosponsor of H.R. 5638, which has been incorporated into this amendment. I supported that legislation because it strengthened provisions of current law which require textile products to be labeled as to country or origin.

In my own district, thousands of people depend on the textile industry for their livelihood. Our people work for little more than minimum wage, but they seldom complain, and are proud to have their jobs. The factories in my district have increased their productivity and quality in response to foreign imports—and their product is equal to or above any foreign made textile.

And yet, I can take you there today and we can walk through many of those plants that are now dusty and idle because of unfair foreign imports.

I am often amazed at the lackluster enforcement of our trade laws, especially labeling and quota regulations. Some of our trading partners who ship millions of square yards of textile and apparel products to this country each year have devised ingenious ways to bypass our laws and regulations. And, what is even more astounding is their reaction when we take steps to properly enforce our existing trade laws—they threaten retaliation by boycotting other American products which are legally exported to their countries.

Each month of 1984 has produced record import levels of textile and apparel imports. In July 1984, the highest monthly import level ever was reached—with over 1 billion square yards—an increase of 76 percent over the previous July 1983 figures. And, probably when August and September figures are available, new records will be set.

Now I realize that some of the enormous trade imbalance we are presently experiencing is due to our own healthy economy and the strong American dollar.

But I also know that our American textile workers deserve an opportunity to compete fairly in the market place—and this amendment will provide them with this opportunity. The American consumer should have the right to know where the garment he is purchasing is made. And, our customs officials who are charged with enforcing our quota laws should not have to tear an article of clothing apart just to find the country of origin label. It should be prominently displayed—conspicously and packaged in a way which will allow the label to be read through the package.

This amendment is critical to the textile and apparel industry, and to the job security of the hundreds of thousands of Americans in those entry level jobs who work in those factories. Please help us stop this mass exodus of our jobs overseas.

I ask that you support this amendment and that you oppose any weakening amendments to it.

Mr. Chairman, I yield back the balance of my time.

Mr. BRITT. Mr. Chairman, I move to strike the requisite number of words and I rise in strong support of the amendment.

Mr. Chairman, I rise to express my strong support for the textile labeling amendment.

This is a consumer amendment. American consumers want to buy quality apparel made in the United States. Conspicuous country-of-origin labels will give American consumers the opportunity to distinguish domestic and foreign goods—an opportunity that they are now denied. This amendment will ensure that the consumer has the chance to make an informed choice.

The provisions of this amendment are eminently fair. They require not only labels on foreign-made goods, but also on those made in the United States. In addition, they extend to the fast-growing mail-order trade, requiring identification of country of origin in catalog and other advertising.

The provisions are reasonable in their scope. For example, in the early versions of this legislation, concerns were raised that labels cannot easily be affixed to hosiery items. These concerns have been addressed in the amendment by language requiring only package labeling, not affixed labeling, for hosiery.

This amendment has the strong support of textile manufacturers and textile labor groups. This industry has suffered greatly from subsidized foreign imports. At the same time, many foreign markets are closed to American exports by unconscionable tariff structures. In the first 6 months of 1984, the textile and apparel trade deficit reached the unprecedented level of $7.4 billion.

Imports of textiles and apparel are up nearly 50 percent over 1983, a record year. In July textile and apparel imports exceeded 1 billion square yards for the first time. This translates into thousands and thousands of American jobs.

Last week I spent a morning working at a textile plant in my district. I worked through the entire manufacturing process from threading the warper to grading the final product, the cloth. I learned firsthand of the skill of American textile workers and the quality of their product and I was directly confronted with their fears and uncertainties in the face of the rising tide of imported goods. This amendment is not a complete solution to the textile import problem but it is a good start.

This is a consumer amendment. This is a fair amendment and I urge its adoption by the House.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I would like to engage Mr. DERRICK in a brief colloquy, just a couple of questions.

This in my opinion is legislation that has been needed for an industry that has been devastated. I would like to ask a couple of questions because some of the people are laboring under the illusion that this is going to be a costly amendment to the taxpayers.

Is there any cost involved to the taxpayers of this country through this amendment?

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman.

Mr. DERRICK. I thank the gentleman for yielding.

Mr. Chairman, there may be some little cost involved, just from an inspection matter at customs, but that is all, very minimal.

Mr. HEFNER. This is basically an amendment that is supported, as I understand it, and it has been worked on very hard, it is supported not only by the business community, by labor organizations, but it is truly an overall consumer bill.

Mr. DERRICK. This is one of the best patriotic amendments that we can have on the floor of this House. It is supported by business it is supported by labor, it is supported by your textile workers. But all we are doing is giving people an opportunity to make a choice.

I think there is one thing we ought to understand, that this in no way restricts imports. What this does is give the people of this country an opportunity to make the decision on the facts of whether they want to buy goods made in this country or goods that were made overseas.

Mr. HEFNER. Mr. Chairman, I think it is very worthwhile legislation and I would urge my colleagues to support it because I believe that given the choice, the consumers of this country,

certainly out of compassion for their coworkers in the textile industry, given the choice, they would choose products that were made in this country.

Many times you go in to buy apparel or whatever and you have difficulty finding where it is made, the origin of the garment, or whatever, and even when you find out some of the countries you cannot even pronounce the names, you have no idea where they are coming from, countries you never heard of.

So I commend Mr. DERRICK and Mr. BROYHILL for bringing this legislation to the floor. For the constituents of my District it is something that we fought for for a long while and I am just happy it has finally come to fruition. I urge all of my colleagues to vote for this fair and important amendment.

Mrs. LLOYD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this amendment brought to the floor by our colleague from South Carolina [Mr. DERRICK] and commend the work of the gentleman from North Carolina [Mr. BROYHILL].

I think this is one of the most important consumer amendments this body is going to consider this late in the session because it is truly an American amendment.

I know the frustrations of the consumer who wants, and makes an honest effort, to buy American-made products but who is deprived of the information necessary to make that choice. On several occasions I have gone into a store and tried to buy an American-made blouse or skirt and not been able to identify the country of origin. This amendment does not impose any unfair restriction on domestic or foreign manufacturers but clarifies and strengthens current textile and apparel labeling laws.

Besides helping consumers make informed purchases, this amendment is also important to our textile industry, one of the Nation's oldest. I'm proud of the contribution this industry has made to the growth of my district and the jobs it has provided. The American textile workers deserve our support at this critical time through the Derrick amendment. There is another very relevant issue that is touched on by this amendment. As my colleague has pointed out, a sizable percentage of textile workers are women. Many of them have been unemployed as a result of jobs lost in the domestic textile industry due to imports.

I have no statistics, but I do know of the women in my district who have worked in this industry and who have lost their jobs in recent years. They are often the family's second wage earner, they don't have the flexibility of the specific training to relocate with other industries in other sectors of the country. Or they may be the head of household and bear sole responsibility for the support of their children. This industry has given them the opportunity to supplement their family income or to provide on their own for their dependents. It's vitally important to them that these jobs remain in the Third District and in this country.

So this is a fair amendment, it benefits this country, its consumers and its workers and I urge all of my colleagues to support it.

AMENDMENTS OFFERED BY MR. BROYHILL TO THE AMENDMENT OFFERED BY MR. DERRICK

Mr. BROYHILL. Mr. Chairman, I offer amendments to the amendment offered by the gentleman from South Carolina [Mr. DERRICK].

The Clerk read as follows:

Amendments offered by Mr. BROYHILL: In the subsection (j) proposed to be added by section 303 strike out "collar of such product if such product contains a collar, or if such product does not contain a collar" and insert in lieu thereof "inside center of the neck midway between the shoulder seams or, if such product does not contain a neck".

In the proposed section 304 strike out "(15 U.S.C. 68b(1))" and insert in lieu thereof "(15 U.S.C. 68b(a)(2))", strike out "subparagraphs" and insert in lieu thereof "subparagraph", strike out the proposed paragraphs (5) and (6) and insert in lieu thereof the following:

"(D) the name of the country where processed or manufactured.".

In the subsection (e) proposed to be added by section 305 strike out "catalog or mail order".

In the subsection (f) proposed to be added by section 305 strike out "collar of such product if such product contains a collar, or if such product does not contain a collar in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product or in the case of hosiery items, on the outer side of such product or package" and insert in lieu thereof "inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product or in the case of hosiery items, on the outer side of such product or package".

Mr. BROYHILL. (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROYHILL. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from South Carolina.

Mr. DERRICK. I thank the gentleman for yielding.

Mr. Chairman, I just want to say that I certainly have no objection to the amendments. As a matter of fact, I support them and hope that the House will allow them to be accepted.

Mr. BROYHILL. I thank the gentleman.

Mr. Chairman, I rise to offer amendments en bloc to the amendment offered by the gentleman from South Carolina.

My amendments would simply make technical corrections to the amendment.

The gentleman's amendment is based on H.R. 5638, the Textile Fiber and Wool Products Identification Improvement Act, a bill which I introduced in the House on May 10, 1984.

Since that bill was introduced, the Committee on Energy and Commerce, on which I serve as the ranking minority member, has held hearings on the bill and has ordered reported to the House the Textile labeling provisions as title II of H.R. 5929, the Anticounterfeiting and Textile Fiber and Wool Products Identification Improvement Act.

My amendments would simply conform the language in the Derrick amendment to the language contained in H.R. 5929 as ordered reported to the House. This is also the same language which was contained in S. 1538, which passed the Senate on June 29, 1984.

I urge my colleagues to adopt these amendments.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, as some Members know, I am opposed to the Derrick amendment. However, the Broyhill amendment to it is, in my judgment, what the mover has suggested, an amendment to make it conform to the Senate bill which does not do any substantive damage. Therefore, I have no objection to the amendment.

Mr. BROYHILL. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Carolina [Mr. BROYHILL] to the amendment offered by the gentleman from South Carolina [Mr. DERRICK].

The amendments to the amendment were agreed to.

Mr. FRANK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my friends from South Carolina and in some wonderment that we are even debating something that I would have thought

would have been so noncontroversial as to have been simply adopted as easily as the amendments of the gentleman from North Carolina.

We confront some difficult issues in the area of imports versus domestic products. There are difficult tradeoffs that have to be made as we try to respond to the legitimate economic concerns of American workers and as we try and protect them against unfair subsidies and we try and balance that off against the undoubted consumer advantage that comes in when less expensive products are brought in here.

None of those difficult issues that are involved when we debate free trade versus the degree of protection are at issue today. This is simply a matter of choice for the American consumer. It says if you want to take into account the fact that these products were made in America you can do so. If you do not want to, you do not have to. We are not proposing that those who buy imported goods have that stamped on their foreheads. We are not proposing that people who buy imported goods have to carry separate shopping bags that say, "I have imports in this bag."

What we are saying is that those American consumers who wish to give some preference in their buying decision to the fact that things were made in America, either because they think that may be a better assurance of quality or because they want to be supportive of domestic economics, or for whatever other reason, that they be allowed to do so.

We have a situation now where the consumers have to, with regard to a very important issue to many of them, buy in the dark. They cannot know in many cases where the product was made.

As to those to whom there is no issue, then this is not a problem. This is not going to force itself on anybody. It does not, as was clarified in the colloquy between the gentleman from North Carolina and the gentleman from South Carolina, require any governmental cost. It will impose the most minimal of costs on people who are in the business of selling.

I understand there may be some amendments later to erode and weaken this. They will come from those who probably do not support the whole concept, but understandably do not want to take it on head-on similar to trying to take a piece out of it here and a piece out of it there. I would say to them I have a lot of sympathy with those of my friends who have day after day tried to defend the principle of free trade. I recognize that there are difficult issues there.

But if you undermine and oppose an effort like this, if we are obstructed in trying to simply deal with the labeling question, then the pressures for greater restrictions are going to grow.

I would say to those who most strongly believe in free trade and who are opposed to various measures that will restrict the flow of goods ought to be among the strongest supporters of this labeling because it is one way—it is experimental, we are not sure how it will work—to give the consumers the kind of choice that may lessen some of the pressure for those other things.

The arguments against various forms of protection and restrictions have been cloaked in consumer preference and they have some legitimacy, although I do not always agree with them. That very argument here says that we should support the amendment offered by the gentleman from South Carolina.

There is everything to be said in terms of the argument about free trade and its opposition in favor of this amendment. It is a reasonable effort to try to keep us from having to make some of the more difficult choices.

I hope that the amendment is adopted and I hope that subsequent efforts which we may have to weaken it are rejected.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment and I wish to associate myself with the remarks of the gentleman from Massachusetts [Mr. FRANK], who just spoke.

I think it is important for us to realize in addition, however, that this is a tested concept, a tried and true concept. Labeling has worked I am sure as in the case of the automobile industry. Now when you get those labels right out there on the back and the sides and sometimes the front of the automobile where it says Datsun, people quit buying those Japanese cars, I guess. Up front it has that Mercedes symbol on the radiator of the car. People know that is a foreign car, so they do not buy that. It solves all those problems just to have that labeling. So we know that it works, I assume.

It will work in the case of textiles and apparel. I suppose.

If it does not, at least we will have left things in the context of the free exercise of choice by American consumers. That is the important point.

No; I do not think that the labeling is going to keep people from buying foreign-made goods, textile or apparel goods. No this probably will not do all that much good all by itself.

But it will afford people, like many in this room and many others who have a particular interest or concern, the opportunity to be informed consumers and say, "I'll pay more for U.S. goods." That is what it will come down to. "I'll pay more for U.S. goods in order to have them."

Now, we all know that is really what we are talking about here. We are not being honest about it up to now, but that is really what is involved. We have a problem that really relates much more to the value of the dollar today and the value of the dollar today is so high in relation to other currencies because, in essence, we cannot learn how to control Federal spending. Interest rates will be high as long as the threat of renewed inflation resulting from Federal deficits continues. Foreign money will come into the United States and be invested here because it is attractive to do so. That will keep interest rates up, that will keep our dollar attractive and too high in value in relation to other currencies. We will have a tough time selling anything we make in this country in other countries. Other countries will have an easier time selling their goods in the United States.

Until we get hold of that problem we are not going to solve any of this concern about people losing their jobs because of foreign competition. We can compete if we have fair conditions. We have done it for decades in textiles and apparel and in other lines of manufacture.

Now, I do support, in all honesty, this amendment. I believe it is desirable. But I am saying we are only touching the surface in the barest way here.

□ 1510

We ought to be honest with ourselves and say we are creating the problem of people losing their jobs to foreign competition, because we do not control spending in this Congress.

I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I appreciate the gentleman yielding, and I certainly agree with him that we have a problem with the strength of the dollar and because of the imbalance between our currency and other currencies. This bill in no way will address that problem. It is not a panacea. We all know that.

However, I think that the importance of the amendment may rest in faith in the American people. I heard a story that was told me as true, and I am not sure whether it was or not, but it made a lot of sense. The person who told it was from North Carolina and was from a small town there. A textile mill had gone out of business and the manager of the department store in the town, a small town, wrote a letter to the superintendent of the mill and said, "You have ruined this town; you have put my store out of business by shutting your plant down. How could you do that?"

And the superintendent of the mill went down to the department store and went through and could not determine that there were any American-made products in that department

store. He wrote the store manager back and said, "No; I did not put you out of business; you put us both out of business."

The question must be asked. Would those textile workers in that textile town truly have bought foreign goods and put themselves out of business had they had the opportunity to choose otherwise? That is what we are giving them, that opportunity.

Mr. KINDNESS. I thank the gentleman. I think that is quite right. And oftentimes the case would be that the U.S. consumer would say, "I will pay for U.S. goods in order to make sure that our economy will remain strong." And I, along with many others, would do that.

Mr. RITTER. Mr. Chairman, I rise in support of the amendment. I, too, understand that this amendment is not a panacea to the textile and apparel import problem. But it is a step in the right direction.

In my district, the Lehigh Valley of Pennyslvania, both the cities of Allentown, PA, and Bethlehem, PA, have organized rallies and programs around buy-American. In Bethlehem, PA, just last week there was a major Think-American/Buy-American rally at one of our high school football stadiums.

People are ready to think American and Buy American. But one of the problems is, if you go and look at the labels on apparel you do not know, in many cases, whether it is American or not. People have come up to me and have asked, "How do you know whether it is a U.S.-made goods or not? There are so many pieces of apparel that I have looked at where I cannot tell whether it is an import or is not." This legislation makes it easier for the consumers to find out.

Mr. Chairman. There is a rising tide of a kind of national interest and an interest in promoting our own products which will help in the sales and in the marketing, the purchase, and then in the production and jobs relating to the apparel and textile industry.

While many important points have been made, there is one other crucial point that this amendment seeks to address; that is that the burgeoning sales in catalogs, in direct mail, in telecommunications and phone order sales, are areas that will be covered by the amendment. We are all familiar with the enormous amount of marketing and sales that have taken place in these new arenas of American trade and commerce.

What this amendment does is require that a label—imported or made in the U.S.A.—be placed in ads in a catalog or in a telephone message, as well as require a similar label for a garment in a store. That is essential, given the increasing volume of goods that are sold outside of traditional stores.

I support this amendment and urge my colleagues to do the same.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. DERRICK, AS AMENDED

Mr. FRENZEL. Mr. Chairman I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. DERRICK, as amended: On page 2 of the amendment, delete lines 16-24. On page 3 of the amendment, delete lines 21 through line 3 of page 4.

Mr. FRENZEL. Mr. Chairman, some of the Members who heard the scheduled debate on this bill will recall that I very strongly opposed this amendment.

I opposed the rule which allowed this nongermane bill to be tacked on to a pill bill, to which it has no relevance whatsoever. But the House decided to go ahead in this way, so we are working on this nongermane amendment.

And while we abuse our regular procedures in this way, we cannot get a budget, we cannot move a balanced budget amendment, we cannot move the President's crime proposal. But, we have plenty of time for nongermane amendments.

My amendment strikes a portion of the bill which relates to catalog and mail-order sales, requiring that catalog indicate whether the goods being offered for sale are foreign or United States.

I notice that very few of the speakers who said it was merely a labeling bill indicated that it was also a highly discriminatory bill against people offering goods for sale by mail. It singles out the catalog houses and those who sell by mail against those who sell by newspaper ads, by television ads, by telephone calls, by dropping flyers at your home. None of these are obligated to tell you whether the goods are foreign made or not. But the mail-order houses must.

What bothers me about this is that if it is so good, if it is so wonderful for America to have these goods designated, why do not American producers do so now? Why is it necessary that it be made mandatory by law? I would think that if we are proud of what we produce, we would put "Made in U.S.A." on it, and I think many producers do. You and I will normally purchase those goods.

But the problem here is that we have a subtle form of protectionism in which our trading partners are being asked to jump through new hoops. They are being subjected to protectionism already in the form of new customs regulations to which they object very violently and which has caused those regulations to be temporarily suspended.

That conflict is going to cost us exports and is going to cost us jobs. It means lower farm prices and fewer jobs in industry. It is very hard to see that the bill before us is going to gain us any net jobs.

We have been told that this is the largest low-level industry, or entry-level industry, and, therefore, it is going to have trouble. Any industry which has a low-skill level is going to be subject to competition. We know that. And it is good for the consumers of this country to have competition so that they can buy the best product at the best price.

However, the proponents did not say that the textile industry is one of the-most protected industries in the United States, has been since the GATT was created. We, the United States have the highest textile tariffs in the world and, of course, we have quotas under the multifiber agreement that compare with the rest of the world. We also have, of course, these regulations which now make it even more difficult to bring in textile materials.

It has been said that these people want to be protected against allegedly unfair trade subsidized imports. The trade laws apply, and if imports are subsidized the normal relief action can be sought.

It is also said that our textile producers are fighting against unconscionable tariffs abroad. At least one speaker said that. Our tariffs are higher than anybody's, so if theirs are unconscionable, certainly ours are, too.

The next thing is that the bill really does not have much to do with the consumer. I doubt that anybody here has gotten any letters from consumers saying they would like to have this labeling or that they need to read in their catalog that the material comes from someplace else or from the United States.

As a matter of fact, the labeling laws are now clear and do require that the U.S. origin be noted on stuff now. It is true that not every piece of textile goods within a bale or box or carton is required to be labeled. That is going to be an extra cost, of course, for the consumer. Whether the consumer wants to bear that cost, or has been consulted, there has been no showing or no demonstration here.

So what we are doing here is that unless you pass my amendment, the catalog houses must determine 6 months in advance, whenever they decide to print their catalog, where they are going to get their material. They are going to have to put that in their catalog, send it out to the printer. If they run out of the material or the supplier cannot supply it, there is no way that they can exchange it, even if they want to exchange foreign-

made goods which they could not obtain, for U.S.-made products.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. FRENZEL] has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 3 additional minutes.)

Mr. FRENZEL. If they cannot get foreign-made goods and are obliged, and would like to order, U.S.-made goods as a substitute, they would not be able to do so because of the advance notice that they need in printing their catalog.

□ 1520

For some reason we have singled out the catalog houses for discriminatory treatment. The FTC gives the best clue for the reason. It says the people cannot see the material before they buy it. My guess is that an awful lot of consumers do not closely scrutinize material in any instance. Nevertheless, it does seem to me that this is highly discriminatory.

What is the difference between the catalog seller and the person making the telephone approach? There is none. But the catalog seller is saddled with a new regulation.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman.

Mr. FRANK. I thank the gentleman for yielding.

The gentleman has again said that one problem for the gentleman in this bill is that it discriminates and that it requires catalog sellers to do something that newspaper and flyer sellers do not. If the bill were amended to require that people who sell by newspaper and flyer and telephone had to follow the same rule; that is, if the discrimination were eliminated by broadening it, would that in any way minimize the gentleman's opposition to it?

Mr. FRENZEL. I think I would be more inclined to vote for it because I suspect you would then have difficulty passing the bill.

Mr. FRANK. If the gentleman would yield further, would that minimize the gentleman's oppostion to the amendment offered by the gentleman from South Carolina?

Mr. FRENZEL. In my judgment, it would not. But I would feel better if everyone were in the same bag, even if it is a lousy bag.

Mr. FRANK. If the gentleman would yield further, the gentleman would still be opposed to the amendment. In fact, he would probably argue then that it would be even worse?

Mr. FRENZEL. My objection to the bill would be minimized, and I would not seek to remove the catalog houses from a position of distress that everyone else would then be in.

If the gentleman wishes to move that amendment, I would be delighted to support the amendment.

Mr. FRANK. Well, afterwards, I would need some time to draft it. Maybe we will work on it. I will thank the gentleman for his cosponsorship.

Mr. FRENZEL. I thank the gentleman for his help and for reinforcing my point that we are discriminating.

As I was saying at the time the gentleman made his observations, if a telephone seller who calls has foreign goods to offer, there is no compulsion on that seller to describe the goods as foreign or regular. There is no compulsion in newspaper ads. There is no compulsion in television or radio ads.

It seems to me we have jumped on one burgeoning form of salesmanship in the United States and tried to attach some sort of extra penalty, which may not be terribly expensive and may not burden the consumer greatly, but still is an extra burden. It will take away a little flexibility from that type of merchandiser.

In my judgment the whole amendment, the Derrick amendment, is unwise policy. I think much of the sting would be taken out of it if we could remove the section that discriminates against catalog houses. I urge the adoption of my amendment.

Mr. DERRICK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I cannot understand why the proponent of this amendment has any objection to people being able to make an educated choice on purchases. Certainly they have that right to make that educated choice in a catalog.

As the gentleman well knows, that this point that we reached here is a compromise. We started out with a suggestion, and there were those who wanted to make it the country of origin; each country, as opposed to U.S.A.- or foreign-made. As the gentleman also knows, some of your major catalog houses today already do this. Many other catalog houses are in the process of doing this in anticipation of the passing of this legislation.

Why should people not have an opportunity to look in a catalog and see where these goods are made? The idea that a company does not know what the product is going to be when they write the catalog is absurd. To say that they are going to write the catalog before they get the products, why, my goodness, that is ridiculous.

They have 90 days under this amendment. Any catalogs that have already been written; any catalogs that are printed 90 days after the enactment of this legislation are not covered. That should give ample time to get probably into the fall of 1985. I would ask the membership to please oppose this amendment based on those observations.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman.

Mr. CAMPBELL. I thank the gentleman for yielding, and I certainly want to join him in opposition to this amendment. I want to raise another point: The gentleman pointed out that in the catalog sales that you are allowing people to make an informed purchase. Now, people buy from that book, the goods are shipped to their home, and then they have it.

The author of the amendment that we are in opposition to made another statement. He said this discriminates against newspaper advertising, and so forth. Newspaper advertising generally advertises a store where you go and purchase something, and the people go to purchase it and their label is on it there. I just do not think that that comparison can be made. I think that the compromise that has been worked out to label either made in the U.S.A. or foreign-made is sufficient, and I urge the defeat of this amendment.

Mr. DERRICK. I thank the gentleman and I yield back the balance of my time.

Mr. BROYHILL. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I must oppose the amendment offered by the gentleman from Minnesota. He has certainly been an ally of mine in a number of battles here on the floor of the House, but I feel very strongly about this particular provision. This provision only requires that there be a disclosure of country of origin in catalogs and mail order material. This is certainly a fair requirement.

I want to point out to the Members, in answer to the arguments made by the gentleman from Minnesota, that many catalogs are currently providing this kind of information in their catalogs. I have in my hand a catalog that is issued by one of the more prestigious organizations in the United States and all through this catalog they provide this kind of country-of-origin information. In many instances they say that the goods are imported.

All that the amendment that is offered by the gentleman from South Carolina says is that the description in the catalog must disclose whether a textile product is imported or domestically made so that consumers can make an educated decision. Mr. Chairman, I would like to point out that the Federal Trade Commission in the past has issued advisory opinions stating that country-of-origin information ought to be included in mail order promotional material since consumers do not have the opportunity to inspect the merchandise prior to purchase. All we are saying is that if it is made do-

mestically that that information must be put into the catalog.

The gentleman has indicated that there be some extra expense to this. I am not aware of any additional costs. As I have already pointed out, a number of merchandisers are already including this type of information in their catalog, and apparently if there is added expense, they feel that it is worth whatever minimal added expense it is.

I might point out that I have requested information on the cost that would be imposed by item-by-item disclosure and, as of this moment, the catalog and mail order industry people have failed to supply this information to me despite my numerous requests for that information.

Mr. Chairman, this requirement is not burdensome; it is not expensive, and it is in the consumers' interest to know where the product is made; that is, whether it is imported or whether it is made domestically.

I also want to repeat what the gentleman from South Carolina has already said, and that is that a compromise has already been made on this issue. When the bill was originally written, it required the actual country of origin be disclosed. But in order to accommodate the mail order and catalog people, we amended that to say that all they had to indicate was whether a particular textile product is imported. That change was made to ease whatever burden might be placed on them.

For that reason, I would urge that we reject the amendment by the gentleman from Minnesota, and that we retain the language that is in the amendment offered by the gentleman from South Carolina.

□ 1530

Mr. JENKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not take the 5 minutes, but I rise to point out and try to correct the statement made by my dear friend and seatmate over in the Committee on Ways and Means, the gentleman from Minnesota, that this is not a special provision just for the textile industry, that we are charting a new course. I realize that the gentleman from Minnesota does not have a great number of textile or apparel industries in his district, but he does have a great number of dairies and dairy products that are processed up in Minnesota, and there is in existing law today a requirement that all imported dairy products show the country of origin and there is in law today a provision that all domestically produced dairy products, cheeses, show not only that it is made in the United States but there is a requirement that it show the exact address where it is processed.

So this is not a burdensome amendment for one particular segment of the industry. It is already in existence in the dairy industry. We are simply asking for this very small amendment that will be of some benefit to the textile and apparel industry.

So I would urge my colleagues to defeat the amendment offered by my dear friend, the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I would be happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, I thank my distinguished friend for his important contribution, and perhaps if he and the distinguished gentleman from Massachusetts next to him put in a repealer on this amendment we can clean it out for both dairy and textiles and probably improve the lot of the American consumer along with it from a price standpoint.

Mr. JENKINS. The gentleman would support, I am sure, the elimination on dairy products.

Mr. FRENZEL. Yes; and if the gentleman would yield further, I said textiles is the most protected industry in the United States. I do not mean to imply that agriculture generally and dairy specifically is not protected as well. It is simply part of a pattern of American protectionism. Every country has it. I would like to avoid it as much as possible, and this is not a virulent form that we face in this particular bill. It is simply adding another log to the fire.

Mr. JENKINS. I urge my colleagues to oppose the amendment offered by the gentleman from Minnesota.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] to the amendment offered by the gentleman from South Carolina [Mr. DERRICK], as amended.

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 3, noes 23.

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote, pending which I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mr. FRENZEL. Mr. Chairman, I withdraw both requests.

So the amendment to the amendment, as amended, was rejected.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. DERRICK, AS AMENDED

Mr. FRENZEL. Mr. Chairman, I offer an amendment, numbered 3, to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. DERRICK: On page 2 of the amendment, on line 25, strike "or imported, or both." On page 4, line 2, strike "or imported, or both."

Mr. FRENZEL. Mr. Chairman, I do not want to go on here too long because it is obvious that my point of view is not shared by the Committee of the Whole. I have no desire to keep this body working longer than necessary.

If my colleagues opposed the previous amendment, they are not likely to be thrilled by this one. This also relates to the cataloging but rather than deleting all the requirements for cataloging, it would only delete the ones relating to imported materials.

Mr. Chairman, I have said on a couple of occasions that I think it is a good thing that catalog houses, where they can, where it fits their merchandising, and where they think their consumers and customers want it, produce their catalogs in such a way as to give maximum information, including the situs of production.

I also believe it is a good thing for U.S. firms to promote U.S.-made commodities. I usually tilt that way in buying, myself. My judgment is that if the product offered is a good one and the price is right, then Americans are going to buy them.

What I object to is compulsory regulations in the marketplace to force people to do things that are not necessarily good policy. I particularly object to them when they are made in a discriminatory way against a single set of advertisers.

I believe that this is a good amendment and that it should be adopted. I have no illusions about its success.

Mr. DERRICK. Mr. Chairman, I rise in opposition to the amendment.

My position is basically the same as it was to the prior amendment. Of course, this amendment does a little less, but it is bad for the same reasons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] to the amendment offered by the gentleman from South Carolina [Mr. DERRICK], as amended.

The amendment to the amendment, as amended, was rejected.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. DERRICK, AS AMENDED

Mr. FRENZEL. Mr. Chairman, I offer an amendment, numbered 4, to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. DERRICK: On page 5 of the amendment, strike on line 19 "ninety" and insert in lieu thereof "one hundred and eighty".

Mr. FRENZEL. Mr. Chairman, this amendment changes the effective date of the bill as it applies to the regulations on catalog houses from 90 days

after passage to 180 days after passage.

Earlier in discussions here I indicated the difficulties of producing catalogs in advance of a season. Catalog houses are even now, of course, putting together their catalogs for the spring. If this bill is passed promptly, as I believe it will be, and signed either in September or October, those catalogs which are now at the printers or perhaps on the way are going to have to be recalled.

I do not think it is the intention of the promoters of this amendment, or of the dedicated and heroic protectors of the textile industry to unnecessarily hurt anybody who happens to be in the catalog merchandising business. I would think that it would not be a major sacrifice if we deferred for an additional 90 days the effective date of this bill as it affects the catalog houses.

Again, since the House seems so determined to pass this bill, I am not optimistic about the amendment's chances, but I feel compelled to offer it because I believe at least in the beginning we ought to give this class of merchandisers and their customers a little more time to put the first catalog together so the FTC or the Department of Justice or one of our gimlet-eyed Representatives of North or South Carolina does not haul them off to jail.

□ 1540

It seems to me that we could temper whatever hard-hearted justice we intend to deliver with a little mercy. I hope the amendment to extend the effective date with respect to catalogs only might be extended by only 90 days.

Mr. DERRICK. Mr. Chairman, I rise in opposition to the amendment.

I put a ditto on the other remarks I have made about the preparedness, but in addition to this, this is also a compromise that has been reached on the 90 days.

It is my understanding that the Direct Mail Association supports it or has raised no objection to it. It was not even raised as an objection in the Senate.

Further I would like to say that many of the large retailers are already doing this, and many of our smaller retailers are already doing it. Many of them are already gearing up to doing it in anticipation of this bill passing.

As far as the 90 days are concerned, no catalogs will have to be recalled. Any catalog that is printed before 90 days after the enactment of this bill will not have to have any of these requirements in it.

Let me make one final point. If we put this in, this will mean that the bill will have to go to conference, and that probably means that it will not get through; very likely it will not get through during this term of Congress. So I think it is very important that we vote "no."

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will take my full 5 minutes, but I just want to say that the gentleman from South Carolina [Mr. DERRICK] is entirely correct. This amendment is simply not needed because the disclosures that are required under the terms of this bill are prospective in nature, not retroactive. They would apply only to those catalogs that are produced 90 days after enactment. I want to assure the gentleman that it does not in any way apply to catalogs that are being put together today or that were printed before the effective date and which may still be in use.

I also want to point out this fact: It is interesting that the textile and apparel industry strongly supports this title. Many of them are importers, as we know, and they do not perceive this 90-day effective date as being too tight a deadline to meet. This is somewhat ironic since the textile industry does have a greater burden to shoulder since they have to place, for the first time, new labels in their products, whereas the catalog and direct-mail people simply have to put a new line in their typed descriptive material.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I certainly do not want to cause the gentleman any delay in applying whatever protection or extra incentive to sales of U.S. goods he can find, but 90 days is a pretty short time for putting a catalog together. It is true that many of the large catalog houses such as the one that the gentleman showed me that sells to rich folks probably have already done so. Who was it, Sears Roebuck?

Mr. BROYHILL. Sears Roebuck.

Mr. FRENZEL. Yes; Sears Roebuck. The large houses that have billions of dollars like the makers of that catalog probably can do that. However, when we are talking about something being offered by a small mail order house for Easter or spring and the catalog is already in process, it is likely to be difficult. Yes, it is prospective, but it is only 90 days prospective.

Mr. Chairman, I thank the gentleman for yielding, and I regret that he would not see fit to support the amendment.

Mr. BROYHILL. Again, Mr. Chairman, I argue that this 90-day effective date is not burdensome. It does not apply to catalogs that are put together now or printed in the time prior to the effective date.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I just want to underscore the point the gentleman from South Carolina [Mr. DERRICK] made. Not only is this not needed, but this amendment, however innocuous it might seem to be, could kill the bill because it could force us to a conference and time is running out. For that reason, if nothing else, I think we should oppose the amendment.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding.

Obviously the plea that these poor, struggling ma-and-pa catalogers only have 90 days has some appeal, except the reality is that they have much more than 90 days. This is not a new issue. This is not the first day it came up. It is not immediately being enacted.

This issue has been a live one for some time. It was discussed here, and people knew it was coming. So any catalog printer with any prudence has been on notice that we were likely to do this. If they were not able to get the message before now, they just do not want to get the message. They had considerably more than 90 days if they knew that this was coming, and I think they were advised that it was coming.

Mr. FRENZEL. Mr. Chairman, I have got to say that that is a better argument than the one that says that if the bill goes to conference, it will lose.

Mr. FRANK. Mr. Chairman, if the gentleman will yield, I want to thank the gentleman for that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] to the amendment offered by the gentleman from South Carolina [Mr. DERRICK], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 377]

Albosta	Emerson	Lloyd
Anderson	English	Loeffler
Andrews (NC)	Erdreich	Long (LA)
Andrews (TX)	Erlenborn	Long (MD)
Annunzio	Evans (IA)	Lott
Anthony	Evans (IL)	Lowery (CA)
Applegate	Fascell	Lowry (WA)
AuCoin	Fazio	Lujan
Badham	Feighan	Luken
Barnes	Fiedler	Lundine
Bartlett	Fields	Lungren
Bateman	Fish	Mack
Bates	Foglietta	Madigan
Bedell	Ford (TN)	Markey
Bennett	Fowler	Marlenee
Bereuter	Frank	Marriott
Berman	Franklin	Martin (IL)
Bevill	Frenzel	Martin (NY)
Biaggi	Garcia	Martinez
Bilirakis	Gaydos	Mavroules
Boehlert	Gejdenson	Mazzoli
Boggs	Gekas	McCain
Boland	Gephardt	McCandless
Boner	Gilman	McCloskey
Bonior	Gingrich	McCollum
Borski	Glickman	McEwen
Bosco	Gonzalez	McGrath
Boxer	Goodling	McHugh
Breaux	Gore	McKernan
Britt	Gramm	McNulty
Brooks	Green	Mica
Broomfield	Guarini	Michel
Brown (CA)	Gunderson	Mikulski
Brown (CO)	Hall (OH)	Miller (CA)
Broyhill	Hall, Ralph	Miller (OH)
Bryant	Hall, Sam	Mineta
Burton (CA)	Hamilton	Minish
Burton (IN)	Hammerschmidt	Mitchell
Byron	Hansen (UT)	Moakley
Campbell	Hartnett	Molinari
Carper	Hatcher	Mollohan
Carr	Hawkins	Montgomery
Chandler	Hayes	Moore
Chappell	Hefner	Moorhead
Chappie	Hertel	Morrison (CT)
Cheney	Hightower	Morrison (WA)
Clarke	Hiler	Mrazek
Clay	Hillis	Murphy
Clinger	Holt	Murtha
Coats	Hopkins	Myers
Coelho	Howard	Natcher
Coleman (MO)	Hoyer	Nichols
Coleman (TX)	Hubbard	Nielson
Collins	Huckaby	Nowak
Conable	Hughes	O'Brien
Conte	Hunter	Oakar
Conyers	Hutto	Oberstar
Cooper	Hyde	Obey
Coughlin	Ireland	Olin
Courter	Jacobs	Ortiz
Coyne	Jeffords	Ottinger
Craig	Jenkins	Oxley
Crane, Daniel	Johnson	Packard
Crane, Philip	Jones (NC)	Panetta
Crockett	Jones (OK)	Parris
D'Amours	Jones (TN)	Patman
Daniel	Kaptur	Patterson
Dannemeyer	Kasich	Paul
Darden	Kastenmeier	Pease
Daschle	Kemp	Penny
Daub	Kennelly	Pepper
Davis	Kildee	Petri
de la Garza	Kindness	Pickle
Derrick	Kogovsek	Porter
DeWine	Kolter	Price
Dickinson	Kostmayer	Pursell
Dicks	Kramer	Quillen
Dixon	LaFalce	Rahall
Donnelly	Lagomarsino	Ratchford
Dorgan	Lantos	Ray
Downey	Latta	Regula
Dreier	Leath	Reid
Duncan	Lehman (CA)	Richardson
Durbin	Lehman (FL)	Ridge
Dwyer	Lent	Rinaldo
Dymally	Levin	Ritter
Dyson	Levine	Robinson
Eckart	Levitas	Rodino
Edgar	Lewis (CA)	Roe
Edwards (CA)	Lipinski	Roemer
Edwards (OK)	Livingston	Rogers
Rose	Smith (NE)	Volkmer
Roth	Smith (NJ)	Walker
Roukema	Smith, Denny	Watkins
Rowland	Snowe	Waxman
Roybal	Snyder	Weber
Russo	Solarz	Weiss
Sabo	Solomon	Wheat
Savage	Spence	Whitehurst
Sawyer	Spratt	Whitley
Schaefer	St Germain	Whittaker
Schneider	Staggers	Whitten
Schroeder	Stangeland	Williams (MT)
Schulze	Stokes	Williams (OH)
Schumer	Stratton	Wilson
Seiberling	Studds	Wirth
Sensenbrenner	Sundquist	Wise
Sharp	Swift	Wolf
Shaw	Synar	Wolpe
Shumway	Tallon	Wortley
Shuster	Tauke	Wyden
Sikorski	Thomas (CA)	Wylie
Siljander	Thomas (GA)	Yates
Sisisky	Torricelli	Yatron
Skeen	Udall	Young (AK)
Skelton	Valentine	Young (FL)
Slattery	Vander Jagt	Young (MO)
Smith (IA)	Vento	Zschau

□ 1600

The CHAIRMAN. Three hundred and fifty-four Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota [Mr. FRENZEL] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 36, noes 323, answered "present" 1, not voting 72, as follows:

[Roll No. 378]

AYES—36

Anderson	Evans (IA)	Petri
Bereuter	Frenzel	Sabo
Burton (IN)	Green	Schaefer
Chandler	Jeffords	Smith (IA)
Clinger	Kastenmeier	Smith (NE)
Conable	Kramer	Smith, Denny
Crane, Daniel	Livingston	Stangeland
Crane, Philip	Lungren	Tauke
Dannemeyer	McCandless	Vento
Daub	Miller (OH)	Walker
English	Morrison (WA)	Weber
Erlenborn	Paul	Zschau

NOES—323

Albosta	Britt	Craig
Andrews (NC)	Brooks	Crockett
Andrews (TX)	Broomfield	D'Amours
Annunzio	Brown (CA)	Daniel
Anthony	Brown (CO)	Darden
Applegate	Broyhill	Daschle
Archer	Bryant	Davis
AuCoin	Burton (CA)	de la Garza
Badham	Byron	Dellums
Barnes	Campbell	Derrick
Bartlett	Carper	DeWine
Bateman	Carr	Dickinson
Bates	Chappell	Dicks
Bedell	Chappie	Dingell
Bennett	Cheney	Dixon
Berman	Clarke	Donnelly
Bevill	Clay	Dorgan
Biaggi	Coats	Downey
Bilirakis	Coelho	Dreier
Boehlert	Coleman (MO)	Duncan
Boggs	Coleman (TX)	Durbin
Boland	Collins	Dwyer
Boner	Conte	Dymally
Bonior	Conyers	Dyson
Borski	Cooper	Eckart
Bosco	Coughlin	Edgar
Boxer	Courter	Edwards (AL)
Breaux	Coyne	Edwards (CA)
Edwards (OK)	Levin	Rinaldo
Emerson	Levine	Ritter
Erdreich	Levitas	Robinson
Evans (IL)	Lipinski	Rodino
Fazio	Lloyd	Roe
Feighan	Loeffler	Roemer
Fiedler	Long (LA)	Rogers
Fields	Long (MD)	Rose
Fish	Lott	Roth
Foglietta	Lowery (CA)	Roukema
Ford (TN)	Lowry (WA)	Rowland
Fowler	Lujan	Roybal
Frank	Lundine	Russo
Franklin	Mack	Savage
Frost	Madigan	Sawyer
Garcia	Markey	Scheuer
Gaydos	Marlenee	Schneider
Gejdenson	Marriott	Schroeder
Gekas	Martin (IL)	Schulze
Gephardt	Martin (NY)	Schumer
Gilman	Martinez	Seiberling
Gingrich	Mavroules	Sensenbrenner
Glickman	Mazzoli	Sharp
Gonzalez	McCain	Shaw
Goodling	McCloskey	Shumway
Gore	McCollum	Shuster
Gramm	McEwen	Sikorski
Gray	McGrath	Siljander
Guarini	McHugh	Sisisky
Gunderson	McKernan	Skeen
Hall (OH)	McKinney	Skelton
Hall, Ralph	McNulty	Slattery
Hall, Sam	Michel	Smith (NJ)
Hamilton	Miller (CA)	Snowe
Hammerschmidt	Mineta	Snyder
Hansen (UT)	Minish	Solarz
Harrison	Mitchell	Solomon
Hartnett	Moakley	Spence
Hatcher	Molinari	Spratt
Hawkins	Mollohan	St Germain
Hayes	Montgomery	Staggers
Hefner	Moore	Stokes
Hertel	Moorhead	Stratton
Hightower	Morrison (CT)	Studds
Hiler	Mrazek	Sundquist
Hillis	Murphy	Swift
Holt	Murtha	Synar
Hopkins	Myers	Tallon
Howard	Natcher	Thomas (CA)
Hoyer	Nichols	Thomas (GA)
Hubbard	Nielson	Torricelli
Huckaby	Nowak	Udall
Hughes	O'Brien	Valentine
Hunter	Oakar	Vander Jagt
Hutto	Oberstar	Volkmer
Hyde	Obey	Watkins
Ireland	Olin	Waxman
Jacobs	Ortiz	Weaver
Jenkins	Ottinger	Weiss
Johnson	Oxley	Wheat
Jones (NC)	Packard	Whitehurst
Jones (OK)	Panetta	Whitley
Jones (TN)	Parris	Whittaker
Kaptur	Patman	Whitten
Kasich	Patterson	Williams (MT)
Kemp	Pease	Williams (OH)
Kennelly	Penny	Wilson
Kildee	Pepper	Wirth
Kindness	Pickle	Wise
Kogovsek	Porter	Wolf
Kolter	Price	Wolpe
Kostmayer	Pursell	Wortley
LaFalce	Quillen	Wyden
Lagomarsino	Rahall	Wylie
Lantos	Ratchford	Yates
Latta	Ray	Yatron
Leath	Regula	Young (AK)
Lehman (CA)	Reid	Young (FL)
Lehman (FL)	Richardson	Young (MO)
Lent	Ridge	

ANSWERED "PRESENT"—1

Mikulski

NOT VOTING—72

Ackerman	Boucher	Ford (MI)
Addabbo	Carney	Fuqua
Akaka	Corcoran	Gibbons
Alexander	Dowdy	Gradison
Aspin	Early	Gregg
Barnard	Fascell	Hall (IN)
Beilenson	Ferraro	Hance
Bethune	Flippo	Hansen (ID)
Bliley	Florio	Harkin
Bonker	Foley	Heftel

Horton	Moody	Smith, Robert
Kazen	Neal	Stark
Kleczka	Nelson	Stenholm
Leach	Owens	Stump
Leland	Pashayan	Tauzin
Lewis (CA)	Pritchard	Taylor
Lewis (FL)	Rangel	Torres
Luken	Roberts	Towns
MacKay	Rostenkowski	Traxler
Martin (NC)	Rudd	Vandergriff
Matsui	Shannon	Vucanovich
McCurdy	Shelby	Walgren
McDade	Simon	Winn
Mica	Smith (FL)	Wright

□ 1610

So the amendment to the amendment as amended, was rejected.

The result of the vote was announced as above recorded.

● Mr. DARDEN. Mr. Chairman, I rise today in support of the Derrick amendment to H.R. 3605, the Drug Price Competition Act. This amendment would strengthen current law by requiring that origin labels be displayed in a clear and conspicuous manner on textile products. Placing such labels on textile and apparel products would allow American consumers to choose between products made in the United States and foreign goods. These regulations would also be helpful to the Customs Service in stopping transshipped and other mishandled textile and apparel imports.

It is no secret that the U.S. textile industry has been struggling to survive in the wake of surging imports of foreign textile and apparel goods. The textile and apparel imports for the first 7 months of 1984 increased 44 percent over imports from the same period last year, exceeding 6 billion square yards. At the current rate, textile and apparel imports might well pass last year's record level by almost 3 billion square yards. These imports have had a crippling effect on the textile industry in Georgia. In the past 2 years, 20 textile plants in Georgia have closed and employment in the State's textile industry has dropped from 115,000 to its current level of 106,600 largely as a result of foreign competition. A large number of the individuals affected by this decline in Georgia's textile industry are my constituents.

Mr. Chairman, this amendment would in no way alter the current regulations regarding the importation of textile and apparel goods. It is strictly a consumer information proposal and will give Americans an opportunity to make a knowledgeable decision about buying products made by Americans. When the American consumer goes to buy a car, or a television, or a camera, he has an obvious choice between American-made products and foreign goods. Why should that same consumer not make a similar decision between products when buying clothing? I feel we should give the consumer this option and, therefore, I strongly favor this proposal. I urge my colleagues to support and vote in favor of this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. DERRICK] as amended.

The amendment, as amended, was agreed to.

Mr. MINISH. Mr. Chairman, I rise to add my vigorous support for H.R. 3605, the Drug Price Competition and Patent Term Restoration Act.

I commend the outstanding work of my distinguished colleagues, Messrs. WAXMAN, DINGELL, and KASTENMEIER for their assiduous efforts on behalf of this legislation.

As we have discussed here today, this bill would make more low-cost generic drugs available by establishing a generic drug approval procedure for pioneer drugs first approved after 1962. Under our current law, this approval method is available for pioneer drugs approved before 1962. A lengthy and expensive application procedure is required for generic copies of drugs approved after 1962. Consequently, it has been difficult for generic manufacturers to submit such applications and the buying public are the losers.

Many patents have already expired for some frequently prescribed medications first approved after 1962 and many other important ones will be expiring in the next few years. It is estimated that availability of generic copies of drugs approved after 1962 would save consumers $920 million over the next 12 years. The Congressional Budget Office has observed that 10 generic versions of popular drugs now on the market cost half as much as their brand-name equivalents.

Generic drugs are a valuable resource for combating the high costs of health care. Everyone in this country will benefit by enactment of this legislation, but I feel it is particularly important that our senior citizens who fill more prescriptions than other segments of our population, can save money on their medical bills. Moreover, it is reported that the Federal Government spent $2.4 billion for drugs in the medicaid program for the poor, and in veteran and military hospitals in 1983. Therefore, this bill is not just a matter of assistance to individuals, but an important savings for our Federal budget as well.

This bill also extends the patent life for brand-name, pioneer drugs. This extension was included to help protect the investment in research and development that manufacturers undertake to develop pioneer drugs.

I wholeheartedly endorse this significant measure and call on my colleagues for their assistance in seeing that H.R. 3605 passes the House today.

● Mr. MOORHEAD. Mr. Chairman, I rise in support of the compromise bill, S. 2926, passed by the other body, late August 10, 1984. S. 2926 represents a significant gain for the American public. It speeds the marketing by generic drug firms of previously approved drugs following patent expiration. It also reestablishes a portion of the patent incentives for research-intensive drug firms which today lose much of their patent term during the Federal premarket review process.

Compared with H.R. 3605, S. 2926 contains some real improvements. Title II of that bill relating to patent term extension has been simplified. The complicated and unnecessary eligibility requirements for a patent to be extended have been removed and I applaud the other body for having done so. A particularly disturbing provision, however, was maintained and I am concerned by its implications and consequences, if enacted. Specifically, I refer to section 202 which would retroactively overrule the recent Federal Court of Appeals decision in Roche against Bolar.

Enactment of this section would create an unprecedented exception to the exclusionary rights to which a patent holder is entitled during the patent term. Overturning the Bolar decision would allow experimental use of a drug product prior to expiration of the patent. There is no legitimate basis for distinguishing between the exclusionary rights accorded a pharmaceutical manufacturer during the patent term and those enjoyed by any other patent holder.

In addition, the proposed reversal of Roche against Bolar, especially if done retroactively, is clearly in conflict with the position which the United States has advocated internationally. For many years now we have been urging developing countries to adopt and to use strong and effective patent laws. Should section 202 be enacted, the world patent community might conclude that the actions of the United States do not always agree with its words. The United States could be seen to be diminishing patent rights for pharmaceuticals at the same time we are asking others to increase such rights. Another fundamental problem of the current language of section 202 concerns the constitutional implications of retroactive reversal of the Bolar decision. Apparently the other body had similar concerns. But instead of amending section 202 to avoid its retroactive application, the other body added a section 301 providing that the remainder of this act shall not be affected if any provision is declared unconstitutional. In my opinion, Congress should not enact legislation containing constitutional deficiencies. Those who have engaged in previous patent infringement in violation of existing law should not be rewarded by retroactively legitimizing their conduct without forcing the payment of

appropriate compensation to the injured parties. For this reason, section 202 should be amended to permit experimental use of a drug by a nonpatentee only during the period for which the patent has been extended.

I know this change will not be made, but I would like the record to show that there are some of us including the administration who strongly believe that that reversal of the Bolar case is not good policy. But I will nonetheless vote in favor of the compromise.●

● Mr. WALGREN. Mr. Chairman, I urge support for H.R. 3605, the Drug Price Competition and Patent Term Restoration Act of 1984, and I hope the House will approve it. This bill will accomplish two objectives. First, it will make available almost immediately nearly twice as many low-cost, generic drugs as are now available. Second, it will create new incentives for research and development by restoring the patent time lost by a development of a new drug while waiting for approval by the Federal Food and Drug Administration.

H.R. 3605 will make hundreds of new low-cost, generic drugs available by speeding up the approval process for these drugs. As the current law stands, all drugs approved after 1962 can only be made available in generic form through a long and involved testing process. This process is unnecessary because the active ingredient in the generic drug is identical to that in the name-brand drug. Under H.R. 3605, this testing process would be speeded up tremendously without endangering the safety to the consumer. As well as making more generic drugs available to the public, this bill will create new incentives for R&D in the pharmaceutical industry. As the current law stands, a newly discovered drug will receive a patent for 17 years. During that period no one except the patent holder can produce the drug. This 17-year period is considered to be fair by most people. Often, however, the drug approval process takes between 5 and 10 years. As a result, the pharmaceutical companies lose much of the time during which they would not have to compete with other firms. The result is that the patent period is inadvertently cut short and R&D becomes much less profitable, and the public loses out on the opportunity to use new drugs that would otherwise be developed.

Under H.R. 3605 this inequity would be redressed because the pharmaceutical companies will have an opportunity to extend their patents once their product is approved. This will encourage more research, a goal we should favor in an effort to relieve pain and cure diseases that still plague mankind.

The consumers of this country should welcome this bill because it could save $1 billion over the next 10 years. In my own district in Pittsburgh this is especially important to many people whose budgets are still feeling the pinch of the lagging recession.

This bill should also help the elderly who live on a fixed income, but who must spend 3½ times more than the rest of the population on health care. People over 65 average six doctor visits a year compared to only four for people in the 25 to 44 age group. And the elderly spend substantially more on drugs than the rest of the population.

H.R. 3605 addresses several needs and carefully balances the needs of the industry with the health needs of the people in our society. I certainly hope that Members on both sides of the aisle will place their support, and vote, for this bill.●

● Mr. COLEMAN of Texas. Mr. Chairman, I rise in strong support of this bill and ask to revise and extend my remarks.

Mr. Chairman, this is a good bill that the House should pass. American senior citizens and consumers can save an estimated $920 million over the next 12 years as a result of this legislation that could dramatically increase the availability of low-cost, generic drugs. The bill represents another step toward free-market ecomomics in the pharmaceutical industry, and it provides easier entry into the marketplace for generic substitutes of brand-name drugs, which often enjoy long periods of market exclusivity.

All of us complain about the rising costs of goods and services, and nowhere is inflation more evident than in health-care costs. Consequently, nowhere is the rising cost of health care felt more than by our elderly. Two factors create a "misery index" for the elderly in health care costs: One, living on a fixed income; and two, rising costs. Mr. Chairman, this bill begins to ease the terrible burden carried by our senior citizens by allowing them to participate in the lower prices a free-market economy can produce. Rather than being forced to pay higher prices because of bureacratic redtape, the elderly of this Nation will have the opportunity to shop around for the best, most equitable prices. Rather than having to sacrifice other needs for life-sustaining drugs, the elderly will be given the opportunity to fulfill all their needs. This bill is fair and it is needed, and there is no reason it should not become law.●

● Mr. WEISS. Mr. Chairman, in July of last year I joined Chairman WAXMAN as an original sponsor of H.R. 3605, a bill to provide expedited approval of generic equivalents of drugs originally approved after 1962.

Such an abbreviated approval process is already in place for drugs originally approved before 1962. But the lengthy and expensive application procedure required for generic copies of drugs approved after 1962 has made it economically impossible for many generic manufacturers to submit such applications. As a result, there are now about 150 drugs which are no longer protected by patents, but for which no generic equivalent exists.

By providing rapid approval of generic drugs already proven to be safe, H.R. 3605 promised to save consumers about $1 billion over the next decade in drug costs. However, it quickly became apparent that passage of H.R. 3605 was unlikely unless a compromise could be reached with major drug manufacturers. Therefore, Chairman WAXMAN engaged in extensive negotiations with representatives of the brand-name generic drug companies in order to craft a workable compromise that would satisfy all interested parties.

The compromise that was fashioned provided for both faster approval of generic drugs along with extended patent terms for companies that develop pioneer drugs. The drug companies have long promoted patent term extensions as a method of encouraging research and development into new drugs. They have argued that the extension of patent protection will compensate for the period of patent protection lost while the new product is awaiting approval.

While some of the senior citizen, labor, and consumer groups that favor the abbreviated approval of generic drugs have in the past opposed patent term extension for new drugs, they were willing to endorse the compromise bill in order to achieve substantial savings for consumers on their drug costs. I shared their concern that increased profits for drug firms would not necessarily lead to increased research, but I joined them in support of this reasonable compromise, which satisfied most of the parties involved.

Unfortunately, a number of dissident brand-name drug manufacturers broke rank with their own industry association and began an all-out lobbying campaign to create additional and unnecessary benefits for drug manufacturers. In order to satisfy these powerful interests, it became necessary to upset the delicate balance of the previous compromise and to slant the bill in favor of major drug companies. Last-minute changes to the bill include a provision allowing a drug company holding multiple patents to decide which of the patents would be extended and a provision providing market exclusivity for some products that are not patentable.

I am disappointed that the dissident companies would seek to upset a well-reasoned and equitable compromise, and I am disturbed that these powerful interests must be accommodated before we can pass legislation benefit-

ing the consumer. However, the savings to consumers under this bill remain intact. Senior citizens and others who are currently burdened by excessive drug costs will experience a considerable reduction in these costs in the near future. I believe that these benefits to the consumers outweigh the concern we may feel over excessive profits for drug manufacturers, and I urge my colleagues to join me in approving the amended version of H.R. 3605.●

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BROWN of California] having assumed the chair, Mr. DANIEL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3605) to amend the Federal Food, Drug, and Cosmetic Act to authorize an abbreviated new drug application under section 505 of that Act for generic new drugs equivalent to approved new drugs, pursuant to House Resolution 569, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROYHILL. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 362, nays 0, not voting 70, as follows:

[Roll No. 379]

YEAS—362

Albosta	Archer	Bates
Anderson	Aspin	Bedell
Andrews (NC)	AuCoin	Bennett
Andrews (TX)	Badham	Bereuter
Annunzio	Barnes	Berman
Anthony	Bartlett	Bevill
Applegate	Bateman	Biaggi
Bilirakis	Gephardt	McEwen
Boehlert	Gibbons	McGrath
Boggs	Gilman	McHugh
Boland	Gingrich	McKernan
Boner	Glickman	McKinney
Bonior	Gonzalez	McNulty
Borski	Goodling	Mica
Boxer	Gore	Michel
Breaux	Gramm	Miller (CA)
Britt	Gray	Miller (OH)
Brooks	Green	Mineta
Broomfield	Guarini	Minish
Brown (CA)	Gunderson	Mitchell
Brown (CO)	Hall (OH)	Moakley
Broyhill	Hall, Ralph	Molinari
Bryant	Hall, Sam	Mollohan
Burton (CA)	Hamilton	Montgomery
Burton (IN)	Hammerschmidt	Moore
Byron	Hansen (UT)	Moorhead
Campbell	Harrison	Morrison (CT)
Carper	Hartnett	Morrison (WA)
Carr	Hatcher	Mrazek
Chandler	Hawkins	Murphy
Chappell	Hayes	Murtha
Chappie	Hefner	Myers
Cheney	Hertel	Natcher
Clarke	Hightower	Nichols
Clay	Hiler	Nielson
Clinger	Hillis	Nowak
Coats	Holt	O'Brien
Coelho	Hopkins	Oakar
Coleman (MO)	Howard	Oberstar
Coleman (TX)	Hoyer	Obey
Collins	Hubbard	Olin
Conable	Huckaby	Ortiz
Conte	Hughes	Oxley
Conyers	Hunter	Packard
Cooper	Hutto	Panetta
Coughlin	Hyde	Parris
Courter	Ireland	Patman
Coyne	Jacobs	Patterson
Craig	Jeffords	Paul
Crane, Daniel	Jenkins	Pease
Crane, Philip	Johnson	Penny
Crockett	Jones (NC)	Pepper
D'Amours	Jones (OK)	Petri
Daniel	Jones (TN)	Pickle
Dannemeyer	Kaptur	Porter
Darden	Kasich	Price
Daschle	Kastenmeier	Pritchard
Daub	Kemp	Pursell
Davis	Kennelly	Quillen
de la Garza	Kildee	Rahall
Dellums	Kindness	Ratchford
Derrick	Kogovsek	Ray
DeWine	Kolter	Regula
Dickinson	Kostmayer	Reid
Dingell	Kramer	Richardson
Dixon	LaFalce	Ridge
Donnelly	Lagomarsino	Rinaldo
Dorgan	Lantos	Ritter
Downey	Latta	Robinson
Dreier	Leath	Rodino
Duncan	Lehman (CA)	Roe
Durbin	Lehman (FL)	Roemer
Dwyer	Lent	Rogers
Dymally	Levin	Rose
Dyson	Levine	Roth
Eckart	Levitas	Roukema
Edgar	Lewis (CA)	Rowland
Edwards (AL)	Lipinski	Roybal
Edwards (CA)	Livingston	Russo
Edwards (OK)	Lloyd	Sabo
Emerson	Loeffler	Savage
English	Long (LA)	Sawyer
Erdreich	Long (MD)	Schaefer
Erlenborn	Lott	Scheuer
Evans (IA)	Lowery (CA)	Schneider
Evans (IL)	Lowry (WA)	Schroeder
Fascell	Lujan	Schulze
Fazio	Lundine	Schumer
Feighan	Lungren	Seiberling
Fiedler	Mack	Sensenbrenner
Fields	Madigan	Sharp
Fish	Markey	Shaw
Foglietta	Marlenee	Shumway
Ford (TN)	Marriott	Shuster
Fowler	Martin (IL)	Sikorski
Frank	Martin (NY)	Siljander
Franklin	Martinez	Sisisky
Frenzel	Mavroules	Skeen
Frost	Mazzoli	Skelton
Garcia	McCain	Slattery
Gaydos	McCandless	Smith (IA)
Gejdenson	McCloskey	Smith (NE)
Gekas	McCollum	Smith (NJ)
Smith, Denny	Thomas (CA)	Whitten
Snowe	Thomas (GA)	Williams (MT)
Snyder	Torricelli	Williams (OH)
Solarz	Udall	Wilson
Solomon	Valentine	Wirth
Spence	Vander Jagt	Wise
Spratt	Vento	Wolf
St Germain	Volkmer	Wolpe
Staggers	Walker	Wortley
Stangeland	Watkins	Wyden
Stokes	Waxman	Wylie
Stratton	Weaver	Yates
Studds	Weber	Yatron
Sundquist	Weiss	Young (AK)
Swift	Wheat	Young (FL)
Synar	Whitehurst	Young (MO)
Tallon	Whitley	Zschau
Tauke	Whittaker	

NOT VOTING—70

Ackerman	Hall (IN)	Rangel
Addabbo	Hance	Roberts
Akaka	Hansen (ID)	Rostenkowski
Alexander	Harkin	Rudd
Barnard	Heftel	Shannon
Beilenson	Horton	Shelby
Bethune	Kazen	Simon
Bliley	Kleczka	Smith (FL)
Bonker	Leach	Smith, Robert
Bosco	Leland	Stark
Boucher	Lewis (FL)	Stenholm
Carney	Luken	Stump
Corcoran	MacKay	Tauzin
Dicks	Martin (NC)	Taylor
Dowdy	Matsui	Torres
Early	McCurdy	Towns
Ferraro	McDade	Traxler
Flippo	Mikulski	Vandergriff
Florio	Moody	Vucanovich
Foley	Neal	Walgren
Ford (MI)	Nelson	Winn
Fuqua	Ottinger	Wright
Gradison	Owens	
Gregg	Pashayan	

□ 1630

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the procedures for new drug applications and to amend title 35, United States Code, to authorize the extension of the patents for certain regulated products, and for other purposes."

A motion to reconsider was laid on the table.

Mr. WAXMAN. Mr. Speaker, pursuant to the provisions of House Resolution 569, I call up from the Speaker's table the Senate bill (S. 1538) to amend the patent laws of the United States, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill, S. 1538, and to insert in lieu thereof the provisions of the bill, H.R. 3605, as passed, as follows:

That this Act may be cited as the "Drug Price Competition and Patent Term Restoration Act of 1984".

TITLE I—ABBREVIATED NEW DRUG APPLICATIONS

SECTION 101. Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following:

"(j)(1) Any person may file with the Secretary an abbreviated application for the approval of a new drug.

"(2)(A) An abbreviated application for a new drug shall contain—

"(i) information to show that the conditions of use prescribed, recommended, or suggested in the labeling proposed for the new drug have been previously approved for a drug listed under paragraph (6) (hereinafter in this subsection referred to as a 'listed drug');

"(ii)(I) if the listed drug referred to in clause (i) has only one active ingredient, information to show that the active ingredient of the new drug is the same as that of the listed drug,

"(II) if the listed drug referred to in clause (i) has more than one active ingredient, information to show that the active ingredients of the new drug are the same as those of the listed drug, or

"(III) if the listed drug referred to in clause (i) has more than one active ingredient and if one of the active ingredients of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the other active ingredients of the new drug are the same as the active ingredients of the listed drug, information to show that the different active ingredient is an active ingredient of a listed drug or of a drug which does not meet the requirements of section 201(p), and such other information respecting the different active ingredient with respect to which the petition was filed as the Secretary may require;

"(iii) information to show that the route of administration, the dosage form, and the strength of the new drug are the same as those of the listed drug referred to in clause (i) or, if the route of administration, the dosage form, or the strength of the new drug is different and the application is filed pursuant to the approval of a petition filed under subparagraph (C), such information respecting the route of administration, dosage form, or strength with respect to which the petition was filed as the Secretary may require;

"(iv) information to show that the new drug is bioequivalent to the listed drug referred to in clause (i), except that if the application is filed pursuant to the approval of a petition filed under subparagraph (C), information to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in clause (i) and the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in clause (i);

"(v) information to show that the labeling proposed for the new drug is the same as the labeling approved for the listed drug referred to in clause (i) except for changes required because of differences approved under a petition filed under subparagraph (C) or because the new drug and the listed drug are produced or distributed by different manufacturers;

"(vi) the items specified in clauses (B) through (F) of subsection (b)(1);

"(vii) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the listed drug referred to in clause (i) or which claims a use for such listed drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under subsection (b) or (c)—

"(I) that such patent information has not been filed,

"(II) that such patent has expired,

"(III) of the date on which such patent will expire, or

"(IV) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(viii) if with respect to the listed drug referred to in clause (i) information was filed under subsection (b) or (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

The Secretary may not require that an abbreviated application contain information in addition to that required by clauses (i) through (viii).

"(B)(i) An applicant who makes a certification described in subparagraph (A)(vii)(IV) shall include in the application a statement that the applicant will give the notice required by clause (ii) to—

"(I) each owner of the patent which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(II) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative of such holder designated to receive such notice.

"(ii) The notice referred to in clauses (i) shall state that an application, which contains data from bioavailability or bioequivalence studies, has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of such drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(iii) If an application is amended to include a certification described in subparagraph (A)(vii)(IV), the notice required by clause (ii) shall be given when the amended application is submitted.

"(C) If a person wants to submit an abbreviated application for a new drug which has a different active ingredient or whose route of administration, dosage form, or strength differ from that of a listed drug, such person shall submit a petition to the Secretary seeking permission to file such an application. The Secretary shall approve or disapprove a petition submitted under this subparagraph within ninety days of the date the petition is submitted. The Secretary shall approve such a petition unless the Secretary finds—

"(i) that investigations must be conducted to show the safety and effectiveness of the drug or of any of its active ingredients, the route of administration, the dosage form, or strength which differ from the listed drug; or

"(ii) that any drug with a different active ingredient may not be adequately valuated for approval as safe and effective on the basis of the information required to be submitted in an abbreviated application.

"(3) Subject to paragraph (4), the Secretary shall approve an application for a drug unless the Secretary finds—

"(A) the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of the drug are inadequate to assure and preserve its identity, strength, quality, and purity;

"(B) information submitted with the application is insufficient to show that each of the proposed conditions of use have been previously approved for the listed drug referred to in the application;

"(C)(i) if the listed drug has only one active ingredient, information submitted with the application is insufficient to show that the active ingredient is the same as that of the listed drug,

"(ii) if the listed drug has more than one active ingredient, information submitted with the application is insufficient to show that the active ingredients are the same as the active ingredients of the listed drug, or

"(iii) if the listed drug has more than one active ingredient and if the application is for a drug which has an active ingredient different from the listed drug, information submitted with the application is insufficient to show—

"(I) that the other active ingredients are the same as the active ingredients of the listed drug, or

"(II) that the different active ingredient is an active ingredient of a listed drug or a drug which does not meet the requirements of section 201(p),

or no petition to file an application for the drug with the different ingredient was approved under paragraph (2)(C);

"(D)(i) if the application is for a drug whose route of administration, dosage form, or strength of the drug is the same as the route of administration, dosage form, or strength of the listed drug referred to in the application, information submitted in the application is insufficient to show that the route of administration, dosage form, or strength is the same as that of the listed drug, or

"(ii) if the application is for a drug whose route of administration, dosage form, or strength of the drug is different from that of the listed drug referred to in the application, no petition to file an application for the drug with the different route of administration, dosage form, or strength was approved under paragraph (2)(C);

"(E) if the application was filed pursuant to the approval of a petition under paragraph (2)(C), the application did not contain the information required by the Secretary respecting the active ingredient, route of administration, dosage form, or strength which is not the same;

"(F) information submitted in the application is insufficient to show that the drug is bioequivalent to the listed drug referred to in the application or, if the application was filed pursuant to a petition approved under paragraph (2)(C), information submitted in the application is insufficient to show that the active ingredients of the new drug are of the same pharmacological or therapeutic class as those of the listed drug referred to in paragraph (2)(A)(i) and that the new drug can be expected to have the same therapeutic effect as the listed drug when administered to patients for a condition of use referred to in such paragraph;

"(G) information submitted in the application is insufficient to show that the labeling proposed for the drug is the same as the labeling approved for the listed drug referred to in the application except for changes required because of differences approved under a petition filed under paragraph (2)(C) or because the drug and the listed drug are produced or distributed by different manufacturers;

"(H) information submitted in the application or any other information available to the Secretary shows that (i) the inactive ingredients of the drug are unsafe for use under the conditions prescribed, recommended, or suggested in the labeling proposed for the drug, or (ii) the composition of the drug is unsafe under such conditions because of the type or quantity of inactive ingredients included or the manner in which the inactive ingredients are included;

"(I) the approval under subsection (c) of the listed drug referred to in the application under this subsection has been withdrawn or suspended for grounds described in the first sentence of subsection (e), the Secretary has published a notice of opportunity for hearing to withdraw approval of the listed drug under subsection (c) for grounds described in the first sentence of subsection (e), the approval under this subsection of the listed drug referred to in the application under this subsection has been withdrawn or suspended under paragraph (5), or the Secretary determined that the listed drug has been withdrawn from sale for safety or effectiveness reasons;

"(J) the application does not meet any other requirement of paragraph (2)(A); or

"(K) the application contains an untrue statement of material fact.

"(4)(A) Within one hundred and eighty days of the initial receipt of an application under paragraph (2) or within such additional periods as may be agreed upon by the Secretary and the applicant, the Secretary shall approve or disapprove the application.

"(B) The approval of an application submitted under paragraph (2) shall be made effective on the last applicable date determined under the following:

"(i) If the applicant only made a certification described in subclause (I) or (II) of paragraph (2)(A)(vii) or in both such subclauses, the approval may be made effective immediately.

"(ii) If the applicant made a certification described in subclause (III) of paragraph (2)(A)(vii), the approval may be made effective on the date certified under subclause (III).

"(iii) If the applicant made a certification described in subclause (IV) of paragraph (2)(A)(vii), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (2)(B)(i) is received. If such an action is brought before the expiration of such days, the approval shall be made effective upon the expiration of the thirty-month period beginning on the date of the receipt of the notice provided under paragraph (2)(B)(i) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(I) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval shall be made effective on the date of the court decision,

"(II) if before the expiration of such period the court decides that such patent has been infringed, the approval shall be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code, or

"(III) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commerical manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent is not invalid or not infringed, the approval shall be made effective on the date of such court decision.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of forty-five days from the date the notice made under paragraph (2)(B)(1) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(iv) If the application contains a certification described in subclause (IV) of paragraph (2)(A)(vii) and if for a drug for which a previous application has been submitted under this subsection containing such a certification, the application shall be made effective not earlier than one hundred and eighty days after—

"(I) the date the Secretary receives notice from the applicant under the previous application of the first commercial marketing of the drug under the previous applications, or

"(II) the date of a decision of a court in an action described in clause (iii) holding the patent which is the subject of the certification to be invalid or not infringed,

whichever is earlier.

"(C) If the Secretary decides to disapprove an application, the Secretary shall give the applicant notice of an opportunity for a hearing before the Secretary on the question of whether such application is approvable. If the applicant elects to accept the opportunity for hearing by written request within thirty days after such notice, such hearing shall commence not more than ninety days after the expiration of such thirty days unless the Secretary and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Secretary's order thereon shall be issued within ninety days after the date fixed by the Secretary for filing final briefs.

"(D)(i) If an application (other than an abbreviation new drug application) submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending of the date of the enactment of this subsection, the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted effective before the expiration of ten years from the date of the approval of the application under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this subsection, no application may be submitted under this subsection which refers to the drug for which the subsection (b) application was submitted before the expiration of five years from the date of the approval of the application under subsection (b), except that such an application may be submitted under this subsection after the expiration of four years from the date of the approval of the subsection (b) application if it contains a certification of patent invalidity or noninfringement described in subclause (IV) of paragraph (2)(A)(vii). The approval of such an application shall be made effective in accordance with subparagraph (B) except that, if an action for patent infringement is commenced during the one-year period beginning forty-eight months after the date of the approval of the subsection (b) application, the thirty-month period referred to in subparagraph (B)(iii) shall be extended by such amount of time (if any) which is required for seven and one-half years to have elapsed from the date of approval of the subsection (b) application.

"(iii) If an application submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application approved under subsection (b), is approved after the date of enactment of this subsection and if such application contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the application and conducted or sponsored by the applicant, the Secretary may not make the approval of an application submitted under this subsection for the conditions of approval of such drug in the subsection (b) application effective before the expiration of three years from the date of the approval of the application under subsection (b) for such drug.

"(iv) If a supplement to an application approved under subsection (b) is approved after the date of enactment of this subsection and the supplement contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the supplement and conducted or sponsored by the person submitting the supplement, the Secretary may not make the approval of an application submitted under this subsection for a change approved in the supplement effective before the expiration of three years from the date of the approval of the supplement under subsection (b).

"(v) If an application (or supplement to an application) submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of an application submitted under this subsection which refers to the drug for which the subsection (b) application was submitted or which refers to a change approved in a supplement to the subsection (b) application effective before the expiration of two years from the date of enactment of this subsection.

"(5) If a drug approved under this subsection refers in its approved application to a drug the approval of which was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under this paragraph or which, as determined by the Secretary, has been withdrawn from sale for safety or effectiveness reasons, the approval of the

drug under this subsection shall be withdrawn or suspended—

"(A) for the same period as the withdrawal or suspension under subsection (e) of this paragraph, or

"(B) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale is not for safety or effectiveness reasons.

"(6)(A)(i) Within sixty days of the date of the enactment of this subsection, the Secretary shall publish and make available to the public—

"(I) a list in alphabetical order of the official and proprietary name of each drug which has been approved for safety and effectiveness under subsection (c) before the date of the enactment of this subsection;

"(II) the date of approval if the drug is approved after 1981 and the number of the application which was approved; and

"(III) whether in vitro or in vivo bioequivalence studies, or both such studies, are required for applications filed under this subsection which will refer to the drug published.

"(ii) Every thirty days after the publication of the first list under clause (i) the Secretary shall revise the list to include each drug which has been approved for safety and effectiveness under subsection (c) or approved under this subsection during the thirty day-period.

"(iii) When patent information submitted under subsection (b) or (c) respecting a drug included on the list is to be published by the Secretary the Secretary shall, in revisions made under clause (ii), include such information for such drug.

"(B) A drug approved for safety and effectiveness under subsection (c) or approved under this subsection shall, for purposes of this subsection, be considered to have been published under subparagraph (A) on the date of its approval or the date of enactment, whichever is later.

"(C) If the approval of a drug was withdrawn or suspended for grounds described in the first sentence of subsection (e) or was withdrawn or suspended under paragraph (5) or if the Secretary determines that a drug has been withdrawn from sale for safety or effectiveness reasons, it may not be published in the list under subparagraph (A) or, if the withdrawal or suspension occurred after its publication in such list, it shall be immediately removed from such list—

"(i) for the same period as the withdrawal or suspension under subsection (e) or paragraph (5), or

"(ii) if the listed drug has been withdrawn from sale, for the period of withdrawal from sale or, if earlier, the period ending on the date the Secretary determines that the withdrawal from sale if not for safety or effectiveness reasons.

A notice of the removal shall be published in the Federal Register.

"(7) For purposes of this subsection:

"(A) The term 'bioavailability' means the rate and extent to which the active ingredient or therapeutic ingredient is absorbed from a drug and becomes available at the site of drug action.

"(B) A drug shall be considered to be bioequivalent to a listed drug if—

"(i) the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses; or

"(ii) the extent of absorbtion of the drug does not show a significant difference from the extent of absorption of the listed drug when administered at the same molar dose of the therapeutic ingredient under similar experimental conditions in either a single dose or multiple doses and the difference from the listed drug in the rate of absorption of the drug is intentional, is reflected in its proposed labeling, is not essential to the attainment of effective body drug concentrations on chronic use, and is considered medically insignificant for the drug.".

SEC. 102. (a)(1) Section 505(b) of such Act is amended by adding at the end the following: "The applicant shall file with the application the patent number and the expiration date of any patent which claims the drug for which the applicant submitted the application or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If an application is filed under this subsection for a drug and a patent which claims such drug or a method of using such drug is issued after the filing date but before approval of the application, the applicant shall amend the application to include the information required by the preceding sentence. Upon approval of the application, the Secretary shall publish information submitted under the two preceding sentences.".

(2) Section 505(c) of such Act is amended by inserting "(1)" after "(c), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by adding at the end the following:

"(2) If the patent information described in subsection (b) could not be filed with the submission of an application under subsection (b) because the application was filed before the patent information was required under subsection (b) or a patent was issued after the application was approved under such subsection, the holder of an approved application shall file with the Secretary the patent number and the expiration date of any patent which claims the drug for which the application was submitted or which claims a method of using such drug and with respect to which a claim of patent infringement could reasonably be asserted if a person not licensed by the owner engaged in the manufacture, use, or sale of the drug. If the holder of an approved application could not file patent information under subsection (b) because it was not required at the time the application was approved, the holder shall file such information under this subsection not later than thirty days after the date of the enactment of this sentence, and if the holder of an approved application could not file patent information under subsection (b) because no patent had been issued when one application was filed or approved, the holder shall file such information under this subsection not later than thirty days after the date the patent involved is issued. Upon the submission of patent information under this subsection, the Secretary shall publish it.".

(3)(A) The first sentence of section 505(d) of such Act is amended by redesignating clause (6) as clause (7) and inserting after clause (5) the following: "(6) the application failed to contain the patent information prescribed by subsection (b); or".

(B) The first sentence of section 505(e) of such Act is amended by redesignating clause (4) as clause (5) and inserting after clause (3) the following: "(4) the patent information prescribed by subsection (c) was not filed within thirty days after the receipt of written notice from the Secretary specifying the failure to file such information; or".

(b)(1) Section 505(a) of such Act is amended by inserting "or (j)" after "subsection (b)".

(2) Section 505(c) of such Act is amended by striking out "this subsection" and inserting in lieu thereof "subsection (b)".

(3) The second sentence of section 505(e) of such Act is amended by inserting "submitted under subsection (b) or (j)" after "an application".

(4) The second sentence of section 505(e) is amended by striking out "(j)" each place it occurs in clause (1) and inserting in lieu thereof "(k)".

(5) Section 505(k)(1) of such Act (as so redesignated) is amended by striking out "pursuant to this section" and inserting in lieu thereof "under subsection (b) or (j)".

(6) Subsections (a) and (b) of section 527 of such Act are each amended by striking out "505(b)" each place it occurs and inserting in lieu thereof "505".

SEC. 103. (a) Section 505(b) of such Act is amended by inserting "(1)" after "(b)", by redesignating clauses (1) through (6) as clauses (A) through (F), respectively, and by adding at the end the following:

"(2) An application submitted under paragraph (1) for a drug for which the investigations described in clause (A) of such paragraph and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted shall also include—

"(A) a certification, in the opinion of the applicant and to the best of his knowledge, with respect to each patent which claims the drug for which such investigations were conducted or which claims a use for such drug for which the applicant is seeking approval under this subsection and for which information is required to be filed under paragraph (1) or subsection (c)—

"(i) that such patent information has not been filed.

"(ii) that such patent has expired.

"(iii) of the date on which such patent will expire, or

"(iv) that such patent is invalid or will not be infringed by the manufacture, use, or sale of the new drug for which the application is submitted; and

"(B) if with respect to the drug for which investigations described in paragraph (1)(A) were conducted information was filed under paragraph (1) or subsection (c) for a method of use patent which does not claim a use for which the applicant is seeking approval under this subsection, a statement that the method of use patent does not claim such a use.

"(3)(A) An applicant who makes a certification described in paragraph (2)(A)(iv) shall include in the application a statement that the applicant will give the notice required by subparagraph (B) to—

"(i) each owner of the patent which is the subject of the certification or the representative of such owner designated to receive such notice, and

"(ii) the holder of the approved application under subsection (b) for the drug which is claimed by the patent or a use of which is claimed by the patent or the representative

of such holder designated to receive such notice.

"(B) The notice referred to in subparagraph (A) shall state that an application has been submitted under this subsection for the drug with respect to which the certification is made to obtain approval to engage in the commercial manufacture, use, or sale of the drug before the expiration of the patent referred to in the certification. Such notice shall include a detailed statement of the factual and legal basis of the applicant's opinion that the patent is not valid or will not be infringed.

"(C) If an application is amended to include a certification described in paragraph (2)(A)(iv), the notice required by subparagraph (B) shall be given when the amended application is submitted.".

(b) Section 505(c) of such Act (as amended by section 102(a)(2)) is amended by adding at the end the following:

"(3) The approval of an application filed under subsection (b) which contains a certification required by paragraph (2) of such subsection shall be made effective on the last applicable date determined under the following:

"(A) If the applicant only made a certification described in clause (i) or (ii) of subsection (b)(2)(A) or in both such clauses, the approval may be made effective immediately.

"(B) If the applicant made a certification described in clause (iii) of subsection (b)(2)(A), the approval may be made effective on the date certified under clause (iii).

"(C) If the applicant made a certification described in clause (iv) of subsection (b)(2)(A), the approval shall be made effective immediately unless an action is brought for infringement of a patent which is the subject of the certification before the expiration of forty-five days from the date the notice provided under paragraph (3)(B) is received. If such an action is brought before the expiration of such days, the approval may be made effective upon the expiration of the thirty-month period beginning on the date of the receipt of the notice provided under paragraph (3)(B) or such shorter or longer period as the court may order because either party to the action failed to reasonably cooperate in expediting the action, except that—

"(i) if before the expiration of such period the court decides that such patent is invalid or not infringed, the approval may be made effective on the date of the court decision,

"(ii) if before the expiration of such period the court decides that such patent has been infringed, the approval may be made effective on such date as the court orders under section 271(e)(4)(A) of title 35, United States Code, or

"(iii) if before the expiration of such period the court grants a preliminary injunction prohibiting the applicant from engaging in the commercial manufacture or sale of the drug until the court decides the issues of patent validity and infringement and if the court decides that such patent is not invalid or not infringed, the approval shall be made effective on the date of such court decision.

In such an action, each of the parties shall reasonably cooperate in expediting the action. Until the expiration of forty-five days from the date the notice made under paragraph (3)(B) is received, no action may be brought under section 2201 of title 28, United States Code, for a declaratory judgment with respect to the patent. Any action brought under such section 2201 shall be brought in the judicial district where the defendant has its principal place of business or a regular and established place of business.

"(D)(i) If an application (other than an abbreviated new drug application) submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this subsection, the Secretary may not make the approval of another application for a drug for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted effective before the expiration of ten years from the date of the approval of the application previously approved under subsection (b).

"(ii) If an application submitted under subsection (b) for a drug, no active ingredient (including any ester or salt of the active ingredient) of which has been approved in any other application under subsection (b), is approved after the date of the enactment of this clause, no application which refers to the drug for which the subsection (b) application was submitted and for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted may be submitted under subsection (b) before the expiration of five years from the date of the approval of the application under subsection (b), except that such an application may be submitted under subsection (b) after the expiration of four years from the date of the approval of the subsection (b) application if it contains a certification of patent invalidity or noninfringement described in clause (iv) of subsection (b)(2)(a). The approval of such an application shall be made effective in accordance with this paragraph except that, if an action for patent infringement is commenced during the one-year period beginning forty-eight months after the date of the approval of the subsection (b) application, the thirty-month period referred to in subparagraph (C) shall be extended by such amount of time (if any) which is required for seven and one-half years to have elapsed from the date of approval of the subsection (b) application.

"(iii) If an application submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application approved under subsection (b), is approved after the date of the enactment of this clause and if such application contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the application and conducted or sponsored by the applicant, the Secretary may not make the approval of an application submitted under subsection (b) for the conditions of approval of such drug in the approved subsection (b) application effective before the expiration of three years from the date of the approval of the application under subsection (b) if the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and if the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted.

"(iv) If a supplement to an application approved under subsection (b) is approved after the date of enactment of this clause and the supplement contains reports of new clinical investigations (other than bioavailability studies) essential to the approval of the supplement and conducted or sponsored by the person submitting the supplement, the Secretary may not make the approval of an application submitted under subsection (b) for a change approved in the supplement effective before the expiration of three years from the date of the approval of the supplement under subsection (b) if the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and if the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted.

"(v) If an application (or supplement to an application) submitted under subsection (b) for a drug, which includes an active ingredient (including any ester or salt of the active ingredient) that has been approved in another application under subsection (b), was approved during the period beginning January 1, 1982, and ending on the date of the enactment of this clause, the Secretary may not make the approval of an application submitted under this subsection and for which the investigations described in clause (A) of subsection (b)(1) and relied upon by the applicant for approval of the application were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted and which refers to the drug for which the subsection (b) application was submitted effective before the expiration of two years from the date of enactment of this clause.".

SEC. 104. Section 505 of such Act is amended by adding at the end the following:

"(l) Safety and effectiveness data and information which has been submitted in an application under subsection (b) for a drug and which has not previously been disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

"(1) if no work is being or will be undertaken to have the application approved,

"(2) if the Secretary has determined that the application is not approvable and all legal appeals have been exhausted,

"(3) if approval of the application under subsection (c) is withdrawn and all legal appeals have been exhausted,

"(4) if the Secretary has determined that such drug is not a new drug, or

"(5) upon the effective date of the approval of the first application under subsection (j) which refers to such drug or upon the date upon which the approval of an application under subsection (j) which refers to such drug could be made effective if such an application had been submitted.

"(m) For purposes of this section, the term 'patent' means a patent issued by the Patent and Trademark Office of the Department of Commerce.".

SEC. 105. (a) The Secretary of Health and Human Services shall promulgate, in accordance with the notice and comment re-

quirements of section 553 of title 5, United States Code, such regulations as may be necessary for the administration of section 505 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 101, 102, and 103 of this Act, within one year of the date of enactment of this Act.

(b) During the period beginning sixty days after the date of the enactment of this Act and ending on the date regulations promulgated under subsection (a) take effect, abbreviated new drug applications may be submitted in accordance with the provisions of section 314.2 of title 21 of the Code of Federal Regulations and shall be considered as suitable for any drug which has been approved for safety and effectiveness under section 505(c) of the Federal Food, Drug, and Cosmetic Act before the date of the enactment of this Act. If any such provision is inconsistent with the requirements of section 505(j) of the Federal Food, Drug, and Cosmetic Act, the Secretary shall consider the application under the applicable requirements of such section. The Secretary of Health and Human Services may not approve such an abbreviated new drug application which is filed for a drug which is described in sections 505(c)(3)(D) and 505(j)(4)(D) of the Federal Food, Drug, and Cosmetic Act except in accordance with such section.

SEC. 106. Section 2201 of title 28, United States Code, is amended by inserting "(a)" before "In a case" and by adding at the end the following:

"(b) For limitations on actions brought with respect to drug patents see section 505 of the Federal Food, Drug, and Cosmetic Act.".

TITLE II—PATENT EXTENSION

SEC. 201. (a) Title 35 of the United States Code is amended by adding the following new section immediately after section 155A:

"§ 156. Extension of patent term

"(a) The term of a patent which claims a product, a method of using a product, or a method of manufacturing a product shall be extended in accordance with this section from the original expiration date of the patent if—

"(1) the term of the patent has not expired before an application is submitted under subsection (d) for its extension;

"(2) the term of the patent has never been extended;

"(3) an application for extension is submitted by the owner of record of the patent or its agent and in accordance with the requirement of subsection (d);

"(4) the product has been subject to a regulatory review period before its commercial marketing or use;

"(5)(A) except as provided in subparagraph (B), the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of the product under the provision of law under which such regulatory review period occurred; or

"(B) in the case of a patent which claims a method of manufacturing the product which primarily uses recombinant DNA technology in the manufacture of the product the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commerical marketing or use of a product manufactured under the process claimed in the patent.

The product referred to in paragraphs (4) and (5) is hereinafter in this section referred to as the 'approved product'.

"(b) The rights derived from any patent the term of which is extended under this section shall during the period during which the patent is extended—

"(1) in the case of a patent which claims a product, be limited to any use approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred;

"(2) in the case of a patent which claims a method of using a product, be limited to any use claimed by the patent and approved for the approved product before the expiration of the term of the patent under the provision of law under which the applicable regulatory review occurred; and

"(3) in the case of a patent which claims a method of manufacturing a product, be limited to the method of manufacturing as used to make the approved product.

"(c) The term of a patent eligible for extension under subsection (a) shall be extended by the time equal to the regulatory review period for the approved product which period occurs after the date the patent is issued, except that—

"(1) each period of the regulatory review period shall be reduced by any period determined under subsection (d)(2)(B) during which the applicant for the patent extension did not act with due diligence during such period of the regulatory review period;

"(2) after any reduction required by paragraph (1), the period of extension shall include only one-half of the time remaining in the periods described in paragraphs (1)(B)(i), (2)(B)(i), and (3)(B)(i) of subsection (g);

"(3) if the period remaining in the term of a patent after the date of the approval of the approved product under the provision of law under which such regulatory review occurred when added to the regulatory review period as revised under paragraph (1) and (2) exceeds fourteen years, the period of extension shall be reduced so that the total of both such periods does not exceed fourteen years; and

"(4) in no event shall more than one patent be extended for the same regulatory review period for any product.

"(d)(1) To obtain an extension of the term of a patent under this section, the owner of record of the patent or its agent shall submit an application to the Commissioner. Such an application may only be submitted within the sixty-day period beginning on the date the product received permission under the provision of law under which the applicable regulatory review period occurred for commercial marketing or use. The application shall contain—

"(A) the identity of the approved product and the Federal statute under which regulatory review occurred;

"(B) the identity of the patent for which an extension is being sought and the identity of each claim of such patent which claims the approved product or a method of using or manufacturing the approved product;

"(C) information to enable the Commissioner to determine under subsections (a) and (b) the eligibility of a patent for extension and the rights that will be derived from the extension and information to enable the Commissioner and the Secretary of Health and Human Services to determine the period of the extension under subsection (g);

"(D) a brief description of the activities undertaken by the applicant during the applicable regulatory review period with respect to the approved product and the significant dates applicable to such activities; and

"(E) such patent or other information as the Commissioner may require.

"(2)(A) Within sixty days of the submittal of an application for extension of the term of a patent under paragraph (1), the Commissioner shall notify the Secretary of Health and Human Services if the patent claims any human drug product, a medical device, or a food additive or color additive or a method of using or manufacturing such a product, device, or additive and if the product, device, and additive are subject to the Federal Food, Drug, and Cosmetic Act, of the extension application and shall submit to the Secretary a copy of the application. Not later than 30 days after the receipt of an application from the Commissioner, the Secretary shall review the dates contained in the application pursuant to paragraph (1)(C) and determine the applicable regulatory review period, shall notify the Commissioner of the determination, and shall publish in the Federal Register a notice of such determination.

"(B)(i) If a petition is submitted to the Secretary under subparagraph (A), not later than one hundred and eighty days after the publication of the determination under subparagraph (A), upon which it may reasonably be determined that the applicant did not act with due diligence during the applicable regulatory review period, the Secretary shall, in accordance with regulations promulgated by the Secretary determine if the applicant acted with due diligence during the applicable regulatory review period. The Secretary shall make such determination not later than 90 days after the receipt of such a petition. The Secretary may not delegate the authority to make the determination prescribed by this subparagraph to an office below the Office of the Commissioner of Food and Drugs.

"(ii) The Secretary shall notify the Commissioner of the determination and shall publish in the Federal Register a notice of such determination together with the factual and legal basis for such determination. Any interested person may request, within the 60 day period beginning on the publication of a determination, the Secretary to hold an informal hearing on the determination. If such a request is made within such period, the Secretary shall hold such hearing not later than thirty days after the date of the request, or at the request of the person making the request, not later than sixty days after such date. The Secretary shall provide notice of the hearing to the owner of the patent involved and to any interested person and provide the owner and any interested person an opportunity to participate in the hearing. Within thirty days after the completion of the hearing, the Secretary shall affirm or revise the determination which was the subject of the hearing and notify the Commissioner of any revision of the determination and shall publish any such revision in the Federal Register.

"(3) For purposes of paragraph (2)(B), the term 'due diligence' means that degree of attention, continuous directed effort, and timeliness as may reasonably be expected from, and are ordinarily exercised by, person during a regulatory review period.

"(4) An application for the extension of the term of a patent is subject to the disclo-

sure requirements prescribed by the Commissioner.

"(e)(1) A determination that a patent is eligible for extension may be made by the Commissioner solely on the basis of the representations contained in the application for the extension. If the Commissioner determines that a patent is eligible for extension under subsection (a) and that the requirements of subsection (d) have been complied with, the Comissioner shall issue to the applicant for the extension of the term of the patent a certificate of extension, under seal, for the period prescribed by subsection (c). Such certificate shall be recorded in the official file of the patent and shall be considered as part of the original patent.

"(2) If the term of a patent for which an application has been submitted under subsection (d) would expire before a certificate of extension is issued or denied under paragraph (1) respecting the application, the Commissioner shall extend, until such determination is made, the term of the patent for periods of up to one year if he determines that the patent is eligible for extension.

"(f) For purposes for this section:

"(1) The term 'product' means:

"(A) A human drug product.

"(B) Any medical device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act.

"(2) The term 'human drug product' means the active ingredient of a new drug, antibiotic drug, or human biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act) including any salt or ester of the active ingredient, as a single entity or in combination with another active ingredient.

"(3) The term 'major health or environmental effects test' means a test which is reasonably related to the evaluation of the health or environmental effects of a product, which requires at least six months to conduct, and the data from which is submitted to receive permission for commercial marketing or use. Periods of analysis or evaluation of test results are not to be included in determining if the conduct of a test required at least six months.

"(4)(A) Any reference to section 351 is a reference to section 351 of the Public Health Service Act.

"(B) Any reference to section 503, 505, 507, or 515 is a reference to section 503, 505, 507, or 515 of the Federal Food, Drug, and Cosmetic Act.

"(5) The term 'informal hearing' has the meaning prescribed for such term by section 201(y) of the Federal Food, Drug, and Cosmetic Act.

"(6) The term 'patent' means a patent issued by the United States Patent and Trademark Office.

"(g) For purposes of this section, the term 'regulatory review period' has the following meanings:

"(1)(A) In the case of a product which is a human drug product, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a human drug product is the sum of—

"(i) the period beginning on the date an exemption under subsection (i) of section 505 or subsection (d) of section 507 became effective for the approved human drug product and ending on the date an application was initially submitted for such drug product under section 351, 505, or 507, and

"(ii) the period beginning on the date the application was initially submitted for the approved human drug product under section 351, subsection (b) of section 505, or section 507 and ending on the date such application was approved under such section.

"(2)(A) In the case of a product which is a food additive or color additive, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a food or color additive is the sum of—

"(i) the period beginning on the date a major health or environmental effects test on the additive was initiated and ending on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and

"(ii) the period beginning on the date a petition was initially submitted with respect to the product under the Federal Food, Drug, and Cosmetic Act requesting the issuance of a regulation for use of the product, and ending on the date such regulation became effective or, if objections were filed to such regulation, ending on the date such objections were resolved and commercial marketing was permitted or, if commercial marketing was permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings were finally resolved and commercial marketing was permitted.

"(3)(A) In the case of a product which is a medical device, the term means the period described in subparagraph (B) to which the limitation described in paragraph (4) applies.

"(B) The regulatory review period for a medical device is the sum of—

"(i) the period beginning on the date a clinical investigation on humans involving the device was begun and ending on the date an application was initially submitted with respect to the device under section 515, and

"(ii) the period beginning on the date an application was initially submitted with respect to the device under section 515 and ending on the date such application was approved under such Act or the period beginning on the date a notice of completion of a product development protocol was initially submitted under section 515(f)(5) and ending on the date the protocol was declared completed under section 515(f)(6).

"(4) A period determined under any of the preceding paragraphs is subject to the following limitations:

"(A) If the patent involved was issued after the date of the enactment of this section, the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(B) If the patent involved was issued before the date of the enactment of this section and—

"(i) no request for an exemption described in paragraph (1)(B) was submitted,

"(ii) no major health or environmental effects test described in paragraph (2) was initiated and no petition for a regulation or application for registration described in such paragraph was submitted, or

"(iii) no clinical investigation described in paragraph (3) was begun or product development protocol described in such paragraph was submitted,

before such date for the approved product the period of extension determined on the basis of the regulatory review period determined under any such paragraph may not exceed five years.

"(C) If the patent involved was issued before the date of the enactment of this section and if an action described in subparagraph (B) was taken before the date of the enactment of this section with respect to the approved product and the commercial marketing or use of the product has not been approved before such date, the period of extension determined on the basis of the regulatory review period determined under such paragraph may not exceed two years.

"(h) The Commissioner may establish such fees as the Commissioner determines appropriate to cover the costs to the Office of receiving and acting upon applications under this section.".

(b) The analysis for chapter 14 of title 35 of the United States Code is amended by adding at the end thereof the following:

"156. Extension of patent term.".

SEC. 202. Section 271 of title 35, United States Code is amended by adding at the end the following:

"(e)(1) It shall not be an act of infringement to make, use, or sell, a patented invention (other than a new animal drug or veterinary biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Act of March 4, 1913)) solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs.

"(2) It shall be an act of infringement to submit an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505(b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.

"(3) In any action for patent infringement brought under this section, no injunctive or other relief may be granted which would prohibit the making, using, or selling of a patented invention under paragraph (1).

"(4) For an act of infringement described in paragraph (2)—

"(A) the court shall order the effective date of any approval of the drug involved in the infringement to be a date which is not earlier than the date of the expiration of the patent which has been infringed,

"(B) injunctive relief may be granted against an infringer to prevent the commercial manufacture, use, or sale of an approved drug, and

"(C) damages or other monetary relief may be awarded against and infringer only if there has been commercial manufacture, use, or sale of an approved drug.

The remedies prescribed by subparagraphs (A), (B), and (C) are the only remedies which may be granted by a court for an act of infringement described in paragraph (2), except that a court may award attorney fees under section 285.".

SEC. 203. Section 282 of title 35, United States Code, is amended by adding at the end the following:

"Invalidity of the extension of a patent term or any portion thereof under section 156 of this title because of the material failure—

"(1) by the applicant for the extension, or

"(2) by the Commissioner,

to comply with the requirements of such section shall be a defense in any action involving the infringement of a patent during the period of the extension of its term and shall be pleaded. A due diligence determination under section 156(d)(2) is not subject to review; in such an action.".

TITLE III—AMENDMENTS TO THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT AND THE WOOL PRODUCTS LABELING ACT OF 1939

SEC. 301. Subsection (b) of section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended by adding at the end thereof the following new paragraph:

"(5) If it is a textile fiber product processed or manufactured in the United States, it be so identified.".

SEC. 302. Subsection (e) of section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended to read as follows:

"(e) For purposes of this Act, in addition to the textile fiber products contained therein, a package of textile fiber products intended for sale to the ultimate consumer shall be misbranded unless such package has affixed to it a stamp, tag, label, or other means of identification bearing the information required by subsection (b), with respect to such contained textile fiber products, or is transparent to the extent it allows for the clear reading of the stamp, tag, label, or other means of identification on the textile fiber product, or in the case of hosiery items, this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each hosiery product contained in a package if (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosiery products contained therein, the information required by subsection (b), and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each textile fiber product contained therein.".

SEC. 303. Section 4 of the Textile Fiber Products Identification Act (15 U.S.C. 70b) is amended by adding at the end thereof the following new subsections:

"(i) For the purposes of this Act, a textile fiber product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such textile fiber product, unless such textile fiber product description states in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both.

"(j) For purposes of this Act, any textile fiber product shall be misbranded if a stamp, tag, label, or other identification conforming to the requirements of this section is not on or affixed to the inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product, or in the case of hosiery items on the outer side of such product or package.".

SEC. 304. Paragraph (2) of section 4(a) of the Wool Products Labeling Act of 1939 (15 U.S.C. 68(a)(2)) is amended by adding at the end of thereof the following new subparagraph: "(D) the name of the country where processed or manufactured.".

SEC. 305. Section 4 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68b) is amended by adding at the end thereof the following new subsections:

"(e) For the purposes of this Act, a wool product shall be considered to be falsely or deceptively advertised in any mail order promotional material which is used in the direct sale or direct offering for sale of such wool product, unless such wool product description states in a clear and conspicuous manner that such wool product is processed or manufactured in the United States of America, or imported, or both.

"(f) For purposes of this Act, any wool product shall be misbranded if a stamp, tag, label, or other identification conforming to the requirements of this section is not on or affixed to the inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product or in the case of hosiery items, on the outer side of such product or package.".

SEC. 306. Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amended—

(1) by striking out "Any person" in the first paragraph and inserting in lieu thereof "(a) Any person",

(2) by striking out "Any person" in the second paragraph and inserting in lieu thereof "(b) Any person", and

(3) by inserting after subsection (b) (as designated by this section) the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, any package of wool products intended for sale to the ultimate consumer shall also be considered a wool product and shall have affixed to it a stamp, tag, label, or other means of identification bearing the information required by section 4, with respect to the wool products contained therein, unless such package of wool products is transparent to the extent that it allows for the clear reading of the stamp, tag, label, or other means of identification affixed to the wool product, or in the case of hosiery items this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each hosiery product contained in a package if (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosiery products contained therein, the information required by subsection (4), and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each hosiery product contained therein.".

SEC. 307. The amendments made by this title shall be effective ninety days after the date of enactment of this Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Federal Drug, and Cosmetic Act to revise the procedures for new drug applications and to amend title 35, United States Code, to authorize the extension of the patents for certain regulated products, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3605) was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1538

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of the House amendment to S. 1538.

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

There was no objection.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

SUNDRY MESSAGES FROM THE PRESIDENT

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

PERMISSION FOR RESCHEDULING OF DISTRICT OF COLUMBIA DAY ON MONDAY, SEPTEMBER 17, 1984

Mr. DELLUMS. Mr. Speaker, under clause 8, rule XXIV, I ask unanimous consent that District of Columbia Day be scheduled on Monday, September 17, 1984, in lieu of the regular District Days of September 10 and 24.

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

Mr. SUNDQUIST. Mr. Speaker, reserving the right to object, my question is, has this been cleared with the ranking Member?

Mr. DELLUMS. Mr. Speaker, if the gentleman will yield, yes; it has, I would say to my colleague. The reason for the request is very straightforward. As the gentleman knows, we plan to adjourn sine die early in October. There are only a few legislative days remaining. There are three pieces of legislation, including the disposition of the St. Elizabeths Hospital, which, on the one hand, is not controversial, but is extremely important.

If we do not move the days to the 17th, there is a great likelihood that the Senate would not be able to act expeditiously, so we are asking for the movement to the 17th. It is a rather

straightforward request, I would say to my colleague.

Mr. SUNDQUIST. Mr. Speaker, I thank the gentleman for that explanation, and I withdraw my reservation of objection.

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

There was no objection.

APPOINTMENT OF CONFEREES ON S. 529, IMMIGRATION REFORM AND CONTROL ACT OF 1983

Mr. RODINO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 529) to revise and reform the Immigration and Nationality Act, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees:

From the Committee on the Judiciary: Messrs. RODINO, MAZZOLI, SAM B. HALL, JR., SYNAR, FRANK, CROCKETT, SCHUMER, FEIGHAN, SMITH of Florida, BERMAN, FISH, MOORHEAD, HYDE, LUNGREN, and MCCOLLUM.

As additional conferees: From the Committee on Agriculture, solely for consideration of section 101 of the bill and section 101 of the House amendment: Messrs. DE LA GARZA, PANETTA, and MORRISON of Washington.

From the Committee on Agriculture, solely for consideration of sections 211, 214, and 407 of the bill, of sections 211 and 214 of the House amendment, and of such portions of sections 301 and 302 of the bill and sections 301 and 304 of the House amendment as relate to eligibility and funding for public assistance programs within the jurisdiction of the Committee on Agriculture: Messrs. DE LA GARZA, JONES of Tennessee, PANETTA, MORRISON of Washington, and CHAPPIE.

From the Committee on Education and Labor, solely for consideration of sections 101, 211, 214, and 407 of the bill, of sections 101, 211, 214, and 305 of the House amendment, of subsection 107(d) of the Immigration and Nationality Act as contained in section 122 of the House amendment, and of such portions of sections 301 and 302 of the bill and of sections 301 and 304 of the House amendment as relate to eligibility and funding for public assistance programs within the jurisdiction of the Committee on Education and Labor: Messrs. HAWKINS, FORD of Michigan, MILLER of California, ERLENBORN, and PACKARD.

From the Committee on Energy and Commerce, solely for consideration of such portions of sections 301 and 302 of the bill and of sections 301 and 304 of the House amendment, as relate to eligibility and funding for public assistance programs within the jurisdiction of the Committee on Energy and Commerce: Messrs. DINGELL, WAXMAN, and BROYHILL.

Solely for consideration of section 119 of the House amendment: Mr. DE LA GARZA.

Solely for consideration of sections 111, 115, 116, 117, 118, subsection 205(f), and title V of the House amendment, and modifications thereof committed to conference: Mr. ROYBAL.

□ 1640

CONFERENCE REPORT ON H.R. 5798, TREASURY, POST OFFICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1985

Mr. ROYBAL submitted the following conference report and statement on the bill (H.R. 5798) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and other independent agencies, for the fiscal year ending September 30, 1985, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 98-993)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5798) "making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1985, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 10, 12, 16, 29, 36, 42, 43, 44, 45, 50, 54, 55, 59, 60, 61, 62, 63, 65, 67, 68, 69, 71, 73, 82, 83, 84, 85, 90, and 91.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 9, 21, 22, 30, 33, 38, 41, 47, 48, 58, 64, 74, 76, 86, 87, and 88, and agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$982,457,000;* and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,353,535,000;* and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,070,521,000;* and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$24,985,000;* and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$38,500,000;* and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$50,000;* and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$217,090,000*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$161,000,000*; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$39,128,000*; and the Senate agree to the same.

Amendment numbered 75:

That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert *511*; and the Senate agree to the same.

Amendment numbered 77:

That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows:

In lieu of section number 514 named in said amendment insert *512*; and the Senate agree to the same.

Amendment numbered 78:

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 513. None of the funds appropriated under this Act shall be obligated or expended to implement, promulgate, administer, enforce, or reissue or revise the proposed Office of Personnel Management regulations and the proposed Federal Personnel Manual issuances published in the Federal Register on March 30, 1983 on pages 13341 through 13381, as superseded by proposed regulations and Federal Personnel Manual issuances published in the Federal Register on July 14, 1983 on pages 32275 through 32312, and as further superseded by proposed regulations and Federal Personnel Manual is-

suances published in the Federal Register on October 25, 1983 on pages 49462 through 49498: Provided, That this section shall expire on July 1, 1985.

And the Senate agree to the same.

Amendment numbered 79:

That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows:

In lieu of the section number named in said amendment insert *514*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 11, 13, 14, 15, 20, 23, 24, 25, 26, 27, 28, 34, 35, 37, 46, 49, 51, 52, 57, 66, 70, 72, 80, 81, 89 and 92.

EDWARD R. ROYBAL,
JOSEPH ADDABBO,
DANIEL AKAKA,
STENY HOYER,
EDWARD BOLAND,
CLARENCE LONG,
JAMIE WHITTEN
(except amendments 24, 26, 27, 66, and 92),
CLARENCE MILLER,
ELDON RUDD,
HAROLD ROGERS,
SILVIO CONTE,
Managers on the Part of the House.

JAMES ABDNOR,
PAUL LAXALT,
MACK MATTINGLY,
MARK O. HATFIELD,
DENNIS DECONCINI,
JOHN STENNIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5798) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1985, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agree upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

Amendment No. 1: Deletes language proposed by the Senate relating to maintenance and insurance for real properties leased or owned overseas.

Amendment No. 2: Provides $22,000 for official reception and representation expenses as proposed by the House instead of $95,000 as proposed by the Senate.

Amendment No. 3: Appropriates $56,474,000 for salaries and expenses as proposed by the House instead of $77,242,000 as proposed by the Senate.

Amendment No. 4: Deletes language proposed by the Senate which would prohibit expenditure of funds appropriated for salaries and expenses unless certain public official appointments are made.

INTERNATIONAL AFFAIRS

Amendment No. 5: Restores language proposed by the House which appropriates $22,768,000 for international affairs. The Senate had proposed to consolidate this activity with the Office of the Secretary into a single appropriation.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making funds available for salaries and expenses of the Center, as a bureau of the Treasury. The conferees are agreed that the Center should remain within the Treasury Department.

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The Senate amendment provides that the Center may train state and local government law enforcement personnel and other law enforcement officials under certain circumstances. It also allows the acceptance of gifts to the Center and provides for travel under certain circumstances.

Amendment No. 8: Appropriates $18,314,000 for salaries and expenses as proposed by the Senate instead of $16,964,000 as proposed by the House.

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

Amendment No. 9: Appropriates $235,994,000 for salaries and expenses as proposed by the Senate instead of $226,608,000 as proposed by the House.

The conferees expect the Bureau to consolidate its operations in the Federal building in Hyattsville, Maryland. The conferees direct that that building be totally utilized by the Bureau and directs the General Services Administration and the Office of Management and Budget to ensure that the Bureau move expeditiously to Hyattsville and that the space in that building be efficiently utilized by the Bureau of Government Financial Operations. The conferees are agreed that a small number of the personnel currently working in the Bureau may be located in the General Accounting Office building in Washington, D.C. in addition to those personnel already located in that building. (The computer operations are currently in the GAO Building.) The conferees direct that the Bureau obtain the approval of the House and Senate Committees on Appropriations prior to transferring any activities or personnel to the General Accounting Office Building.

Amendment No. 10: Deletes language proposed by the Senate which exempts the Bureau from the travel limitation imposed by Section 501 of this Act.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes available $5,000 for official reception and representation expenses.

Amendment No. 12: Appropriates $169,271,000 for salaries and expenses as proposed by the House instead of $167,271,000 as proposed by the Senate.

U.S. CUSTOMS SERVICE

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment appropriates $643,465,000 for salaries and expenses and specifies certain conditions under which those funds shall be available. Since it is not the policy of the Conferees to direct departments as to where personnel should be placed, the Conferees direct that the additional 100 Customs personnel be assigned to the highest priority drug interdiction task force requirements, and report the allocation of such personnel to the Committees on Appropriations of the House and Senate within thirty days after the enactment of this Act.

INVESTIGATION OF CUSTOMS

The Conferees direct that the General Accounting Office conduct a study of the Customs Service operations. This report should include, but not be limited to the adequacy of the number of personnel requested to be funded by the Customs Service, and the adequacy of the number of Customs personnel currently on board to effectively perform their mission. The conferees direct the GAO to carefully review the geographic distribution of Customs personnel to ensure that adequate personnel are properly assigned to those geographic areas where the workload warrants. The conferees direct that particular attention be given to the study of the effectiveness of the Service in stopping the smuggling of drugs into this country and the effectiveness of the Service in stopping fraudulent imports in excess of quotas. The Conferees also direct the GAO to review the effectiveness of the coordination and cooperation between the Customs Service and other federal, state and local law enforcement agencies.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment appropriates $44,425,000 for the air interdiction program.

BUREAU OF THE MINT

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment appropriates $47,758,000 for salaries and expenses.

INTERNAL REVENUE SERVICE

Amendment No. 16: Appropriates $104,687,000 for salaries and expenses as proposed by the House instead of $102,000,000 as proposed by the Senate.

Amendment No. 17: Appropriates $982,457,000 for processing tax returns instead of $992,457,000 as proposed by the House and $972,457,000 as proposed by the Senate.

Amendment No. 18: Appropriates $1,353,535,000 for examinations and appeals instead of $1,357,073,000 as proposed by the House and $1,350,000,000 as proposed by the Senate.

Amendment No. 19: Appropriates $1,070,521,000 for investigations, collection, and taxpayer service instead of $1,081,142,000 as proposed by the House and $1,060,000,000 as proposed by the Senate.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment mandates that the Internal Revenue Service maintain the Tax Counseling for the Elderly program at $2,000,000.

U.S. SECRET SERVICE

Amendment No. 21: Appropriates $286,500,000 for salaries and expenses as proposed by the Senate instead of $278,331,000 as proposed by the House.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

Amendment No. 22: Deletes the House provision regarding payment of excise taxes.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 104. Not to exceed 1 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. However, no such appropriation shall be increased or decreased by more than 1 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment limits transfers between appropriations to the Department of the Treasury to one per centum.

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment prohibits the IRS from imposing or assessing taxes due on certain manufactured items.

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits certain agencies in the Treasury Department from being placed under the jurisdiction of the Inspector General.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment exempts the University of Arizona from certain customs requirements.

TITLE II—U.S. POSTAL SERVICE

Amendment No. 27. Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language regarding fees for information requested or provided concerning an address of a postal customer.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding the closing of certain post offices.

The conferees concur in the amount of $801,000,000 to be appropriated for revenue forgone in fiscal year 1985 with the intention that preferred mail rates will remain at Step 14 on the phasing schedule until September 30, 1985. The conferees recognize that the ongoing postal rate case (R84-1) could be completed and U.S. Postal Service could implement a new rate schedule during the course of fiscal year 1985. In that instance, the conferees intend that nonprofit and other preferred mail rates will be adjusted only to reflect the level of Step 14 on the new rate schedule for the duration of fiscal year 1985.

The House Conferees concur in the report language of the Senate concerning the establishment of a Federal Drug Enforcement Task Force in Hawaii.

Amendment No. 29: Deletes language proposed by the Senate regarding a redlining study.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

Amendment No. 30: Appropriates $16,172,000 for salaries and expenses as proposed by the Senate instead of $14,645,000 as proposed by the House.

THE WHITE HOUSE OFFICE

Amendment No. 31: Appropriates $24,985,000 as proposed by the Senate instead of $23,731,000 as proposed by the House. Deletes a provision regarding the Chairperson of the National Advisory Committee on Oceans and Atmosphere proposed by the Senate.

The House Conferees concur in the report language of the Senate concerning the establishment of a Federal Drug Enforcement Task Force in Hawaii.

OFFICE OF MANAGEMENT AND BUDGET

Amendment No. 32: Appropriates $38,500,000 for salaries and expenses instead of $37,889,000 as proposed by the House and $39,000,000 as proposed by the Senate.

TITLE IV—INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

Amendment No. 33: Appropriates $12,900,000 for salaries and expenses as proposed by the Senate instead of $12,834,000 as proposed by the House.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDING FUND

Limitations on availability of revenue

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following: *$2,252,221,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows:

In lieu of the sum named in said amendment insert the following: *$120,299,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 36: Retains language proposed by the House making available $20,000,000 for construction of a Long Beach, CA Federal Building.

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment makes available $1,750,000 for construction costs in connection with the Old Post Office in the District of Columbia.

Amendment No. 38: Makes available $81,952,000 for other selected purchases as proposed by the Senate instead of $70,217, 000 as proposed by the House.

Amendment No. 39: Establishes a limit of $50,000 on liquidation of claims instead of $40,000 as proposed by the House and $100,000 as proposed by the Senate.

Amendment No. 40: Makes available $217,090,000 for repairs and alterations instead of $228,432,000 as proposed by the House and $216,018,000 as proposed by the Senate.

Amendment No. 41: Makes available $3,000,000 for the Blair House as proposed by the Senate instead of $6,611,000 as proposed by the House.

Amendment No. 42: Makes available $1,931,000 for repair and alteration of the 844 N. Rush Street Building in Chicago, Illinois as proposed by the House.

Amendment No. 43: Makes available $1,357,000 for repair and alteration of the Peoria, Illinois Federal Building and Courthouse as proposed by the House.

Amendment No. 44: Makes available $1,395,000 for the repair and alteration of the Lansing, Michigan Federal Building and Courthouse as proposed by the House.

Amendment No. 45: Makes available $8,654,000 for the repair and alteration of the St. Louis, Missouri Courthouse and Customshouse as proposed by the House.

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $941,000 for the repair and alteration of the Las Vegas, Nevada Federal Building.

Amendment No. 47: Deletes $8,672,000 for the repair and alteration of the Pittsburgh, Pennsylvania Post Office, Courthouse as proposed by the Senate.

Amendment No. 48: Makes available $694,998,000 for real property operations as proposed by the Senate instead of $685,848,000 as proposed by the House.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate prohibiting the use of funds to move the Spartanburg, S.C. Social Security office.

Amendment No. 50: Makes available $58,883,000 for design and construction services as proposed by the House instead of $55,536,000 as proposed by the Senate.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $3,000,000 for additional construction at the James J. Rowley Secret Service Training Center.

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following: *$2,252,221,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

PERSONAL PROPERTY

Amendment No. 53: Appropriates $161,000,000 for operating expenses instead of $156,944,000 as proposed by the House and $164,000,000 as proposed by the Senate.

NATIONAL ARCHIVES AND RECORDS SERVICE

Amendment No. 54: Appropriates $98,925,000 for operating expenses as proposed by the House instead of $96,325,000 as proposed by the Senate.

Amendment No. 55: Makes available $5,200,000 for construction related to the John F. Kennedy Library in Boston, Mass. as proposed by the House.

FEDERAL PROPERTY RESOURCES SERVICES

Amendment No. 56: Appropriates $39,128,000 for operating expenses instead of $40,257,000 as proposed by the House and $38,000,000 as proposed by the Senate.

Amendment No. 57: Reported in technical disagreement. The managers on the part of

the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND LIMITATION ON AVAILABILITY OF FUNDS

During the fiscal year ending September 30, 1985, not more than $185,000,000 in addition to amounts previously appropriated, all to remain available until expended, may be obligated from amounts in the National Defense Stockpile Transaction Fund for the acquisition of strategic and critical materials under section 6(a)(1) of the Strategic and Critical Material Stock Piling Act (50 US.C. 98e(a)(1)) and for transportation and other incidental expenses related to such acquisition: Provided, That none of the funds appropriated by this paragraph may be used to purchase any strategic and critical materials for the National Defense Stockpile that are not mined and refined in the United States; Provided further, That this paragraph shall only apply to those strategic and critical materials that are currently mined and refined in the United States or which can be produced domestically at the levels and quantities required by the Federal Emergency Management Agency.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This section would allow the Stockpile managers to continue to purchase strategic and critical materials with the understanding that they would "Buy America" unless (1) those strategic and critical materials are not mined and refined in the U.S. or (2) those strategic and critical materials are not available in sufficient quanties in the U.S. to meet strategic requirements.

The Conferees strongly support the concept of barter as a means of acquiring needed strategic materials for the National Defense Stockpile. GSA is urged to explore the possibilities for expanded use of barter, to engage in barter transactions whenever possible under existing authority, and to report back to the House and Senate Appropriations Committees by December 31, 1984 on the Agency's efforts to engage in barter transactions.

GENERAL MANAGEMENT AND ADMINISTRATION

Amendment No. 58: Appropriates $137,000,000 for salaries and expenses as proposed by the Senate instead of $123,635,000 as proposed by the House.

The Conferees direct that of the amount restored to this account above the House allowance, $900,000 is specifically earmarked to pay personnel costs associated with support to Congressional District offices. This is in addition to the $800,000 made available through the GSA reimbursable account to cover increased equipment purchase, installation, and maintenance costs for the Congressional District offices.

Amendment No. 59: Deletes language proposed by the Senate making available $2,500 for reception and representation expenses.

Amendment Nos. 60, 61, 62, and 63: Delete Senate amendments changing section numbers.

Amendment No. 64: Establishes a limitation of one per centum on the transfer of funds within GSA as proposed by the Senate instead of three per centum as proposed by the House.

Amendment No. 65: Deletes Senate amendment changing section number.

Amendment No. 66: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment establishes procedures regarding Presidential libraries.

Amendment No. 67: Retains a House provision making funds available for the purpose of leasing space in buildings erected by the lessor on land owned by the United States.

The conferees are agreed that all projects of this nature must have prior approval of the House and Senate Committees on Appropriations.

OFFICE OF PERSONNEL MANAGEMENT

Amendment No. 68: Deletes Senate language making available $2,500 for official reception and representation expenses.

Amendment No. 69: Appropriates $106,653,000 for salaries and expenses as proposed by the House instead of $110,000,000 as proposed by the Senate.

The conferees concur in the language expressed in the Senate report (S. Rept. 98-562) on page 70 regarding the Combined Federal Campaign.

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $12,000 for entertainment expenses of the President's Commission on Executive Exchange.

Amendment No. 71: Deletes a Senate provision which makes $1,500 available for official reception and representation expenses.

GENERAL PROVISIONS—THIS ACT

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment exempts the Office of Personnel Management from the travel limitation in carrying out its observation responsibilities of the Voting Rights Act.

Amendment No. 73: Retains language proposed by the House which prohibits the closing of the Information Resources Management Office of GSA located in Sacramento, California.

Amendment No. 74: Deletes language proposed by the House which prohibits OMB review of marketing orders. Similar restrictive language has been included in the bill in the paragraph appropriating funds for the Office of Management and Budget.

Amendment No. 75: Changes section number.

Amendment No. 76: Deletes provision regarding Hickam Air Force Base as proposed by the Senate.

The Committees have been notified by GSA of its intent to immediately convey the former Hickam Administrative Annex in Honolulu (GSA control number 9-D-HI-477-B) to the State of Hawaii for airport use under section 13(g) of the Surplus Property Act of 1944. The Conferees expect GSA to fulfill this commitment to the State. Hence, the Conferees have deleted section 514 as proposed by the House.

Amendment No. 77: Changes section number.

Amendment No. 78: Changes section number and modifies OPM personnel performance provisions inserted by the House to provide that the provision shall expire July 1, 1985.

Amendment No. 79: Changes section number.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment insert: *515*

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows:

In lieu of the section number 514 proposed in said amendment insert the following: *516*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment restricts the procurement of stainless steel flatware.

Amendment No. 82: Retains language proposed by the House which prohibits the Customs Service from closing or consolidating certain offices and functions.

On August 3, 1984, the United States Customs Service published interim regulations relating to textiles and textile products. Included in the interim regulations were provisions relating to transportation and merchandise in transit. Pursuant to those interim regulations, and in recognition of the concerns of shippers and brokers, the Committee expects that, prior to the effective date of the interim regulations, the Customs Service will issue internal directives designed to minimize commercial and operational problems related to in-bond movements by ocean-rail intermodal carriers. These directives are necessary at this time to prevent disruption of existing transportation practices involving those shipments which are of minimal enforcement concern.

While the committee recognizes that Customs always reserves the right to examine cargo identified as high risk, it is hoped that these directives will provide that cargo moving by ocean-rail intermodal carriers under their bonds will usually be processed at the point of destination.

Amendment Nos. 83, 84, and 85: Retain section numbers as proposed by the House.

Amendment No. 86: Deletes a provision proposed by the House which imposes a one per centum reduction in each dollar amount in the bill.

The Conferees are agreed that the paragraph entitled "Committee Procedures Regarding Report Language" appearing on page 4 of Senate Report No. 98-562 shall not be operative.

Amendment No. 87: Deletes provisions proposed by the House which prohibit construction of an annex to the Post Office and Court House Building in Charleston, South Carolina.

The Conferees have deleted the language added by the House which would have prohibited the construction of an annex to the U.S. Post Office and Court House Building in Charleston, S.C. The Conferees are concerned that such restrictive language will foreclose any options that the city of Charleston and the General Services Administration might have to reach an agreement on a mutually acceptable site for this project in fiscal year 1985. Therefore, the Conferees have deleted the House language but expect GSA not to make funds available for construction until an agreement is arrived at. The conferees expect GSA to work in close cooperation with the city of Charleston and all interested parties in the city including local historic and preservation groups to reach an agreement on the location of this important project.

Amendment No. 88: Deletes a provision proposed by the House which reduces the amount available for allowances and office staffs for former presidents.

Amendment No. 89: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number proposed by said amendment insert the following: *620*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment imposes restrictions on remodeling certain executive offices.

Amendment No. 90: Deletes a provision proposed by the Senate regarding the Federal Employee Health Benefits program.

The Conferees are aware of communications from the authorizing committees with jurisdiction over the Federal Employee Health Benefits Program (FEHBP) concerning the issue of allowing additional health insurance plans to participate in FEHBP. Since inclusion of additional plans is a legislative matter involving a complex analysis of the effect of new health plans on the health insurance program and its participants, the Conferees have deferred action on the inclusion of additional health plans but request that the authorizing committees hold hearings on legislation dealing with inclusion of new plans in FEHBP.

Amendment No. 91: Deletes a provision proposed by the Senate regarding the jurisdiction of the Secret Service.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate.

This amendment inserts a bill entitled "Comprehensive Forfeiture Act of 1984". This amendment amends Title 18 of the U.S. Code, the Tariff Act of 1930, and other existing legislation.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1985 recommended by the Committee of Conference, with comparisons to the fiscal year 1984 amount, the 1985 budget estimates, and the House and Senate bills for 1985 follow:

New budget (obligational) authority, fiscal year 1984	$11,968,900,000
Budget estimates of new (obligational) authority, fiscal year 1985	12,349,687,000
House bill, fiscal year 1985	11,896,587,701
Senate bill, fiscal year 1985	12,738,652,000
Conference agreement, fiscal year 1985	12,766,276,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1984	+797,376,000
Budget estimates of new (obligational) authority, fiscal year 1985	+416,589,000
House bill, fiscal year 1985	+869,688,299
Senate bill, fiscal year 1985	+27,624,000

EDWARD R. ROYBAL,
JOSEPH ADDABBO,
DANIEL AKAKA,
STENY HOYER,
EDWARD BOLAND,
CLARENCE LONG,
JAMIE WHITTEN
(except amendments 24, 26, 27, 66, and 92),
CLARENCE MILLER,
ELDON RUDD,
HAROLD ROGERS,
SILVIO CONTE,
Managers on the Part of the House.

JAMES ABDNOR,
PAUL LAXALT,
MACK MATTINGLY,
MARK O. HATFIELD,
DENNIS DECONCINI,
JOHN STENNIS,
Managers on the Part of the Senate.

HEALTH PROFESSIONS AND SERVICES AMENDMENTS OF 1984

The SPEAKER. Pursuant to House Resolution 536 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5602.

□ 1642

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5602) to amend titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Service Corps Program under that act, and to revise and extend the programs of assistance under that act for health maintenance organizations and migrant and community health centers, with Mr. LEVIN of Michigan in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation before us today is H.R. 5602, the Health Professions and Services Amendments of 1984. This bill would reauthorize and revise the health professions educational programs in titles VII and VIII of the Public Health Services Act and reauthorize and revise the Community Health Centers, Migrant Health, National Health Service Corps, and the Health Maintenance Organization programs, also under the Public Health Service Act.

The bill also creates a new requirement that the Secretary of the Department of Health and Human Services study criteria and methods for collecting and disseminating health care consumer information and prepare and implement a plan for providing technical assistance in the use of those criteria and methods.

Title I of the bill reauthorizes programs in title VII of the Public Health Service Act that assist disadvantaged, low-income, and other students who can no longer afford the high costs of education to become doctors, dentists, public health workers, and other health professionals. These programs also create opportunities for physicians to become primary care practitioners instead of subspecialists and address severe national shortages in public health, preventive medicine, and health administration. The programs in title I of the bill include:

First, HEAL insurance for market-rate student loans;

Second, HPSL low-interest student loans;

Third, scholarships for students of exceptional financial need;

Fourth, capitation assistance to schools of public health;

Fifth, support for departments of family medicine;

Sixth, the area health education centers;

Seventh, support for programs to train physician assistants;

Eighth, programs and traineeships in general internal medicine, general pediatrics, family medicine, and general dentistry;

Ninth, assistance for students from disadvantaged backgrounds;

Tenth, project grant authorities for health professions schools;

Eleventh, support for schools with advanced financial distress; and

Twelfth, support for programs and traineeships in health administration, public health, and preventive medicine.

Title I would also: For the first time, set aside 50 percent of new Federal HPSL loan funds for students from disadvantaged backgrounds; and provide for the improvement of health professional training in geriatrics.

Title II would extend nursing education programs for 4 years. This title principally supports education in the advanced nursing fields of education, research, and clinical specialties. The programs affected include:

First, special project grants and contracts;

Second, support for educational programs in advanced nursing, and for training nurse practitioners and nurse midwives; and

Third, traineeships for advanced nursing and nurse anesthetists.

Title II would also: Create a new authority for special demonstration grants.

Title III of the bill would extend for 4 years the National Health Service Corps Program. The current authority for such appropriations as are neces-

sary to fund 550 new scholarships annually is extended for 4 years. The bill also would also modify provisions related to the areas and the types of practice in which scholarship recipients may fulfill their service obligations. These modifications are necessary to:

Assure that particular populations or institutions are not deprived of needed National Health Service Corps placements if the overall physician supply in a shortage area increases; and,

Assure that physicians who are able to serve their payback time in a private practice setting are meeting their statutory obligation to serve all medicare and medicaid recipients and to serve others without regard to their ability to pay.

Title IV would extend for 4 years the programs of support for health maintenance organizations and migrant and community health centers. The effect of the community health center extension is not to extend the primary care block grant option. This is done because no State has actually put that block grant into operation and the Department of Health and Human Services has been enjoined from proceeding with implementation because it had failed to administer the program in accordance with the statute.

Title V would create a new requirement that the Secretary study criteria and methods for collecting and disseminating health care consumer information and prepare a plan for providing technical assistance in the use of the criteria and methods.

Mr. Chairman, these programs address important national goals at modest cost. They deserve our continued support.

Mr. Chairman, this bill has been worked out with the minority and we will, in the course of the consideration of this legislation, be offering amendments which would bring to the Members the agreements and compromises that we have come to.

At this point in the general debate, I would like to call upon the gentleman from New Mexico [Mr. RICHARDSON], and I yield 5 minutes to him for some remarks that he wishes to make on the legislation.

Mr. RICHARDSON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 5602, the Health Professions and Services Amendments of 1984. I am particularly proud to have authored a portion of this bill which reauthorizes the National Health Service Corps Program for another 4 years. This legislation addresses a very real problem in the U.S. health care delivery system: Medical services to underserved, disadvantaged, and rural areas.

Mr. Chairman, in my home State of New Mexico and many other areas, the National Health Service Corps Program makes a major difference in the lives of over 100,000 New Mexicans who have come to depend on the health manpower shortage area clinics where health corps workers serve, as their principal source of health care. Many of my constituents live in rural areas, and without these clinics they would have to travel great distances to obtain health care.

Last year, the National Health Service Corps Program faced new and restrictive policies created by the administration. But the Congress, in a sharp rebuke to the White House, reversed these policies that would have forced many clinics served by National Health Service Corps medical personnel to close their doors.

Mr. Chairman, the National Health Service Corps Program provides medical personnel to health manpower shortage areas, areas that have no hospital or emergency facilities. In return for receiving Government scholarship aid while they attend school, National Health Service Corps workers make a commitment to serve in a health manpower shortage area clinic for a limited period of time following graduation. The clinics where they work then pay the Government back for its cost in educating the individual in addition to paying him or her a salary. This new legislation will provide for over 2,000 new, repayable medical scholarships for health professionals.

I want my colleagues to know that there have been virtually no new National Health Service Corps scholarships since President Reagan took office. Without bringing new doctors into the system, the program will die.

The Congress, Mr. Chairman, cannot allow this to happen.

A high percentage of the patients who use these rural health clinics in New Mexico and across the country are living on small fixed incomes and have chronic health problems.

In addition to reauthorizing the National Health Service Corps field and scholarship programs, my provisions have three other features. The legislation will allow the Secretary of Health and Human Services to ensure the National Health Service Corps professionals provide service to the health manpower shortage areas that have the greatest need.

Second, the Secretary can require that those National Health Service Corps personnel with private practice option serve all medicare and medicaid recipients and all other people without regard to their ability to pay.

Another important feature of this legislation will provide stability to the many rural health care clinics across the country by prohibiting the Secretary of Health and Human Services from removing a health manpower shortage area designation without demonstrating that there is no longer a need for the designation.

Just last year, the National Health Service Corps served over 2 million Americans. That number is expected to increase by at least 600,000 patients by next year. Many of these Americans have no reasonable alternative to the care provided by Health Corps professionals.

Mr. Chairman, I believe that the strength of our Nation must include maintaining the well-being of all of our citizens. We must ensure that all Americans have both the financial and physical access to health care sevices, no matter where they live. The National Health Service Corps Program benefits the Nation as a whole by establishing a creative, low-cost, commonsense way to successfully deliver quality health care to those in need. I ask my colleagues to join me in supporting the National Health Service Corps as well as the entire group of health professions and services amendments.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

□ 1650

Mr. Chairman, today the House will consider H.R. 5602, legislation which reauthorizes the Health Professions Education Program, the Nurse Training Act, the National Health Service Corps, health maintenance organizations, and migrant and community health centers. These Public Health Service Programs provide funding for both the training of health professionals and for primary care health services for many of our Nation's poor.

Title I of H.R. 5602 provides for the reauthorization of a wide variety of programs of student assistance and institutional support relating to health professions education. The purpose of this funding is no longer to increase the number of health professionals, but to improve their geographic distribution, to increase the supply of primary care practitioners, and to provide individuals from disadvantaged backgrounds the opportunity for an education in the health professions.

This legislation provides for a 2-year authorization of the health manpower authorities in title 7 of the Public Health Service Act. Because of our committee's concern over the method by which health professions educational programs are financed, a 3- or 4-year reauthorization of these programs seemed unwarranted. Currently, we are in a transitional, very fluid period in the history of supporting health professions training programs. This is largely due to a predicted surplus of overall physician manpower, increasing indebtedness of graduates,

and very probable changes in medicare reimbursement of the teaching component which is still calculated on a cost basis and not incorporated within the diagnosis related group or DRG. These concerns of both the minority and majority members of the committee have resulted in a 2-year extension of title 7 programs, which provides an approximate freeze in authorization levels in 1985 and an increase equal to the CBO inflator in 1986.

The reauthorization of the nursing programs in title 8 of the PHS Act reflects the recommendations of the recently completed Institute of Medicine study on nursing and nursing education. The IOM study found that although there is no longer a shortage of practicing nurses there is a shortage of nurses with advanced degrees needed to fill administrative, research, and teaching positions. Title II of H.R. 5602 provides, for the most part, funding for institutional and individual support for nurse practitioners and advanced nurse training. H.R. 5602 also provides a new authority for demonstration grants for improvements in clinical nursing in institutions, homes, and ambulatory facilities.

Title III of H.R. 5602 provides for the reauthorization and makes minor changes in the National Health Service Corps Scholarship and Field Programs. The Scholarship Program provides tuition and stipend support for medical, nursing, and other health professionals in return for which students are obligated to serve in the Corps. The Field Program assigns members of the Corps to medically underserved areas, where they provide health services in community and migrant health centers, hospitals, and local health departments.

This legislation changes the method by which health manpower service areas are designated in order to assure that population groups that should be eligible for National Health Service Corps personnel are protected from losing corpsmen prematurely.

The legislation also requires the Department of Health and Human Services to increase monitoring of those corpsmen who are participating in the Private Placement Option Program to assure that all participants are providing services to medicare and medicaid recipients, as well as to any other person who seeks care, regardless of his or her ability to pay.

Title IV of H.R. 5602 extends authorizations for community and migrant health centers for 4 more years. The centers funded through this section are typically private, nonprofit entities governed by a board of directors composed of local residents and users of the centers. Both types of centers serve medically underserved populations. The minority believes both of these programs are necessary and have worked with the majority to assure authorization levels are fiscally responsible.

H.R. 5602 also extends through fiscal year 1988 the authority for the health maintenance organization loan fund. This fund is designed to provide capital to federally qualified health maintenance organizations unable to obtain capital through the private sector. The minority agrees with the majority that HMO's should be allowed to grow and supports the continuation of this fund.

Title V of H.R. 5602 requires the Secretary of HHS to study the criteria and methodologies for collecting and disseminating health care consumer education and to prepare a plan for furnishing technical assistance to the public in the use of such criteria and methodologies. While still skeptical of the necessity for the Federal Government to help businesses obtain such information, we have worked with the majority to clarify this section and believe that the amendment to be offered by the gentleman from Oregon significantly improves the title as passed by the committee.

Following general debate, the gentleman from California [Mr. WAXMAN] will offer a series of amendments to H.R. 5602 which I support. These amendments will reduce the authorization levels in H.R. 5602 as reported by the Committee on Energy and Commerce by over $200 million. If the Waxman amendments are adopted, H.R. 5602 will provide for a continuation of current services with only a modest increase in funding.

Mr. WAXMAN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. STOKES] for the purpose of engaging in a colloquy.

Mr. STOKES. Mr. Chairman, I think my distinguished subcommittee chairman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 5602, the Health Professions and Services Amendment Act of 1984, which extends through fiscal year 1986, the authorizations for Federal health professions programs, for primary health centers and for health maintenance organizations [HMO's]. Additionally, title V of H.R. 5602, instructs the Department of Health and Human Services to study means of improving the public's information about such matters as health care costs, patterns in the utilization of health care services, and alternative health care delivery systems.

Initially, I would like to take this opportunity to commend the gentleman from California [Mr. WAXMAN] for his splendid work and outstanding leadership in the development of this legislation. Additionally, I would like to acknowledge the members of the Subcommittee on Health and the Environment for their efforts on behalf of H.R. 5602.

Mr. Chairman, minorities are severely underrepresented in the health professions. According to a study published by the Association of Minority Health Professions Schools [AMHPS], an organization of eight predominantly black medical, dental, pharmacy, and veterinary schools, there are significant shortages in the number of minority health professionals in this country. The AMHPS study warned that these shortages are likely to become acute unless action is taken by the President and the Congress.

While blacks in this country represent nearly 12 percent of the population, the percentage of minority physicians is a pitful 2.6 percent. This percentage represents a mere one-half of 1 percent increase in the proportion of black doctors which has existed since 1950. The statistics for the representation of blacks in other health professions are equally dismal. Less than 3 percent of the Nation's dentists are black, only 2.3 percent of the pharmacists, and a mere 1.6 percent of the veterinarians throughout America are black.

Mr. Chairman, the severe lack of minorities in the health professions is a problem that deserves priority national attention and action by the Congress.

The Health Professions and Services Amendment Act of 1984 proposes important changes in the Health Professions Student Loan Program [HPSL] that will greatly aid our national effort to increase the number of minority health professionals. Specifically, the bill authorizes substantial new funds for HPSL, 50 percent of which would be directed to students from disadvantaged backgrounds. This is an important first step to increasing minority participation in the health professions and I would like to express my appreciation to the chairman for including this provision in the health manpower reauthorization bill.

Mr. WAXMAN. Mr. Chairman, if the gentleman will yield, I believe all involved in the reauthorization process recognize the need for a continued Federal commitment to keep access to an education in the health professions open to students from all walks of life.

Mr. STOKES. I would like to have clarification of some matters relating to the administration of the Health Professions Student Loan Program. Of course, we all acknowledge the importance of collecting debts due the Government.

Graduates who benefited from the availability of low-interest loans are under every moral and legal obligation to repay those loans so that much needed funds can be recycled to other students. I believe the committee fully expects schools, associations, and students to continue their efforts to bring HPSL default rates down.

Mr. WAXMAN. That is certainly true, Mr. STOKES.

Mr. STOKES. I remain concerned, however, about a Department of Health and Human Services rule published in June 1983. That regulation is still in force, but the penalties for noncompliance were withdrawn in December of last year. Had that regulation been implemented as originally planned, many schools would have been suspended from participation in the Health Professions Student Loan Program and many low income health professions students could have faced a serious undeserved reduction in the availability of financial assistance.

I understand that when the committee asked the Department about this problem, it received assurances from DHHS that they are considering revised rules that would be reasonable and achievable and that would give schools adequate time to improve their debt collection efforts.

Mr. WAXMAN. That is my understanding.

Mr. STOKES. I understand that the new rules will require schools to do all they can to collect student loans after the effective date of the rules.

Mr. WAXMAN. My understanding is that the new rules would be tight, but they would apply prospectively.

Mr. STOKES. Rather than retrospectively?

Mr. WAXMAN. That is my expectation. We have expressed to the Department our view that it is fair for Government to set clear standards and then enforce them, but punishing future potential student borrowers by holding schools to retroactively applied standards undermines the congressional purpose in authorizing the HPSL Program.

Mr. STOKES. I just wanted to get that clarified for the record. Mr. WAXMAN, I would like to ask whether legislation is needed to reconcile the need for prudent administration of HPSL funds with the need to ensure continued availability of HPSL loans to low-income students?

Mr. WAXMAN. The subcommittee considered including statutory language to address this concern in the reauthorization bill. Given the Department's assurances, and because the final regulation has not yet been issued, we did not include such directives in H.R. 5602. Let me assure you, however, that the subcommittee will take a close look at the final regulations and their impact on schools and students.

Mr. STOKES. Thank you, Mr. WAXMAN, I appreciate your clarification of the committee's intent in reference to debt collection regulations for the HSPL Program.

Mr. WAXMAN. I am pleased to respond to my colleague's concerns for the record.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague for yielding me this time.

Let me say to the members of the committee that during the debate on H.R. 5602, at the amendment stage, this Member from California plans to offer an amendment or a substitute, depending on how the parliamentary situation is, that will seek to give to the members of the committee an option as to what level of funding we seek to establish for titles I, II, III, and IV for the years 1985, 1986, 1987, and 1988.

This bill illustrates once again that inviolable principle of legislative draftsmanship that Presidents propose and Congresses dispose. For example, the administration has asked that we, the Congress, authorize in fiscal year 1985 for title I $84.9 million. What do we find in H.R. 5602 for title I? The answer is: $173.3 million.

I will repeat that. The administration asks for $84.9 million; the House has before it a vehicle that will authorize $173.3 million, better than twice what the President asks for.

□ 1700

On title II, the administration asks for $12.3 million. The bill before us would authorize $76 million. That is a growth factor of six times what the administration has asked for.

Under title III, the administration has asked for $67 million. The bill before us would authorize $90 million, an increase of $13 million.

With respect to title IV, the bill would authorize $440 million. The administration has asked that the authorization for this title IV be included in a community block grant, so it is difficult to evaluate what the administration under this program would be requesting, but I can give the members of the committee, my colleagues, a little more insight.

In 1984 for title IV we appropriated $387 million, and this authorization is for $440 million for 1985, growing to $588 million in 1988.

One of the questions that this Member from California is asked continually in town hall forums in this election year and last year, and I suspect that my experience is not unique in this regard, is that constituents and people all over this country are asking Members of Congress, "Congressman, do you support the effort to call for a balanced budget of the Federal Government?"

"Yes; I do."

"Do you support the amendment to the Constitution which would mandate a balanced budget on the Congress of the United States?"

"Yes; I do."

"Well, then, how are you going to get a balanced budget? How are you going to get the requirement implemented requiring a balanced budget when you have a deficit right now of $180 billion? Where are you going to cut? How are you going to achieve that?"

I do not know whether the House, the 98th Congress quite frankly, is ready to answer that question because obviously the logical beginning step is not to cut. Politically, that is very difficult, we all know that; but it is not unreasonable to suggest that in order to get to a balanced budget that we say to these meritorious programs, and I am not questioning the need for each of these programs, that we not cut them, but we just hold them where they are, that we freeze the spending or the authorization level at what we are spending in 1984, for 1985 and the outyears, as a means of indicating to the taxpayers that the need is here for this special interest group that must be met at the Federal level, but as a means of establishing the goal of a balanced budget we are just going to freeze it and hold it constant until Federal revenues catch up. Now, that process would probably take 3 or 4 years, that is, if we freeze Federal spending and let revenues grow at an annual rate of $30 to $40 billion over 4 years' time, we have significantly reduced the deficit that we are all claiming that we want to reduce.

That is why I am offering the amendment that I intend to offer, namely, a proposal whereby we in the committee will have an opportunity of voting as to whether as a policy option for this program, we will not cut it, we will just freeze it where it is for 1985, 1986, 1987, and 1988, and then the taxpayers, our constituents, will have an opportunity to determine if in these closing days, we are doing something to get a handle on runaway spending, because, Mr. Chairman, we cannot realistically talk out of one side of our mouths that we want to balance the budget of this country and out of the other side of our mouth continue to vote for programs whereby we are authorizing increases in spending of the magnitude that are contained in this bill.

How in the world can any of us go home and say in 1984 we are spending $125 million in title I and we are going to expand that in 1985 to $173 million? What rational approach would justify an increase of that magnitude? Who can seriously suggest that that vote will indicate a desire to balance the budget?

Again, in 1984, we are appropriating $41.9 million for nursing training and yet this bill would raise that to $76 million, an increase of about 75 percent just in 1 year.

Now, there is evidence that came before the committee We have nurses that do not particularly like shift work in hospitals and some hospitals are having difficulty filling their job slots, but the nursing profession has to admit that we probably have enough nurses in the country right now. There are certain specialties where there are deficiencies, but for us to be increasing the authorization for training nurses at this point in our history in the face of the current balance between supply and demand, I do not think makes all that much sense.

Then in the National Health Service Corps, $91 million appropriated in 1984, and on this point I commend the bill, it is a little bit less, $90 million; but for title IV, Community and Migrant Health Service, we spent $387 million in 1984 and in 1985 it proposes to go up to $440 million.

I do not think we can justify increases of that magnitude and I hope that I will have the opportunity to offer an amendment that will give the Members of the Committee a chance to vote up or down on freezing expenditures for 1985 and the outyears at approximately what we spent in 1984, because I think it is a pattern, an indication of logically how we can get a handle on runaway spending, namely, that we do not cut things, we just freeze them where they are until the revenue catches up.

I thank my colleagues for the time.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. DWYER].

Mr. DWYER of New Jersey. Mr. Chairman, I would like the subcommittee chairman to clarify section 788 (a)1, a provision which would provide certain special assistance to schools of medicine and/or osteopathic medicine which provide the first or last 2 years of training.

I am particularly supportive of this provision authored by the chairman for several reasons. In New Jersey, we have the largest, free-standing, statewide public health sciences educational system in the Nation, and yet there is no medical library in all of South Jersey to serve the Rutgers Medical School and the School of Osteopathic Medicine in Camden. Students, residents and professionals are forced to travel to Philadelphia or almost 2 hours away to Piscataway, or even farther to Newark for medical school libraries of any note.

It is my understanding that the Rutgers Medical School and the School of Osteopathic Medicine in Camden, which are part of a statewide system, but provide only 2 years of training at the Camden site, would be eligible for such funding for a medical school library under this provision.

I yield to the gentleman from California.

Mr. WAXMAN. The gentleman is correct.

Mr. DWYER of New Jersey. I thank the gentleman.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, I had intended to offer some amendments, but as a result of conversations with the chairman of the subcommittee, the gentleman from California [Mr. WAXMAN], I will not do so.

Basically, my amendments would address the fact that in the Senate bill there is language that gives the Secretary the authority to collect bad debts, student loans made by doctors when they were in medical school and health professionals in medical schools. It allows them to refer those loans out, very similar to what we have done in the guaranteed student loans for students not going into medical school.

Apparently, there is no specific authority under the statute to allow that kind of collection with respect to loans under this law.

I am particularly concerned about the language which would give HHS the authority through referral to help in collecting defaulted student loans, including withholding from payroll check, should the person in default be a Federal employee, or referred to the Justice Department for legal action, if necessary.

It seems that high-paying health professionals, particularly doctors who have gone to school and gotten these loans ought to pay them back, that we need the same kind of stringent collection authority for these people that we do for regular students; so I will not offer the amendment now, but I would like to get the assurance from the chairman of the subcommittee that he will look favorably upon that language that is in the Senate bill when it goes to conference.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield to me?

Mr. GLICKMAN. I would be happy to yield.

Mr. WAXMAN. The gentleman raises an excellent issue. Doctors should be required to pay back their loans, and when we get into conference, we are going to look favorably upon a provision that will accomplish exactly that result.

I commend the gentleman for raising the issue.

Mr. GLICKMAN. Mr. Chairman, I thank my colleague.

Mr. MADIGAN. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I am pleased to join with the gentleman from Oregon in support of the section of this bill directing the Department of Health and Human Services to study ways to collect and interpret data on health care utilization and cost and then to provide technical assistance to health consumers and providers desiring to gather this type of data.

□ 1710

In my analysis of health care issues it has occured to me that accurate data is the key to holding back skyrocketing health costs through a competitive marketplace approach.

That key is missing in many parts of the Nation.

This proposal, Mr. Chairman, does not put the Federal Government in the business of collecting and disseminating health care cost information. It limits the Federal role to providing technical assistance to other organizations which will provide information to consumers, whether they be employers, organized groups, or individuals.

If we are to avoid complete Federal control over access to and pricing of health care, we need to encourage consumers to make more educated choices. Before consumers can determine where they can get the best at the most reasonable price they must have information comparing the services offered by health care providers.

This proposal helps achieve that goal. It is backed by a coalition of business, labor, and elderly groups and it deserves your support.

I commend the gentleman from Oregon [Mr. WYDEN] and the gentleman from Illinois [Mr. MADIGAN] for working out an agreement which helps further this proposal.

I base my own support of this proposal on our own experience in Iowa. The State of Iowa has been in the forefront of gathering and disseminating information on health care services and costs. In 1983 the Iowa legislature created the Iowa Health Data Commission, a centerpiece of Iowa's agenda for ensuring access to high quality affordable health care.

The commission, working with the Health Policy Corporation of Iowa, already has issued two landmark reports. One report examines variations in hospital charges across the State of Iowa for treatment of 25 frequently occurring diagnoses. Charges for treatment of a fractured upper femur, for example, ranged from $3,300 to over $8,200 in small hospitals and from $3,800 to $11,300 in large hospitals. Obviously consumers need this kind of information in order to determine where they can get the best deal and the best quality of service.

The second study reports changes in selected characteristics of Iowa hospitals between 1977 and 1982. Again the statistics are startling. In one hospital, for example, the total expenses per bed increased from $28,000 to $39,250

over the 5-year period. By the end of this year the third report will be released, providing information on doctor charges in all Iowa hospitals. I believe the information provided to Iowa consumers is key to our effort to both contain health costs and ensure continued access to high quality health care.

Whether these consumers are businesses selecting benefits for employees, individuals choosing hospitals, or doctors or local governments seeking to meet health care needs of their employees or citizens, all need information to make their decisions. When they have information, these decisions will unleash competitive forces which will bring about higher quality care at lower prices.

We in Iowa are fortunate to have much information already available and more on the way. But few other areas of the Nation have the ability to collect data, accurately analyze the information, and account for complicating factors, and disseminate that data.

I am very much aware of the nationwide need for the expertise to collect and analyze health care data. This legislation is a positive step toward making more of that expertise available to health care consumers across the Nation.

Mr. WAXMAN. Mr. Chairman, I yield 4 minutes to a very distinguished member of our subcommittee, the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. I thank the Chairman.

Mr. Chairman, I want to commend Chairman WAXMAN for, as usual, a very, very superb job in putting this legislation together.

I have a particular interest in title V. This is legislation that has been developed with our colleague from Iowa [Mr. TAUKE]. I also want to thank the gentleman from Illinois [Mr. MADIGAN] who has been enormously patient as we worked through the details of this section.

I also want to thank the gentleman from Arizona [Mr. MCCAIN] for his assistance in developing this legislation.

Mr. Chairman and colleagues, I think it is clear to all of us that health care costs are the new "Pac-man" in this country; they are literally gobbling up everything in sight. For example, for our businesses there are no costs rising faster than health care costs. I have a special interest in title V of this legislation because I believe, it would give health care purchasers for the first time, an opportunity to get a handle on what they are buying in the health care marketplace.

Moreover, I think it is high time that our citizens were in a position to be able to shop for health care in this country rather than, as they have in the past, literally just signing a blank check for their health care.

Since introducing this amendment to the legislation I have been contacted by many, many groups around the country, business groups, labor groups, senior citizens groups, who are currently attempting to gather health care consumer information in order to regain control of their health care bills.

I am very impressed with their efforts, but I think it is clear that these groups today are facing enormous roadblocks in getting the information they need, in knowing how to address the data for all the considerations that make health care data unique, and in interpreting it in a fair and responsible way.

To truly control the growth of health care costs we are going to need the cooperation of everyone in the marketplace; providers, insurers, and purchasers.

Many providers are trying to do their part now through the prospective payment system, and involvement in alternative health care delivery systems like HMO's and PPO's; insurers are trying to do their part by making alternatives available for consumers in the health care packages. And now it is time that we made it possible for purchasers to look more closely at the health care choices, negotiate the best possible health care prices and be in a position to educate themselves and their associates about the right way to use the health care system.

That is what this amendment does, Mr. Chairman and colleagues. It does not call for more bureaucracy. It does not call for volumes of Federal regulations or the addition of hundreds of Civil Service payrolls. Under this title the Federal Government will not be collecting health care data, nor will providers be required to make any data available. What title V does is add a missing ingredient to the effort to control health care costs.

Under this title health care purchasers will be able to request from the Department of Health and Human Services technical assistance, and state of the art information about how to collect and interpret health care consumer data.

I think this amendment is essential if we are going to create a more competitive health care marketplace.

The legislation is endorsed by groups from the U.S. Chamber of Commerce to the AFL-CIO, to the American Association of Retired Persons. It is compatible with the beliefs of the current administration and with Members of both sides of the aisle of this body.

It is another way for all of us to put our votes where our mouths are and provide the private sector with the tools to do the job we are asking of it in the health care marketplace.

Again, Mr. Chairman, I want to commend the chairman of the subcommittee [Mr. WAXMAN] who, as always, has been invaluable in preparing this title.

I thank my colleagues on the other side.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from Illinois [Mr. MADIGAN] has 13 minutes remaining; the gentleman from California [Mr. WAXMAN] has 12 minutes remaining.

Mr. MADIGAN. Mr. Chairman, I yield 4 minutes to the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. I thank the gentleman.

Mr. Chairman, I rise in support of title V of the Health Professions and Services Amendments of 1984.

This legislation would direct the Department of Health and Human Services to study methods of gathering health care data to be used for educating consumers when purchasing health care.

I would also like to extend my appreciation to the gentleman from Oregon [Mr. WYDEN] for this amendment and the very hard and dedicated work he has done on it. I think it is necessary. I feel that one of the only answers to bringing down the skyrocketing costs of health care in this Nation is to provide the consumer with much needed information which at present they do not have.

Mr. Chairman, under this program, the Department of Health and Human Services would provide consumers with state-of-the-art technical advice about how to collect, interpret, and share information about the use of health care services, the cost, and quality of these services. Groups which seek this information, such as State and local government employers, senior citizen groups, corporations, and unions could create their own scientific data banks to correctly interpret health care cost information.

Health care costs have risen far in excess of what is reasonable and measures must be taken to bring costs in line with the normal inflation rate. This health care "shopping bill" is one way to ensure that health care facilities are forthcoming with their pricing and performance data. Informed decisions concerning the purchase of health care can be made in the marketplace with the appropriate data. Health care facilities will be forced to compete for the consumer and thus offer quality services at a lower price.

Currently, a myriad of factors make using health care information a very difficult and complicated chore. Under this legislation, purchasers of health care will have access to uniform information which they will be able to interpret when making purchasing decisions.

In my judgment, title V will not create an additional layer of Government bureaucracy. It simply seeks to

redirect a portion of the Government's activities in the important area of health care costs.

A prime example of what can happen if there is no cooperation between the health care industry and consumers is occurring in Arizona. This November Arizona voters will go to the polls and vote on control of hospital costs. A bitter battle between the State's hospital industry and some of its largest employers involved the legislature in two emergency sessions.

A business-backed coalition wants to amend the Arizona constitution and establish a three-person Arizona Health Care Authority. They will be empowered to control hospital rates, services, and construction. Millions of dollars will be spent by both sides trying to influence the voters.

Even without an initiative campaign, we should all be concerned because the issue of containing health-care costs remains high on the agenda of State legislatures. Approximately 400 bills aimed at controlling health care costs are expected to be introduced in State capitols this year.

Title V is a step in the right direction. By striking down this barrier to competition that lack of information poses, we will be opening the door to cost-effective, proquality decisions in health care purchases.

□ 1720

Mr. WAXMAN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of the Health Professions and Services Amendments of 1984 and will strongly oppose any amendments to cut the authorization levels proposed in H.R. 5602.

Although America prides herself in her ability to care for her citizens, she falls shamefully short of adequate health care for her indigent citizens. The degree of neglect is exemplified by the care available to indigent citizens in the 16th Congressional District of Texas. Two community health care clinics in El Paso, Centro Medico del Valle and Centro de Salud Familiar La Fe, are burdened by an incredible demand on the health services they must provide.

The health clinics in El Paso serve areas which have been designated as medically underserved and health manpower shortage areas by the U.S. Department of Health and Human Services. Some of the criteria used in such designation include physician to population ratio, a high proportion of the population under age 5 and over age 65, the infant mortality rate, high incidences of poverty and accessibility barriers.

The Department of Health and Human Services has determined that a shortage of primary care exists when the ratio of physicians to the population in the area, in the group, or being served by the facility is 1 to 3,500. According to the 1980 census, the physician to population ratio in the areas in my district served by community health clinics were from the lowest 1 to 4,434 to the highest which was a staggering 0 to 17,644. It is remarkable that these clinics manage to exist on the skeletal budgets currently available to them. The major frustration of these health care providers is that at best the health care they are able to provide is minimal.

The majority of patients utilizing these clinics are people of low income who have come to depend on the clinics for medical service. The majority of the population in the clinics' service areas have incomes at or below the poverty level and unemployment well above the national average. The Texas Employment Commission data indicates an unemployment rate of about 16 percent and as high as 35 percent in some pockets of the service area to which I am referring.

In surveying the population groups served by the clinics, census information reveals that the majority are Mexican-Americans, approximately 20 percent are under 5 and over 65, approximately 25 percent are women in the child-bearing age range, and the mean age was about 20.5 years. This translates into specific health problems; family planning, infant mortality, prenatal care, maternity care, dental care, and chronic health problems in the elderly population.

I commend the committee for including provisions in the bill which would require the Department of Health and Human Services to review dedesignated health manpower shortage areas in order to ensure that medically underserved population groups have access to Federal programs even if they are in a geographic area which has experienced an increase in the number of physicians. The committee report correctly points out that this is not the only good indicator of access to health services for all population groups.

I support the continuance of the National Health Service Corps which provides doctors, nurses, dentists and other health care providers to the health manpower shortage areas. I strongly urge the Department of Health and Human Services to continue to fund salaries for these providers in critical areas, such as my district, especially when the private practice option (private organizations assuming financial responsibility for salaries) is not available.

Finally, I applaud efforts aimed at increasing medical care for our country's migrant workers whose transitory occupations create unique health needs and deserve special attention.

We cannot afford to neglect the health care needs of any of our citizens, least of all those who need it most but cannot afford it. I strongly urge my colleagues to support this legislation.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. PURSELL], my intelligent, patient, and long-suffering colleague.

Mr. PURSELL. Mr. Chairman, H.R. 5602 calls for reauthorizing federally supported nursing education programs. I believe passage of this legislation is vital if we want to continue the high quality nursing programs we have in this Nation.

Federal funding of nursing education is not new. The Federal Government has provided assistance for nursing education since the 1930's.

Recognizing a severe shortage of professional nurses nationwide Congress passed the Nurse Training Act in 1964. This measure consolidated and expanded existing educational support programs authorized under title VIII of the Public Health Service Act.

Since 1964 with the support of title VIII the Nation's supply of nurses has increased substantially.

In 1964 there were only 550,000 registered nurses in this country. Today there are 1.7 million nurses nationwide.

However, in spite of the increased number of nurses we cannot withdraw our support of the programs in title VIII. If anything the advances nurses have made further emphasize the need for continuing financial support for nursing education.

Nursing can be instrumental both in reducing health care costs and providing quality health care services.

The nurse is the most cost-effective provider of care within our health care system. Research data now available shows nursing care can reduce recovery rates and increase the success of preventive health care. One study showed that improved care for certain surgery patients saved one hospital more than $51,000 and reduced the average patient stay by 40 to 50 percent.

Another study in Arizona showed that when school nurse practitioners were used the school district saved $19,000.

However, the latest study by the Institute of Medicine stated that a wide range of problems can be lessened only by substantially increasing the supply of nurses with advanced education.

If nursing is to continue to generate the number of graduates needed to maintain our Nation's supply of nurses then Federal assistance in the form of student loans and traineeships must be continued.

Lack of Federal funds for nursing students would mean a serious decline

in the number of nurses in this country.

Therefore, I urge my colleagues to join me in supporting H.R. 5602.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in strong support of this bill. I think it is a marvelous bill. I want to associate myself with the previous speaker. I commend the chairman, the gentleman from California [Mr. WAXMAN] and the minority member of the committee for fine work. We need programs that guarantee loans for our health students. We need programs that further the education of nurses who are central to health delivery. I love the idea of providing incentives for those who work in under-served areas. That is very, very important.

I want to take an opportunity also to commend my friend from Oregon [Mr. WYDEN] who is responsible for the thrust of title V that promotes the availability of consumer education about health care costs.

If there is one thing America needs it is better consumer information about health care. In these times of rampant health care inflation, it is absolutely critical that the public be able to understand and evaluate the cost of health care. This is so vital this insuring information to a quality health care system and that it be made available to the American people.

Mr. Chairman, we would not ask people to take a job without knowing the salary. We would not expect people to decide where to attend college without knowing the tuition. Nor should we ignore the information that people have a right to know concerning health care, especially in view of the fact that collectively we spend about 10 cents for every dollar on health care. We must have the benefit of data.

I want to take this opportunity again to commend the chairman, the gentleman from California [Mr. WAXMAN], the gentleman from Illinois [Mr. MADIGAN], and, of course, my friend from Oregon [Mr. WYDEN] for this wonderful bill.

□ 1730

I think, if anything, I certainly am going to oppose the amendment of my friend from California that guts this bill. If anything, we need more, not less of this type of programming.

● Mrs. SCHNEIDER. The legislation before us today, H.R. 5602, the health professisons and services amendments, offers a two-part approach to solving our current health manpower shortage. First, it authorizes the Federal funding crucial to the education of our Nation's aspiring health professionals. Professional education is an expensive proposition in any field, but nowhere is the need for financial support more compelling than in nursing, medicine, and public health. The average annual cost of a medical education at State schools is currently $10,639 for residents and $14,060 for out-of-State students. At private schools, it is $19,500. If we close the doors to health profession education to all but the most wealthy, then we do our Nation a great disservice. Clearly, we must afford talented, young people from all walks of life the opportunity to enter these fields. H.R. 5602 addresses this situation by reauthorizing new Federal capital contributions to the Health Professions Student Loan Program, and by assisting institutions in recruiting and providing financial aid to students from disadvantaged backgrounds.

Second, the health professions and services amendments reauthorizes the National Health Service Corps [NHSC] for 4 years. The NHSC has been one of the most successful health service programs authorized by the Congress, because it makes doctors, nurses, dentists, and other essential health care providers available in underserved areas. Currently, there are almost 3,000 NHSC providers serving over 2.5 million people in health manpower shortage areas across the country. In my own State of Rhode Island, both rural and inner city communities depend upon these individuals.

Today, we have a unique opportunity to promote the availability of quality health care services to all members of our society. I urge my colleagues to join me in supporting H.R. 5602.●

● Mr. DAVIS. Mr. Chairman, I rise in support of H.R. 5602, the Health Professions and Services Amendments of 1984.

Title IV of this bill is especially important because it provides for the health care needs of the rural and the poor. This legislation promotes high quality health care both efficiently and inexpensively through a network of community health centers.

Nationally, the 750 community health care centers serve 5 million people and save money by encouraging preventive medicine and by reducing inpatient costs as much as 50 percent. One study indicates that health centers saved the Medicaid Program $580 million in 1980 alone. This amounts to a medicaid savings of $1.62 for each dollar spent on health centers. Numerous studies have shown that these centers provide as efficient and effective care as other providers of medical care including private practitioners, group practices, and hospital-based settings—at equal or lower costs.

In my rural northern Michigan district, community health care centers serve tens of thousands of citizens with quality health care. They were instrumental in initiating regionwide CPR and emergency medical training programs, stop-smoking clinics, and home care programs for senior citizens. The centers are also credited with the significant decline of infant mortality rates. Such preventive measures reduce hospitalization and emergency care costs. Because my district has chronically high rates of unemployment and poverty, these health centers are an especially important component of the "safety net" that protects the less fortunate. Without these centers, where patients pay according to their ability, many rural Michigan residents—especially senior citizens—would be without basic health service.

Perhaps it is too rare of an occurrence when we have the opportunity to be both fiscally prudent and socially responsible. On behalf of the 5 million Americans now being served by community health care centers, and on behalf of the 51 million Americans who still do not have access to adequate health care, I strongly urge your support on this bill.●

● Mr. WALGREN. Mr. Chairman, critical to a sound health care system are the people who work in it—the nurses, doctors, dentists, clinic aides, laboratory technicians, and public health personnel who provide health care to our people. This country can be proud of its ability to train and provide a wide range of health care professionals to serve our Nation's health care needs.

The bill before us today will continue that commitment by extending the programs that provide loans to health care students to enable them to get their education. With the cost of higher education going through the roof, many students could not get an education without Federal loans and scholarships and I am pleased to vote to continue them today. I am also pleased that the bill embodies certain emphases to enhance particular aspects of health care delivery: training for nurse practitioners, physician assistants, and public health personnel; training programs in preventive medicine, family medicine, pediatrics, nutrition, alcoholism, public health, and health administration.

I am particularly grateful that as a member of the Health Subcommittee, I was able to help mold this bill and that the committee agreed to my amendment for a new initiative in geriatrics education. A February 1, 1984, report from the Department of Health and Human Services gives more than enough documentation of the problems, current and future.

Although 11 percent of the population are elderly and they consume 30 percent of all health care expenditures, only 1 percent of health training money is spent on training to treat the elderly.

In the year 2000 there will be 10 million more Americans over age 65 than today. Persons over 85 will more than

double. As more people live longer, the demands for medical services will increase.

By the year 2000, there will be 1 million more older people with disabilities. The elderly will make about 230 million visits to physicians, compared to 165 million in 1980, an increase of 40 percent. Short-term hospital care will jump by 50 percent. Residents of nursing homes will increase by over a million.

As families continue to disperse, more elderly will be living alone, with greater need for nursing and other support. To meet these staggering needs, all health professionals will require knowledge and skills to deal with aging.

I am pleased that the committee adopted my amendment to make a modest start to encourage health and medical education to meet this challenge. My amendment would target $2 million in 1985 and $3 million in 1986 for health professions schools to upgrade their curricula and faculty in geriatrics education.

The Department of Health and Human Services report indicates that many such schools have increased their attention to aging problems, but concludes, that "these activities are still very modest. Faculty members with special preparation in aging are in very short supply, ranging from 5 to 25 percent of the number required in different fields." In hearings entitled, "Young Physicians, Older Patients," our Subcommittee on Health found that medical students get very little exposure to the elderly. Forty percent of the medical schools offer no specific course in geriatrics and two-thirds have no rotation experience. Additionally, most training is in acute care—emergency cases in hospitals—not prevention or treatment of chronic health care problems of the aged. The Association of American Medical Colleges has noted, "Only sporadic, frequently uncoordinated efforts are presently underway." Similarly, the American Nursing Association found that "an inadequate number of health care professionals with the necessary expertise in gerontology, particularly nursing, have been prepared. . . ."

Our resources are so inadequate to the task that we have to be sure we are making the wisest effort. In the view of the professionals, the best bang for the buck would be to invest in the following: training of faculty members to teach students; developing new courses in geriatrics; and providing opportunities for people now working in health care to get retraining. My amendment targets funds for these specific purposes.

Clearly, training in all aspects of geriatrics should be integrated into medical school curricula. Students can and should experience a full range of multi-site, interdisciplinary opportunities to work with all types of older people, the dependent as well as the vigorous.

We should be concerned about a fundamental problem in providing the best health care to the elderly: Many in our society may just not be interested. An underlying problem may be an attitudinal one. Studies show our society harbors a subtle bias against the elderly. Our subcommittee hearings found that many doctors do not like to deal with declining or dying patients. They avoid treating old people because many of the ailments of the elderly by their nature do not improve. Many are fatal. Medical successes or reversals of disability or disease are rare. Additionally, older people require greater understanding and time in a good doctor-patient relationship. One witness before us talked about "significant and pervasive neglect of the elderly." Our witnesses suggested that many medical students unconsciously do not seek training in treating the elderly.

Medical education must face up to the "demographic imperative" of aging. We also must face up to the moral imperative. Not only do we spend our health dollars more effectively when we have trained personnel, we spend them more compassionately. I hope that my amendment will be a small stimulus to start moving us in the right direction and provide some leadership for all health professions schools to follow.●

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5602, the Health Professions and Services Amendments of 1984. I urge my colleagues to approve this legislation in a swift and diligent manner.

My support for this bill stems from the palpable benefits derived from the programs which the measure reauthorizes. The legislation provides for low-interest loans which not only enable many students to complete their studies but are a positive way of keeping health costs down by not overburdening future health practitioners with enormous debts from onerous student loans. These high cost loans would have to be paid with increased fees to the consumer.

In addition, the bill has incentives and special loans for the recruitment of students from disadvantaged backgrounds. The bill also reauthorizes some smaller programs for students with exceptional financial needs.

This bill carries particular emphasis in encouraging primary health care. There are special grants and other forms of financial assistance of the instructional programs in general internal medicine, general pediatrics, family medicine, and general dentistry. The National Health Service Corps is authorized through fiscal year 1988. Also, this bill will encourage students to enter the allied health professions and thus improve our general health delivery system.

Nursing is an essential part of that system, and as such, will receive significant funding increases through this bill. Included in the measure are moneys for advanced training programs, for nurse practitioners, and for midwives.

The community health centers and migrant health centers are authorized with increased funding.

Opponents of this bill will argue that it is too expensive, $172.5 million in fiscal year 1985. It should be pointed out that these moneys would be very well spent and will help reduce health expenditures in future years. Preventive health care is cheaper than remedial health care. This bill is a valid attempt at providing and encouraging the former.

Once again, I urge my colleagues to take a positive step toward the wellness of the citizens of the United States and approve this worthwhile measure.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 5602, the Health Professions and Services Amendments of 1984. This legislation amends titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Service Corps Program under the act, and to revise and extend the programs of assistance for health maintenance organizations and migrant and community health centers.

Legislation providing for Federal support of health professions education was first enacted by the Congress in 1963. Over the following 20 years, Congress expanded the Federal commitment for essentially two purposes: First, to increase enrollments at the various health professions schools; and second, to assure the financial viability of the schools. Congress felt that enrollments needed to be increased due to shortages of health manpower. Furthermore, Congress expanded the program to provide assistance to black, other disadvantaged minority and female health professions students. This action served to significantly increase the number of minority and female health professionals.

Among the reauthorization provisions in H.R. 5602 which I strongly support are the following:

First, Health Education Assistance Loan [HEAL] Program.

Second, Health Professions Student Loan [HPSL] Program.

Third, scholarships for first-year students of exceptional need.

Fourth, support for departments of family medicine.

Fifth, support for programs to train physician assistants.

Sixth, assistance to institutions in recruiting and providing educational assistance to students from disadvantaged backgrounds.

Seventh, support for health professions schools with advanced financial distress.

Eighth, 4-year extension of programs in nurse education, the National Health Service Corps Program, Health Maintenance Organizations, and Migrant and Community Health Centers.

Mr. Chairman, I strongly urge my colleagues to support H.R. 5602.●

● Mr. HAWKINS. Mr. Chairman, I rise in support of the nursing education amendment. This amendment would provide much needed aid for the training of individuals in advanced fields of nursing. Moreover, the provision of these funds will indirectly assist many of the residents in both rural and urban communities that are presently medically underserved. The continued funding of this program will help eliminate the shortage of health professionals practicing in predominantly black and Hispanic areas such as Watts, in my own district, the 29th District of California.

With recent funding cuts in the Health Education Assistance Loan [HEAL] Program, and the National Health Service Corps, individuals interested in careers in allied health professions and nursing have little or no funds available to them to pursue careers in this area. Thus, I urge my colleagues to support passage of this amendment, and to oppose any amendment that would eliminate these desperately needed funds.●

● Mr. FRENZEL. Mr. Chairman, today we are to consider H.R. 5602, to revise and extend the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, revise and extend the National Health Service Corps Program and the programs of assistance under that act for health maintenance organizations and migrant and community health centers.

Few can argue with the success of many of these programs. The Nation's supply of registered nurses has tripled in the last 20 years, increasing from 550,000 in 1964 to 1.7 million today. In fact, Minnesota has an oversupply of nurses. The Public Health Service Act was enacted to provide educational assistance to health professions and avert an anticipated shortage of health care human resources, and improve access to, and quality of, medical services in America, and it has succeeded.

However, H.R. 5602 constitutes spending in excess of the House-passed budget on a program which has already achieved its goals. The bill would surely exacerbate the deficit problem facing the country.

The National Health Service Corps has been an extremely successful program in dealing with the maldistribution of health care professionals. This is another instance where a program has met its goals. And it has thereby decreased its need. When a Federal program is as successful as this one has been, there is no justification for spending the estimated outlays of $426.6 million in fiscal year 1985, $766.9 million in fiscal year 1986, $823.8 million in fiscal year 1987, $813.9 million in fiscal year 1988, and $327.4 million in fiscal year 1989.

The nearly $2 billion in spending will add about three fourths of a billion dollars to the deficit over the next 3 years. Nothing but an emergency can justify that kind of olympian spending, and there has been no showing of any emergency.

Committee testimony revealed that there are more than enough National Health Service corpsmen available for placement in health manpower shortage areas and that the available supply will exceed demand for at least the next few years. To increase the authorizations is in keeping with congressional tradition because we increase everything. But it simply does not make sense.

I applaud the splendid job this program has done for the many fine men and women who have chosen health careers, such as nurses, dentists, chiropractors, osteopaths, psychologists, and veterinarians. The work they have done has improved the status of our Nation's health care.

The deficit problem cannot take a back seat to such programs, particularly one such as this which has fulfilled its original intent. I must oppose this bill on the basis that the needs which created these programs have been largely met.

We still have a need to reduce the deficit, but this bill expands it in typical congressional style. H.R. 5602 represents gross overspending and ought to be defeated.●

● Mr. KLECZKA. Mr. Chairman, I rise in strong support of H.R. 5602, the Health Professions and Services Amendments of 1984.

Mr. Chairman, H.R. 5602 extends the authorizations of various programs under the Public Health Service Act which aid the training of health professionals and provide financial assistance to the National Health Service Corps, health maintenance organizations, and migrant and community health centers. This legislation will assure a continued supply of well-trained doctors and nurses and the continued existence of cost-saving health programs designed to serve the needy and those situated in health manpower shortage areas.

Of particular concern is title IV of H.R. 5602 which would set aside $395 million in fiscal year 1985 for community health centers. Considering the burden placed on the Federal budget as a result of soaring health care costs, funding for community health centers is a wise investment. Through strong efforts in health promotion and disease prevention, centers reduce costly inpatient care by as much as 50 percent. According to a study commissioned by the Department of Health and Human Services, community health centers saved the medicaid program $580 million in 1980. In addition, the centers themselves are extremely cost-efficient. Between 1974 and 1983, the centers decreased their costs per patient encounter by 21 percent. Perhaps more importantly, however, is the fact that in many communities, these health centers are the primary health care provider.

Community health centers are specifically situated in inner-city communities that cannot attract enough private practitioners and have been hardest hit by the recent economic recession. Furthermore, the health centers keep the people of the community healthy and productive.

Mr. Chairman, a prime example of the success of the Community Health Centers Program is the 16th Street Community Health Center of Milwaukee which has been serving the residents of my congressional district for nearly 15 years. Many of the poor and elderly in Milwaukee simply have no other place to turn for basic health care services. With a strong emphasis on preventive care, the center also provides prenatal care, nutrition education, and social services. Demands on the 16th Street Community Health Center have grown dramatically over the past several years with 9,000 patient visits expected in 1985.

Due to cuts in Federal health care programs and a continuing economic downturn in many areas, community health centers will likely face an increased demand for services over the next few years. H.R. 5602 provides a modest funding increase for community health centers that will allow them to meet this rising demand.

Mr. Chairman, H.R. 5602, will cost money. However, often, the Federal Government must spend now in order to save later. Community health centers, health maintenance organizations, migrant health centers are cost-effective ways of assuring adequate health care in communities across the Nation. With a focus on preventive health care, these organizations will continue to reduce the burden on other costly Federal health care programs.

Mr. Chairman, I urge my colleagues to support this legislation.●

Mr. WAXMAN. Mr. Chairman, I yield back the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, pursuant to the rule, the bill

will now be considered under the 5-minute rule by titles, and each title shall be considered as having been read.

The Clerk will now designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Health Professions and Services Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the remainder of the bill is as follows:

TITLE I—PROGRAMS UNDER TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 101. (a) The first sentence of section 728(a) (42 U.S.C. 294a(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$275,000,000 for the fiscal year ending September 30, 1985; and $300,000,000 for the fiscal year ending September 30, 1986".

(b) The last sentence of such section is amended by striking out "1987" and inserting in lieu thereof "1989".

SEC. 102. (a) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting before the period the following: "and with any public or other nonprofit school which is located in a State and which offers graduate programs in clinical psychology".

(b) Section 740(b) is amended—

(1) by inserting before the semicolon at the end of paragraph (4) the following: "and to students pursuing a full-time course of study at the school in a graduate program in clinical psychology"; and

(2) by adding after paragraph (6) the following:

"For purposes of this section, the term 'graduate program in clinical psychology' has the meaning prescribed by section 737(3).".

(c) Section 701(5) (42 U.S.C. 292a(5)) is amended by inserting "or in clinical psychology" after "health administration".

SEC. 103. (a) Section 742(a) (42 U.S.C. 244(o)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1985, and $10,700,000 for the fiscal year ending September 30, 1986".

(b) Section 740(b) (42 U.S.C. 294m(b)) is amended by adding after paragraph (6) the following: "With respect to fiscal years beginning after fiscal year 1984, each agreement shall provide that at least one-half of the Federal contribution in such fiscal years to the student loan fund of the school shall be used to make loans to individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.".

(c) Section 743 (42 U.S.C. 294p) is amended by striking out "1987" each place it occurs and inserting in lieu thereof "1989".

SEC. 104. Section 758(d) (42 U.S.C. 294z(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, and $8,600,000 for the fiscal year ending September 30, 1986".

SEC. 105. Section 770(e)(4) (42 U.S.C. 295f(e)(4)) is amended by striking out "and" after "1983," and by inserting after "1984," the following: "$7,500,000 for the fiscal year ending September 30, 1985, and $8,000,000 for the fiscal year ending September 30, 1986,".

SEC. 106. Section 771(c)(1) (42 U.S.C. 295f 1(e)(1)) is amended by striking out "which exceeds" and all that follows in that section and inserting in lieu thereof the following: "which is at least the same as the number of full-time, first year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976.".

SEC. 107. (a) Section 780(c) (42 U.S.C. 295g(c)) is amended by striking out "and" after "1983," and by inserting after "1984" a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, and $11,800,000 for the fiscal year ending September 30, 1986,".

(b) Section 780 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making the applicant's family medicine program a permanent component of its medical education training program. Criteria to be used by the Secretary in evaluating an applicant's commitment include—

"(1) the proportion of the salaries of its family medicine faculty, residents, and fellows and other trainees paid from grants under subsection (a), from patient care revenues, and from other sources;

"(2) the number and proportion of family medicine faculty who are full time in regular tenured positions or positions leading to a tenured position and who are in part-time positions or in clinical, adjunct, or other faculty positions;

"(3) the number and proportion of faculty, residents, and fellows and other trainees in family medicine; and

"(4) the degree to which the numbers and proportions reported under paragraphs (1), (2), and (3) differ from those for other medical and surgical departments of the applicant.".

SEC. 108. The first sentence of section 781(g) (42 U.S.C. 295g-1(g)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$18,000,000 for the fiscal year ending September 30, 1985, and $19,200,000 for the fiscal year ending September 30, 1986".

SEC. 109. Section 782 (42 U.S.C. 295g-2) is amended to read as follows:

"GRANTS FOR SCHOOLS OF PUBLIC HEALTH

"SEC. 782. (a) The Secretary may make grants to public and nonprofit private schools of public health for projects to develop new programs or expand existing programs in human nutrition, geriatrics, health promotion and disease prevention, alcoholism, and injury due to accidents.

"(b) For grants under subsection (a) there are authorized to be appropriated $3,000,000 for fiscal year 1985, and $3,200,000 for fiscal year 1986.".

SEC. 110. Section 783(d) (42 U.S.C. 295g-3(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$6,000,000 for the fiscal year ending September 30, 1985, and $6,400,000 for the fiscal year ending September 30, 1986".

SEC. 111. (a) Section 784(b) (42 U.S.C. 295g-4(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$24,000,000 for the fiscal year ending September 30, 1985, and $28,000,000 for the fiscal year ending September 30, 1986".

(b) Section 784 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) in making grants and entering into contracts under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its general internal medicine and general pediatrics programs permanent components of its medical education training program. Criteria to be used by the Secretary in evaluating an applicant's commitment include—

"(1) the proportion of the salaries of general internal medicine and general pediatrics faculty residents, and fellows and other trainees paid from grants under subsection (a), from patient care revenues, and from other sources;

"(2) the number and proportion of general internal medicine and general pediatrics faculty who are full-time in regular tenured positions or positions leading to a tenured position and who are in part-time positions or in clinical, adjunct, or other faculty positions;

"(3) the number and proportion of faculty, residents, and fellows and other trainees in general internal family medicine and general pediatrics and in other internal medicine or pediatrics positions and programs of the applicant; and

"(4) the degree to which the numbers and proportions reported under paragraphs (1), (2), and (3) differ from those for the rest of the departments of internal medicine and pediatrics, and other medical and surgical departments of the applicant.".

SEC. 112. (a)(1) The first sentence of section 786(c) (42 U.S.C. 295g-6(c)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$38,000,000 for the fiscal year ending September 30, 1985, and $40,600,000 for the fiscal year ending September 30, 1986".

(2) Section 786(c) is amended by adding at the end the following: "In any fiscal year, the Secretary shall obligate for grants under subsection (b) not less than 7 percent of the amount appropriated under this subsection for such fiscal year.".

(b) Section 786 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its family medicine program a permanent component of its medical education training program. Criteria to be used by the Secretary in evaluating an applicant's commitment include—

"(1) the proportion of the salaries of family medicine faculty, residents, and fel-

lows and other trainees paid from grants for funds authorized under subsection (a), from patient care revenues, and from other sources;

"(2) the number and proportion of family medicine faculty who are full-time in regular tenured positions or positions leading to a tenured position and who are in part-time positions or in clinical, adjunct, or other faculty positions;

"(3) the number and proportion of faculty, residents, and fellows and other trainees in family medicine; and

"(4) the degree to which the numbers and proportions reported under paragraphs (1), (2), and (3) differ from those for other medical and surgical departments of the applicant.".

(c) Section 786(b) is amended—

(1) by inserting "or an approved advanced educational program in the general practice of dentistry" before the semicolon in paragraph (1); and

(2) by striking out "residents" in paragraph (2) and inserting in lieu thereof "participants".

SEC. 113. (a) The first sentence of section 787(b) (42 U.S.C. 295g-7(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$24,000,000 for the fiscal year ending September 30, 1985, and $25,700,000 for the fiscal year ending September 30, 1986".

(b)(1) Section 787(a)(1) is amended—

(A) by inserting a comma after "podiatry" and the following: "public and nonprofit private schools which offer graduate programs in clinical psychology,"; and

(B) by adding at the end the following: "*ERR20*'For purposes of this section, the term 'graduate programs in clinical psychology' has the meaning prescribed for that term by section 737(3).".

(2) Section 787(a)(2) is amended by inserting after subparagraph (E) the following:

"The term 'regular course of education of such a school' as used in subparagraph (D) includes a graduate program in clinical psychology.".

SEC. 114. (a) Section 788(f) (42 U.S.C. 295g-8(f)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "4,000,000 for the fiscal year ending September 30, 1985; $4,300,000 for the fiscal year ending September 30, 1986".

(b)(1) Subsection (a)(1) of section 788 is amended to read as follows:

"(a)(1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine.".

(2) Paragraph (2) of section 788(a) is repealed and paragraph (3) of such section is redesignated as paragraph (2).

(3) Section 788(a)(2) (as so redesignated) is amended by inserting "or last" after "the first" and by inserting "or be operated jointly with a school that is accredited by" after "accredited by".

(4) Section 788(b) is amended to read as follows:

"(b) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution for special projects and programs for—

"(1) curriculum development and training in health policy and policy analysis, the organization, delivery, and financing of health care, the determinants of health and the role of medicine in health, and the delivery of health care services to low-income and aged persons;

"(2) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues;

"(3) training in geriatric care and long-term care;

"(4) training in health promotion and disease prevention; and

"(5) curriculum development and training in human nutrition.".

(c) The heading for section 788 is amended to read as follows:

"TWO-YEAR SCHOOLS OF MEDICINE INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT".

SEC. 115. (a) The first sentence of section 788B(h) (42 U.S.C. 295g-8b(h)) is amended to read as follows: "For the purpose of entering into contracts to carry out this section and section 788A there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1985, and $6,400,000 for the fiscal year ending September 30, 1986.".

(b) Subsections (b)(1) and (f) of section 788B are each amended by striking out "five years" and inserting in lieu thereof "seven years".

SEC. 116. (a) Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "and" after "1983", and by inserting before the period a comma and the following: "$2,500,000 for the fiscal year ending September 30, 1985, and $2,700,000 for the fiscal year ending September 30, 1986".

(b) Subsection (c)(2)(A)(i)(II) of section 791 is amended to read as follows:

"(II) such entity shall expend or obligate from non-Federal sources to conduct such programs at least $200,000 in fiscal year 1985 and $225,000 in fiscal year 1986;".

SEC. 117. Section 791A(c) (42 U.S.C. 295h-1a(c)) is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and the following: "$1,000,000 for the fiscal year ending September 30, 1985; $1,100,000 for the fiscal year ending September 30, 1986".

SEC. 118. Section 792(c) (42 U.S.C. 295h-1b(c)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: $4,500,000 for the fiscal year ending September 30, 1985; and $4,800,000 for the fiscal year ending September 30, 1986".

SEC. 119. Section 793(c) (42 U.S.C. 295h-1(c)) is amended by striking out "and" after "1983" and by inserting before the period a comma and the following: "$3,000,000 for the fiscal year ending September 30, 1985, and $3,200,000 for the fiscal year ending September 30, 1986".

SEC. 120. Section 702(a) (42 U.S.C. 292b(a)) is amended (1) by striking out "four representatives" and inserting in lieu thereof "three representatives", (2) by striking out "podiatry, and public health" and inserting in lieu thereof "and podiatry", and (3) by inserting after "791" the following: "and one representative of schools of public health".

TITLE II—PROGRAMS UNDER TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 201. The first sentence of section 820(d) (42 U.S.C. 296k(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, $12,000,000 for the fiscal year ending September 30, 1986, $13,000,000 for the fiscal year ending September 30, 1987, and $14,000,000 for the fiscal year ending September 30, 1988".

SEC. 202. (a) Section 821(b) (42 U.S.C. 296l(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$19,000,000 for the fiscal year ending September 30, 1985, $20,000,000 for the fiscal year ending September 30, 1986, $21,000,000 for the fiscal year ending September 30, 1987, and $22,000,000 for the fiscal year ending September 30, 1988".

(b) Section 821(a) is amended by striking out all after paragraph (3) and inserting in lieu thereof the following: "programs which lead to masters and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, and researchers or in clinical nurse specialties determined by the Secretary to require advanced training.".

SEC. 203. (a) Section 822(e) (42 U.S.C. 296m(e)) is amended to read as follows:

"(e) For grants and contracts under subsection (a) and (b), there are authorized to be appropriated $18,000,000 for fiscal year 1985, $19,000,000 for fiscal year 1986, $20,000,000 for fiscal year 1987, and $21,000,000 for fiscal year 1988.".

(b)(1) Section 822(a)(1) is amended by inserting "and nurse midwives" after "nurse practitioners" the first two times it appears in such section.

(2) Sections 822(a)(2), 822(b), and 822(c) are each amended by inserting "and nurse midwives" after "nurse practitioners".

(3) Section 822(a)(2)(A) is amended by inserting after "and which" the following: "in the case of nurse practitioners".

(4) The heading for section 822 is amended to read as follows:

"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

SEC. 204. Subpart IV of part A of title VIII is amended by adding after section 822 the following new section:

"DEMONSTRATION GRANTS

"SEC. 823. (a) The Secretary may make grants to public and nonprofit private entities for projects to demonstrate—

"(1) improvements in clinical nursing care in institutions,

"(2) improvements in clinical nursing care in homes, independent nursing practice arrangements, and ambulatory facilities, and

"(3) programs to encourage nurses to practice in health manpower shortage areas.

"(b) For grants under subsection (a), there are authorized to be appropriated $8,000,000 for fiscal year 1985, $9,000,000 for fiscal year 1986, $10,000,000 for fiscal year 1987, and $11,000,000 for fiscal year 1988.".

SEC. 205. (a)(1) The first sentence of section 830(b) (42 U.S.C. 297(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1985, $15,000,000 for the fiscal year ending September 30, 1986, $16,000,000 for the fiscal year ending September 30, 1987, and $17,000,000 for the fiscal year ending September 30, 1988".

(2) The second sentence of such section is amended by striking out "1981" and inserting in lieu thereof "1985".

(b) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public and nonprofit private schools of nursing to cover the cost of traineeships for nurses in masters degree and doctoral degree programs in order to educate such nurses—

"(i) to teach in the various fields of nurse training (including practical nurse training),

"(ii) to serve in administrative or supervisory capacities, or

"(iii) to serve in other professional nursing specialties determined by the Secretary to require advanced training.

"(B) The Secretary may make grants to public and nonprofit private schools to cover the cost of traineeships in certificate or degree programs to educate nurses to serve in and prepare for practice as nurse practitioners and nurse midwives.".

SEC. 206. Section 831(b) (42 U.S.C. 297-1(b)) is amended to read as follows:

"(b) For grants under subsection (a), there are authorized to be appropriated $1,000,000 for fiscal year 1985, $1,200,000 for fiscal year 1986, $1,400,000 for fiscal year 1987, and $1,600,000 for fiscal year 1988.".

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 301. (a) Section 338(a) (42 U.S.C. 254k(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$90,000,000 for the fiscal year ending September 30, 1985; $95,000,000 for the fiscal year ending September 30, 1986; $100,000,000 for the fiscal year ending September 30, 1987; and $105,000,000 for the fiscal year ending September 30, 1988".

(b) Section 338F(a) (42 U.S.C. 294y(a)) is amended—

(1) by striking out "1982, and each of the two" in the second sentence and inserting in lieu thereof "1985, and each of the three",

(2) by striking out "1984" each place it occurs and inserting in lieu thereof "1988", and

(3) by striking out "1985, and for each of the two" and inserting in lieu thereof "1989, and for each of the three".

SEC. 302. Section 338C(a)(2) (42 U.S.C. 294v(a)(2)) is amended by inserting before the period the following: "for which the Secretary has made the evaluation and determination described in section 333(a)(1)(D)".

SEC. 303. Section 338C(b) is amended by inserting at the end the following: "The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.".

SEC. 304. Section 332(a)(1) (42 U.S.C. 254e(a)(1)) is amended by adding at the end the following: "The Secretary may not remove an area from the areas determined to be health manpower shortage areas under clause (A) unless the Secretary also determines that such an area does not have a population group described in clause (B) or a facility described in clause (C).".

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS AND MIGRANT AND COMMUNITY HEALTH CENTERS

SEC. 401. (a) Section 1309(b) (42 U.S.C. 300e-8(b)) is amended by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1985, 1986, 1987, and 1988".

(b) Section 1305(d) (42 U.S.C. 300e-4(d)) is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1989".

SEC. 402. (a) The first sentence of section 329(h)(1) (42 U.S.C. 247d(h)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$55,000,000 for the fiscal year ending September 30, 1985, $60,000,000 for the fiscal year ending September 30, 1986, $66,000,000 for the fiscal year ending September 30, 1987, and $73,000,000 for the fiscal year ending September 30, 1988".

(b) Section 329(d)(2) is amended by inserting before the semicolon the following: "and the costs of repaying loans made by the Farmer's Home Loan Administration for buildings".

SEC. 403. Section 330(g) (42 U.S.C. 254c(g)) is amended by striking out paragraphs (1) and (2), by redesignating paragraph (3) as paragraph (2), and by inserting before that paragraph the following:

"(g)(1) For grants under subsection (d), there are authorized to be appropriated $385,000,000 for fiscal year 1985, $425,000,000 for fiscal year 1986, $465,000,000 for fiscal year 1987, and $515,000,000 for fiscal year 1988. The Secretary may not expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of the funds appropriated under this paragraph for that fiscal year.".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, insert after "section" the following: "and section 741".

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc and that they be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the remaining committee amendments is as follows:

Committee amendments: Page 3, insert after line 10 the following:

(d)(1) Sections 741(b) and 741(f)(1)(A) are each amended by inserting "a doctoral degree in clinical psychology or an equivalent degree," after "doctor of optometry or an equivalent degree,".

(2) Section 741(c) is amended by inserting after "veterinary medicine" the following: "or at a school in a graduate program in psychology".

Page 4, strike out line 22 through line 2 on page 5 and insert in lieu thereof the following:

SEC. 106. Paragraph (1) of section 771(e) (42 U.S.C. 295f-1(e)) is amended to read as follows:

"(1) To be eligible for a grant under section 770 for a fiscal year beginning after fiscal year 1984, the product of the hours of instruction offered by a school of public health and the number of students enrolled in such hours of instruction in such school, in the school year beginning in fiscal year 1985 and in each school year thereafter beginning in a fiscal year in which a grant under section 770 is applied for, shall be at least the same as the product of the hours of instruction offered by the school and the number of students enrolled in such hours of instruction in the school year beginning in fiscal year 1984.".

Page 6, beginning in line 5 strike "Criteria" and all that follows through line 23 and insert close quotation marks and a period.

Page 6, line 24, insert "(a)" after "108." and insert after line 4 on page 7 the following:

(b)(1) Section 781(a)(2) is amended by striking out "enter into contracts with schools of medicine and osteopathy," and insert in lieu thereof the following: "enter into contracts with schools of medicine and osteopathy, and public or nonprofit private entities which have served as regional area health education centers,".

(2) The last sentence of section 781(g) is amended by striking out "may" and inserting in lieu thereof "shall".

Page 8, beginning in line 18 strike "Criteria" and all that follows through line 15 on page 9 and insert close quotation marks and a period.

Page 10, beginning in line 10 strike "criteria" and all that follows through line 4 on page 11 and insert close quotation marks and a period.

Page 12, insert before the first period in line 15 the following: "or osteopathy".

Page 12, insert after the first period in line 16 the following: "Grants provided under this paragraph to schools which were in existence on the date of the enactment of the Health Professions and Services Amendments of 1984 may be used for construction and the purchase of equipment.".

Page 12, line 23, strike out "and" and insert in lieu thereof a comma and the following: "by inserting 'or osteopathy' after 'medicine' and".

Page 13, strike out line 17 and redesignate the succeeding paragraphs accordingly.

Page 14, redesignate subsection (c) in line 23 as subsection (d) and insert after line 21, page 13, the following:

(c)(1) Section 788(d) is amended—

(A) by striking out "with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities" and inserting in lieu thereof "with accredited health professions schools referred to in section 701(4) to assist in meeting the costs of such schools"; and

(B) by amending paragraph (1) to read as follows:

"(1) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and support continuing education of health professionals in such treatment; and".

(2) Section 788(f) is amended—

(A) in inserting "(1)" after "(f)",

(B) by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of subsections (a), (b), (c), and (e) of this section", and

(C) by adding at the end the following:

"(2) For purposes of subsection (d) there are authorized to be appropriated $2,000,000 for fiscal year 1985 and $3,000,000 for fiscal year 1986.".

Page 15, line 19, strike out "(i)(II)" and insert in lieu thereof "(ii)", and in line 21, strike out "(II)" and insert in lieu thereof "(ii)".

Page 16, insert after line 23 the following:

SEC. 121. (a)(1) Section 701(4) (42 U.S.C. 292a(4)) is amended (A) by inserting "'school of chiropractic'," after "'school of dentistry,'", and (B) by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(2) Section 701(5) is amended by inserting "chiropractic," after "dentistry,".

(b)(1) Section 740(a) (42 U.S.C. 2940(a)) is amended by inserting "chiropractic," after "dentistry,".

(2) Sections 740(b)(4), 741(b), and 741(f)(1)(A) are each amended by inserting

"degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(3) Section 741(c) is amended by inserting "chiropractic," after "dentistry,".

(4) Section 742(a) (42 U.S.C. 294(a)) is amended by adding at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be made available for Federal capital contributions for student loan funds at schools of chiropractic.".

(c)(1) Section 787(a)(1) (42 U.S.C. 295g-7(a)(1)) is amended by inserting "chiropractic," after "dentistry,".

(2) Section 787(b) is amended by inserting at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be obligated for grants or contracts to schools of chiropractic.".

Page 18, strike out lines 6 through 10 and insert in lieu thereof the following: "$12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for the fiscal year ending September 30, 1986, $14,000,000 for the fiscal year ending September 30, 1987, and $15,000,000 for the fiscal year ending September 30, 1988".

Page 18, strike out lines 18 through 22 and insert in lieu thereof the following:

$21,000,000 for the fiscal year ending September 30, 1985,

$22,000,000 for the fiscal year ending September 30, 1986,

$23,000,000 for the fiscal year ending September 30, 1987, and $24,000,000 for the fiscal year ending September 30, 1988.

Page 19, beginning in line 12 strike out "$18,000,000" and all that follows through line 15 and insert in lieu thereof the following:

$19,000,000 for the fiscal year ending September 30, 1985,

$20,000,000 for the fiscal year ending September 30, 1986,

$21,000,000 for the fiscal year ending September 30, 1987, and $22,000,000 for the fiscal year ending September 30, 1988.

Page 19, insert before the period in line 25 the following: "each place it occurs".

Page 20, redesignate paragraph (4) in line 7 as paragraph (5) and insert after line 3 the following:

(4) Section 822(b)(3) is amended by inserting before "for a period" the following: "or in a public health care facility".

Page 21, strike out lines 4 through 8 and insert in lieu thereof the following:

$15,000,000 for the fiscal year ending September 30, 1985, $16,000,000 for the fiscal year ending September 30, 1987, $17,000,000 for the fiscal year ending September 30, 1987, and $18,000,000 for the fiscal year ending September 30, 1988".

Page 25, insert after line 8 the following:

TITLE V—HEALTH CARE CONSUMER INFORMATION

SEC. 501. Section 304 of such Act (42 U.S.C. 242k) is amended by adding at the end the following:

"(e)(1) The Secretary shall—

"(A) study (i) criteria and methodologies for use in collecting and disseminating health care consumer information, including information on alternative health care delivery systems and aggregate information on health care cost and utilization, and (ii) means to assist in collecting and disseminating such information;

"(B) Prepare a plan for furnishing to the public, upon request, technical assistance (i) in the use of the criteria and methodologies described in subparagraph (A), (ii) in the use of information on alternative health care delivery systems, and (iii) to identify sources of information which are appropriate for use in collecting and disseminating health care consumer information described in subparagraph (A);

"(C) not later than 6 months after the completion of the study and preparation of the plan required by subparagraphs (A) and (B), carry out, to the extent feasible, the activities for which the plan was prepared under subparagraph (B); and

"(D) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services.

Not later than 9 months after the date of the enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (B), and report to Congress the results of the study and the completion of the plan.

"(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

"(A) physicians, hospitals, and other health care providers,

"(B) insurers,

"(C) businesses, unions, and public entities which purchase health care through insurance or selfinsurance, and

"(D) members of the general public.

"(3) In carrying out paragraph (1), the Secretary shall assure that health care consumer information is collected, identified, and interpreted in a matter consistent with the confidentiality of individually identifiable patient medical information.".

AMENDMENTS OFFERED BY MR. WAXMAN TO THE COMMITTEE AMENDMENTS

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent to offer a series of amendments to the committee amendments and to have those amendments considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the amendments to the committee amendments offered by Mr. WAXMAN to be considered en bloc is as follows:

Amendments offered by Mr. WAXMAN to the committee amendments: Page 7, strike out lines 5 through 10 and insert in lieu thereof the following:

(b)(1) Section 781(a)(2) is amended by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Education Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

Page 18, insert "and" after "1986," in line 12 and strike out the comma after "1987" in line 13 and all that follows through "1988" in line 14.

Page 18, insert "and" after "1986," in line 24 and strike out the comma after "1987" in line 1 on page 19 and all that follows through "1988" in line 2 on that page.

Page 19, insert "and" after "1986," in line 17 and strike out the comma after "1987" in line 18 and all that follows through "1988" in line 19.

Page 21, insert "and" after "1986," in line 10 and strike out the comma after "1987" in line 11 and all that follows through "1988" in line 12.

The CHAIRMAN. Is there any debate on the amendments to the committee amendments? If not, the question is on the amendments offered by the gentleman from California [Mr. WAXMAN] to the committee amendments.

The amendments to the committee amendments were agreed to.

The CHAIRMAN. Is there any debate to be had on the committee amendments?

AMENDMENT OFFERED BY MR. WYDEN TO THE COMMITTEE AMENDMENTS, AS AMENDED

Mr. WYDEN. Mr. Chairman, I offer an amendment to the committee amendments.

The Clerk read as follows:

Amendment offered by Mr. WYDEN to the committee amendments, as amended: Page 25, strike out line 13 and all that follows through on line 10 on page 27 and insert in lieu thereof the following:

"(e)(1) The Secretary shall—

"(A) study (i) criteria and methodologies for use in collecting and disseminating aggregate health care cost and utilization data and other health care consumer information, (ii) Federal laws and programs under which such information is collected and disseminated and the activities of public and private entities and individuals in the collection and dissemination of such information, and (iii) means to assist in collecting and disseminating such information through public and private entities and individuals;

"(B) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services;

"(C) prepare a plan for having appropriate public or private entities, or both, furnish, either directly or through referral, to the public, upon request, technical assistance relating to the criteria and methodologies identified in subparagraph (A); and

"(D) not later than six months after the completion of the study and preparation of the plan required by subparagraphs (A) and (C), carry out, to the extent feasible, the plan prepared under subparagraph (C).

Not later than nine months after the date of the enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (C), and report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the results of the study and the developed plan. The Secretary shall also periodically report to such committees on the actions taken under subparagraph (B) and the technical assistance provided under the plan.

"(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

"(A) physicians, hospitals, and other health care providers,

"(B) insurers,

"(C) businesses, unions, and public entities which purchase health care through insurance or self-insurance, and

"(D) health care consumers.

"(3) In carrying out paragraph (1), the Secretary shall assure that the methodology and criteria referred to in subparagraphs (A) and (B) of such paragraph shall protect the confidentiality of individually identifiable patient medical information.

"(4) This subsection does not authorize the Secretary to require the disclosure of any information.".

Mr. WYDEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WYDEN. Mr. Chairman, this is a technical amendment. It has been worked out with the minority. I think this amendment represents a strong bipartisan support for this title, a major step forward, in my view, in strengthening and clarifying the opportunity for health care purchasers.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. Mr. Chairman, I want to congratulate the gentleman on his amendment and say that we have had an opportunity to review it on this side and to work with him, and we intend to support it.

Mr. WYDEN. I thank the gentleman.

Mr. WAXMAN, Mr. Chairman, will the gentleman yield?

Mr. WYDEN. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I congratulate the gentleman, as well, on these amendments, and we enthusiastically support them.

Mr. WYDEN. I thank the gentleman.

The CHAIRMAN. Is there any further debate on the amendment offered by the gentleman from Oregon? If not, the question is on the amendment offered by the gentleman from Oregon [Mr. WYDEN] to the committee amendments, as amended.

The amendment to the committee amendments, as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendments, as amended.

The committee amendments, as amended, were agreed to.

PARLIAMENTARY INQUIRY

Mr. WAXMAN. Mr. Chairman, a point of parliamentary inquiry. The committee amendments have just been adopted; is that correct?

The CHAIRMAN. Yes; the committee amendments have been adopted en bloc, as amended.

AMENDMENTS OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer a series of amendments, and I ask unanimous consent that they be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MADIGAN. Mr. Chairman, reserving the right to object, under my reservation I would ask the gentleman from California if he intends to explain the amendments.

Mr. WAXMAN. If the gentleman will yield to me, I will give the gentleman as much explanation as he desires.

Mr. MADIGAN. I do not desire very much. I know what is in them. But I think some of our colleagues might want to hear a little bit about them.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the amendments offered by Mr. WAXMAN to be considered en bloc is as follows:

Amendments offered by Mr. WAXMAN:

Page 3, insert after line 19 the following:

(e)(1) Section 741(c) is amended by adding at the end the following: "If an individual who was a full-time student at a school described in the preceding sentence—

"(1) leaves the school to engage in an activity which is directly related to the health profession for which the individual is preparing and leaves with the intent to return to such school as a full-time student, and

"(2) engages in such activity for not more than two years,

such individual may not be required under the preceding sentence to begin loan repayments.".

(2) The amendment made by paragraph (1) shall take effect as of June 30, 1982.

Page 17, insert after line 25 the following:

SEC. 122. Section 709(d) (42 U.S.C. 292j(d)) is amended to read as follows:

"(d) Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.".

Page 20, insert "and" after "1986," in line 25 and strike out the comma after "1987" in line 26 and all that follows through "1988" in that line.

Page 22 insert "and" after "1986," in line 13 and strike out the comma after "1987" in line 14 and all that follows through "1988" in that line.

Page 22, strike out lines 21 through 24 and insert in lieu thereof the following:

"$90,000,000 for the fiscal year ending September 30, 1986; $95,000,000 for the fiscal year ending September 30, 1987; and $100,000,000 for the fiscal year ending September 30, 1988".

Page 24, strike out lines 13 through 17 and insert in lieu thereof the following:

"$47,000,000 for the fiscal year ending September 30, 1985, $51,000,000 for the fiscal year ending September 30, 1986, $58,000,000 for the fiscal year ending September 30, 1987, and $64,000,000 for the fiscal year ending September 30, 1988".

Page 25, strike out "appropriated" in line 2 and all that follows through line 4 and insert in lieu thereof the following:

appropriated: $375,000,000 for fiscal year 1985, $410,000,000 for fiscal year 1986, $445,000,000 for fiscal year 1987, and $482,000,000 for fiscal year 1988. The

Page 25, insert after line 8, the following:

SEC. 404. No health maintenance organization may be required, as a condition for being federally qualified under title XIII of the Public Health Service Act, to include organ transplants, other than kidney transplants, in its basic health services (as defined in section 1302 of such Act) before the health maintenance organization's contract year beginning after January 1, 1986. In making any determination whether an organ transplant procedure should be included in a health maintenance organization's contract entered into after January 1, 1986, the Secretary shall provide an opportunity for public comment on the proposed determination prior to its implementation.

Mr. WAXMAN. Mr. Chairman and my colleagues, the amendments that we have adopted pursuant to negotiations with the minority reduce the funding levels for many of the programs that are reauthorized in this legislation. There is before us, as well, an amendment which provides authority to use some title VII funds for technical assistance, as the Secretary already may under title VIII. It is a very technical amendment. By and large, the amendments that we have offered en bloc have fulfilled the compromise that we have worked out with the minority, which primarily dealt with reducing the funding levels to a point which is acceptable, I presume, to the ranking minority member of our subcommittee.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. So what we are considering now is the $218.6 million reduction in authorization. That is included in what we are doing right now?

Mr. WAXMAN. Much of that, I understand, was already adopted, but it is part of the overall procedure of

what we are moving to accomplish here to accomplish that agreement. The motion right before us at the present time is very technical. All of the amendments that we have considered en bloc within the last 5 minutes, or so, have accomplished exactly that purpose.

Mr. MADIGAN. I thank the gentleman.

The CHAIRMAN. Is there further discussion on the amendments offered by the gentleman from California? If not, the question is on the amendments offered by the gentleman from California [Mr. WAXMAN], which are being considered en bloc.

The amendments were agreed to.

AMENDMENT OFFERED BY MRS. BOGGS

Mrs. BOGGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Boggs: Page 3, insert after line 19 the following:

(c)(1) Section 741(c) is amended by adding at the end the following: "If an individual who was a full-time student at a school described in the preceding sentence—

"(1) leaves the school to engage in an activity which is directly related to the health profession for which the individual is preparing and leaves with the intent to return to such school as a full-time student, and

"(2) engages in such actitivity for not more than two years,

such individual may not be required under the preceding sentence to begin loan repayments.".

(2) The amendment made by paragraph (1) shall take effect as of June 30, 1982.

Mrs. BOGGS (during the reading). Mr. Chariman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

Mrs. BOGGS. Mr. Chairman, under the Public Health Service Act, which governs the Health Professions Student Loan Program, health professions student loans must be repaid over a 10-year period which begins 1 year after the student who received the loan ceases to pursue a full-time course of study. Unfortunately, the regulations issued persuant to the act are not flexible enough to address situations in which a health professions student leaves his or her school for more than a 1-year period in order to participate in a special internship or training program directly related to his or her discipline.

I am personally aware of an instance in which a medical student left medical school in order to participate in a program directly related to the study of medicine. Because this fellowship lasted more than 1 year, his health professions student loan was placed in a repayment status even though he returned to medical school after internship. Other students are similarly situated.

The purpose of this amendment is simply to correct this situation. It is not intended to affect the repayment schedule of students leaving health professions studies without clear intentions of returning. Rather, it is intended to address very limited instances in which an individual leaves school to engage in an activity directly related to his or her health profession with the intent of returning to that school to complete necessary course work. This special exception is to be granted for leaves that last no more than 2 years.

I thank the gentleman from California for his advice and assistance in dealing with this situation.

I urge adoption of the amendment.

Mr. WAXMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentlewoman for yielding.

Mr. Chairman, we have had an opportunity to review this amendment. I think it is a very worthwhile amendment. It is made necessary by the way the Department chose to interpret the relevant provision in the case of a student who did a fellowship during medical school, and we would join in supporting that amendment.

Mrs. BOGGS. I thank the gentleman.

Mr. MADIGAN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I want to congratulate the gentlewoman on her taking this much interest in this individual and I assure her that on the minority side we intend to support her amendment.

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Mrs. BOGGS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Louisiana [Mrs. BOGGS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 27, insert after line 10 the following:

TITLE VI—PLAGUE

SEC 601. Section 317 (42 U.S.C. 247b) is amended by adding at the end the following:

"(K) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States for the control of plague. For grants under this subsection, there are authorized to be appropriated $1,000,000 for each of the fiscal years 1985, 1986, and 1987.".

Mr. RICHARDSON. Mr. Chairman, while plague is classified as a rare disease in the United States, in my district in northern New Mexico and in other locations in the country, plague presents a unique and major hazard to the public health. The amendment I am offering today addresses the need for additional funding for research in meaningful plague prevention strategies.

Plague is primarily a disease of rodents and their fleas. Humans are infected after being bitten by rodent fleas. Plague is found in rodents throughout the American West. Plague, if untreated, has a 60-percent fatality rate.

In my home State of New Mexico, there have been 143 cases of plague since 1949. New Mexico reports over two-thirds of the Nation's plague cases each year; 84 percent of New Mexico's plague cases each year occur in my district. Three plague cases have already been reported in New Mexico this year.

There is, at present, no good prevention strategy for plague. Large-scale rodent/flea control has been tried and proven ineffective. Educating the public to seek early medical treatment and educating physicians in diagnosis and therapy of plague has resulted in a decreased fatality rate but does not attack the plague problem at its root—prevention of the disease.

In February 1984, the Ad Hoc National Plague Prevention and Control Committee met in Santa Fe to discuss strategies for plague prevention. The overwhelming conclusion of those in attendance was that there is a strong need for additional research in plague prevention to include the basic biology of flea vectors and plague ecology; documentation of the role of pets in transporting or transmitting plague to humans; studies to delineate plague risk factors among humans; evaluation and improvement of existing plague control strategies directed at preventing human cases; and development of improved and simplified laboratory diagnostic tests.

While a large number of plague cases occur in New Mexico, plague cases are reported in many other States throughout the country. My amendment would authorize $1 million per year for the next 3 years to be used to research plague prevention strategies. These funds would go to the Center for Disease Control to be allocated to State health agencies and other interested research groups on a competitive basis.

Mr. Chairman, the last plague fatality in New Mexico was a 71-year-old gentleman who was exposed to the disease while chopping wood. His family has written me urging the Congress to do everything it can to keep other families from suffering as they have. This family has also started a fund for plague education at St. Vincent's Hos-

pital in Santa Fe where Mr. Morrison died. The ultimate goal of this amendment is to prevent these tragedies from reoccurring by eliminating plague as a health hazard throughout the United States. I urge my colleagues to support my amendment which addresses a very real need—the prevention of bubonic and pneumonic plague.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I have had an opportunity to discuss this situation with the gentleman on previous occasions and I am shocked to hear about the situation in his district.

We would fully support this amendment, and I want to work with the gentleman further. I think it may be necessary for our committee to come out there to New Mexico to hold hearings to look further into the situation. We ought not to, in this day and age, permit recurrence of the plague, such a dreaded disease to occur anywhere in our Nation today.

I want to commend the gentleman for the leadership he has given to try and deal with this very serious public health problem.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman.

Mr. MADIGAN. I want to associate myself with the remarks of the gentleman from California, and assure the gentleman from New Mexico that we also want to be helpful to him in dealing with this very serious public health problem in New Mexico. We certainly intend to support his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 17, insert after line 25 the following:

SEC. 122. (a)(1) Section 731(a)(1)(A) (42 U.S.C. 294d(a)(1)(A)) is amended by striking out "and" at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following:

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section; and".

(2) Section 731(a)(1)(B) is amended by striking out "and" at the end of clause (ii), by redesignating clause (ii) as clause (iv), and by inserting after clause (ii) the following:

"(iii) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section; and".

(3) Section 741(b) (42 U.S.C. 294-n(b)) is amended by inserting "(1)" after "student" and by inserting before the period a comma and the following: "and (2) who if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section".

(b) The Secretary of Health and Human Services, in cooperation with the Director of Selective Service, shall conduct a study to determine if health professions schools are engaged in a pattern or practice of failure to comply with section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) (or regulations issued under such section) or are engaged in pattern or practice of providing loans or work assistance to persons who are required to register under section 3 of such Act (and any proclamation of the President and regulations prescribed under that section) and have not so registered. The Secretary shall complete the study and report its results to the Congress not later than one year after the date of the enactment of this Act.

Mr. SOLOMON. Mr. Chairman, I will not take much time on this amendment. We all know that the so-called Solomon amendment over a year ago was enacted into law, and was passed overwhelmingly by this House and the other House, and was recently upheld by the Supreme Court. Overwhelmingly upheld, I should say, by the Supreme Court. What that Solomon amendment did at that time was to simply prohibit any Federal grants and loans under the Higher Education Assistance Act from going to any young man who was in violation of the draft registration law.

At the time, we had made a promise to the more than 13 million young men who had lived up to their obligations as U.S. citizens and who had obeyed the law. We told them that we would pass similar legislation affecting all young men under all categories. This is the first opportunity that we have had under the Health Professional Service Act of including those young men as well under this act. My amendment simply extends the Solomon amendment to cover those young men, and also calls for a study which would look into some universities who stated that they may possibly want to flaunt the law and make up the difference for aid that might be lost to some of these young men.

I think that we, the Congress, ought to know what effect that really does have if there are universities of higher education doing that. Consequently, that is all that this amendment does. It simply extends the Solomon amendment to this category.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman.

Mr. WAXMAN. I must indicate to the gentleman that I oppose his amendment. I have opposed it at other times when he has offered this very same amendment. There are, I think, special problems when it comes to the health professional schools with this amendment. But I recognize the fact that this House has voted on this issue a number of times and that the clear will of the majority of the House is in support of this amendment. I want to indicate that acknowledgement to him. I expect that the amendment will carry and I will not press for a record vote on the issue because we have had so many other votes in the past.

Mr. SOLOMON. I thank the chairman, and I also recognized him to be, as does the rest of the House, a very reasonable man.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman.

Mr. PURSELL. Could the gentleman indicate in the track record now the percentage of students who have registered under the law? What percentage that is?

Mr. SOLOMON. Prior to the enactment of this law and the publicity that it has received, there was only a 79-percent compliance throughout the entire Nation. Today, through August 31, there is a 97-percent compliance, which means that more than 12 million young men have lived up to their obligations as U.S. citizens.

What we were trying to do with the original intent of the law was to first of all let them know it is a very important law; encourage them to live up to the law, and thirdly, to let them know that the Federal Government did mean business. That if they did not register, they were going to be sought out and prosecuted.

Mr. PURSELL. Well, as I understand, I think the gentleman is accurate. The information that I have is that it was close to 98 percent, which leads me to believe that we really do not need the amendment and that it is inappropriate. I too, shall not make a major issue of this at this late hour, but I think with a 98-percent compliance by the students of America, I have to congratulate them on doing it voluntarily. Certainly it is not the issue it is purported to be in some circles in the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BONER OF TENNESSEE

Mr. BONER of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONER of Tennessee: Page 17, insert after line 25 the following:

SEC. 122. The Secretary of Health and Human Services shall conduct a study of the delivery of inpatient and outpatient health care services to the homeless and shall include in the study an evaluation of eligibility requirements which prevent the homeless from receiving health care services and an evaluation of the efficiency of the delivery of health care services to the homeless. The Secretary shall complete the study and report its results to the Congress not later than September 30, 1985, together with recommendations for legislation to improve health care delivery services to the homeless.

Mr. BONER of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BONER of Tennessee. Mr. Chairman, I recently had the opportunity to spend 2 days and 2 nights on the streets of Nashville to learn about the problems of the homeless. In addition, I recently had the privilege of chairing a hearing of the Aging Subcommittee on Housing and Consumer Interests in order to focus attention on the problems of the homeless and to hear from community leaders and social service experts of the need not only to provide shelter and food to the homeless but, as importantly, the need to provide adequate health services.

I was proud of the tremendous effort these community members are making to help the homeless. In fact, I have learned that in cities all across our Nation, many thousands of individuals are volunteering their time, money, and energy to assist the homeless. Much of their efforts are being done without the aid of the Federal Government. In fact, some of these efforts are being done in spite of the roadblocks and barriers imposed by this Government. My own belief is that the Federal Government should provide a helping hand, not a hindrance.

One of the areas where the Federal Government can be particularly helpful is in evaluating the delivery of assistance to the homeless and in recommending better ways to coordinate this assistance. One area of much-needed assistance which I learned is virtually unavailable to the homeless is adequate health care.

The barriers for the homeless to the health care system are numerous. Most important are the particular physical and mental ills of the homeless. To be specific, we are dealing with the consequences of trauma, both major and petty; the problems of infestation with scabies and lice, and the skin infections which ensue; the problems of vascular disease, cellulitus and leg ulcers; plus all the standard medical disorders, including cardiac arrest, diabetes, hypertension, acute and chronic pulmonary disease, and tuberculosis. Many of these medical needs can only be treated through constant medical monitoring—a course of action that is nearly impossible for the homeless. In addition, many of the homeless are mentally ill and not currently served on either an inpatient or outpatient basis.

Some of the barriers for the homeless involve strict eligibility requirements. Others involve clear financial and insurance problems. As many in our country have found, the first question usually asked when being admitted for any kind of health treatment is the patient's ability to pay. This problem is exacerbated when a homeless person not only has no financial means to pay for health services, but also is unable to receive public supported health services because of residency requirements.

The medical needs of the homeless population have been identified. What has not been identified is the availability of medical services. My amendment would require the Secretary of Health and Human Services to evaluate and report to the Congress on what medical services are available, how those services can be changed, made more efficient, and coordinated. The Secretary's report would be due at the end of the 1985 fiscal year.

Mr. Chairman, the medical needs of our Nation's homeless population deserve such a study.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. BONER of Tennessee. I yield to the gentleman from California.

Mr. WAXMAN. I have had an opportunity to see the gentleman's amendment and to evaluate it. I think it is a worthwhile amendment. I would join him in supporting this study.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. BONER of Tennessee. I yield to the gentleman from Illinois.

Mr. MADIGAN. I would associate myself with the remarks of the chairman of the subcommittee and assure the gentleman that we have had a chance to review his amendment, and we intend to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BONER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GREEN

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Page 14, insert after line 22 the following:

(d) Section 788 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following:

"(f) The Secretary may make grants to schools of veterinary medicine for (1) the development of curriculum for training in the care of animals used in research, the treatment of animals while being used in research, and the development of alternatives to the use of animals in research, and (2) the provision of such training.".

Page 14, line 14, strike out "and (e)" and insert in lieu thereof "(e), and (f)" and in line 23 strike out "(d)" and insert lieu thereof "(e)".

Mr. GREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GREEN. Mr. Chairman, today I am offering an amendment to H.R. 5602 which would authorize funding for curriculum development and training in research animal care and use and alternatives to the use of animals. This amendment would add a category under section 788(b) of the Manpower Act, to provide a mechanism for implementing the "Animals in Research" section of the NIH authorization. This section, which the House approved June 5, requires that NIH-funded research facilities provide to their scientists, technicians and others, instruction on training in humane care and use of laboratory animals, as well as alternatives.

The NIH reauthorization legislation mandates NIH scientists, technicians and others involved with live animal research are to have available to them, instruction and training in the humane practices of animal care and training in alternatives. However, to date, no such training is available. My amendment would open the door for schools of veterinary medicine to develop the necessary courses to meet this need.

I urge acceptance of this amendment. It is the most direct way to provide scientists with this necessary training so that we can eliminate pain in experiments where animals are necessary and use alternatives where animals are not.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding to me. We have had an opportunity to look at this amendment. I think it is a very worthwhile amendment, and I would join in supporting it and congratulate the gentleman for offering it.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. I appreciate the gentleman yielding. I was hoping the gentleman would give us a 30- or 40-minute explanation of this amendment, but I understand that we have had the opportunity to look at this amendment on both sides and we are

all supportive of it. We congratulate the gentleman for his interest in this regard.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GREEN].

The amendment was agreed to.

□ 1750

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: Page 17, insert after line 25 the following:

SEC. 122. (a) Section 731(a)(2)(D) is amended by striking the words "compounded semiannually and".

Mr. STOKES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STOKES. Mr. Chairman, my amendment would be extremely beneficial for health professions students who are forced to borrow under the Health Education Assistance Loan Program [HEAL]. The HEAL Program provides Federal insurance for market-rate loans to health professions students.

A disproportionate number of poor, disadvantaged and minority students are forced to use this expensive program to cover part of the cost of an education in the health professions.

Mr. Chairman, the current statute allows lenders to charge interest for HEAL loans at a rate equal to the 91-day Tressury bond equivalent, plus 3½ percent. for the current quarter, that rate is 13¾ percent.

Additionally, Mr. Chairman, current law directs lenders to compound the interest on HEAL loans semiannually. This means that lenders earn interest on interest—a practice uncommon for student loans, and one that has harsh impact on already poor and disadvantaged students.

Let me describe the impact of semiannual compounding for a first year student who borrows $10,000 under the HEAL Program: At current rates, that student would owe the lender $18,777 when he begins repayment 4¾ years later. In contrast, if my amendment is adopted, the lender would be owed $16,531. In other words, the student would pay $2,246 less in interest charges. Mr. Chairman, I believe the Health Education Assistance Loan Program is expensive enough for our young people, who are trying to pay for their education, without adding to the problem by letting bankers double dip. I believe that 3½ points over the treasury bill rate is a very fair return on a guaranteed loan.

I urge my colleagues to join me in supporting this amendment which would end the practice of compounding interest for HEAL loans. It is our chance to help students while preserving a fair return for lenders—and all without costs to the Federal Government.

I urge support of my amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I would be delighted to yield to the distinguished subcommittee chairman.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, we have had an opportunity to examine this amendment. It would end semiannual compounding in dealing with the HEAL loan interest. I think it is a very worthwhile amendment and would join with the gentleman in supporting it.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield to me?

Mr. STOKES. I am delighted to yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman bringing this matter to our attention because I think the present practice of the semiannual compounding cannot be justified. We certainly, on the minority side, intend to support the gentleman's amendment.

Mr. STOKES. Mr. Chairman, I thank both the distinguished chairman and the ranking member of the subcommittee, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. STOKES].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 27, after line 10, insert the following new title:

TITLE VI

It is the sense of the Congress that the problem of rising health care costs can be reduced if those engaged in health care professions do everything possible to hold down the cost of delivering health care to the Nation by considering options to institutionalized health services wherever appropriate.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I have had a chance to look at the gentleman's amendment. It is merely a statement of encouragement that health care costs be held down and to look at noninstitutionalization as a primary way of doing it.

I think it is a worthwhile statement and I would join the gentleman in supporting it and urge that it be part of the legislation.

Mr. WALKER. I thank the gentleman.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

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

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. Chairman, I assure the gentleman of my support for his proposal.

Mr. WALKER. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DANNEMEYER: Strike all after the enacting clause and insert the following: That (a) this Act may be cited as the "Health Professions and Services Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—PROGRAMS UNDER TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 101. (a) The first sentence of section 728(a) (42 U.S.C. 294a(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$250,000,000 for the fiscal year ending September 30, 1985; and $250,000,000 for the fiscal year ending September 30, 1986".

(b) The last sentence of such section is amended by striking out "1987" and inserting in lieu thereof "1989".

SEC. 102. (a) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting before the period the following: "and with any public or other nonprofit school which is located in a State and which offers graduate programs in clinical psychology".

(b) Section 740(b) is amended—

(1) by inserting before the semicolon at the end of paragraph (4) the following: "and to students pursuing a full-time course of study at the school in a graduate program in clinical psychology"; and

(2) by adding after paragraph (6) the following:

"For purposes of this section and section 741, the term 'graduate program in clinical psychology' has the meaning prescribed by section 737(3).".

(c) Section 701(5) (42 U.S.C. 292a(5)) is amended by inserting "or in clinical psychology" after "health administration".

(d)(1) Sections 741(b) and 741(f)(1)(A) are each amended by inserting "a doctoral degree in clinical psychology or an equivalent degree," after "doctor of optometry or an equivalent degree,".

(2) Section 741(c) is amended by inserting after "veterinary medicine" the following: "or at a school in a graduate program in psychology".

SEC. 103. (a) Section 742(a) (42 U.S.C. 244(o)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1985, and $10,000,000 for the fiscal year ending September 30, 1986".

(b) Section 740(b) (42 U.S.C. 294m(b)) is amended by adding after paragraph (6) the following: "With respect to fiscal years beginning after fiscal year 1984, each agreement shall provide that at least one-half of the Federal contribution in such fiscal years to the student loan fund of the school shall be used to make loans to individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.".

(c) Section 743 (42 U.S.C. 294p) is amended by striking out "1987" each place it occurs and inserting in lieu thereof "1989".

SEC. 104. Section 758(d) (42 U.S.C. 294z(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$7,000,000 for the fiscal year ending September 30, 1985, and $7,000,000 for the fiscal year ending September 30, 1986".

SEC. 105. Section 770(e)(4) (42 U.S.C. 295f(e)(4)) is amended by striking out "and" after "1983," and by inserting after "1984," the following: "$7,500,000 for the fiscal year ending September 30, 1985, and $7,500,000 for the fiscal year ending September 30, 1986,".

SEC. 106. Paragraph (1) of section 771(e) (42 U.S.C. 295f-1(e)) is amended to read as follows:

"(1) To be eligible for a grant under section 770 for a fiscal year beginning after fiscal year 1984, the product of the hours of instruction offered by a school of public health and the number of students enrolled in such hours of instruction in such school, in the school year beginning in fiscal year 1985 and in each school year thereafter beginning in a fiscal year in which a grant under section 770 is applied for, shall be at least the same as the product of the hours of instruction offered by the school and the number of students enrolled in such hours of instruction in the school year beginning in fiscal year 1984.".

SEC. 107. (a) Section 780(c) (42 U.S.C. 295g(c)) is amended by striking out "and" after "1983," and by inserting after "1984" a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, and $11,000,000 for the fiscal year ending September 30, 1986,".

(b) Section 780 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making the applicant's family medicine program a permanent component of its medical education training program.".

SEC. 108. (a) The first sentence of section 781(g) (42 U.S.C. 295g-1(g)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$18,000,000 for the fiscal year ending September 30, 1985, and $18,000,000 for the fiscal year ending September 30, 1986".

(b)(1) Section 781(a)(2) is amended by striking out "enter into contracts with schools of medicine and osteopathy," and insert in lieu thereof the following: "enter into contracts with schools of medicine and osteopathy, and public or nonprofit private entities which have served as regional area health education centers,".

(2) The last sentence of section 781(g) is amended by striking out "may" and inserting in lieu thereof "shall".

SEC. 109. Section 783(d) (42 U.S.C. 295g-3(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$6,000,000 for the fiscal year ending September 30, 1985, and $6,000,000 for the fiscal year ending September 30, 1986".

SEC. 110. (a) Section 784(b) (42 U.S.C. 295g-4(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$20,000,000 for the fiscal year ending September 30, 1985, and $20,000,000 for the fiscal year ending September 30, 1986".

(b) Section 784 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) In making grants and entering into contracts under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its general internal medicine and general pediatrics programs permanent components of its medical education training program.".

SEC. 111. (a)(1) The first sentence of section 786(c) (42 U.S.C. 295g-6(c)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$36,000,000 for the fiscal year ending September 30, 1985, and $36,000,000 for the fiscal year ending September 30, 1986".

(2) Section 786(c) is amended by adding at the end the following: "In any fiscal year, the Secretary shall obligate for grants under subsection (b) not less than 7 percent of the amount appropriated under this subsection for such fiscal year.".

(b) Section 786 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its family medicine program a permanent component of its medical education training program.".

(c) Section 786(b) is amended—

(1) by inserting "or an approved advanced educational program in the general practice of dentistry" before the semicolon in paragraph (1); and

(2) by striking out "residents" in paragraph (2) and inserting in lieu thereof "participants".

SEC. 112. (a) The first sentence of section 787(b) (42 U.S.C. 295g-7(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$23,000,000 for the fiscal year ending September 30, 1985, and $23,000,000 for the fiscal year ending September 30, 1986".

(b)(1) Section 787(a)(1) is amended—

(A) by inserting a comma after "podiatry" and the following: "public and nonprofit private schools which offer graduate programs in clinical psychology,"; and

(B) by adding at the end the following: "For purposes of this section, the term 'graduate programs in clinical psychology' has the meaning prescribed for that term by section 737(3).".

(2) Section 787(a)(2) is amended by inserting after subparagraph (E) the following: "The term 'regular course of education of such a school' as used in subparagraph (D) includes a graduate program in clinical psychology.".

SEC. 113. (a) Section 788(f) (42 U.S.C. 295g-8(f)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "4,000,000 for the fiscal year ending September 30, 1985; $4,000,000 for the fiscal year ending September 30, 1986".

(b)(1) Subsection (a)(1) of section 788 is amended to read as follows:

"(a)(1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools which were in existence on the date of the enactment of the Health Professions and Services Amendments of 1984 may be used for construction and the purchase of equipment.".

(2) Paragraph (2) of section 788(a) is repealed and paragraph (3) of such section is redesignated as paragraph (2).

(3) Section 788(a)(2) (as so redesignated) is amended by inserting "or last" after "the first", by inserting "or osteopathy" after "medicine" and by inserting "or be operated jointly with a school that is accredited by" after "accredited by".

(4) Section 788(b) is amended to read as follows:

"(b) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution for special projects and programs for—

"(1) curriculum development and training in health policy and policy analysis, the organization, delivery, and financing of health care, the determinants of health and the role of medicine in health, and the delivery of health care services to low-income and aged persons;

"(2) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues;

"(3) training in health promotion and disease prevention; and

"(4) curriculum development and training in human nutrition.".

(c)(1) Section 788(d) is amended—

(A) by striking out "with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities" and inserting in lieu thereof "with accredited health professions schools referred to in section 701(4) to assist in meeting the costs of such schools"; and

(B) by amending paragraph (1) to read as follows:

"(1) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and sup-

port continuing education of health professionals in such treatment; and".

(2) Section 788(f) is amended—

(A) by inserting "(1)" after "(f)",

(B) by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of subsections (a), (b), (c), and (e) of this section", and

(C) by adding at the end the following:

"(2) For purposes of subsection (d) there are authorized to be appropriated $2,000,000 for fiscal year 1985 and $3,000,000 for fiscal year 1986.".

(d) The heading for section 788 is amended to read as follows:

"TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT".

SEC. 114. (a) The first sentence of section 788B(h) (42 U.S.C. 295g-8b(h)) is amended to read as follows: "For the purpose of entering into contracts to carry out this section and section 788A there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1985, and $6,000,000 for the fiscal year ending September 30, 1986.".

(b) Subsections (b)(1) and (f) of section 788B are each amended by striking out "five years" and inserting in lieu thereof "seven years".

SEC. 115. (a) Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$2,000,000 for the fiscal year ending September 30, 1985, and $2,000,000 for the fiscal year ending September 30, 1986".

(b) Subsection (c)(2)(A)(ii) of section 791 is amended to read as follows:

"(ii) such entity shall expend or obligate from non-Federal sources to conduct such programs at least $200,000 in fiscal year 1985 and $225,000 in fiscal year 1986;".

SEC. 116. Section 791A(c) (42 U.S.C. 295h-1a(c)) is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and the following: "$500,000 for the fiscal year ending September 30, 1985; $500,000 for the fiscal year ending September 30, 1986".

SEC. 117. Section 792(c) (42 U.S.C. 295h-1b(c)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$4,000,000 for the fiscal year ending September 30, 1985; and $4,000,000 for the fiscal year ending September 30, 1986".

SEC. 118. Section 793(c) (42 U.S.C. 295h-1(c)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$2,000,000 for the fiscal year ending September 30, 1985, and $2,000,000 for the fiscal year ending September 30, 1986".

SEC. 119. Section 702(a) (42 U.S.C. 292b(a)) is amended (1) by striking out "four representatives" and inserting in lieu thereof "three representatives", (2) by striking out "podiatry, and public health" and inserting in lieu thereof "and podiatry", and (3) by inserting after "791" the following: "and one representative of schools of public health".

SEC. 120. (a)(1) Section 701(4) (42 U.S.C. 292a(4)) is amended (A) by inserting "'school of chiropractic'," after "'school of dentistry',", and (B) by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(2) Section 701(5) is amended by inserting "chiropractic," after "dentistry,".

(b)(1) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting "chiropractic," after "dentistry,".

(2) Sections 740(b)(4), 741(b), and 741(f)(1)(A) are each amended by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(3) Section 741(c) is amended by inserting "chiropractic," after "dentistry,".

(4) Section 742(a) (42 U.S.C. 294o(a)) is amended by adding at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be made available for Federal capital contributions for student loan funds at schools of chiropractic.".

(c)(1) Section 787(a)(1) (42 U.S.C. 295g-7(a)(1)) is amended by inserting "chiropractic," after "dentistry,".

(2) Section 787(b) is amended by inserting at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be obligated for grants or contracts to schools of chiropractic.".

TITLE II—PROGRAMS UNDER TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 201. The first sentence of section 820(d) (42 U.S.C. 296k(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, $11,000,000 for the fiscal year ending September 30, 1986, $11,000,000 for the fiscal year ending September 30, 1987, and $11,000,000 for the fiscal year ending September 30, 1988".

SEC. 202. (a) Section 821(b) (42 U.S.C. 296l(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$16,000,000 for the fiscal year ending September 30, 1985, $16,000,000 for the fiscal year ending September 30, 1986, $16,000,000 for the fiscal year ending September 30, 1987, and $16,000,000 for the fiscal year ending September 30, 1988".

(b) Section 821(a) is amended by striking out all after paragraph (3) and inserting in lieu thereof the following:

"programs which lead to masters and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, and researchers or in clinical nurse specialities determined by the Secretary to require advanced training.".

SEC. 203. (a) Section 822(e) (42 U.S.C. 296m(e)) is amended to read as follows:

"(e) For grants and contracts under subsections (a) and (b), there are authorized to be appropriated $14,000,000 for the fiscal year ending September 30, 1985, $14,000,000 for the fiscal year ending September 30, 1986, $14,000,000 for the fiscal year ending September 30, 1987, and $14,000,000 for the fiscal year ending September 30, 1988.".

(b)(1) Section 822(a)(1) is amended by inserting "and nurse midwives" after "nurse practitioners" the first two times it appears in such section.

(2) Sections 822(a)(2), 822(b), and 822(c) are each amended by inserting "and nurse midwives" after "nurse practitioners" each place it occurs.

(3) Section 822(a)(2)(A) is amended by inserting after "and which" the following: "in the case of nurse practitioners".

(4) Section 822(b)(3) is amended by inserting before "for a period" the following: "or in a public health care facility".

(5) The heading for section 822 is amended to read as follows:

"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

SEC. 204. (a)(1) The first sentence of section 830(b) (42 U.S.C. 297(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, $11,000,000 for the fiscal year ending September 30, 1986, $11,000,000 for the fiscal year ending September 30, 1987, and $11,000,000 for the fiscal year ending September 30, 1988".

(2) The second sentence of such section is amended by striking out "1981" and inserting in lieu thereof "1985".

(b) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public and nonprofit private schools of nursing to cover the cost of traineeships for nurses in masters degree and doctoral degree programs in order to educate such nurses—

"(i) to teach in the various fields of nurse training (including practical nurse training),

"(ii) to serve in administrative or supervisory capacities, or

"(iii) to serve in other professional nursing specialties determined by the Secretary to require advanced training.

"(B) The Secretary may make grants to public and nonprofit private schools to cover the cost of traineeships in certificate or degree programs to educate nurses to serve in and prepare for practice as nurse practitioners and nurse midwives.".

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 301. (a) Section 338(a) (42 U.S.C. 254k(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$90,000,000 for the fiscal year ending September 30, 1985; $90,000,000 for the fiscal year ending September 30, 1986; $90,000,000 for the fiscal year ending September 30, 1987; and $90,000,000 for the fiscal year ending September 30, 1988".

(b) Section 338F(a) (42 U.S.C. 294y(a)) is amended—

(1) by striking out "1982, and each of the two" in the second sentence and inserting in lieu thereof "1985, and each of the three",

(2) by striking out "1984" each place it occurs and inserting in lieu thereof "1988", and

(3) by striking out "1985, and for each of the two" and inserting in lieu thereof "1989, and for each of the three".

SEC. 302. Section 338C(a)(2) (42 U.S.C. 294v(a)(2)) is amended by inserting before the period the following: "for which the Secretary has made the evaluation and determination described in section 333(a)(1)(D)".

SEC. 303. Section 338C(b) is amended by inserting at the end the following: "The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.".

SEC. 304. Section 332(a)(1) (42 U.S.C. 254e(a)(1)) is amended by adding at the end the following: "The Secretary may not remove an area from the areas determined to be health manpower shortage areas under clause (A) unless the Secretary also determines that such an area does not have a population group described in clause (B) or a facility described in clause (C).".

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS AND MIGRANT AND COMMUNITY HEALTH CENTERS

SEC. 401. (a) Section 1309(b) (42 U.S.C. 300e-8(b)) is amended by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1985, 1986, 1987, and 1988".

(b) Section 1305(d) (42 U.S.C. 300e-4(d)) is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1989".

SEC. 402. (a) The first sentence of section 329(h)(1) (42 U.S.C. 247d(h)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$51,000,000 for the fiscal year ending September 30, 1985, $51,000,000 for the fiscal year ending September 30, 1986, $51,000,000 for the fiscal year ending September 30, 1987, and $51,000,000 for the fiscal year ending September 30, 1988".

(b) Section 329(d)(2) is amended by inserting before the semicolon the following: "and the costs of repaying loans made by the Farmer's Home Loan Administration for buildings".

SEC. 403. Section 330(g) (42 U.S.C. 254c(g)) is amended by striking out paragraphs (1) and (2), by redesignating paragraph (3) as paragraph (2), and by inserting before that paragraph the following:

"(g)(1) For grants under subsection (d), there are authorized to be appropriated $327,000,000 for fiscal year 1985, $327,000,000 for fiscal year 1986, $327,000,000 for fiscal year 1987, and $327,000,000 for fiscal year 1988. The Secretary may not expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of the funds appropriated under this paragraph for that fiscal year.".

TITLE V—HEALTH CARE CONSUMER INFORMATION

SEC. 501. Section 304 of such Act (42 U.S.C. 242k) is amended by adding at the end the following:

"(e)(1) The Secretary shall—

"(A) study (i) criteria and methodologies for use in collecting and disseminating health care consumer information, including information on alternative health care delivery systems and aggregate information on health care cost and utilization, and (ii) means to assist in collecting and disseminating such information;

"(B) prepare a plan for furnishing to the public, upon request, technical assistance (i) in the use of the criteria and methodologies described in subparagraph (A), (ii) in the use of information on alternative health care delivery systems, and (iii) to identify sources of information which are appropriate for use in collecting and disseminating health care consumer information described in subparagraph (A);

"(C) not later than six months after the completion of the study and preparation of the plan required by subparagraphs (A) and (B), carry out, to the extent feasible, the activities for which the plan was prepared under subparagraph (B); and

"(D) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services.

Not later than nine months after the date of the enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (B), and report to Congress the results of the study and the completion of the plan.

"(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

"(A) physicians, hospitals, and other health care providers,

"(B) insurers,

"(C) businesses, unions, and public entities which purchase health care through insurance or self-insurance, and

"(D) members of the general public.

"(3) In carrying out paragraph (1), the Secretary shall assure that health care consumer information is collected, identified, and interpreted in a manner consistent with the confidentiality of individually identifiable patient medical information.".

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANNEMEYER. Mr. Chairman and Members of the Committee: During the general debate on this bill, I indicated to the Members that I would offer an amendment in the nature of a substitute that would give the members of the committee an option to indicate that we fully support titles I through V of this bill, but in amounts that would reflect the necessity of reconciling that seemingly irreconcilable conflict between the lack of revenues to finance Federal spending and the fact that the deficit this year is roughtly $180 billion.

I mentioned these figures before, but I think it is important to consider this amendment in the nature of a substitute that we have the figures before us again.

Title I, in 1984, we appropriated $125.8 million. In the amendment offered by the gentleman from California [Mr. WAXMAN], that figure for 1985 rises to $173 million; I will repeat that—an increase from $125 to $173 million. That is about a 40-percent increase in 1 year. And then in 1986, it would increase to $187 million.

In title II, nurses training, we appropriated $41.9 million. Under the amended bill before us, that $41 million would rise to $76 million in 1985, $81 million in 1986, and $86 million in 1987.

In title III, National Health Service, we appropriated $91 million in 1984. It would be kept at that level in 1985, $90 million in 1986, and $95 million in 1987.

Then in title IV, we appropriated $387 million, and this compromise bill would raise that to $422 million in 1985, $461 million in 1986, $503 million in 1987, and $546 million in 1988.

The amendment in the nature of a substitute that this Member from California is now offering to the Committee would, in effect, impose a freeze on what was spent in 1984, or what was initially authorized, or requested, rather, by the committee on the form of H.R. 5602, and I will read these figures so we have them before us.

In title I, this amendment I am offering would say $158 million rather than the $173 million that is in the bill.

In title II, my amendment would offer $52 million rather than the $76 million that is in the bill.

In title III, it is the same—$90 million and $90 million.

In title IV, $378 million in my amendment as opposed to $422 million.

These figures that I have just read for 1985 that are in the amendment that this Member from California is now offering would be frozen at that level for 1986, 1987, and 1988. Some say that it is unfair to freeze because it does not take inflation into account. To the contrary, I would argue that the pattern of annual spending increases we see in this and other measures is unfair because it helps precipitate the inflation in the first place. Moreover, I would contend we will never end the budget deficits that produce inflation and high interest rates until we cut the growth of spending. Taxing people more takes money out of the economy just as surely as borrowing to cover the deficits, so that is not the answer. The answer is to exercise fiscal discipline, and there is no time like the present, when we are hearing all this campaign rhetoric about the deficit, to begin.

So I think each of us has an opportunity this afternoon when we consider this amendment to put our votes where I suspect our voices are when we are campaigning around the country for reelection. I do not think there is a Member in the body who does not say to his Town Hall Forums or his mailings that he sends to his district either in a newsletter or a letter, "I support balancing the budget," but I suspect there will be a tendency to say that old bromide, "Do not cut him, do not cut me; cut that guy behind the tree."

We all want to make exceptions. Do not cut this program; cut somebody else.

The CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. DANNEMEYER. Mr. Chairman, the gentleman from Michigan, [Mr. PURSELL] earlier remarked that he supported the concept generally of

working toward balancing the budget but he could not bring himself to support my amendment because, as I understand him, the demand for health care services is so large that he had to come to the conclusion that the amendment that I am offering should not be adopted.

I want to close by again mentioning a fact that we see time and time again. The President of the United States is accountable to the country for the level of spending, at least in the eyes of some. Well, let us put that statement in perspective.

In this instance, the administration, President Reagan, requested of Congress for title I, $84 million. The committee bill before us would authorize $173 million, better than double the amount.

The administration requested in title II, $12 million. In the committee bill, it is $76 million—6 times more.

And in title III, $67 million. In the bill before us, some $90 million.

The point that this establishes here again is that Congress has a tendency to disregard requests from the President, and rather than appropriating or authorizing less than what the President has ask for, here again we see an illustration of how Congress, in its wisdom, seeks to authorize funding substantially in excess of what the administration is asking. We can only conclude that the administration in their view, that is, in the proponents of this legislation, really do not know what they are doing.

□ 1800

Those people down there administering those programs do not know what they need to run them. They have no concept of what the need of the programs may be around the country, but we, in the Congress, have all this wisdom at our fingertips, and how we can justify authorizing a level of appropriation that is six times what the administration asks is something I do not understand.

Mr. Chairman, I ask for the Member's support for this amendment in the nature of a substitute.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to this amendment, which is a substitute for the bill which has been worked out with the minority.

The funding levels for these important programs in title I represent modest levels that were worked out through discussions. In fact, the funding for fiscal year 1985 actually represents a decrease from current fiscal year 1984 authorizations from $178.3 to $172.5 million.

These programs are critical for students wishing to enter the health professions. They have widespread support from the American Academy of Pediatrics, the American College of Physicians, the American Academy of Family Physicians, the Association of American Medical Colleges, the Association of Minority Health Professions Schools, the American Medical Student Association, the American Association of Dental Schools, the Association of Schools of Public Health, many hospitals, many medical schools, and teaching programs.

In the area of nurse training, these programs aid nursing students directly and make grants to improve and assist nursing schools. The dollar levels in the committee amendments are the levels recommended by the Institute of Medicine of the National Academy of Sciences after a 2½-year study.

The committee amendments were bipartisan, offered by the gentleman from New Jersey [Mr. RINALDO] and the gentleman from New Jersey [Mr. FLORIO], and these amendments were passed by the committee.

The funding levels for the Community and Migrant Health Centers represent the funding that will be necessary just to keep these programs going at a pretty much their present level. I would like to see more money in there, and in fact the committee bill did have more money for all these programs, but in order to gain bipartisan support for the legislation, we have agreed to a reduction in the funding levels. With that, I think the Committee of the Whole ought to stand behind the compromise worked out by the gentleman from Illinois [Mr. MADIGAN] representing the minority and those of us representing the majority and oppose the Dannemeyer substitute. It is a hatchet-cutting of these programs, and I think these programs are deserving of at least the support that we have in the legislation that is before us.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to be very, very brief, because as the gentleman from California [Mr. WAXMAN] has said, he has already agreed to and we have already adopted an amendment to reduce the authorizations contained in the bill by some $218.5 million. I presume that in conference with the Senate we can probably expect that some further reduction will come about. I would suggest that the combination of what we have already accomplished and what we intend to accomplish in the conference is perhaps every inch as far as we should go.

While the amendment offered by my friend and colleague, the gentleman from California [Mr. DANNEMEYER] is well-intentioned because of his deep and abiding concern about the budget deficit, I think as the gentleman from Michigan [Mr. PURSELL] said awhile ago, we can look at everything in the budget before we start tampering with the delivery of health care in the United States. I believe the action we have already taken has been a responsible one with the reduction that has already been effected by the amendment, and I would urge that the members of the committee reject the Dannemeyer amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I am happy to yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I join with the gentleman from Illinois [Mr. MADIGAN] and I rise in support of H.R. 5602, the Health Professions and Services Amendments of 1984. By and large, this is a very good piece of legislation, and it should be supported.

This legislation will reauthorize several programs in the Public Health Services Act, on which the Labor/Health and Human Services/Education Appropriations Subcommittee on which I serve as the ranking minority member deferred action in contemplation of House action on this authorization legislation.

There are a couple of very important areas of this legislation on which I should focus. The first is community health centers. CHC's are very important to this country in terms of providing medical assistance to those who would otherwise not have access to basic health services. There are 750 CHC's in this country, which serve 5 million Americans. Scores of studies have shown them to be effective and efficient providers of high quality health care. Through strong efforts in health promotion and disease prevention, CHC's reduce the cost of inpatient care by as much as 50 percent and, according to one study, health centers saved the medicaid program $580 million in 1980.

At this time, I would like to extend my deep appreciation to the gentleman from North Carolina [Mr. BROYHILL], the ranking member of the Energy and Commerce Committee, and the gentleman from California [Mr. WAXMAN], the chairman of the Health Subcommittee, for their hard work and cooperation on the amendment on the Area Health Education Center Program included in this bill.

The AHEC Program has been very successful in decentralizing medical and health education programs, providing training and continuing education programs in areas not previously served.

With respect to the current law, there was one small problem that was affecting AHEC's in my own congressional district. After the 6-year funding cycle, at which time the AHEC's are expected to become self-supporting, AHEC's are, under the law, eligible to apply for special initiative funding, to allow for continued innovation and development in their programs. Due to a technicality in the law, the Department of Health and Human

Services gave its opinion that some of the AHEC's in Massachusetts, including those in my district, as well as those in one or two other States, were not eligible to apply for special initiative funding. I worked with HHS to develop an amendment to correct that defect, and Representatives WAXMAN and BROYHILL were good enough to work with me on that. It was included in this bill in full committee as a result of an amendment offered by Mr. BROYHILL. Senator KENNEDY was instrumental in seeing that a similar provision went into the Senate bill.

Since that time, I understand that an alternative to the language in the bill has been developed by Mr. WAXMAN, and may be offered on the floor today. Basically, the difference is whether these previously ineligible AHEC's would be eligible to apply for funding directly, which is the version now in the bill, or whether they would be eligible to apply for funding through the medical school that administers the statewide AHEC Program, which is the way the program currently operates, and which would be encompassed by the WAXMAN amendment.

I have no real preference as to the mechanism, so long as it gets the job done. I have checked with HHS, and received their assurance that either approach would work. Let me say that I do appreciate all of the time and effort put in by Mr. WAXMAN and Mr. BROYHILL in remedying this small problem of great importance to me.

Next, Mr. Chairman, I am pleased to note that this legislation makes several beneficial changes with respect to nurse training programs in general. This legislation funds nurse education assistance at $76 million for fiscal year 1985 and targets Federal funds in areas where the assistance is most needed: assistance to minority students and students from disadvantaged backgrounds, and for demonstration projects to improve access to nursing services in the community.

The nursing profession alone plays an important part in the reduction of health care costs through innovations in care and in services delivery. The legislation also encourages grants to schools to support nurse education demonstration projects, and grants should especially be targeted to those projects that will provide improved, more effective long term care for the elderly. Additionally, the legislation allows nurses to fulfill their obligations as members of the National Health Service Corps by working in public health care facilities.

Mr. Chairman, overall, this is very good legislation which I am pleased to be able to support. Let me also once again express my thanks to the gentleman from North Carolina and the gentleman from California for their help in the AHEC area.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote, and pending that, I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The gentleman makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. DANNEMEYER. Mr. Chairman, I withdraw my objection on the ground that a quorum is not present, and I repeat my request for a recorded vote.

Mr. WAXMAN. Mr. Chairman, I would ask unanimous consent that we proceed to a rollcall vote on the Dannemeyer amendment.

The CHAIRMAN. A quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device——

Mr. DANNEMEYER. Mr. Chairman, did I understand that my colleague, the gentleman from California, asked unanimous consent for a recorded vote?

The CHAIRMAN. The Chair had announced the absence of a quorum. So, therefore, let me repeat that under the rule, pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 380]

Albosta	Brown (CA)	Crane, Daniel
Anderson	Brown (CO)	Crane, Philip
Andrews (TX)	Broyhill	D'Amours
Annunzio	Bryant	Daniel
Anthony	Burton (CA)	Dannemeyer
Applegate	Byron	Darden
Archer	Campbell	Daub
Aspin	Carper	Davis
AuCoin	Carr	Dellums
Badham	Chandler	Derrick
Bartlett	Chappie	DeWine
Bateman	Cheney	Dickinson
Bates	Clarke	Dicks
Bedell	Clay	Dixon
Bennett	Clinger	Donnelly
Bereuter	Coats	Dorgan
Berman	Coleman (MO)	Downey
Bevill	Coleman (TX)	Dreier
Biaggi	Collins	Duncan
Bilirakis	Conable	Durbin
Boggs	Conte	Dwyer
Boner	Conyers	Dymally
Borski	Cooper	Dyson
Breaux	Coughlin	Eckart
Britt	Courter	Edgar
Brooks	Coyne	Edwards (CA)
Broomfield	Craig	Edwards (OK)
Emerson	Levitas	Ritter
English	Lewis (CA)	Robinson
Erdreich	Livingston	Rodino
Evans (IA)	Lloyd	Roe
Evans (IL)	Loeffler	Roemer
Fazio	Long (MD)	Rogers
Feighan	Lott	Roth
Fiedler	Lowery (CA)	Rowland
Fields	Lowry (WA)	Roybal
Foglietta	Lujan	Sabo
Fowler	Lundine	Savage
Frank	Lungren	Sawyer
Franklin	Mack	Schaefer
Frenzel	Madigan	Scheuer
Frost	Marlenee	Schneider
Garcia	Marriott	Schroeder
Gaydos	Martin (IL)	Schulze
Gejdenson	Martinez	Seiberling
Gekas	Mavroules	Sensenbrenner
Gephardt	Mazzoli	Sharp
Gibbons	McCandless	Shaw
Gilman	McCloskey	Shumway
Gingrich	McCollum	Sikorski
Glickman	McEwen	Siljander
Gonzalez	McGrath	Sisisky
Goodling	McHugh	Skeen
Gore	McKernan	Skelton
Gray	McKinney	Slattery
Green	McNulty	Smith (IA)
Guarini	Mikulski	Smith (NE)
Gunderson	Miller (OH)	Smith (NJ)
Hall (OH)	Mineta	Snowe
Hall, Ralph	Minish	Snyder
Hall, Sam	Mitchell	Solarz
Hamilton	Moakley	Solomon
Hammerschmidt	Molinari	Spence
Harrison	Mollohan	Spratt
Hatcher	Montgomery	St Germain
Hawkins	Moore	Staggers
Hayes	Morrison (CT)	Stangeland
Hefner	Morrison (WA)	Stokes
Hertel	Mrazek	Stratton
Hiler	Murphy	Sundquist
Hillis	Murtha	Swift
Holt	Myers	Synar
Hopkins	Natcher	Tauke
Hoyer	Nichols	Thomas (GA)
Hubbard	Nielson	Udall
Huckaby	Nowak	Valentine
Hughes	Oakar	Vander Jagt
Hunter	Oberstar	Vento
Hutto	Obey	Volkmer
Hyde	Olin	Walker
Ireland	Ortiz	Watkins
Jacobs	Oxley	Waxman
Johnson	Packard	Weaver
Jones (NC)	Panetta	Weber
Jones (OK)	Parris	Weiss
Jones (TN)	Patman	Wheat
Kaptur	Patterson	Whitehurst
Kasich	Paul	Whitley
Kastenmeier	Pease	Whittaker
Kemp	Penny	Williams (OH)
Kennelly	Petri	Wirth
Kildee	Pickle	Wise
Kindness	Porter	Wolf
Kogovsek	Price	Wolpe
Kolter	Pursell	Wortley
Kramer	Rahall	Wyden
LaFalce	Rangel	Wylie
Lagomarsino	Ratchford	Yates
Latta	Ray	Yatron
Leath	Regula	Young (AK)
Lehman (CA)	Reid	Young (FL)
Lehman (FL)	Richardson	Young (MO)
Lent	Ridge	Zschau
Levin	Rinaldo	

□ 1820

The CHAIRMAN. Three hundred and eleven Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California [Mr. DANNEMEYER] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 78, noes 236, not voting 118, as follows:

[Roll No. 381]

AYES—78

Archer	Hiler	Nichols
Badham	Hopkins	Nielson
Bartlett	Hubbard	Oxley
Bateman	Hunter	Packard
Bennett	Ireland	Patman
Bilirakis	Kasich	Paul
Broyhill	Kindness	Ray
Campbell	Kramer	Ritter
Chappie	Latta	Roemer
Cheney	Leath	Rogers
Conable	Lewis (CA)	Schaefer
Craig	Livingston	Schulze
Crane, Daniel	Loeffler	Sensenbrenner
Crane, Philip	Lott	Shaw
Dannemeyer	Lowery (CA)	Shumway
Daub	Lujan	Siljander
DeWine	Lungren	Skeen
Dickinson	Mack	Snyder
Dreier	Marlenee	Solomon
Erdreich	Martin (IL)	Stangeland
Fields	McCandless	Tauke
Franklin	McCollum	Walker
Frenzel	McEwen	Weber
Gingrich	Miller (OH)	Whittaker
Gunderson	Montgomery	Young (AK)
Hall, Sam	Moore	Zschau

NOES—236

Albosta	Dyson	LaFalce
Anderson	Eckart	Lagomarsino
Andrews (NC)	Edgar	Lehman (CA)
Annunzio	Edwards (CA)	Lehman (FL)
Anthony	Edwards (OK)	Lent
Applegate	Emerson	Levin
Aspin	English	Levitas
AuCoin	Evans (IA)	Lloyd
Bates	Evans (IL)	Long (MD)
Bedell	Fascell	Lowry (WA)
Bereuter	Fazio	Lundine
Berman	Feighan	Madigan
Bevill	Fiedler	Marriott
Biaggi	Foglietta	Martinez
Boggs	Fowler	Mavroules
Boner	Frank	Mazzoli
Bonior	Frost	McCloskey
Borski	Garcia	McGrath
Breaux	Gaydos	McHugh
Britt	Gejdenson	McKernan
Brooks	Gekas	McKinney
Broomfield	Gephardt	McNulty
Brown (CA)	Gibbons	Mikulski
Brown (CO)	Gilman	Mineta
Bryant	Glickman	Minish
Burton (CA)	Gonzalez	Mitchell
Byron	Goodling	Moakley
Carper	Gore	Molinari
Carr	Gray	Mollohan
Chandler	Green	Morrison (CT)
Clarke	Guarini	Morrison (WA)
Clay	Hall (OH)	Mrazek
Clinger	Hall, Ralph	Murphy
Coats	Hamilton	Murtha
Coelho	Hammerschmidt	Myers
Coleman (MO)	Harrison	Natcher
Coleman (TX)	Hatcher	Nowak
Collins	Hawkins	Oakar
Conte	Hayes	Oberstar
Conyers	Hefner	Obey
Cooper	Hertel	Olin
Coughlin	Hillis	Ortiz
Courter	Holt	Panetta
Coyne	Hoyer	Parris
D'Amours	Huckaby	Patterson
Daniel	Hughes	Pease
Darden	Hutto	Penny
Davis	Hyde	Petri
Dellums	Jacobs	Pickle
Derrick	Johnson	Porter
Dicks	Jones (NC)	Price
Dingell	Jones (OK)	Pursell
Dixon	Jones (TN)	Rahall
Donnelly	Kaptur	Rangel
Dorgan	Kastenmeier	Ratchford
Downey	Kemp	Regula
Duncan	Kennelly	Reid
Durbin	Kildee	Richardson
Dwyer	Kogovsek	Ridge
Dymally	Kolter	Rinaldo
Robinson	Smith (NE)	Watkins
Rodino	Smith (NJ)	Waxman
Roe	Snowe	Weaver
Roth	Solarz	Weiss
Rowland	Spence	Wheat
Roybal	Spratt	Whitehurst
Sabo	St Germain	Williams (OH)
Savage	Staggers	Wirth
Sawyer	Stokes	Wise
Scheuer	Stratton	Wolf
Schneider	Sundquist	Wolpe
Schroeder	Swift	Wortley
Seiberling	Synar	Wyden
Sharp	Thomas (GA)	Wylie
Sikorski	Udall	Yates
Sisisky	Valentine	Yatron
Skelton	Vander Jagt	Young (FL)
Slattery	Vento	Young (MO)
Smith (IA)	Volkmer	

NOT VOTING—118

Ackerman	Hansen (ID)	Pepper
Addabbo	Hansen (UT)	Pritchard
Akaka	Harkin	Quillen
Alexander	Hartnett	Roberts
Andrews (TX)	Heftel	Rose
Barnard	Hightower	Rostenkowski
Barnes	Horton	Roukema
Beilenson	Howard	Rudd
Bethune	Jeffords	Russo
Bliley	Jenkins	Schumer
Boehlert	Kazen	Shannon
Boland	Kleczka	Shelby
Bonker	Kostmayer	Shuster
Bosco	Lantos	Simon
Boucher	Leach	Smith (FL)
Boxer	Leland	Smith, Denny
Burton (IN)	Levine	Smith, Robert
Carney	Lewis (FL)	Stark
Chappell	Lipinski	Stenholm
Corcoran	Long (LA)	Studds
Crockett	Luken	Stump
Daschle	MacKay	Tallon
de la Garza	Markey	Tauzin
Dowdy	Martin (NC)	Taylor
Early	Martin (NY)	Thomas (CA)
Edwards (AL)	Matsui	Torres
Erlenborn	McCain	Torricelli
Ferraro	McCurdy	Towns
Fish	McDade	Traxler
Flippo	Mica	Vandergriff
Florio	Michel	Vucanovich
Foley	Miller (CA)	Walgren
Ford (MI)	Moody	Whitley
Ford (TN)	Moorhead	Whitten
Fuqua	Neal	Williams (MT)
Gradison	Nelson	Wilson
Gramm	O'Brien	Winn
Gregg	Ottinger	Wright
Hall (IN)	Owens	
Hance	Pashayan	

□ 1830

Mr. MARRIOTT changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERFECTING AMENDMENT TO COMMITTEE AMENDMENTS OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent to offer a perfecting amendment to the committee amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Perfecting amendment to committee amendments offered by Mr. WAXMAN: Page 14, line 3, insert before "to assist" the following "or 701(10)".

The CHAIRMAN. The question is on the perfecting amendment to the committee amendments offered by the gentleman from California [Mr. WAXMAN].

The perfecting amendment to the committee amendments was agreed to.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to support H.R. 5602—the health professions and services amendments—because it strengthens and improves our public health capability, particularly in serving underserved and minority communities. Mr. Chairman, the monumental problems of health care and the delivery of services are of concern to all Americans, but more critical to people in my district which has epidemic health problems and needs among residents who demographically are 65-percent minority, representing the health needs of black, Hispanic, and Asian-Pacific families.

Mr. WAXMAN and his colleagues are to be congratulated for their serious efforts to meet the critical health needs of all our districts, ever mindful of the mounting national deficit which the entire Nation faces. Passage of H.R. 5602 will give impetus to strengthening our health service delivery capacity from the U.S. Public Health Service, to State and local health agencies who must have the wherewithal to carry out and improve our continuing efforts toward health research, health manpower needs and particularly for providing services to the underserved areas of our cities and States.

I strongly support H.R. 5602, and endorse the appropriations to match the authorizations contained in these amendments.

Mr. RINALDO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the health professions and services amendments, which includes a 3-year reauthorization for community health centers.

The community health centers which are funded under this program provide essential health care in areas where private health care is not available. For many years, community health centers have provided primary care—immunizations, physical examinations, prenatal care, and other routine health services—to the poor and unemployed.

During this long history of service, several studies have documented the effectiveness of the community health care program. Community health centers have helped to reduce Federal outlays for health care by reducing reliance on expensive hospital emergency room services which are often the only other source of care in medically underserved areas. In addition, because community health center patients are able to obtain preventive health care at the centers, their need for more expensive, acute hospital

care is reduced. According to eight separate studies, health center patients used hospital care 22 to 67 percent less than similar patient groups served by other health care providers.

As a result, community health centers saved Federal tax dollars that otherwise would have been spent on hospital care under the medicaid and medicare programs. In 1980, health centers saved $580 million under the medicaid program alone, a saving of $1.61 in medicaid spending for every $1 spent on community health services. These savings more than equal the cost of the Community Health Center Program, which would be authorized at $385 million in 1985 under H.R. 5602.

These cost savings would not be available without the Community Health Center Program because the population served by the centers has no other source of primary health care. The majority of health center patients are not eligible for medicaid, and since many are unemployed, they are also without health insurance to pay for private health care. Community health centers are also located in areas which are too poor or too isolated to support a private health care system. One study of 21 health centers showed that 25 percent of the patients previously had no regular source of health care and 50 percent had previously used hospital emergency and outpatient departments. Only 4 percent had previously had access to a private physician.

Finally, the effectiveness of community health centers has been overwhelmingly demonstrated by the improved health and productivity of their patient populations. For example, infant mortality rates have significantly improved in areas served by community health centers. In one county, there was a 40-percent reduction in infant mortality over the 4-year period which followed the establishment of a health center. Another study indicated that early detection of infections at community health centers helped to reduce the incidence of rheumatic fever in Baltimore by 60 percent over a 10-year period. These examples indicate the extent to which a relatively small investment in prenatal and primary health care has resulted in dramatic improvements in the public health.

In my own district, the Plainfield Neighborhood Community Health Services organization has provided outstanding care to low-income residents for many years. Having reviewed the work of this organization, I am convinced that the Community Health Services Program provides essential services efficiently and cost effectively. The bill, H.R. 5602, would allow a 2.4-percent real growth in the program over the next 4 years, and funding would be below the level allowed in the 1985 budget resolution. This is an exceedingly modest price to pay for basic health care that has actually saved the taxpayers from higher medicaid and other health care costs.

I therefore urge my colleagues to support this legislation at the funding levels recommended by our committee.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. RAHALL] having assumed the chair, Mr. LEVIN of Michigan, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5602) to amend titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Service Corps program under that act, and to revise and extend the programs of assistance under that act for health maintenance organizations and migrant and community health centers, pursuant to House Resolution 536, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2574), to revise and extend title VIII of the Public Health Service Act, relating to nurse education, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

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 "Nurse Education Amendments of 1984".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SPECIAL PROJECTS

SEC. 3. (a) Section 820(a) is amended—

(1) by striking out "or" after the semicolon in paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (5) the following:

"(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

"(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

"(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.".

(b) Section 820(d) is amended—

(1) by striking out the first sentence and inserting in lieu thereof: "(1) For payments under grants and contracts under paragraphs (1) through (5) of subsection (a), there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1985, $11,000,000 for the fiscal year ending September 30, 1986, and $12,000,000 for the fiscal year ending September 30, 1987.";

(2) by striking out "this subsection" in the second sentence and inserting in lieu thereof "this paragraph";

(3) by striking out "1981," in such sentence and inserting in lieu thereof "1984,"; and

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

"(2) For payments under grants and contracts under paragraphs (6), (7), and (8) of subsection (a), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1985, $5,500,000 for the fiscal year ending September 30, 1986, and $6,000,000 for the fiscal year ending September 30, 1987. Not less than 25 percent of the amounts appropriated under this paragraph shall be obligated for grants and contracts under paragraph (7) of subsection (a).".

ADVANCED NURSE EDUCATION

SEC. 4. Section 821 is amended to read as follows:

"ADVANCED NURSE EDUCATION

"SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—

"(1) plan, develop, and operate,

"(2) expand, or

"(3) maintain,

programs which lead to masters' and doctoral degrees and which prepare professional nurses to serve as nurse educators, administrators, consultants, or researchers or to serve in clinical nurse specialties determined by the Secretary.

"(b) For payments under grants and contracts under this section, there are authorized to be appropriated $17,500,000 for the fiscal year ending September 30, 1985, $18,500,000 for the fiscal year ending September 30, 1986, and $19,500,000 for the fiscal year ending September 30, 1987.".

NURSE PRACTITIONER PROGRAMS

SEC. 5. (a)(1) Paragraph (1) of section 822(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to and enter into contracts with public and private nonprofit schools of nursing to meet the costs of projects to—

"(i) plan, develop, and operate,

"(ii) expand, or

"(iii) maintain,

programs for the education of nurse practitioners.

"(B) The Secretary may make grants to and enter into contracts with public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to meet the costs of projects to—

"(i) plan, develop, and operate,

"(ii) expand, or

"(iii) maintain,

accredited certificate programs for nurse midwives.".

(2) Paragraph (2) of such section is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(2)(A) For purposes of this section, the term 'programs for the education of nurse practitioners' means educational programs for registered nurses which—

"(i) meet guidelines prescribed by the Secretary in accordance with subparagraph (B);

"(ii) have as their objective the education of nurses (including pediatric nurses, geriatric nurses, and nurse midwives) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions; and

"(iii) lead to a masters' degree or a doctoral degree, except that compliance with the provisions of this clause is not required for programs to educate nurse midwives."; and

(B) by striking out "training" in subparagraph (B) and inserting in lieu thereof "education".

(b) Section 822 is further amended by striking out subsections (b) and (d) and by redesignating subsections (c) and (e) as subsections (b) and (c), respectively.

(c) Section 822(b) (as redesignated by subsection (b) of this section) is amended by striking out "training" and inserting in lieu thereof "education".

(d) Section 822(c) (as redesignated by subsection (b) of this section) is amended to read as follows:

"(c) For payments under grants and contracts under this section, there are authorized to be appropriated $12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for the fiscal year ending September 30, 1986, and $14,000,000 for the fiscal year ending September 30, 1987.".

(e)(1) Notwithstanding the amendments made by subsections (a), (b), and (c) of this section, the Secretary of Health and Human Services may make one grant or enter into one contract with a school, hospital, or entity which, in fiscal year 1984, received a grant or contract under section 822 of the Public Health Service Act (as such section was in effect on September 30, 1984) in order to enable such school, hospital, or entity to maintain programs for the training of nurse practitioners which are in existence on September 30, 1984, or traineeship programs to train nurse practitioners which are in existence on such date. The provisions of such section (as such section was in effect on September 30, 1984) shall apply to grants made and contracts entered into under the preceding sentence.

(2) The Secretary of Health and Human Services may use funds appropriated under subsection (c) of section 822 of the Public Health Service Act (as amended and redesignated by subsections (b) and (d) of this section) for grants and contracts under paragraph (1) of this subsection.

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

SEC. 6. (a) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public and private nonprofit schools of nursing to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

"(i) serve in and prepare for practice as nurse practitioners,

"(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

"(iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

"(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.".

(b) Section 830 is further amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting "(1)" before "There" in such subsection;

(3) by striking out "this section" in the first sentence of such subsection and inserting in lieu thereof "subsection (a)";

(4) by striking out "and" after "1983," in such sentence;

(5) by inserting a comma and "$12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for the fiscal year ending September 30, 1986, and $14,000,000 for the fiscal year ending September 30, 1987" before the period in such sentence;

(6) by striking out the second sentence of such subsection;

(7) by adding at the end of such subsection the following new paragraph:

"(2) To carry out subsection (b), there are authorized to be appropriated $3,000,000 for the fiscal year ending September 30, 1985, $3,500,000 for the fiscal year ending September 30, 1986, and $4,000,000 for the fiscal year ending September 30, 1987.";

(8) by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post baccalaureate and post doctoral fellowships for faculty in such schools to enable such faculty to—

"(1) expand knowledge with respect to nursing by working with groups of students;

"(2) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

"(3) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, disease prevention, and ethical concerns; and

"(4) address other areas of nursing practice considered by the Secretary to require additional study."; and

(9) by striking out "TRAINING" in the section heading and inserting in lieu thereof "EDUCATION".

NURSE ANESTHETISTS

SEC. 7. (a) Section 831(a)(1) is amended by striking out "Commissioner" and inserting in lieu thereof "Secretary".

(b) Section 831 is further amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education, including grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.".

(c) Section 831(c) (as redesignated by subsection (b) of this section) is amended to read as follows:

"(c) For the purpose of making grants under this section, there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1985, $1,300,000 for the fiscal year ending September 30, 1986, and $1,600,000 for the fiscal year ending September 30, 1987.".

(d) The section heading for such section is amended by striking out "TRAINEESHIPS FOR THE TRAINING OF".

STUDENT LOANS

SEC. 8. (a) The last sentence of section 836(a) is amended by striking out "and to persons who enter as first-year students after enactment of this title".

(b) Section 837 is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for allotments under section 838 to schools of nursing for Federal capital contributions to their student loan funds established under section 835, $1,000,000 for the fiscal year ending September 30, 1985, $1,300,000 for the fiscal year ending September 30, 1986, and $1,600,000 for the fiscal year ending September 30, 1987.";

(2) by striking out "1985," in the second sentence and inserting in lieu thereof "1988,";

(3) by striking out "1984," in such sentence and inserting in lieu thereof "1987,"; and

(4) by striking out the last two sentences.

(c) Section 838 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a)(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

"(2) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year. Amounts remaining after allotment under the preceding sen-

tence shall be reallotted in accordance with clause (B) of such sentence among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

"(3) Funds which, pursuant to section 839 (c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding the fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out the provisions of this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

"(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.".

(d) Section 839 is amended—

(1) by striking out "1987," each place it appears in subsections (a) and (b) and inserting in lieu thereof "1990,"; and

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

"(c)(1) Within 30 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

"(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.".

(e) Section 6103(m) of the Internal Revenue Code of 1954 is amended—

(1) by inserting "ADMINISTERED BY THE DEPARTMENT OF EDUCATION" before the period in the paragraph heading of paragraph (4); and

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

"(5) INDIVIDUALS WHO HAVE DEFAULTED ON STUDENT LOANS ADMINISTERED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—

"(A) IN GENERAL.—Upon written request by the Secretary of Health and Human Services, the Secretary may disclose the mailing address of any taxpayer who has defaulted on a loan made under part C of title VII of the Public Health Service Act or under subpart II of part C of title VIII of such Act, for use only by officers, employees, or agents of the Department of Health and Human Services for the purposes of locating such taxpayer for purposes of collecting such loan.

"(B) DISCLOSURE TO SCHOOLS AND ELIGIBLE LENDERS.—Any mailing address disclosed under subparagraph (A) may be disclosed by the Secretary of Health and Human Services to—

"(i) any school with which the Secretary of Health and Human Services has an agreement under subpart II of part C of title VII of the Public Health Service Act or subpart II of part C of title VIII of such Act, or

"(ii) any eligible lender (within the meaning of section 737(4) of such Act) participating under subpart I of part C of title VII of such Act,

for use only by officers, employees, or agents of such school or eligible lender whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such subparts for the purposes of collecting such loans.".

REPEALS

SEC. 9. (a) Sections 801, 802, 803, 805, 810, 811, and 815 are repealed.

(b) Part A of title VIII is amended by striking out the headings for subparts I, II, III, and IV.

(c) Section 804 is redesignated as section 858, and is amended—

(1) by striking out "this subpart" in the matter preceding clause (1) and inserting in lieu thereof "subpart I of part A (as such subpart was in effect prior to September 30, 1984)";

(2) by inserting "under subpart I of part A (as such subpart was in effect prior to September 30, 1984) after "Federal participation" in the matter following clause (3); and

(3) by adding "FOR CONSTRUCTION ASSISTANCE" at the end of the section heading.

(d) Section 851(b) is amended by striking out ", and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A".

(e) Section 853(1) is amended by striking out "the Canal Zone,".

(f) Section 853(6) is amended to read as follows:

"(6) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part C for the establishment of a student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.".

BUREAU OF NURSING

SEC. 10. (a) Parts B and C of title VIII are redesignated as parts C and D, respectively.

(b) Title VIII is amended by inserting before section 820 the following:

"PART B—SPECIAL PROJECTS".

(c) Part A of title VIII is amended to read as follows:

"PART A—BUREAU OF NURSING

"ESTABLISHMENT

"SEC. 801. (a) There is established in the Health Resources and Services Administration the Bureau of Nursing. The Bureau shall be composed of—

"(1) the Division for Advanced Nurse Education established by section 802;

"(2) the Division for Nurse Educational Support established by section 803; and

"(3) the Center for Nursing Studies and Research established by section 804.

"(b) The Bureau shall be headed by a Director, who shall be appointed by the Secretary. The Secretary shall carry out this title through the Director.

"(c) The Secretary shall carry out the provisions of section 951 of the Nurse Training Act of 1975 through the Director.

"DIVISION FOR ADVANCED NURSE EDUCATION

"SEC. 802. There is established in the Bureau the Division for Advanced Nurse Education. The Secretary shall carry out part B through the Director and the Division.

"DIVISION FOR NURSE EDUCATIONAL SUPPORT

"SEC. 803. There is established in the Bureau the Division of Nurse Educational Support. The Secretary shall carry out part C through the Director and the Division.

"CENTER FOR NURSING STUDIES AND RESEARCH

"SEC. 804. (a) There is established in the Bureau the Center for Nursing Studies and Research. The Secretary, through the Center, shall conduct and support programs of basic and clinical research, training, and information dissemination relating to—

"(1) the promotion of health;

"(2) the prevention of illness;

"(3) the responses of patients and their families to acute and chronic illnesses, disabilities, and the aging process; and

"(4) nursing education, nursing services, and professional nursing resources.

Programs conducted under this subsection shall be in addition to the programs described in paragraphs (1) and (2) of subsection (b).

"(b) The Secretary shall carry out through the Center—

"(1) programs of research, training, and information dissemination relating to nursing conducted and supported by the Secretary under section 301; and

"(2) the program of National Research Service Awards relating to nursing under section 472.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 805. (a) To carry out section 804 (a), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1985, $5,500,000 for the fiscal year ending September 30, 1986, and $6,000,000 for the fiscal year ending September 30, 1987. Amounts appropriated

under this subsection shall be in addition to amounts appropriated under sections 301 and 472.

"(b) For the establishment and initial operation of the Bureau, there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1985, and each of the two succeeding fiscal years.".

(d) Section 853 is amended by adding at the end thereof the following new paragraphs:

"(11) The term 'Bureau' means the Bureau of Nursing established under section 801.

"(12) The term 'Director' means the Director of the Bureau.".

(e)(1) The Division of Nursing of the Health Resources and Services Administration of the Department of Health and Human Services is terminated.

(2) Section 472 is amended—

(A) by striking out "Division of Nursing of the Health Resources Administration," in subsection (a)(1)(A)(i) and inserting in lieu thereof "Bureau of Nursing of the Health Resources and Services Administration,"; and

(B) by striking out "Division" in such subsection and inserting in lieu thereof "Bureau".

EFFECTIVE DATE

SEC. 11. This Act and the amendments and repeals made by this Act shall take effect on October 1, 1984.

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill, S. 2574, and to insert in lieu thereof the provisions of the bill, H.R. 5602, as passed by the House.

That (a) this Act may be cited as the "Health Professions and Services Amendments of 1984".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal, of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—PROGRAMS UNDER TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 101. (a) The first sentence of section 728(a) (42 U.S.C. 294a(a)) is amended by striking out "and" and "1983;" and by inserting before the period a semicolon and the following: "$275,000,000 for the fiscal year ending September 30, 1985; and $300,000,000 for the fiscal year ending September 30, 1986".

(b) The last sentence of such section is amended by striking out "1987" and inserting in lieu thereof "1980".

SEC. 102. (a) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting before the period the following: "and with any public or other nonprofit school which is located in a State and which offers graduate programs in clinical psychology".

(b) Section 740(b) is amended—

(1) by inserting before the semicolon at the end of paragraph (4) the following: "and to students pursuing a full-time course of study at the school in a graduate program in clinical psychology"; and

(2) by adding after paragraph (6) the following:

"For purposes of this section and section 741, the term 'graduate program in clinical psychology' has the meaning prescribed by section 737(3).".

(c) Section 701(5) (42 U.S.C. 292a(5)) is amended by inserting "or in clinical psychology" after "health administration".

(d)(1) Sections 741(b) and 741(f)(1)(A) are each amended by inserting "a doctoral degree in clinical psychology or an equivalent degree," after "doctor of optometry or an equivalent degree,".

(2) Section 741(c) is amended by inserting after "veterinary medicine" the following: "or at a school in a graduate program in psychology".

(e)(1) Section 741(c) is amended by adding at the end the following: "If an individual who was a full-time student at a school described in the preceding sentence—

"(1) leaves the school to engage in an activity which is directly related to the health profession for which the individual is preparing and leaves with the intent to return to such school as a full-time student, and

"(2) engages in such activity for not more than two years, such individual may not be required under the preceding sentence to begin loan repayments.".

(2) The amendment made by paragraph (1) shall take effect as of June 30, 1982.

SEC. 103. (a) Section 742(a) (42 U.S.C. 244(o)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1985, and $10,700,000 for the fiscal year ending September 30, 1986".

(b) Section 740(b) (42 U.S.C. 294m(b)) is amended by adding after paragraph (6) the following: "With respect to fiscal years beginning after fiscal year 1984, each agreement shall provide that at least one-half of the Federal contribution in such fiscal years to the student loan fund of the school shall be used to make loans to individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.".

(c) Section 743 (42 U.S.C. 294p) is amended by striking out "1987" each place it occurs and inserting in lieu thereof "1989".

SEC. 104. Section 758(d) (42 U.S.C. 294z(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1985, and $8,600,000 for the fiscal year ending September 30, 1986".

SEC. 105. Section 770(e)(4) (42 U.S.C. 295(e)(4)) is amended by striking out "and" after "1983," and by inserting after "1984," the following: "$7,500,000 for the fiscal year ending September 30, 1985, and $8,000,000 for the fiscal year ending September 30, 1986,".

SEC. 106. Paragraph (1) of section 771(e) (42 U.S.C. 295f-1(e)) is amended to read as follows:

"(1) To be eligible for a grant under section 770 for a fiscal year beginning after fiscal year 1984, the product of the hours of instruction offered by a school of public health and the number of students enrolled in such hours of instruction in such school, in the school year beginning in fiscal year 1985 and in each school year thereafter beginning in a fiscal year in which a grant under section 770 is applied for, shall be at least the same as the product of the hours of instruction offered by the school and the number of students enrolled in such hours of instruction in the school year beginning in fiscal year 1984.".

SEC. 107. (a) Section 780(c) (42 U.S.C. 295(c)) is amended by striking out "and" after "1983," and by inserting after "1984" a comma and the following: "$11,000,000 for the fiscal year ending September 30, 1985, and $11,800,000 for the fiscal year ending September 30, 1986,".

(b) Section 780 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making the applicant's family medicine program a permanent component of its medical education training program.".

SEC. 108. (a) The first sentence of section 781(g) (42 U.S.C. 295g-1(g)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$18,000,000 for the fiscal year ending September 30, 1985, and $19,200,000 for the fiscal year ending September 30, 1986".

(b)(1) Section 781(a)(2) is amended by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

(2) The last sentence of section 781(g) is amended by striking out "may" and inserting in lieu thereof "shall".

SEC. 109. Section 782 (42 U.S.C. 295g-2) is amended to read as follows:

"GRANTS FOR SCHOOLS OF PUBLIC HEALTH

"SEC. 782. (a) The Secretary may make grants to public and nonprofit private schools of public health for projects to develop new programs or expand existing programs in human nutrition, geriatrics, health promotion and disease prevention, alcoholism, and injury due to accidents.

"(b) For grants under subsection (a) there are authorized to be appropriated $3,000,000 for fiscal year 1985, and $3,200,000 for fiscal year 1986.".

SEC. 110. Section 783(d) (42 U.S.C. 295g-3(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$6,000,000 for the fiscal year ending September 30, 1986".

SEC. 111. (a) Section 784(b) (42 U.S.C. 295g-4(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$24,000,000 for the fiscal year ending September 30, 1985, and $28,000,000 for the fiscal year ending September 30, 1986".

(b) Section 784 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) In making grants and entering into contracts under subsection (a), the Secre-

tary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its general internal medicine and general pediatrics programs permament components of its medical education training program.".

SEC. 112. (a)(1) The first sentence of section 786(c) (42 U.S.C. 295g-6(c)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$38,000,000 for the fiscal year ending September 30, 1985, and $40,600,000 for the fiscal year ending September 30, 1986".

(2) Section 786(c) is amended by adding at the end the following: "In any fiscal year, the Secretary shall obligate for grants under subsection (b) not less than 7 percent of the amount appropriated under this subsection for such fiscal year.".

(b) Section 786 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its family medicine program a permanent component of its medical education training program.".

(c) Section 786(b) is amended—

(1) by inserting "or an approved advanced educational program in the general practice of dentistry" before the semicolon in paragraph (1); and

(2) by striking out "residents" in paragraph (2) and inserting in lieu thereof "participants".

SEC. 113. (a) The first sentence of section 787(b) (42 U.S.C. 295g-7(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$24,000,000 for the fiscal year ending September 30, 1985, and $25,700,000 for the fiscal year ending September 30, 1986".

(b)(1) Section 787(a)(1) is amended—

(A) by inserting a comma after "podiatry" and the following: "public and nonprofit private schools which offer graduate programs in clinical psychology,"; and

(B) by adding at the end the following: "For purposes of this section, the term 'graduate programs in clinical psychology' has the meaning prescribed for that term by section 737(3).".

(2) Section 787(a)(2) is amended by inserting after subparagraph (E) the following: "The term 'regular course of education of such a school' as used in subparagrpah (D) includes a graduate program in clinical psychology.".

SEC. 114. (a) Section 788(f) (42 U.S.C. 295g-8(f)) is amended by striking out "and" and "1983;" and by inserting before the period a semicolon and the following: "4,000,000 for the fiscal year ending September 30, 1985; $4,300,000 for the fiscal year ending September 30, 1986".

(b)(1) Subsection (a)(1) of section 788 is amended to read as follows:

"(a)(1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools which were in existence on the date of the enactment of the Health Professions and Services Amendments of 1984 may be used for construction and the purchase of equipment.".

(2) Paragraph (2) of section 788(a) is repealed and paragraph (3) of such section is redesignated as paragraph (2).

(3) Section 788(a)(2) (as so redesignated) is amended by inserting "or last" after "the first", by inserting "or osteopathy" after "medicine" and by inserting "or be operated jointly with a school that is accredited by" after "accredited by".

(4) Section 788(b) is amended to read as follows:

"(b) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution for special projects and programs for—

"(1) curriculum development and training in health policy and policy analysis, the organization, delivery, and financing of health care, the determinants of health and the role of medicine in health, and the delivery of health care services to low-income and aged persons;

"(2) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues;

"(3) training in health promotion and disease prevention; and

"(4) curriculum development and training in human nutrition.".

(c)(1) Section 788(d) is amended—

(A) by striking out "with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities" and inserting in lieu thereof "with accredited health professions schools referred to in section 701(4) or 701(10) to assist in meeting the costs of such schools"; and

(B) by amending paragraph (1) to read as follows:

"(1) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and support continuing education of health professionals in such treatment; and".

(2) Section 788(f) amended—

(A) by inserting "(1) after "(f)",

(B) by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of subsections (a), (b), (c), (e), and (f) of this section", and

(C) by adding at the end the following:

"(2) For purposes of subsection (d) there are authorized to be appropriated $2,000,000 for fiscal year 1985 and $3,000,000 for fiscal year 1986.".

(d) Section 788 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (c) the following:

"(f) The Secretary may make grants to schools of veterinary medicine for (1) the development of curriculum for training in the care of animals used in research, the treatment of animals while being used in research, and the development of alternatives to the use of animals in research, and (2) the provision of such training.".

(e) The heading for section 788 is amended to read as follows:

"TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT"

SEC. 115. (a) The first sentence of section 788B(h) (42 U.S.C. 295g-8b(h)) is amended to read as follows: "For the purpose of entering into contracts to carry out this section and section 788A there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1985, and $6,400,000 for the fiscal year ending September 30, 1986.".

(b) Subsections (b)(1) and (f) of section 788B are each amended by striking out "five years" and inserting in lieu thereof "seven years".

SEC. 116. (a) Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$2,500,000 for the fiscal year ending September 30, 1985 and $2,700,000 for the fiscal year ending September 30, 1986".

(b) Subsection (c)(2)(A)(ii) of section 791 is amended to read as follows:

"(ii) such entity shall expend or obligate from non-Federal sources to conduct such programs at least $200,000 in fiscal year 1985 and $225,000 in fiscal year 1986;".

SEC. 117. Section 791A(c) (42 U.S.C. 295h-1a(c)) is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and the following: "$1,000,000 for the fiscal year ending September 30, 1985; $1,100,000 for the fiscal year ending September 30, 1986".

SEC. 118. Section 792(c) (42 U.S.C. 295h-1b(c)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: "$4,500,000 for the fiscal year ending September 30, 1985; and $4,800,000 for the fiscal year ending September 30, 1986".

SEC. 119. Section 793(c) (42 U.S.C. 295h-1(c)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$3,000,000 for the fiscal year ending September 30, 1985, and $3,200,000 for the fiscal year ending September 30, 1986".

SEC. 120. Section 702(a) (42 U.S.C. 292b(a)) is amended (1) by striking out "four representatives" and inserting in lieu thereof "three representatives", (2) by striking out "podiatry, and public health" and inserting in lieu thereof "and podiatry", and (3) by inserting after "791" the following: "and one representative of schools of public health".

SEC. 121. (a)(1) Section 701(4) (42 U.S.C. 292a(4)) is amended (A) by inserting "'school of chiropractic'," after "'school of dentistry',", and (B) by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(2) Section 701(5) is amended by inserting "chiropractic," after "dentistry,".

(b)(1) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting "chiropractic," after "dentistry,".

(2) Sections 740(b)(4), 741(b), and 741(f)(1)(A) are each amended by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(3) Section 741(c) is amended by inserting "chiropractic," after "dentistry,".

(4) Section 742(a) (42 U.S.C. 294o(a)) is amended by adding at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be made available for Federal capital contributions for student loan funds at schools of chiropractic.".

(c)(1) Section 787(a)(1) (42 U.S.C. 295g-7(a)(1)) is amended by inserting "chiropractic," after "dentistry,".

(2) Section 787(b) is amended by inserting at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be obligated for grants or contracts to schools of chiropractic.".

SEC. 122. Section 709(d) (42 U.S.C. 292j(d)) is amended to read as follows:

"(d) Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.".

SEC. 123. (a)(1) Section 731(a)(1)(A) (42 U.S.C. 294d(a)(1)(A)) is amended by striking out "and" at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following:

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section; and".

(2) Section 731(a)(1)(B) is amended by striking out "and" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following:

"(iii) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section; and".

(3) Section 741(b) (42 U.S.C. 294-n(b)) is amended by inserting "(1)" after "student" and by inserting before the period a comma and the following: "and (2) who if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section has presented himself and submitted to registration under such section".

(b) The Secretary of Health and Human Services, in cooperation with the Director of Selective Service, shall conduct a study to determine if health professions schools are engaged in a pattern or practice of failure to comply with section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) (or regulations issued under such section) or are engaged in a pattern or practice of providing loans or work assistance to persons who are required to register under section 3 of such Act (and any proclamation of the President and regulations prescribed under that section) and have not so registered. The Secretary shall complete the study and report its results to the Congress not later than one year after the date of the enactment of this Act.

SEC. 124. The Secretary of Health and Human Services shall conduct a study of the delivery of inpatient and outpatient health care services to the homeless and shall include in the study an evaluation of eligibility requirements which prevent the homeless from receiving health care services and an evaluation of the efficiency of the delivery of health care services to the homeless. The Secretary shall complete the study and report its results to the Congress not later than September 30, 1985, together with recommendations for legislation to improve health care delivery services to the homeless.

Sec. 125. Section 731(a)(2)(D) is amended by striking the words "compounded semiannually and".

TITLE II—PROGRAMS UNDER TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

SEC. 201. The first sentence of section 820(d) (42 U.S.C. 296k(d)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for the fiscal year ending September 30, 1986, and $14,000,000 for the fiscal year ending September 30, 1987".

SEC. 202. (a) Section 821(b) (42 U.S.C. 296l(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$21,000,000 for the fiscal year ending September 30, 1985, $22,000,000 for the fiscal year ending September 30, 1986, and $23,000,000 for the fiscal year ending September 30, 1987".

(b) Section 821(a) is amended by striking out all after paragraph (3) and inserting in lieu thereof the following: "programs which lead to masters and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, and researchers or in clinical nurse specialities determined by the Secretary to require advanced training.".

SEC. 203. (a) Section 822(e) (42 U.S.C. 296m(e)) is amended to read as follows:

"(e) For grants and contracts under subsections (a) and (b), there are authorized to be appropriated $19,000,000 for the fiscal year ending September 30, 1985, $20,000,000 for the fiscal year ending September 30, 1986, and $21,000,000 for the fiscal year ending September 30, 1987.".

(b)(1) Section 822(a)(1) is amended by inserting "and nurse midwives" after "nurse practitioners" the first two times it appears in such section.

(2) Sections 822(a)(2), 822(b), and 822(c) are each amended by inserting "and nurse midwives" after "nurse practitioners" each place it occurs.

(3) Section 822(a)(2)(A) is amended by inserting after "and which" the following: "in the case of nurse practitioners".

(4) Section 822(b)(3) is amended by inserting before "for a period" the following: "or in a public health care facility".

(5) The heading for section 822 is amended to read as follows:

"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

SEC. 204. Subpart IV of part A of title VIII is amended by adding after section 822 the following new section:

"DEMONSTRATION GRANTS

"SEC. 823. (a) The Secretary may make grants to public and nonprofit private entities for projects to demonstrate—

"(1) improvements in clinical nursing care in institutions,

"(2) improvements in clinical nursing care in homes, independent nursing practice arrangements, and ambulatory facilities, and

"(3) programs to encourage nurses to practice in health manpower shortage areas.

"(b) For grants under subsection (a), there are authorized to be appropriated $8,000,000 for fiscal year 1985, $9,000,000 for fiscal year 1986, and $10,000,000 for fiscal year 1987.".

SEC. 205. (a)(1) The first sentence of section 830(b) (42 U.S.C. 297(b)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: "$15,000,000 for the fiscal year ending September 30, 1985, "$16,000,000 for the fiscal year ending September 30, 1986, "$17,000,000 for the fiscal year ending September 30, 1987".

(2) The second sentence of such section is amended by striking out "1981" and inserting in lieu thereof "1985".

(b) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public and nonprofit private schools of nursing to cover the cost of traineeships for nurses in masters degree and doctoral degree programs in order to educate such nurses——

"(i) to teach in the various fields of nurse training (including practical nurse training),

"(ii) to serve in administrative or supervisory capacities, or

"(iii) to serve in other professional nursing specialties determined by the Secretary to require advanced training.

"(B) The Secretary may make grants to public and nonprofit private schools to cover the cost of traineeships in certificate or degree programs to educate nurses to serve in and prepare for practice as nurse practitioners and nurse midwives.".

SEC. 206. Section 831(b) (42 U.S.C. 297-1(b)) is amended to read as follows:

"(b) For grants under subsection (a), there are authorized to be appropriated $1,000,000 for fiscal year 1985, $1,200,000 for fiscal year 1986, and $1,400,000 for fiscal year 1987.".

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 301. (a) Section 338(a) (42 U.S.C. 254k(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and the following: $90,000,000 for the fiscal year ending September 30, 1986; $95,000,000 for the fiscal year ending September 30, 1987; and $100,000,000 for the fiscal year ending September 30, 1988".

(b) Section 338F(a) (42 U.S.C. 294y(a)) is amended—

(1) by striking out "1982, and each of the two" in the second sentence and inserting in lieu thereof "1985, and each of the three",

(2) by striking out "1984 "each place it occurs, and inserting in lieu thereof "1988", and

(3) by striking out "1985, and for each of the two" and inserting in lieu thereof "1989, and each of the three".

SEC. 302. Section 338C(a)(2) (42 U.S.C. 294v(a)(2)) is amended by inserting before the period the following: "for which the Secretary has made the evaluation and determination described in section 333(a)(1)(D)".

SEC. 303. Section 338C(b) is amended by inserting at the end the following: "The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.".

SEC. 304. Section 332(a)(1) (42 U.S.C. 254e(a)(1)) is amended by adding at the end the following: "The Secretary may not remove an area from the areas determined to be health manpower shortage areas under clause (A) unless the Secretary also determines that such an area does not have a population group described in clause (B) or a facility described in clause (C).".

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS AND MIGRANT AND COMMUNITY HEALTH CENTERS

SEC. 401. (a) Section 1309(b) (42 U.S.C. 300e-8(b)) is amended by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1985, 1986, 1987, and 1988".

(b) Section 1305(d) (42 U.S.C. 300e-4(d)) is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1989".

SEC. 402. (a) The first sentence of section 329(h)(1) (42 U.S.C. 247d(h)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and the following: $47,000,000 for the fiscal year ending September 30, 1985, $51,000,000 for the fiscal year ending September 30, 1986, $58,000,000 for the fiscal year ending Sep-

tember 30, 1987, and $64,000,000 for the fiscal year ending September 30, 1988".

(b) Section 329(d)(2) is amended by inserting before the semicolon the following: "and the costs of repaying loans made by the Farmer's Home Loan Administration for buildings".

SEC. 403. Section 330(g) (42 U.S.C. 254c(g)) is amended by striking out paragraphs (1) and (2), by redesignating paragraph (3) as paragraph (2), and by inserting before that paragraph the following:

"(g)(1) For grants under subsection (d), there are authorized to be appropriated: $375,000,000 for fiscal year 1985, $410,000,000 for fiscal year 1986, $445,000,000 for fiscal year 1987, and $482,000,000 for fiscal year 1988. The Secretary may not expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of the funds appropriated under this paragraph for that fiscal year.".

SEC. 404. No health maintenance organization may be required, as a condition for being federally qualified under title XIII of the Public Health Service Act, to include organ transplants, other than kidney transplants, in its basic health services (as defined in section 1302 of such Act) before the health maintenance organization's contract year beginning after January 1, 1986. In making any determination whether an organ transplant procedure should be included in a health maintenance organization's contract entered into after January 1, 1986, the Secretary shall provide an opportunity for public comment on the proposed determination prior to its implementation.

TITLE V—HEALTH CARE CONSUMER INFORMATION

SEC. 501. Section 304 of such Act (42 U.S.C. 242k) is amended by adding at the end the following:

"(e)(1) The Secretary shall—

"(A) study (i) criteria and methodologies for use in collecting and disseminating aggregate health care cost and utilization data and other health care consumer information, (ii) Federal laws and programs under which such information is collected and disseminated and the activities of public and private entities and individuals in the collection and dissemination of such information, and (iii) means to assist in collecting and disseminating such information through public and private entities and individuals;

"(B) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services;

"(C) prepare a plan for having appropriate public or private entities, or both, furnish, either directly or through referral, to the public, upon request, technical assistance relating to the criteria and methodologies identified in subparagraph (A); and

"(D) not later than six months after the completion of the study and preparation of the plan required by subparagraphs (A) and (C), carry out, to the extent feasible, the plan prepared under subparagraph (C).

Not later than nine months after the date of enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (C), and report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the results of the study and the developed plan. The Secretary shall also periodically report to such committees on the actions taken under subparagraph (B) and the technical assistance provided under the plan.

"(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

"(A) physicians, hospitals, and other health care providers,

"(B) insurers,

"(C) businesses, unions, and public entities which purchase health care through insurance or self-insurance, and

"(D) health care consumers.

"(3) In carrying out paragraph (1), the Secretary shall assure that the methodology and criteria referred to in subparagraphs (A) and (B) of such paragraph shall protect the confidentiality of individually identifiable patient medical information information.

"(4) This subsection does not authorize the Secretary to require the disclosure of any information.".

TITLE VI—PLAGUE

SEC. 601. Section 317 (42 U.S.C. 247b) is amended by adding at the end the following:

"(k) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States for the control of plague. For grants under this subsection, there are authorized to be appropriated $1,000,000 for each of the fiscal years 1985, 1986, and 1987.".

TITLE VII—HEALTH CARE COSTS

SEC. 701. It is the sense of the Congress that the problem of rising health care costs can be reduced if those engaged in health care professions do everything possible to hold down the cost of delivering health care to the nation by considering options to institutionalized health services wherever appropriate.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to amend titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Service Corps Program under that act, and to revise and extend the programs of assistance under that act for health maintenance organizations and migrant and community health centers."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5602) was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 2574

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the enrolling clerk be authorized to make technical corrections in the engrossment of the House amendment to the Senate bill, S. 2574.

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

There was no objection.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5602, just passed by the House.

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

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORTS ON SUNDRY BILLS

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight, Friday, September 7, 1984, to file the reports on the following bills:

H.R. 1511, to provide for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in countries contiguous to the United States;

H.R. 5492, to provide for the conservation of Atlantic striped bass, and for other purposes;

H.R. 1438, to provide for the restoration of the fish and wildlife in the Trinity River Basin, CA, and for other purposes;

H.R. 5755, to amend the Fish and Wildlife Coordination Act; and

H.R. 5464, to establish the Chimon Island National Wildlife Refuge.

I am informed that this request has been cleared by the minority.

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

There was no objection.

□ 1840

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 5 P.M. TOMORROW TO FILE REPORTS ON SUNDRY BILLS

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until 5 p.m. Friday, September 7, 1984, to file reports on the following bills:

H.R. 4028, to amend the Drug Abuse Prevention, Treatment and Rehabilitation Act;

H.R. 3347, the Extradition Act of 1984; and

H.R. 6071, the Trademark Counterfeiting Act of 1984.

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

Mr. ROGERS. Mr. Speaker, reserving the right to object, have the matters been cleared with the minority Members?

Mr. HUGHES. If the gentleman will yield, yes, they have been.

Mr. ROGERS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

REVISED DEFERRAL OF BUDGET AUTHORITY RELATING TO DEPARTMENT OF ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-254)

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

(For message, see proceedings of the Senate of today, Thursday, September 6, 1984.)

EXCLUSION OF AGENCIES FROM COVERAGE UNDER MERIT PAY SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-255)

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

(For message, see proceedings of the Senate of today, Thursday, September 6, 1984.)

RESIGNATION AS CHAIRMAN AND MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following resignation as chairman and member of the Committee on House Administration:

HOUSE OF REPRESENTATIVES,
Washington, DC, September 6, 1984.

Hon. THOMAS "TIP" O'NEILL, Jr.,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: I hereby resign my position as Chairman and member of the Committee on House Administration.

Sincerely,

AUGUSTUS F. HAWKINS,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted effective at the beginning of business today.

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. LOTT. Mr. Speaker, I have asked for this time for the purpose of receiving the schedule for next week from the distinguished gentleman from Missouri [Mr. GEPHARDT], and I yield to the gentleman for that purpose.

Mr. GEPHARDT. I thank the gentleman for yielding.

Mr. Speaker, the schedule for next week is as follows:

On Monday, September 10, the House will meet at noon and will consider the following 11 bills on the Suspension Calendar:

H.R. 3979, comprehensive smoking education bill;

H.J. Res. 247, man's inhumanity to man;

H.R. 3194, Abandoned Shipwreck Act of 1984;

H.R. 5492, conservation and management of Atlantic striped bass;

H.R. 5755, Fish and Wildlife Coordination Act Amendments;

H.R. 5464, establish Chimon Island National Wildlife Refuge;

H.R. 1511, common carriers by water in foreign commerce—United States and Canada;

H.R. 3347, improve procedures for extradition between the United States and other countries;

H.R. 6031, Money Laundering Penalties Act of 1984;

H.R. 4028, Drug Abuse Prevention and Treatment Act Amendments; and

H.R. 6071, Trademark Counterfeiting Act.

Recorded votes on these suspension bills will be postponed until Wednesday, September 12, and the votes on the suspensions will be at the end of business on Wednesday.

On Tuesday, September 11, the House will again meet at noon and will consider the following 13 bills on the Suspension Calendar:

H.R. 5607, book preservation bill;

H.R. 5479, United States Code, title 5 amendments re awards and expenses of certain agency and court proceedings;

H.R. 5644, Supreme Court discretion re selection of cases for review;

H.R. 5645, permit U.S. courts to establish the order of hearing for certain civil matters;

H.R. 5938, United States Code, title 17 amendments re rental of sound recordings;

H.R. 5714, Shoal Water Bay Indian Tribe claim settlement;

H.R. 5519, reauthorize Indian financing;

S. 2819, Technical Amendments to Housing and Community Development Act;

S. 2040, Secondary Mortgage Market Enhancement Act;

H.J. Res. 605, implementation of U.S. opposition to torture by foreign countries;

H. Con. Res. 107, concern re plight of Ethiopian Jews;

H.J. Res. 136, wildlife preserve for humpback whales; and

H. Con. Res. 298, sense of Congress re Namibian prisoners.

Once again, the recorded votes on these suspension bills will be postponed until the end of business on Wednesday, September 12.

On Wednesday, September 12, the House will meet at 10 a.m. and will consider H.R. 1437, the California wilderness bill. The rule would permit consideration of this bill. The House will also consider H.R. 4567, Indian health care amendments, an open rule, with 1 hour of general debate.

Again, recorded votes on suspensions debated on Monday and Tuesday would come at the end of business on Wednesday.

On Thursday and Friday, September 13 and 14, 1984, the House will meet at 10 a.m. and will consider H.R. 5609, the American Defense Education Act, subject to a rule being granted, and H.R. 4444, the Small Reclamation Projects Act, an open rule, with 1 hour of general debate.

The House will adjourn by 3 p.m. on Friday and, obviously, conference reports may be brought up at any time, and any further program will be announced later.

Mr. LOTT. Mr. Speaker, I would like to address a couple questions to the gentleman from Missouri about the schedule. I think it is important to repeat that we have this long list of 11 suspensions on Monday, 13 suspensions on Tuesday, but the recorded votes on those suspensions will not come until after the other 2 bills on Wednesday, Wednesday afternoon; is that correct?

Mr. GEPHARDT. That is correct. As the gentleman knows, there are a number of primary elections on Tuesday, and for the reason we are having these votes put on Wednesday.

Mr. LOTT. I understand there are perhaps 10 primaries on Tuesday, so that's why the gentleman is putting off the votes on the suspensions until after the 2 other bills scheduled on Wednesday, so it will be sometime Wednesday afternoon before we will vote on those suspensions, if any are demanded on Monday or Tuesday?

Mr. GEPHARDT. That is correct.

Mr. LOTT. The gentleman has on the schedule for Thursday and Friday, or Thursday and the balance of the week, two bills, H.R. 5609, the American Defense Education Act, and H.R.

4444, the Small Reclamation Projects Act. If the House should complete those two bills on Thursday, would there be then a session on Friday, or does the gentleman anticipate a session on Friday? I ask the question so that the Members can make plans for next Friday and the week after that.

Mr. GEPHARDT. If we are able to complete the business that is scheduled on this schedule that we have just announced, then the intention would not be to have a session on Friday.

Mr. LOTT. I would like to take it one step beyond next week and go over into the next week because I have had some Members complain today that they found out yesterday that as a matter of fact we would not have recorded votes on Monday or Tuesday. Some of them came long distances back here, so far that it was hard for them to go back and be back here on Wednesday. The point is, the next week there are also a couple of primaries. Are we going to have votes deferred until the close of business on Tuesday, or do we know yet?

Mr. GEPHARDT. The intention on the following week after the next week would be to have votes on Tuesday but not on Monday.

As the gentleman probably understands, there are two primaries in that week, and with that kind of a primary schedule we feel that we should go forward with votes on Tuesday.

Mr. LOTT. It is helpful for the Members to know that. They do know now that there will not be votes on Monday, and the votes on Tuesday that will occur will probably occur at the close of business, after the suspensions have been considered.

Mr. GEPHARDT. I think that would be the intention.

Mr. LOTT. I have two other questions. This bill, H.R. 5609, the American Defense Education Act, that is the bill that would cost an estimated $11 billion, is that correct, pending before the Rules Committee?

Mr. GEPHARDT. I am not aware of the exact cost of that bill. If the gentleman has heard the bill before the committee he might have a better notion of the exact cost. Obviously, the bill would be considered by the House, and the House would work its will.

Mr. LOTT. I thank the gentleman.

ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1984

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

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

There was no objection.

REQUEST TO DISPENSE WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

Mr. WEBER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

□ 1850

REAGAN ADMINISTRATION POLICIES SPELL DISASTER FOR HEALTH COVERAGE OF NATION'S UNEMPLOYED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. LEVIN] is recognized for 5 minutes.

Mr. LEVIN of Michigan. Mr. Speaker, the President has said, and repeated it on various occasions that there is not "one single fact or figure" that proves that his administration has been picking on "the needy."

Well, some weeks ago we had the report of the Urban Institute, which showed that the facts are quite the contrary; that the Reagan administration has indeed in effect been picking on the needy. For example, it showed, and it is a nonpartisan and widely respected think tank. It showed, for example, that since 1980 the disposable income of the poorest one-fifth of all American families has declined by 7.6 percent. That is after inflation. While the income of the top one-fifth has risen by 8.7 percent.

In essence it showed that these figures translate into a $25 billion income transfer to the wealthiest Americans; the upper one-fifth, from the other four-fifths of America. The Reagan administration program, Mr. Speaker, has gone far beyond hurting the poor and helping the rich. It has also been hurting the middle. I want today to discuss one such area relating to health insurance and the state of health of millions of families.

Last year, the House passed a bill, H.R. 3021, that would have authorized new block grants for 2 years for States that wanted to provide health insurance benefits to unemployed people and their families. Those who had been out of work for a year or longer would have had priority for coverage. Well, that bill has died in the Senate and it has been opposed by the administration. The main reason given, the main argument, was that only 13 percent of Americans were losing unemployment insurance and unemployment coverage because of unemployment. Well, it turns out that there is reason to believe that the figure is far beyond 13 percent.

There is a recent study from the University of Michigan, and it has been based on interviews with a large number of people within the State of Michigan; 1,332 unemployed workers in southeastern Michigan who were interviewed between October 1983 and January 1984. Here is what it found. That 51 percent of the 1,332 workers who were interviewed had no health insurance. Not 13 percent; but 51 percent. It found that among those who had been out of work 3 months or less, 26 percent had lost health insurance coverage. Those unemployed 4 to 12 months, 50 percent were without insurance, and those who had been unemployed for more than 2 years, 70 percent were without insurance far beyond the 13 percent projected by the administration.

It also found that in only one-third of the cases were unemployed workers able to get other coverage. In a final finding, that in rating their own health, unemployed workers considered themselves to be in poorer health than the general population. The jobless said that their health was much worse than employed acquaintances in their age group.

Well, what are the arguments of the administration? They go something like this: Well, it is not serious, only 13 percent. Another argument is that most of those who lost their benefits received coverage from spouses. But in the University of Michigan study, this was found not to be true in two-thirds of the cases of the jobless.

Then the third argument of the administration is that the jobless, many of them never had health insurance anyway, so they did not really lose it through unemployment. But in the University of Michigan study it was found that this was the case in only 22 percent of the cases. In 78 percent of the cases of unemployed workers there had been health insurance coverage.

It was also found that only one-fourth of the unemployed who had lost their insurance had used medicaid. So we find that indeed a broad range of middle-income families have been hurt by the Reagan administration policies.

THE GREATEST THREAT TO THE SOCIAL SECURITY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WEAVER] is recognized for 5 minutes.

Mr. WEAVER. Mr. Speaker, the greatest threat to the Social Security Program and recipients, and it is a dire threat, one that I want to alert all senior citizens in this country to, the greatest threat is President Ronald Reagan and the Republican Party.

Now, would President Reagan come out against Social Security? Heavens no. He has actually said he would like to raise the Social Security benefits this year even though the law does not stipulate it and is required to do so. Would the Republican Members of Congress vote against Social Security? Heavens no; they would not. Why, the senior citizens would have them flogged and set aside and replaced.

So how and why are they a threat to Social Security? They have come forth with a constitutional amendment to balance the budget, and the reason they want that constitutional amendment to balance the budget is so that they can force steep, deep cuts on Social Security spending. That is their sole purpose for a constitutional amendment to balance the budget. That is because without Social Security in there, President Ronald Reagan is the biggest spender in the history of the United States of America, and the Republican Party is the most flagrantly wasteful political party in our history.

The deficits of the first term of Ronald Reagan's Presidency will be greater than the deficits we have obligated ourselves to since George Washington through Jimmy Carter. I challenge the Republican and President Reagan, therefore to do one thing: I am ready to vote for that constitutional amendment to balance the budget. I am ready to vote for it right now with one amendment. I will offer that amendment. I can assure you I would like to ask my friends and colleagues if they would vote against the amendment. That amendment is to except the Social Security trust fund from the constitutional amendment to balance the budget. If they will do that, you have got one vote right here for that constitutional amendment to balance the budget. Because then, it reveals the Federal budget for what it is: 60 percent military. Sixty percent military.

If I have time left. I would be delighted to yield to the gentleman from Idaho [Mr. CRAIG]. I intend to take a 60-minute special order Monday to go into this in great detail and depth, but if the gentleman would like to speak now, fine. Delighted.

□ 1900

Mr. CRAIG. I appreciate my colleague yielding.

If I were to suggest to the gentleman that the adoption of a constitutional amendment to balance the budget would take 2 years in the ratification process at the State level, would then take another 2 years to implement, and that during that time, with Social Security as it currently is, allowed to grow as we have suggested it will grow based on the new proposals we have put together in a bipartisan manner, and at that time, 4 to 5 years down the road when the action of the three-fourths of the States of this Nation, in concert with this Congress, would say that we would have to have a balanced budget and we allowed the budget the grow on course during that time at about a 3-percent growth rate, as is projected as a reasonable growth rate, and that does include Social Security, that it would come in balance on its own and that nobody who advocates a constitutional amendment to balance the Federal budget advocates any reduction in Social Security except those who technically oppose it anyway and are only using this as an excuse, and I am talking about the procedure that——

Mr. WEAVER. Mr. Speaker, I would reclaim my time and tell the gentleman that I strongly support a balanced budget and that if the Social Security trust fund is excepted from it, let us face it, if you do bring it to the floor I will offer an amendment or someone else will.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I would be delighted to yield to my dear friend, the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Speaker, the gentleman just hit the nail right on the head, because one of the real frauds is that the Social Security trust fund is under the auspices of the budget. It never was until 1969.

Mr. WEAVER. That is right.

Ms. OAKAR. During the Vietnam era.

Mr. WEAVER. And Lyndon Johnson put it in.

Ms. OAKAR. That is right. The Republicans ratified it, but Johnson did suggest it. If we took the trust fund out of the budget, all the phony baloney percentages of what we really spend for defense and so on would just be eradicated.

Mr. WEAVER. I tell my dear friend from Ohio that she is exactly right and we really should bring this issue to the floor of the House of Representatives and really find out what the Republicans would be trying to do to us.

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

FORTY-FIFTH ANNIVERSARY OF INVASION OF POLAND

The SPEAKER pro tempore (Mr. RAHALL). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the month of September marks the 45th anniversary of the invasion of Poland. On September 1, 1939, the forces of nazism invaded Poland from the west, and on September 17, the forces of communism invaded Poland from the east, and Poland became a tyrannized and persecuted nation.

Alone and unaided, the 830,000 soldiers and officers of the Polish Army fought heroically against overwhelming odds and the terror unleashed by the invaders. Thousands of Polish infanty, Navy, and Air Force troops were forced to flee the military might of the hostile occupiers of thier country. Eventually they joined the Allies and took up arms once more throughtout Europe and in North Africa, continuing their courageous efforts to achieve self-determination and freedom. As the regular army slowly disintegrated within the country, a brave underground movement developed, directed by the Polish government-in-exile, and the Polish home army together with civilian men, women, and children, fearlessly destroyed enemy planes, ammunition dumps, bridges, and other military installations.

Often forced to survive for months or even years in the forests and mountains, members of the resistance and the Polish populace at large reacted with spirit and conviction. Refusing to betray their national honor and collaborate with the enemy, 6 million Poles preferred self-respect and death to capitulation. The nation lost close to one quarter of her population, and Warsaw, the Polish capital, was leveled to the ground.

On several occasions I have urged that the United States confer the American Legion of Merit, on a posthumous basis, to Lt. Gen. Stefan Rowecki, Lt. Gen. Tadeusz Bor-Komorowski, and Maj. Gen. Leopold Okulicki, the three commanders of the Polish home army, in recognition of their heroic actions in the cause of freedom during World War II. The leadership and fortitude that these three men exhibited were not only vital to the Allies in their fight against the Nazis, but also serve today as an inspiration to the brave people of Poland. I am proud to report to my colleagues that in August of this year, the American Legion of Merit was finally bestowed on these valiant generals, who contributed so much to the ultimate defeat of the Nazis.

Once the Nazis had been eliminated, the Communist regime unfortunately occupied the country and began its campaign to destroy the culture and spirit of the Polish people. Today Poles still must face the daily tyranny of their Communist oppressors. Last Friday marked the fourth anniversary of the Solidarity Trade Union, and thousands of people turned out in Poland to demonstrate their desire for human rights, human respect, and human dignity, and I join hands with the Polish people in their continuing struggle for their personal liberty and national integrity.

Those Poles who have emigrated to the United States have brought with them their love of liberty and their respect for law. They have contributed mightily to the social, economic, political, and cultural advancement of our Nation, and they have helped to make the United States one of the greatest countries in the world.

Mr. Speaker, as we commemorate the 45th anniversary of the invasion of Poland, I join with Americans of Polish descent who reside in the 11th Congressional District of Illinois which I am honored to represent, as well as Poles all over this Nation, in their hopes and prayers for the day when the people of Poland can live in personal and economic freedom with the right to choose the course of their own national destiny.●

GENOCIDE CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, today President Reagan announced his support for Senate ratification of one of the most important human rights instruments ever negotiated: The Genocide Convention. I congratulate President Reagan for his endorsement and am glad he has finally joined previous Democratic and Republican Presidents who have supported ratification. I only wish Mr. Reagan had made his announcement sooner. The President has stated that he supports ratification with the three understandings and one declaration called for in the attached resolution.

Unfortunately, the Congress will likely adjourn in a few weeks and consideration in the other body probably will be postponed to the next Congress. However, the President's endorsement will hopefully lead to ratification and the adoption of implementing legislation which will give effect to this important measure in the United States.

The Genocide Convention is an international treaty. Called the International Convention on the Prevention and Punishment of the Crime of Genocide, its purpose is to make genocide an international crime, whether committed during times of peace or war. The convention also provides that constitutionally responsible rulers, public officials as well as private persons who commit genocide or conspire or comply in committing genocide are to be punished as international criminals. Persons charged with the crime of genocide are to be tried by a competent tribunal of the state where the act was committed.

Genocide is not a new international crime as contemporary cases in Cambodia and Uganda demonstrate. But Hitler's persecution of various minorities, especially the Jewish people during World War II, gave particular impetus to the U.N. preparation of the convention. The U.N. General Assembly unanimously adopted the convention on December 9, 1948. It came into force in 1951. Today more than 90 states are parties to the convention. The United States, however, has not yet ratified it since President Truman transmitted it to the Senate in 1949.

Since then, in the other body, the Foreign Relations Committee has held several hearings on the convention. Most recently, in 1976, the committee recommended that the Senate give its advice and consent with three understandings and a declaration, but the other body has not yet acted. In the mid-1970's, the American Bar Association changed its position and came out in support of Senate ratification. The ABA still supports ratification and I hope its membership will work for Senate advice and consent in coming months.

Ratification of the Genocide Convention should strengthen U.S. diplomacy on human rights in both bilateral as well as multilateral meetings. Once the Genocide Convention is ratified, I sincerely hope the President will then address five other human rights conventions pending before the Senate: the two international covenants, the Convention on the Elimination of Racial Discrimination, the Convention on the Elimination of Discrimination Against Women, and the Inter-American Convention.

Clearly, it is in our national interest to be able to show our friends, allies and even adversaries that the United States means what it says about its tradition and commitment to human rights and fundamental freedoms. We have long cherished these traditions at home and it is high time we demonstrated our support for them abroad by subscribing to these international human rights treaties. The Genocide Convention is a most commendable measure on which to begin this important effort.

The text of the resolution follows:

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948, and signed on behalf of the United States on December 11, 1948 (Executive O, Eighty-first Congress, first session) subject to the following understandings and declaration:

1. That the United States Government understands and construes the words "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such" appearing in article II, to mean the intent to destroy a national, ethnical, racial, or religious group by the acts specified in article II in such manner as to affect a substantial part of the group concerned.

2. That the United States Government understands and construes the words "mental harm" appearing in article II(b) of this Convention to mean permanent impairment of mental faculties.

3. That the United States Government understands and construes article VI of the Convention in accordance with the agreed language of the Report of the Legal Committee of the United Nations General Assembly that nothing in article VI shall affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the United States.

4. That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in article V has been enacted.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LEVINE] is recognized for 5 minutes.

● Mr. LEVINE of California. Mr. Speaker, I was unavoidably absent and unable to vote on rollcalls 371-373 on August 10, 1984. Had I been present, I would have voted "aye" on the Levitas amendment establishing an administrative mechanism to compensate victims of hazardous waste exposure; "no" on the Conable amendment that sought to terminate the tax provisions on September 30, 1986; and "aye" on final passage of the bill, H.R. 5640.

H.R. 5640, the Superfund Expansion and Protection Act, is a critical hazardous waste cleanup law. It extends the Superfund Program through fiscal year 1990 and provides a total of $10.2 billion over that period. Among its provisions are strict timetables for the Environmental Protection Agency [EPA] to cleanup abandoned hazardous waste sites, and the establishment of national cleanup standards at Superfund sites. In addition, the bill gives citizens the right to sue EPA or any State or local agency to compel it to perform any duty under the Superfund law which it has failed to perform.

Mr. Speaker, the EPA has identified over 17,000 toxic waste sites in the United States and estimates that the final tally may exceed 22,000. There are currently 546 sites on the national priorities list eligible for Superfund cleanup, 19 of which are in my own State of California. To date, only six sites nationwide have been cleaned up. Passage of H.R. 5640 by the House has not only increased essential funding, it has significantly enhanced the authority for corrective action at toxic waste sites. I am a strong supporter of this legislation and hope to see swift action in the other body as well.●

REAGAN ADMINISTRATION'S SOUTHERN AFRICA FAILURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HAYES] is recognized for 5 minutes.

Mr. HAYES. Mr. Speaker, for the last few days the world has watched in horror as over 29 men, women, and children have lost their lives, and hundreds more have been injured, in the worst wave of violence to sweep the apartheid ridden nation of South Africa since the Soweto uprisings of 1976.

The spark which ignited this latest explosion was the South African Government's adoption of a new Constitution which established separate and unequal parliamentary representation for whites, Asians, and coloreds, while totally excluding blacks, who make up nearly 85 percent of the country's population.

State Department spokesman John Hughes said Tuesday that our country is "deeply disturbed and concerned by the continuing violence" in South Africa, but this is contradicted by our Government's abstention during the United Nations Security Council's recent vote to reject the legitimacy of the new constitutional elections.

President Reagan and his advisers often claim to be concerned with the promotion of democracy and human rights throughout the world, but they have remained conspicuously silent while the good name of the United States continues to be tarnished by our military and economic support for one of the most brutal and unjust regimes in the history of modern civilization.

By failing to speak out against repeated injustices by the South African Government, and by continuing to allow American citizens and corporations to do business in South Africa while it denies the vast majority of its people, rights which Americans hold as basic to freedom and human dignity, our country has become the object of scorn and ridicule throughout much of the world.

Despite objections by freedom loving Members of Congress and representatives of humanitarian, religious, and labor organizations, the United States, under the Reagan administration, has continued to be South Africa's major source of support in the world community.

The administration's latest Southern Africa policy initiative of "constructive engagement" has been a total failure. Rather than facilitating the independence of Namibia, which is illegally occupied by South African troops, our recent activities have only served to shield South Africa from its many critics while allowing it to pursue a course of military aggression and economic destabilization against its neighbors.

As those entrusted with the responsibility of governing on behalf of the people of this great Nation, Members of Congress must take the first steps in changing the disastrous path we are taking in Southern Africa.

How much longer will we allow our country to be South Africa's major trade partner? How much longer will we continue to protect it from United Nations sanctions? How much longer will we allow U.S. based corporations to move plants and jobs to South Africa to profit at the expense of displaced American and oppressed South African workers? How much longer will we continue to use the rationale of South Africa's profession of anticommunism to serve as a justification for our tacit approval of one of the world's most vicious and corrupt regimes?

How much longer can we continue to allow our leaders to ignore the fact that the situation in Southern Africa constitutes one of the greatest threats to world peace of our time?

It is time for our Government to realize that the greatest threats to the stability of nations come not from outside, but from the poverty, ignorance, exploitation, and hopelessness of their own oppressed citizens. We will not be able to make true and lasting friendships in the Third World until we begin to concentrate on exporting the technologies of housing, food production, health care, economic development, and education, rather than the technologies of war.

I am asking Members of Congress and right minded people throughout our great Nation to join me in: First, calling for an immediate end to all diplomatic and military ties between the United States and the Pretoria Government; second, demanding the immediate divestiture of all investments by U.S.-based corporations and individuals now doing business in South Africa; and third, calling for the suspension of all travel and trade relations between the United States and South Africa.

MSGR. GENO C. BARONI

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Ms. MIKULSKI] is recognized for 30 minutes.

GENERAL LEAVE

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

□ 1910

Ms. MIKULSKI. Mr. Speaker, this special order is in tribute to Msgr. Geno Baroni, a friend, a patriot, and someone who devoted his life to the cause of social justice who died on August 27 at the age of 53, after a long bout with cancer.

Monsignor Baroni made an outstanding contribution to our country through the many, many things that he did. Going back to his early days as a young priest in Altoona, he organized credit unions to help the people of his community. He came to Washington, DC, in 1960 and arrived on Columbus Day.

Monsignor Baroni always had a flair for both symbolism and show business. But he took that in a way to be able to make his point. Monsignor Baroni was known probably best for being an organizer. He was living proof of his own philosophy that one person can make a difference and he did.

Monsignor Baroni changed the world and the world will never be the same because of him. Monsignor Baroni made a considerable contribution to our national life. He created lasting institutions for social justice and self-help. He stood with people of color in their own struggle for social justice.

When Martin Luther King cried out, when Bull Conner had turned the dogs on women and children in the march for Alabama, and Dr. King called out for people to join him in the march to Selma, it was Monsignor Baroni who was the first Catholic clergy to respond, taking with him hundreds of priests and nuns to march in that protest.

Monsignor Baroni also launched a social movement for ethnic pride and self-help. We now know that the Statue of Liberty is getting a facelift, but Monsignor Baroni gave her a shot in the arm.

Because what he did was, he believed in the beatitudes. He believed that the meek would inherit the Earth, but only if they organized. That is why he worked to organize the march on Washington for jobs and justice. That is why he established the National Center for Urban Ethnic Affairs to be of help to those of us who came from the little Italies, the Greek towns and the Polish hills.

Through that work what he worked to do was end the elitism of planners and the corruption of the machines on which our political bosses had gained control and to end bigotry.

Monsignor Baroni also said that it is not by bread alone that man lives but by credit, and he empowered in neighborhoods to establish credit unions and work to establish the National Co-op Bank and establish housing with other self-help initiatives so that people have control over their own money, their own neighborhoods, and their own destinies.

What Monsignor Baroni tried to do was to make sure that every person

had a chance. It is said that as he worked so much for others to teach them how to be able to fight for themselves, ultimately he could not fight for his own life.

But that he did; he fought for 4 years against the insidious cancer that tried to erode his body. And up until the very last moments of his life he was organizing from his hospital bed. He was calling upon the Catholic Church to organize hospice care from the parishes. He was asking. He was helping people of all religious faiths to learn how to be counseling in the areas of death and dying.

Though he is gone from us, his legacy will still be with us. We will miss him because we still need him.

Other people had many things to say about Monsignor Baroni and I would like to include those in the RECORD. I would like to include the Washington Post editorial on Monsignor Baroni. The Washington Post obituary by Colman McCarthy. The New York Times obituary by Philip Shabecoff.

The newspaper articles follow:

[From the Washington Post, Aug. 30, 1984]

GENO CHARLES BARONI

There were more than a few racially tense moments in the Washington of the 1960s, and when friction became particularly severe and potentially explosive, the word would go out quietly from President Johnson, Walter Washington, the chief of police or whoever else needed information, advice and help to round up cool heads for heated neighborhoods: Check with Geno, the priest of the streets. Usually, a ride up and down the rough-and-tough blocks of 14th Street NW would turn up a gathering somewhere in which you would spot the short, round figure of a white man of the cloth, touching bases as well as hearts among a group of black people. Monsignor Geno Baroni, who died of cancer Monday at the age of 53, was that special man.

Later he became a monsignor and an assistant secretary of housing and urban development. But the pastorate of Father Baroni then and always extended well beyond the black, brown and white membership of his parish at Sts. Paul and Augustine Church at 15th and V Street NW. So did his closest interreligious friendships, which included a Protestant minister and a local Jewish leader who teamed up with him to keep a low profile and a close touch on the pulse of downtown.

Monsignor Baroni was much more than a troubleshooter, though. His canny sensitivity to the concerns of people of all colors and ethnic groups made him the builder of effective coalitions working to improve housing, health care, education and police relations. And though he took this work seriously that was not how he took himself. There was humor, often at his expense, and there were comments that endeared him to ethnic groups and racial minorities who could related to the conditions he cited. John Kromkowski, president of the National Center for Urban Ethnic Affairs, which Monsignor Baroni founded, recalled that when the Kerner Commission "divided America into black and white, rich and poor, Baroni testified that a public policy based on such assumptions would make 'our cities black, brown and broke.' . . . His support for working-class communities as well as the poor who lived next door separated him from the limousine liberals and elitist radical chic."

All of us who had the good fortune to know Geno Baroni will miss his special insight, his concern for the neglected and the powerless and his unswerving faith in the ability of people to get along with each other. Thanks to his presence on the streets and in the centers of authority, Washington is clearly a better place.

[From the Washington Post, Aug. 29, 1984]

MSGR. GENO BARONI, NOTED FOR WORK WITH ETHNICS, URBAN POOR, DIES AT 53

(By Colman McCarthy)

Msgr. Geno Baroni, 53, who for more than 25 years extended his priestly ministry among ethnic groups and the urban poor into a national leadership role in neighborhood organizing, died of cancer Aug. 27 at Providence Hospital.

Following confirmation by the Senate in April, 1977, Msgr. Baroni served for four years in the Carter Administration as assistant secretary for neighborhood development, consumer affairs and regulatory functions in the Department of Housing and Urban Development. Until then, no Catholic priest ever had held that high a federal appointment. On leaving HUD, Msgr. Baroni was appointed special assistant for community affairs to the Archbishop of Washington, James A. Hickey.

Before government service, he was the founder-president of the National Center for Urban Ethnic Affairs, an arm of the U.S. Catholic Conference. He organized neighborhood groups in 45 cities. He also was the founder-president of the National Italian-American Foundation.

Msgr. Baroni's death "leaves Washington a much poorer place," Archbishop Hickey said. "His life and work enriched not only this community but our nation and church as well. We have lost a passionate voice for justice, a powerful defender of diversity and human rights, and a caring priest who served the least, the lost, and the left-out among us."

A naturally cheerful spirit with a taste for both the wry insight and the comforting word, Msgr. Baroni thrived on building wide four-lane bridges between disparate political or ethnic groups. He believed—and seldom stopped trying to persuade others to believe—that coalitions of several small interest groups can have more muscle than one large interest group that is isolated. Linkage was everything.

During the 1960s, when he served as an assistant pastor of Sts. Paul and Augustine parish at 15th and V streets NW, he urged the black congregation to see the Hispanics of the neighboring Adams-Morgan community as allies, not enemies. He believed that power politics is groups politics is cultural politics.

In a 1972 speech, Msgr. Baroni explained that white ethnics, a bloc of some 40 million Americans, need to bond themselves with blacks and Hispanics. The speech argued that ethnics, blacks and Hispanics "are allies because they share a common oppression. The politicians and planners funnel tax money to the Defense Department when it needs to go to the housing department. Doesn't this hurt ethnics as well as blacks? What happens if we don't build more housing? Right now, we are building at a rate of 13 million units over 10 years when we need a minimum of 26 million. What does that mean if not more polarization? . . . We know how many houses we need, so why don't we build them? Why not reconvert Mack Truck and Boeing Aircraft and build houses, not tanks and jet fighters?"

Msgr. Baroni woke to ethnic identity early in life. He was born in Acosta, Pa., a coal town near Pittsburgh. His parents were Italian immigrants who liked the American pot but saw no need to melt in it.

"My family," Msgr. Baroni once recalled, "used to eat mushrooms, snails, gizzard, tripe, brains and dandelions—Italian soul food. We raised rabbits and caught squirrels. Rabbit was my favorite meat. I ate it because that's what poor people ate. Now if I want these same things, I have to go to a fancy restaurant."

In Acosta, Msgr. Baroni learned his rank: "The Episcopalians and the Jews owned the mines, the Presbyterians and Lutherans were the bosses, and the Italians and Poles dug the coal," he said. In high school, where all the teachers were Protestant, he caused trouble: "When I took my salami sandwiches to school, the teacher fused about the smell."

After studying theology at Mount St. Mary's College in Emmitsburg, Md., Msgr. Baroni was ordained in 1956. He served in working-class parishes in Altoona and Johnstown, PA, until 1960. He already was an unconventional priest. His Irish pastor at Sacred Heart Church issued some kindly advice on success and religion; if the young priest kept going to union meetings with the faithful he would never become a bishop. Msgr. Baroni, in an interview, recalled saying: "Me, a bishop? I'm just an Italian kid lucky to be ordained at all."

In the parish in Johnstown, which was engulfed in a steel mill, Msgr. Baroni recalled that "the pastor spoke for the company and I spoke for the union." One of the young priest's enduring corporal works of mercy was to be begin a cooperative credit union among the parish families. It started with 20 members and now has 7,000.

Following an illness in which a change of scenery was prescribed as a medicine, Msgr. Baroni came to Washington in 1960. At Sts. Paul and Augustine, which was a merger of a black parish and a white one, he threw himself into the problems of the Shaw and Cardozo neighborhoods.

He developed parish programs for housing, health care and education. Among congressional and city officials, he became known as a general in the 1960s War on Poverty who lived among the troops, not at the officer's club in the suburbs.

He reflected once on what he regarded as the mind-set that prevails among the middle and upper class: "In the suburbs, you can't tell the difference between Protestants, Catholics and Jews. They're all nice, well-meaning people. If you tell them about poor Mrs. Brown who is going to be evicted because her relief check got lost in the mail and she can't pay the rent, you'll get a flood of sympathy. They'll give you as much secondhand underwear as you can carry. Someone will even give you a check. But talk about welfare reform or social change? Then you'll get this business about lazy, no good chiselers living off of welfare."

At HUD, Msgr. Baroni's experience in neighborhoods was relied on by then secretary Patricia Harris. Fortune magazine wrote in 1978 that. Harris "has assigned the task of working with inner-city groups to a remarkable ghetto priest, Father Geno Baroni, who is now applying on a national scale some of the lessons he learned as a

pastor in one of the toughest areas of Washington."

Before congressional committees Msgr. Baroni was an able shaker of the federal money tree. In 1978, he persuaded Congress to add $15 billion to an appropriations bill for self-help programs in 21 cities.

Visitors to Msgr. Baroni's HUD office invariably were asked to look at a silk screen sent to him by an elderly woman who had heard him speak on the importance of ethnic consciousness. The screen bears these words: "There are only two lasting things we can leave our children. One is roots, the other is wings."

Msgr. Baroni is survived by his mother and a sister.

[From the New York Times, Aug. 29, 1984]

MSGR. GENO BARONI, A LEADER IN NEIGHBORHOOD ORGANIZING

(By Philip Shabecoff)

WASHINGTON, August 28.—Geno C. Baroni, a Roman Catholic priest, civil rights activist, community organizer and former Assistant Secretary of Housing and Urban Development, died of cancer Sunday at Providence Hospital. He was 53 years old.

The son of an immigrant Italian coal miner in Pennsylvania, Monsignor Baroni became a leading force in the neighborhood revival movement of the 1960's and 1970's, a spokesman for the urban blue-collar working family and the creator of a nationwide network of church, civil rights, community and political leaders concerned with helping the inner-city poor.

He was also known as a teacher who inspired hundreds of people to become involved in public affairs. Representative Marcy Kaptur, Democrat of Ohio, recalled a recent meeting with about 15 political and community leaders from all over the country who discovered "that the thing we all had in common was that we became involved in public life because of Geno."

In the Catholic Church, his calls for a social ministry generated what came to be called the "urban mafia," clergymen who worked for better housing, jobs and other social improvements for the urban poor. He founded the church's Campaign for Human Development, a multimillion-dollar fund for social and economic justice.

"A CARING PRIEST"

Archbishop James A. Hickey of the Washington archdiocese said: "His life and work enriched not only the community but our nation and church as well. We have lost a passionate voice for justice, a powerful defender of diversity and human rights and a caring priest who served the least, the lost and the left-out among us."

The founder of the National Center for Urban Ethnic Affairs, Monsignor Baroni called attention to the plight of the working-class white ethnic neighborhoods placed under siege by the decline of the cities in the 60's and 70's. His answer to the weakening influence of traditional city institutions was community organization and a revitalization of neighborhoods.

Because of his links to the civil rights movement—he was the Catholic Church's coordinator for the Rev. Martin Luther King's march on Washington in 1963—Monsignor Baroni was able to build bridges between white workers and minority groups.

"If you want to live in the city and improve your neighborhoods," he once said, "you have to learn to get along with the blacks and Chicanos. In fact, if you want to get anywhere you have to form political coalitions with them."

SELF-HELP PROGRAMS

In 1977 President Carter named Monsignor Baroni Assistant Secretary of Housing and Urban Development for neighborhoods, voluntary associations and consumer protection. He established a nationwide program to promote the development of low-income neighborhoods through self-help programs devised by local organizations.

Monsignor Baroni was born Oct. 24, 1930, in Acosta, Pa. He received his education at Mount St. Mary's College, Emmitsburg, Md., and was ordained a priest in 1956. As an assistant pastor of St. Columbia Church in Johnstown, Pa., and St. Leo's Church in Altoona, Pa., he was active in community affairs and helped start credit unions in several parishes. He once said, "Man does not live by bread alone but by credit as well."

He came to Washington as an assistant pastor at Saints Paul and Augustine Church in 1960. Later he became executive director of the Office of Urban Affairs of the Archdiocese of Washington and then director of the United States Catholic Conference. He was named a Prelate of Honor by Pope Paul VI in 1970.

A short, stocky, man who liked good food, drink and company, Monsignor Baroni was a dynamic speaker, but Representative Barbara A. Milkulski, Democrat of Maryland, once introduced him by saying, "I've known Geno for 15 years and never once heard him complete a sentence."

In recent years, while he battled mesothelioma, Monsignor Baroni joined other cancer sufferers to bring the powers of will and spirit to bear on their affliction. "People who are organized," he said not long ago, "will be able to move from powerlessness to power because power is the ability to act."

He is survived by his mother, Josephine, his brothers Angelo and John, and his sisters, Rose Hebda and Mary Halkias.

A mass of Christian burial will be celebrated by Archbishop Hickey on Friday at St. Augustine's Church. The archdiocese and the Baroni family are establishing a living memorial to Monsignor Baroni. Contributions can be made to the archdiocese.

I would now like to take this opportunity to yield to my colleague from Ohio, Congresswoman MARY ROSE OAKAR, for such time as she may consume.

Ms. OAKAR. Mr. Speaker, I thank my friend from Maryland for yielding, and I guess we are all a part of Monsignor Baroni's great training and we are all part of the love that he manifested to each and every one of us but he was indeed a colleague.

And his mind did know no limits. His parish had no boundaries. His living testament in the struggle of indigent against economic and political powerlessness, the ethnic Americans against bigotry. The black Americans against the bigotry and blind hatred and the dispossessed against the power of the elite.

Even as his body, as BARBARA said, was stricken with cancer, his mind continued to work on the pressing problems of proverty and homelessness in America.

When I speak of Monsignor Baroni, I speak from my heart.

We speak from our hearts. He touched all who came within his circle and many who he did not even realize that in his network he touched very, very deeply.

In meetings, his quick smile, easy laughter often cut through the distrust of strangers. I loved his ability to reduce lengthy and often profound statements into one or two poignant sentences.

The Government utilized Monsignor Baroni's talents also, and I say as a Catholic that I was proud that a priest was appointed an Assistant Secretary of Housing and Urban Development and proud that President Carter appointed Monsignor Baroni to this position.

Many of us know him from this period as well because we listened intently to his testimony before our congressional committees. He was a compelling witness. He helped get millions added to the now unfortunately defunct self-help program that has been cut by the Reagan administration.

He mixed his philosophy with politics in the best way through action in uniting diverse groups. He often said that he did not propagandize, he organized.

I am proud to be considered a friend of Monsignor Baroni, having worked and talked with them so often and when I think of Geno, I think of his enormous living legacy to humanity.

He was a general in the war on poverty, the founder-president of the National Italian-American Federation, the cofounder of the Consumer Co-op Bank. He was an organizer of so many neighborhood groups spanning our great country and many other projects aimed at bridging cultural differences. Bridging the differences, something that we really need so desperately today.

And his conscience saw war in misery and poverty as conditions which the victims as well as the institutions had a moral imperative to organize to overcome.

I think Monsignor Baroni really is still alive. I personally think that his living legacy is with us. When I think of my own district, I think of a project that he helped so beautifully with and gave so much extra time beyond the call of duty.

We have a senior citizens's housing project where so many people are so happy because they are housed properly and decently that he helped cut through redtape and that they are close to their church and their community and they do not have to be displaced and it is that kind of living legacy that will make memory of this great, wonderful person live on and on and on and I just feel personally blessed having known him and I know

all of us feel the same way and I yield back to my dear friend from Maryland, and thank her for giving me this time.

Ms. MIKULSKI. Mr. Speaker, I now yield such time as she may consume to the gentlewoman from Ohio, Congresswoman KAPTUR.

Ms. KAPTUR. Mr. Speaker, I want to thank our distinguished colleague from the State of Maryland.

Tonight, it is my great privilege to pay tribute to my treasured friend, Geno Charles Baroni, the Right Reverend Monsignor. I do so on behalf of all the people of Ohio's Ninth District, people he helped so much with his keen insight on the human condition, his inspiration, his humor and his vision that extended from the humblest neighborhood to this great Nation and our place in the world community.

□ 1920

On a personal note, without his special encouragement and counsel I would not now hold this seat in Congress. I owe him a special debt of gratitude.

Tonight I use this opportunity to enter into the American Historical Record the achievement of this truly remarkable man.

Feelings run deep in matters of family, politics, and religion and they ran deep for Geno Baroni.

Geno walked where angels fear to tread, always dealing with challenges that seem somehow intractable, problems of the human condition.

He seemed to at once be rushing through life in a quest to help people gain more control over their own lives and at the same time taking time for every single human being whose path he crossed. A more creative, warm, human and insightful American we could not have known, a better teacher we could not have known.

For so many of us that knew Washington as our second city, with our districts being our first, he was our man in Washington, a masterful politician at best and we will miss him.

In 1979, when Loyola University awarded him a doctorate of humane letters, they said on the certificate, "His capacity for vision in a troubled and cynical world is truly rare.

Tonight I would like to recount some of his great achievements in terms of public policy, but I would also like to enter a few of his quotes into the record as basic Baroni and someone some day will write a great, great piece of literature about this interesting man.

He said, "You've got to understand coal mining, very ecumenical. The Episcopalians own them, the Lutherans, Methodists and Presbyterians were the bosses and the Italians, Hungarians, Poles, and Slavs, and mountain people dug the coal."

He said, "People don't live in cities. They live in neighborhoods. Neighborhoods are the building blocks of the city. If neighborhoods die, cities die."

He said, "I used to think I wanted to save the world. Then I got to Washington and I thought I would save the city. Now I would settle for a neighborhood."

And then he said, "Life is like two loaves of bread. One is for the stomach and the other you sell and you buy something for the soul that counts, a flower."

And he said, "If cities are not to end up black, brown, and broke, we have to form new coalitions. What are the convergent issues between groups?"

And he said, "For 27 years I had been told to melt or get off the pot. America is still looking for a sense of identity."

And he said, "My mother still tells me that if God wanted me to be a politician, he would have made me an Irish Catholic."

And he said, "It is sometimes easier to beg forgiveness than to ask permission."

And he said, "Who will shape and share the burden of social change?"

And he said, "Who am I and who are we as Americans?"

In the 1950's, as the son of a Pennsylvania coal miner and seeing the abuses that grew out of that economic system, he was motivated to set up the miners legal defense fund, which has helped so many families in the State of Pennsylvania. At the same time, he began his desire to work with the credit of families and he began to set up credit unions there. He said he was tired of the company stores, tired of families' inability to own their own property and he was sick of script, and one of his lasting legacies are credit unions set up throughout this country, the one started in his own town has grown to a membership of over 7,000 persons and it has helped so many families in that community to become self-sufficient.

I have often thought that when a movie is done on this great man, and it surely will, it should be entitled, "To Bless a Strike," for in fact it was his blessing of a steelworkers' strike in the mill town of Johnstown that caused the local bishop in that community to see fit to ask him to leave and he ended up in Washington in the late 1950's. It was a blessing for this city and, in fact, for the Nation that that happened.

He moved to Washington and started a center here in the 14th and U Street area and began working through his own church, believing and counseling as he had for so many years that people had to assure control of their own destinies in cooperation with those in the public-private sector.

In Washington he started a parish based credit union which now has assets of over one-half million dollars.

The programs he started in the 14th Street area were forerunners for national legislation in Head Start. By working through the urban church he was able to work and to develop ideas for upward bound drug rehabilitation programs and for cooperative housing.

In the 1960's he was able to get enacted into the regulations of credit unions a new type of credit union that was a territorially based community development credit union as an alternative to loan shark operations.

He participated in the Catholic march on Washington and was instrumental and one of the real forces behind the passage of the 1964 Civil Rights Act and he saw this city and others explode in the 1960's and he began to work on programs, some of them resulting in the OEO, the Office of Economic Opportunity, and from that experience he learned what programs work and which ones did not.

He was responsible for housing for the elderly here and throughout this country, always searching for new ways for people to find ways to help themselves.

He believed the church had to be more than an ambulance service for society. He looked outside the church doors and saw poverty just a few miles from the White House here in Washington and wondered how that could be possible in this great, great capital city.

On the night of Martin Luther King's death in 1968 he was sitting at an urban rehabilitation housing meeting here and through his efforts in Washington and the work of Senator PERCY in the Senate we have the 235 housing program, which has housed so many thousands of Americans.

In the early 1970's, working through the Catholic church, he became instrumental and a major force behind the founding of the campaign for human development, the church's largest foundation, a self-help effort to unleash the creative energies of men and women around this country and through that campaign work throughout this country and including in this Congress has been passed legislation for housing, for credit unions, for legal representation, for day care, for brown lung disease, for workers' rights, for urban homesteading, for voter registration and community building through hundreds of groups and thousands of people in cities around this country.

He founded the National Center for Urban Ethnic Affairs and began a new mission in the middle of the 1970's as he tried to understand what held us together as a society, to build coalitions between groups, to try to understand the diversity of America and

that effort led also to the development of national legislation.

He believed very much in the alliance of average Americans, ethnic Americans of all backgrounds, with the poor as an absolutely unbeatable legislative coalition.

He thought that power was the ability to act and he wanted to provide opportunities at every turn for the growth of individuals.

He was responsible for the passage of the National Commission on Neighborhoods and elevated the work of self-help groups around this country to national as well as international attention.

Through his work the neighborhood self-help program became a reality. Ethnic studies, the ethnic work that has been done through the National Endowment for the Arts and Humanities, which explore the full dimensions of race and ethnicity. He began festivals throughout this Nation where community groups raised money for self-help projects.

He helped to pass legislation for the National Consumer Cooperative Bank, which passed this House by one vote.

He helped to found the National Italian-American Foundation, was responsible for the passage of the Home Mortgage Disclosure Act, the Community Reinvestment Act and commercial business trip revitalization around this country.

In 1977 he went to the U.S. Government as the highest ranking Catholic priest to hold a subcabinet level position. During that time he not only expanded his self-help development programs, but housing, counseling programs, youth employment, the targeting of all kinds of Federal funds to community and self-help groups who were trying very much to pull themselves up by their bootstraps.

In 1980 he left the U.S. Government and became the chief adviser to the Archbishop of Washington and began again to work with the homeless and the needy across this country and throughout all of this fighting three battles with one of the most devastating forms of asbestos-related cancer that any person could ever imagine going through.

The type of bravery and courage with which he faced that final battle is one that I doubt I shall ever see again in my own life.

He left an unfinished agenda as well here at home. He was very interested in traveling abroad to develop linkages between self-help groups in America and self-help groups in developing nations around the world, in Africa and Central America and in Ireland.

□ 1930

He was very interested in religious orders and in labor unions, small companies investing their pension funds in economically viable and socially responsible investments. He was interested in setting up new forms of housing corporations to tap the creative energies of Americans of good will as well as religious groups, to build the housing in America that is still needed today.

Finally he wanted a permanent location in this Nation for the teaching of neighborhood development and self-help to which he had dedicated his life. And all the while his experiences and quests raised and inspired another generation of torch-bearers from the world of church, from the world of politics, from neighborhoods and from labor.

Many of us are what we are because of what he released in us. He leaves a tremendous legacy for those who choose to understand it.

We want to thank you this evening, dear Father Geno, as the Lord himself would say: "Well done, my good and faithful servant, well done."

Ms. MIKULSKI. I thank the gentlewoman from Ohio.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. I thank the gentlewoman from Maryland.

Mr. Speaker, I want to commend my colleague from Maryland for taking this moment for us to share the great gift of a life, Msgr. Geno Baroni.

I knew Monsignor Baroni not in the role of a public official nor when he was a member of the Carter administration as the Assistant Secretary for HUD, for neighborhoods. But I first came to know Geno Baroni as a person working in Washington, DC, who cared deeply about the poor, the needy, and about the homeless. He was a part of the fight in the late 1960's and early 1970's to call attention to the need for us in Government to address the issue of providing shelter for the homeless. Indeed, as I met with him on many occasions, as one who was intimately involved in the development of low-cost housing, I was always motivated and moved by the fact that he cared so deeply, when he became a member of the Department of Housing and Urban Development, with regard to neighborhoods and helped to start the Neighborhood Self-Help Program. We all understood then what his motivation was; it was one of commitment to all of God's children which was also reflected in the fact that in 1963 he served as the Catholic coordinator for the March on Washington, led by Dr. Martin Luther King, Jr.

As a minister I want to say now that when I think of Geno Baroni I think of the words, that parable of the last judgment when the judge would say, "When I was hungry you fed me, when I was thirsty you gave me drink, and when I was naked you clothed me, and when I needed shelter you took me in, and when I was sick and in prison you came to visit me." In that parable they asked the judge: "When did we see you hungry, thirsty, naked, sick, and in prison?" And the response was "In that you did it unto the least of these you did it unto me."

Msgr. Geno Baroni did it for the least of these.

● Ms. FERRARO. Mr. Speaker, I would like to join my colleagues today in paying tribute to Msgr. Geno Baroni—a man who spent his life working toward a more equitable society.

As legislators, we take individual problems and try to solve them by developing legislation to combat them on a broad scale. Monsignor Baroni spent part of his time in Washington working in the Carter administration as an Assistant Secretary of Housing and Urban Development. In that capacity, he created a national program to encourage local organizations to develop their own neighborhoods.

But Monsignor Baroni never lost sight of individuals. He worked on the local level, person to person. Priest, professor, organizer, civil rights activist, coalition-builder—he worked in all capacities to improve the lives of the urban poor. Toward that goal he built coalitions between different minority groups, asserting that for any group to advance all must work together.

Even at the most difficult time of his life he reached out to help those around him. Afflicted with mesothelioma and faced with a difficult death, he joined other cancer victims in an effort to combat the inevitable.

Monsignor Baroni had a strong social conscience, and he spent his whole life following that conscience. On all levels, he worked with and for those who have the most to gain in our society—the poor and those who are discriminated against. He never gave up, never lost sight of the more equitable society he worked toward. He set an example for all of us, showing us all the true meaning of religion in public and private life.●

● Mr. DOWNEY of New York. Mr. Speaker, it was with a great sense of loss that I learned of the death of Msgr. Geno Baroni last week at the age of 53. Those of us who know him were saddened to realize that a great and compassionate champion of the working man and woman would no longer be among us to prod us to do more—to do more to strengthen urban housing programs, to do more to support community development programs, to do more to end the evil system of apartheid in South Africa.

Certainly there was no person who better exemplified Pope Paul's VI's exhortation, "If you want peace, work for justice."

Monsignor Baroni's work in urban neighborhoods with community groups demonstrated to all of us the

value and effectiveness of organizing coalitions made up of people of diverse backgrounds in order to maintain a dynamic and nurturing environment in which to raise our families.

His work with those struggling for the liberation of South Africa showed to us all the common basis of the struggle for social justice here in the United States and overseas.

Monsignor Baroni's long struggle with cancer stands as a testament to his personal courage, his unfailing sense of humor and his deep personal faith. These characteristics served him well in his active life—a life which is a model for all of us.

Mr. Speaker, our sadness is eased when we think of how much Geno Baroni accomplished in his short life. And so it is with a certain joy that we celebrate his accomplishments and his faith. We all have a great deal to do to carry on his work and I believe that Geno would have said to us: "Don't mourn. Organize!"●

● Mrs. BOGGS. Mr. Speaker, in losing Msgr. Geno Baroni, our Nation has lost an effective, compassionate advocate for the poor and the oppressed. We have lost a wonderful human being—who served God and his fellow men and women with zest, zeal, love, and good humor. I am glad that those of us who knew Monsignor Baroni, worked with him and respected and admired him—have this opportunity today to express our appreciation of him and of his significant contributions to bettering the quality of life for so many.

Monsignor Baroni really knew the people he was trying to help. Everything he said reflected his personal experience of the realities of poverty, life in urban neighborhoods and the power of organizing to accomplish change.

He was dynamic. He was committed. He was an energizer of others. He was endlessly compassionate and endlessly eager to do something about problems and unfortunate situations. He loved life and his love and hope were infectious. He gave people hope and showed them how to change what wasn't good. His special qualities were felt by everyone who know him—and he inspired poor residents of declining urban neighborhoods, young people, other clergymen, and people in public life—among them, many Members of Congress

I was one of them. It was a pleasure to have him at the Department of Housing and Urban Development as Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection. As a member of the HUD-Independent Agencies Subcommittee of the Appropriations Committee, I thoroughly enjoyed working with him in his efforts to develop effective ways for Government to help the urban poor and to revitalize urban neighborhoods. He understood the importance of neighborhoods to urban life and, during his tenure at HUD, he used his position well to tailor governmental programs to meet the realities and the potential. As a Representative from a city of neighborhoods—New Orleans—I was particularly appreciative of what Monsignor Baroni was trying to accomplish. I applauded his vigorous efforts and his many successes and I was inspired by him.

We were privileged to have Monsignor Baroni working among us and with us. We will miss him very much.●

● Mr. ANNUNZIO. Mr. Speaker, I join with my colleagues in tribute to Msgr. Geno Charles Baroni, whose untimely death on August 27, was a tremendous loss to the Catholic Church, to the citizens of Washington, DC, and to our Nation. He was a champion of the civil rights movement and a strong advocate for the urban poor and minority groups, and America has truly lost a caring voice for justice and human rights.

My association with Monsignor Baroni goes back to the time when he frequently used to stop by my office to talk about forming a national organization which promoted the ethnicity of Italian Americans, and he was one of the earliest supporters of what eventually became the National Italian American Foundation, and subsequently, he was elected the first president of the National Italian American Foundation. Monsignor Baroni was a man of deep compassion and great courage, and I am proud to say that I had the opportunity to work with him and to be touched by his inspirational actions as a spokesman for the urban blue-collar working family, for ethnic groups, for minorities, and for the poor. The monsignor was the creator and motivator of a vast network of church, civil rights, community, and political groups, concerned with helping the innercity poor, and he will be missed by all those who had the privilege of knowing him.

Born on October 30, 1930, in Acosta, PA, the son of Italian immigrants, Monsignor Baroni, whose father worked in the coal mines for almost 50 years, attended the seminary at Mount St. Mary's College, and was ordained in 1956. He became assistant pastor of St. Columba Church in Johnstown, and also of St. Leo's Church in Altoona, where he organized the first community-based low-income credit union in several parishes. While serving these poverty stricken communities, he established a tradition which he later was to transplant to Washington—the celebration of the working people at an annual Labor Day mass.

He transferred his dedication to ethnic, racial, and worker rights from rural Pennsylvania to Washington, when he became assistant pastor for Sts. Paul and Augustine Church, a black church and a white church which had merged. Monsignor Baroni put the struggle against urban poverty at the forefront, and also combined the role of parish priest with that of civil rights activist in the movement to end racial discrimination. He established an innercity neighborhood center which became headquarters for community meetings, and he was the Catholic Church's coordinator for the March on Washington in 1963. During the 1965 voter registration drive in Selma, the monsignor went to Alabama to march with Rev. Martin Luther King, Jr.

In 1967, he was named executive director of the Archdiocese of Washington's Office of Urban Affairs, where in his 4 years in that post, he founded several nonprofit housing groups including the Urban Rehabilitation Corporation, which applied Federal funds to rejuvenation of decaying housing units. Also, he helped found the Interreligious Committee on Religion and Race.

From 1968 to 1970, the monsignor was program director of the urban task force of the U.S. Catholic Conference, where he was instrumental in creating the Campaign for Human Development, the U.S. Catholic bishops major self-help, antipoverty program. In 1977, President Carter appointed him Assistant Secretary of Housing and Urban Development for Neighborhoods, Voluntary Associations, and Consumer Protection, becoming the first Catholic priest to serve in a Cabinet-level position in U.S. history. Among his major achievements in this post was the establishment of an Office of Neighborhood Development, and he also worked for the passage of the National Consumer Cooperative Bank Program and the Neighborhood Self Help Act.

Mr. Speaker, at this point in the RECORD, I would like to include a tribute to Monsignor Baroni, which appeared as an editorial in the Washington Post on August 30.

The editorial follows:

GENO CHARLES BARONI

There were more than a few racially tense moments in the Washington of the 1960s, and when friction became particularly severe and potentially explosive, the word would go out quietly from President Johnson, Walter Washington, the chief of police or whoever else needed information, advice and help to round up cool heads for heated neighborhoods: Check with Geno, the priest of the streets. Usually, a ride up and down the rough-and-tough blocks of 14th Street NW would turn up a gathering somewhere in which you would spot the short, round figure of a white man of the cloth, touching bases as well as hearts among a group of black people. Monsignor Geno Baroni, who died of cancer Monday at the age of 53, was that special man.

Later he became a monsignor and an assistant secretary of housing and urban development. But the pastorate of Father

Baroni then and always extended well beyond the black, brown and white membership of his parish at Sts. Paul and Augustine Church at 15th and V Streets NW. So did his closest interreligious friendships, which included a Protestant minister and a local Jewish leader who teamed up with him to keep a low profile and a close touch on the pulse of downtown.

Monsignor Baroni was much more than a troubleshooter, though. His canny sensitivity to the concerns of people of all colors and ethnic groups made him the builder of effective coalitions working to improve housing, health care, education and police relations. And though he took this work seriously, that was not how he took himself. There was humor, often at his expense, and there were comments that endeared him to ethnic groups and racial minorities who could relate the conditions he cited. John Kromkowski, president of the National Center for Urban Ethnic Affairs, which Monsignor Baroni founded, recalled that when the Kerner Commission "divided America into black and white, rich and poor, Baroni testified that a public policy based on such assumptions would make 'our cities black, brown and broke.' . . . His support for working-class communities as well as the poor who lived next door separated him from the limousine liberals and elistist radical chic."

All of us who had the good fortune to know Geno Baroni will miss his special insight, his concern for the neglected and the powerless and his unswerving faith in the ability of people to get along with each other. Thanks to his presence on the streets and in the centers of authority, Washington is clearly a better place.

For his exemplary service to his church and to our Nation, Monsignor Baroni was named Prelate of Honor with the title of reverend monsignor by Pope Paul VI in 1970. He also was the recipient of numerous awards in recognition of his dedication to the causes of humanity. He received the Community Service Award from the Office of Black Catholics in 1980, and received the first Associated Catholic Charities Advocacy Award in 1983. The Italian Government bestowed upon him the Commendatore Award in recognition of his distinguished service and last Monday he was posthumously awarded the Cardinal Gibbons Award at the Archdiocese's 32 Annual Labor Day Mass Monday, in recognition of his outstanding leadership in the church and in society on issues of social justice and human rights.

Monsignor Baroni served on the boards of directors of Common Cause, the National Urban Coalition, the Robert F. Kennedy Memorial Foundation, the National Committee for Full Employment, the Council for Urban Economic Development, and the Leadership Conference on Civil Rights. Presidents tapped his valuable experience and appointed him to leadership roles on four White House Conferences on Youth, on Civil Rights, on Hunger-Nutrition, and on Ethnicity and Neighborhood Revitalization.

Mr. Speaker, Monsignor Baroni was widely respected for his effective pastoral and community activities. His life's work in service to the church has enriched the Washington community and our country, and his death is a great loss to those whom he served as a public official and as a spiritual leader.

Mrs. Annunzio and I extend our deepest sympathy to his mother, Josephine, his two brothers, Angelo and John, his two sisters Rose Hebda and Mary Halkias, and the other members of his family who survive him.●

● Mr. OBERSTAR. Mr. Speaker, I learned of Msgr. Geno Baroni's death only upon my return from Minnesota and still find it difficult to accept that he has gone from us in one sense. Monsignor Baroni's life offered us the example of the beatitudes in everyday living. He was an extraordinary person, a close personal friend, a public service professional whom I greatly admired, and I feel a tremendous sense of loss at his death.

Of course, Monsignor Baroni will never be gone in the spiritual sense, which mattered so much to him. His tireless energy, his decency, his love of God and of his fellow humans will continue to inspire those of us who had the honor of knowing and working with this great man.

He was to me, as an elected official, the ideal of a public servant, and as a Catholic, the ideal of a priest.

He never forgot the experiences of his early life in limited financial means. As a priest, a pastor, and as a member of the Carter administration, he brought with him the compassion, the empathy, the energy, the larger view of humanity which made him so successful a champion of the weakest in our society.

Pragmatic, dedicated, and insightful, Monsignor Baroni was a person of action and of faith—a wonderful, inspiring combination. To have lost him at such an early age, when he had yet so much to contribute to society is a matter of profound sadness.●

● Mr. McKINNEY. Mr. Speaker, recently the American people mourned the passing of a good and valuable friend, Msgr. Geno Baroni. The tribute that my colleagues and I are paying to him today is well deserved, but, as those of us who knew Geno will attest, this is truly one occasion when words will prove inadequate.

Geno Baroni was an individual who towered above us all. His good works as a priest were not something that he performed as a religious duty: They were as much a part of life to Monsignor Baroni as eating or sleeping. Geno Baroni lived to serve people, all the people. He did this in the only way he knew, the devotion of his life to the betterment of mankind.

That may sound rather idealistic, but on the contrary, Geno approached his mission with a clarity of purpose. One could not help but be impressed by his sincere desire to improve the condition of the poor people in our cities.

The intensity of his involvement inspired you whether he was testifying before a congressional committee or chatting on the street. For Geno Baroni success was measured by how much he could do for others who were not powerful.

Like all who knew him, I was deeply saddened to learn of Geno Baroni's death on August 26. But I was able to find some consolation as I read the lengthy pieces that appeared in the Washington Post and New York Times recounting his accomplishments. So much of his spirit and personality has been captured in those pieces which my good friend from Baltimore, Ms. MIKULSKI, has included with her remarks. You can almost hear some of the stories being told.

Perhaps the most moving words that Geno left with us, though, related to his battle with cancer, but the thought epitomized the way Msgr. Geno Baroni approached all aspects of his life:

> People who are organized will be able to move from powerlessness to power because power is the ability to act.

Geno Baroni was a man of immense power in this world. We were fortunate to have him with us and we will miss his help and we will miss him.●

● Mr. RODINO. Mr. Speaker, I join in this tribute to Msgr. Geno Baroni with a sense of great sadness and great loss.

Monsignor Baroni was a man loved and trusted by people of all races and ethnic backgrounds. He toiled tirelessly and fearlessly—as priest and public servant—to earn that love and trust.

As priest, he ministered to the spiritual needs of the members of his interracial parish in a bleak inner-city neighborhood of Washington. And he forged close interreligious relationships that helped immensely in his never-ending struggle to improve the quality of life for all the poor, the alienated, and neglected people of his beloved Washington.

Monsignor Baroni was the essence of what a public servant should be both as a high official of the Federal Government and as a humble priest of the streets. His influence reached far beyond the borders of this city as he helped communities throughout the Nation organize to feed the hungry and shelter the homeless. Above all, he taught people of different races and varied backgrounds to care for each other, to get along with one another.

Monsignor Baroni was a fighter. Before his dread disease rendered him bedridden a few months ago, he continued to work on projects to help the less fortunate members of our society, and he offered comfort and counsel to others who suffered from cancer.

Mr. Speaker, we shall miss greatly Monsignor Baroni. We shall miss his wisdom and his leadership, his humor, and his humaneness. He was truly a servant of God and of mankind.●

● Mr. CONYERS. Mr. Speaker, we all share the grief over the loss of Msgr. Geno Baroni. Son of an Italian immigrant coal miner, Monsignor Baroni was a leading force in the neighborhood revival movement and the creator of a nationwide network of church, civil rights, community, and political leaders concerned with helping the inner-city poor. He brought together previously disassociated groups and bound them together in a common struggle for civil rights and human justice.

As an Assistant Secretary for Neighborhood Development, Consumer Affairs, and Regulatory Functions in the Department of Housing and Urban Development—the first priest to ever hold that high a Federal appointive office—Monsignor Baroni brought with him a passion for social and human justice and an undying energy in fighting for these ideals.

Some knew Monsignor Baroni as a ghetto priest, others knew him as a social activist. Still others saw him as a critical political organizer for minorities, white ethnics, and the poor because, as he said in a 1972 speech, "they share a common oppression." Indeed, he was a voice for the voiceless. He committed his life to breaking down the segregationalist walls that fragment our society while trying to strengthen the bridges that bind us together. He was a soldier as well as a leader.

Monsignor Baroni was also known as a teacher who inspired hundreds to involve themselves in public affairs, often with astounding success. He advanced a social ministry whereby clergymen worked for better housing, jobs, and other social improvements for the urban poor. He founded the chruch's Campaign for Human Development, a multimillion-dollar fund for social and economic justice.

When he discovered that he was dying of cancer, his response was to join with other cancer sufferers to bring powers of will and spirit to bear on their affliction. He knew that his struggles were ones that never cease.

I knew him as a quintessential Christian. His efforts to improve the human condition will serve as a model for all us and will long be remembered.●

● Mr. MURTHA. Mr. Speaker, I want to join in this special recognition of Msgr. Geno Baroni, not only because of all he did to help Americans throughout this great country, but because with his death the area I represent lost a native son of which we were justifiably proud and a friend who helped thousands in our area through his faith, determination, and guidance.

Monsignor Baroni was the son of Josephine Baroni, who still resides in the Somerset County town of Acosta, and the late Guido Baroni who died in 1979. He graduated from Somerset High School and was ordained in Altoona. Before assuming his post with the U.S. Department of Housing and Urban Development in Washington, he was an assistant pastor at Sacred Heart and St. Leo's Churches in Altoona and at St. Columba's in Johnstown.

A recent news article in the Johnstown Tribune Democrat included a couple quotes from Monsignor Baroni that I believe illustrate a great deal about his character.

One of his first steps after completing studies at Mount St. Mary's College in Emmitsburg, MD, was to establish a local credit union to help area citizens. "Man does not live by bread alone, but also by credit," said the Monsignor in establishing the credit union that still exists and is still helping people today.

And when informed in 1981 that he was suffering from cancer, Monsignor Baroni continued his efforts to organize the homeless and poor in Washington saying: "You don't stop living, you know. You just go on living." And he did, helping thousands more citizens before his death in late August.

I personally had the opportunity to work with Monsignor Baroni following the disastrous Johnstown flood in 1977. He visited the city just days folloing the flood and worked with myself and community leaders in the following weeks to make certain HUD responded quickly and fully in the massive rebuilding effort that followed. In that effort, as thoughout his life, I saw clearly the deep and constant concern Monsignor Baroni had for helping his fellow human beings. As Archbishop James Hickey of the Washington archdiocese said at the time of his death, Monsignor Baroni was "a passionate voice for justice, a powerful defender of diversity and human rights, and a caring priest who served the least, the lost, and the left out among us."

In honoring Monsignor Baroni today, let us pay him the compliment I believe he would have wanted most, which is to say that in remembering his life we join the thousands of others who he touched in recommitting ourselves to helping those people and causes that he devoted his life to in the cause of justice, hope, and better lives for all.●

Mr. BARNES. Mr. Speaker, Msgr. Geno Baroni, to whom we pay tribute today, played many roles in his life, all of them with great spirit and devotion. He was a priest, a social activist, a community organizer, a civil servent, and a teacher who inspired hundreds to become involved in public affairs. But most importantly, he was a friend to all those who had the privilege of knowing him and working with him, especially the poor, minority groups, and the powerless.

His unconventional ministry, which lasted for over 25 years, was based on the conviction that coalitions of groups working together can make a difference in social conditions. As an assistant pastor of St. Paul and Augustine's parish in Washington, DC, in the 1960's, he developed programs for housing, health care, and education, and became known among congressional and city officials as a general in the war of poverty. He was also founder and president of the National Center for Urban Ethnic Affairs, an arm of the U.S. Catholic Conference. Starting in 1977, Monsignor Baroni served for 4 years in the Carter administration as Assistant Secretary for Neighborhood Development within the Department of Housing and Urban Development. Afterwards, he worked as a special assistant to the Archbishop of Washington, DC, James A. Hickey.

Father J. Bryan Hehir of the U.S. Catholic Conference perhaps put it best in his words at the funeral mass on August 31, when he described Monsignor Baroni as "an artist of the human condition who could touch human suffering in so many ways. We can grieve the brevity of this life," he said, "but we have to celebrate its richness."●

● Mr. MAZZOLI. Mr. Speaker, I would like to pay tribute to Msgr. Geno Baroni, a devoted priest, who dedicated his life to helping people.

I know Monsignor Baroni for many years. He was a good man and an effective administrator whose life reflected the things which he believed. Much of his effort in later years was spent in building programs—as well as people. Monsignor Baroni will be remembered by many for his efforts to help the less fortunate and people from all walks of life. We will miss him.●

● Mr. WAXMAN. Mr. Speaker, on August 28 this Nation lost a remarkable man, Msgr. Geno Baroni, who died of cancer at the age of 53.

Monsignor Baroni was born in a tarpaper shack in a coal mining community in western Pennsylvania to parents who never learned to read or write. His father was a union organizer for coal miners, and Monsignor Baroni grew to be a leading champion of the principles of justice and workers' rights.

Monsignor Baroni was ordained a priest in 1956 and came to Washington, DC, in 1960 after having worked as a parish priest in Altoona and Johnstown, PA. He served in important posts under the last three Democratic administrations, and most recently as an Assistant Secretary of the

Department of Housing and Urban Development under President Carter.

But he was best known on the streets of Washington for his compassion for the poor and his untiring efforts in behalf of better health care, quality education, and decent housing.

All of us mourn the loss of Monsignor Baroni. His uncommon sensitivity to the needs of the poor and his perserverence in bettering their lives will be missed.●

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleagues, BARBARA MIKULSKI and MARCY KAPTUR, in paying tribute to the remarkable works of the late Father Geno Baroni. I am grateful that they have given us this opportunity to recognize the works of an incredibly able and effective man.

Community action organizers are a rare and wonderful breed. Geno Baroni spent most of his life superbly executing this role, empowering disadvantaged people to help themselves. In the style of his mentor, Saul Alinsky, Geno Baroni organized communities of the disadvantaged, showing them how to impact the policies which affect their lives.

Under President Jimmy Carter, Geno Baroni was given the opportunity to put his precepts into official policy as Assistant Secretary of the Department of Housing and Urban Development for Housing and Neighborhood Concerns. He did the most creative and effective job in that role, for the first time having the Government become an instrument for assisting community organizations to become effective policy and development advocates.

Even though his official role and position were abolished by the callous Reagan administration, the beneficial results of his creative efforts lives on in communities across this land and his work serves as an excellent example of how community organizing work can be successful for the generations of organizers who follow him.

Geno Baroni is a priest whom the country will remember for his dedication and good works.●

● Mr. GARCIA. Mr. Speaker, as a child growing up in a family headed by a minister, one of life's earliest lessons taught to me by my father, was that Christianity challenged us to help our fellow man. Few of us could have represented this fundamental principle of good will and worked to assist our fellow beings as much as the late Msgr. Geno Baroni did.

Active in over 45 cities, Monsignor Baroni always served the needs of those that society would prefer to ignore—the poor and left out. During his years as an active community leader, he developed programs for housing, health care, and education. Because of his active and selfless dedication to the betterment of America's cities and neighborhoods, he will always be remembered by those of us who see the difficulties confronting the poor on a daily basis in our congressional districts.

In 1977, when I was deciding on whether or not to seek a congressional seat, I sought out the advice of many, including Monsignor Baroni. He was always available for consultation. As we talked, it became clear to me that the great accomplishments of this man, symbolized by the hope he had given to so many communities across the Nation, presented a clear reason why anyone should want to serve as a public official. While there were many factors involved with my decision, his thoughts, deeds, and achievements were encouragement to run for election and represent the people of the South Bronx in Washington.

Monsignor Baroni was a cautious man, but also a responsive one. A spiritual leader with full knowledge of the needs of the material world in which we live. Last week, the Archbishop of Washington, James Hickey, stated it best, "We have lost a passionate voice for justice, a powerful defender of diversity and human rights." Mr. Speaker, the cheerful attitude of hope offered by the late Monsignor Baroni is going to be missed immensely. But, his accomplishments will be everlasting.●

● Mr. FLORIO. Mr. Speaker, last week our Nation lost one of its gems. Msgr. Geno Baroni, a Roman Catholic priest, a teacher, a servant of the poor and misbegotten, died of cancer at the age of 53.

The son of an Italian immigrant coal miner, Monsignor Baroni experienced firsthand the needs of the less fortunate and became known as a civil rights activist, a community organizer, and a champion of social reform. His knowledge of public affairs led him to serve as the Assistant Secretary of the Department of Housing and Urban Development in the Carter administration and special assistant for community affairs to the archbishop of Washington, James A. Hickey.

He understood and defended diversity and encouraged unity among several small interest groups to achieve justice.

He strove to help people learn to help themselves and successfully ministered to their corporal as well as spiritual needs. Remembering his roots, he channeled his empathy to make life better for millions.

As Archbishop Hickey most poignantly stated, " * * * Monsignor Baroni's death leaves Washington a much poorer place." The Nation, as well, is now poorer.●

● Mr. BIAGGI. Mr. Speaker, on August 27 of this year, I was grieved to learn that Msgr. Geno Baroni died. At this time I would like to pay tribute to this man, who was a good friend and a tireless worker who always gave of himself for others.

Monsignor Baroni was a man of enormous energy. Throughout his life he felt a deep commitment to the underprivileged and dedicated most of his life to helping out and serving the needs of the less fortunate. Monsignor Baroni was a community activist who brought together diverse groups. He was a community activist and organizer who tackled the tough urban issues long before it became fashionable to do so. Through his dedicated work he was able to reach out and affect the day-to-day lives of so many individuals.

Although he was taken from us at so young an age—53—Monsignor Baroni left an impressive legacy. Not only was he an activist priest who helped form neighborhood groups in 45 cities; he worked on national level committees to provide a much-needed voice for the underprivileged. He served as Assistant Secretary of the Department of Housing and Urban Development, where he used his position to confront many housing and neighborhood concerns. Always striving to bring various urban groups together for the purpose of building a better community, Monsignor Baroni founded the National Center for Urban Ethnic Groups. Monsignor Baroni, through his strong will, powerful vision, and deep-seated faith, planted a seed in so many urban communities throughout this land. His memory will live on in cities across the country as more and more community groups, spurred on by his work, work together to make our cities a cleaner, safer, and better place to live.

Monsignor Baroni will be sorely missed by all of us who knew him. It is always difficult to lose such a warmhearted, dedicated, selfless, and giving person. However, all of us who knew him can take comfort in the fact that his memory will live on through his many accomplishments and through the lives of the countless number of people he reached out to.●

Ms. MIKULSKI. Mr. Speaker, that concludes those who wish to pay their tribute and respect.

Mr. Speaker, I yield back what time I may have on this special order.

RELIGION AND POLITICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, I am going to begin this special order tonight by commenting on a couple of things that were said in special orders earlier here this evening that I think deserve a little bit of being put into perspective and then I would go on to another topic where a number of my colleagues plan to join me.

Earlier this evening we heard from the gentleman from Michigan [Mr. LEVIN] concerning the unfairness with which the Reagan administration has treated the poor in the country citing the recent report by the Urban Institute.

The Urban Institute did indeed come out with a report recently which gave some of the material that Mr. LEVIN referred to and he specifically referred to the fact that there had been a decline in the income of the poorest people in our society, in their real income.

Most of that, as I recall the report, was based upon the fact that their taxes had actually gone up during the course of the Reagan administration.

This is material that has been cited very recently by Walter Mondale as well. And it is interesting to note why their taxes went up. They went up as a result of a Social Security tax increase which hits the lowest portion of our income people because the high-income people only pay on the first $35,000 to $40,000 of their income, so that Social Security tax increases always go to the poor first. And that Social Security tax increase was passed during the Carter-Mondale administration in 1977. It was not implemented until later on, but the fact is that the decline in the real income of the poor is a result of higher taxes which Walter Mondale says he wants to raise even higher and is also as a result of this massive Social Security tax increase in particular.

So I think that we need to be clear about what we are talking about here. Some of the problems that have accrued to the poor during the Reagan years are left-over problems from the Carter administration and we ought to be quite clear what it is we are talking about in all these instances.

The gentleman from Oregon [Mr. WEAVER] talked to us about the fact that the balanced budget amendment to the Constitution is really a way of trying to attack the Social Security System. That is such a ridiculous argument that it hardly bears any discussion here. But it should be noted that the one proposal he made I think most of us on the floor who favor the balanced budget amendment would be fully in favor of. He suggested, for instance, that if we wanted to really say that the balanced budget amendment had nothing to do with Social Security we would simply exempt the Social Security Trust Fund from the provisions of it.

I think most of us would readily agree to that. The Social Security Trust Fund was put into the overall budget by kind of a sleight of hand by Lyndon Johnson in order to help justify his Vietnam budgets anyhow.

So that we would be perfectly willing I think to separate out the Social Security Trust Fund. I do not have any problem with that. It seems to me that is one way of getting that issue behind us. Nobody wants to take on Social Security. What we are trying to do is get a balanced budget in terms of the operating expenses of the Federal Government. So that that argument, it seems to me, really is not one that we can put very much stock in and ought not confuse people on the issue of the balanced budget.

What we really wanted to discuss here this evening was the rather remarkable speech delivered by a candidate for President of the United States today to the B'nai B'rith.

Mr. Mondale, the Democratic candidate, delivered a speech on religion in politics. I think that it is important, maybe, to begin to clarify this issue to some extent because it is an issue which has generated quite a bit of emotion in recent days across the country. It is an issue that was raised with regard to the Republican Convention, it is an issue that has been raised with regard to President Reagan. And today Walter Mondale gave a speech which said what I think are some rather remarkable things that need to have some questions asked about them, too.

Walter Mondale in his speech today said that no President should attempt to transform policy debate into theological debates, he must not let it be thought that political dissent from him is un-Christian.

I do not have any problem with what Walter Mondale said there. The problem is I do not know when the President has done that or when any President has done that.

Walter Mondale is raising a straw man in order to knock it down. The President of the United States to my knowledge has never suggested that he wants to have a theological debate in this country rather than a policy debate. Nor has he ever suggested that political dissent from him is an un-Christian activity.

In fact, the only time that has come up in the course of the Presidential campaign is when Walter Mondale's running mate said it at the Democratic Convention when she said that the Reagan administration policies are un-Christian. That was the only time that it came up.

Now, I have not read that Walter Mondale chastised GERALDINE FERRARO for making that statement. If he is in fact serious about the statement that he made today, where is the public record of condemnation of his Vice Presidential candidate for having made precisely the statement that he condemns, who knows who, for making in the speech that he delivered today?

□ 1940

I really wonder what it is we are talking about here when you have this kind of statement made.

Mr. Mondale also talked about a determined band is raising doubt about people's faith. They are reaching for Government power to impose their own beliefs on other people.

Who? Where? How? I am a little confused by that. I know some issues that have been raised on the public front that deal with basic moral issues. I know that some of those issues have already been legislated about and that there are some people in the Congress and some people out across the country who have some doubts about some of the legislation that has passed in that regard and we believe that we have a right to raise questions about some of those issues, given where the law stands in the country today.

But I do not know of anybody who is reaching for Government power to impose their own beliefs on other people. In fact, I think it is just the opposite. What many of us are trying to do is get Government out of some places where it has interjected itself and ought not have to have done so.

Let us take the issue of school prayer, for example. School prayer would not be an issue in the Congress, it would not be an issue out across the country if the Federal Government had not injected itself into the issue in the first place. Back when I was a kid in school there was no doubt about it, there was no controversy about it. It was simply done in the schools. In some cases it was done imperfectly. It probably should have been modified. There are probably ways of doing it better than it was being done then, but it was not a great controversy across the country.

It was not until the Supreme Court injected the Federal Government into the issue that it created the controversy.

And all that is being said today by people who have raised that issue on the House floor is that what we want is for students to voluntarily be able to exercise their own beliefs in the public institutions that they are required to attend. We think they ought to be granted freedom of speech as relates to their own religion. If you do not believe that that is a problem, just take the line that was in the Washington Post after we had the debate on school prayer on the floor the other day and when we decided, in all of our magnanimity, that what we ought to be able to do is to have silent prayer in the schools, the Washington Post wrote, in their article, that most Capitol Hill observers believe that the status quo was preserved in the House of Representatives where students may silently exercise their right of free speech.

You can silently exercise your right of free speech with regard to religion in the Gulags in the Soviet Union. That is not what we are all about as a society.

What we are all about is whether or not students can exercise their religious views as it pertains to them in the public institutions where they are required to attend. That is all we ever talked about. It is, in fact, an attempt to get the Government off their backs where Government says that they cannot do that today.

We are not suggesting that they should be able to impose their religious views on other students, on the institution as a whole. We are simply suggesting that they ought to be personally able to exercise their own right to pray, even if that prayer is out loud. If it is a grace before their luncheon meal. If it is a prayer before they take a math test. They ought to be able to do it and Government ought not interfere. We want Government out of the classroom with regard to prayer, not Government in the classroom with regard to prayer.

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

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding.

I thank the gentleman for taking out this special order time. I think that he has focused on an important issue. I really think that the debate on this whole issue has been turned on its head by our friends on the other side of the aisle, particularly former Vice President Mondale and our colleague from New York [Ms. FERRARO].

They seem to be implying that any discussion of morality in relationship to public policy involves imposing one's religious beliefs on another. It is very important, I think, to try to straighten this out so that the American people can understand exactly what is being discussed here.

In my view, there are no political issues that come up or very few political issues that come up that are without moral dimension. It is not just the issues that are being discussed in this Presidential campaign.

Why indeed do we have a welfare system if someone does not make a moral determination that we have some responsibility to help the poor? Why do we have any kind of a system to benefit our retirees, social security, medicare, if somewhere involved in this thinking process we do not determine that we have a moral obligation to care for the elderly in their retirement years?

Of course, the best example of all, in my judgment, is the issue of civil rights. What is the issue of civil rights if it is not at its base a moral issue?

Granted these issues can be very divisive.

Mr. WALKER. Slavery was a moral issue that we addressed in this country and should have been addressed. It was a basic moral issue that a free people could not stop from addressing.

Mr. WEBER. That is exactly right. And, of course, those issues are very divisive. We fought a war over the issue of slavery. People shed blood over the issue of civil rights in the streets of America as recently as the 1960's and perhaps more recently.

What is at issue here is not imposing one's religious views on another, it is a set of issues that have a value dimension to them, a moral dimension to them, that somehow are unacceptable to people of a particular political philosophy.

Rather than simply arguing their point of view, if you will, on the issue of school prayer, or abortion, or tuition tax credits or the other issues that we see lumped together in this Christian rights agenda, if you will, rather than simply stating their positions on those issues, we hear from our friends on the left and from the Democratic ticket that it is not legitimate to discuss those issues in the American political marketplace of ideas.

Mr. WALKER. If the gentleman will let me reclaim my time for a moment, the reason why is that they already have the Government political power on their side on those issues. They are already using the Government to enforce their viewpoint on those issues and so therefore they do not want any discussion of it because if, in fact, Government would get out of those issues we would go back to having the people making individual decisions about the issues and they fear those individual decisions.

Mr. WEBER. I think the gentleman is right.

Let me say in addition to that that I think it is important for us to establish that there is a difference between state and church and that there is some discussion and a way of presenting certain points of view that, in my judgment, is not acceptable in the American political arena.

I would argue that questioning an individual's religious beliefs is not acceptable in the American political arena. That, in my judgment, goes beyond what we believe in in this country when we talk about separation of church and state.

Mr. WALKER. I certainly agree with the gentleman.

Mr. WEBER. But let me point out as the gentleman from Pennsylvania has pointed out, President Reagan has never questioned the religious beliefs of Walter Mondale or GERALDINE FERRARO. He has never accused them of being less than Christian or any other politician in this country.

That kind of discussion came first from the Democrats.

Mr. WALKER. And yet, Walter Mondale accuses him of that in the speech today. In the course of the speech today, Walter Mondale accuses the President of doing exactly that which I know of nothing on the public record which indicates that President Reagan has ever questioned the faith of any political opponent.

Mr. WEBER. Precisely so. But our colleague from New York, the Democratic candidate for Vice President, did specifically say that she questioned whether or not—or she did not believe whether or not President Reagan was a good Christian.

So, in my judgment, we really have seen the debate turned on its head. While on the one hand the President is pursuing a long and respected tradition in this country, discussing the moral dimensions of serious policy issues, we find his opponents saying that that is not legitimate and then in the very next breath breaking a fairly sacred rule of American politics and going directly to a criticism of our President's personal religious beliefs and personal religious practices.

I think that that in itself represents a greater threat to the whole role of church and state in the American political arena than anything that this President has done or that this President's supporters have done.

Mr. WALKER. I would say to the gentleman if Walter Mondale is concerned about the fact that someone raises a religious dimension with regard to the political arena, he has a fairly short memory. He ran with a candidate in 1976 and 1980 who had no hesitancy about advertising his religious beliefs as part of what he was doing on the political front.

So, if that is what he is accusing the President of, it is certainly something that Walter Mondale was not speaking out against when Jimmy Carter was making a rather noticeable point about his own fundamentalist religious views.

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

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

Mr. HYDE. I thank my friend for yielding.

I have just been going over this remarkable document that is the speech of the former Vice President under Mr. Carter, who was born again and made that phrase a very popular one, and all to the good, I might add.

□ 1950

There is an old saying, "He who defines the argument has it half won." And Mr. Mondale, throughout this speech, has set up about 10 or 12 straw men so that he might knock them down. He says such interesting things as, "Today the religious clauses of the

first amendment do not need to be fixed, they need to be followed."

Well, first of all, I do not know anybody who wants to fix them. I know a lot of people, mostly here tonight on this side of the aisle—the Chamber is bereft of Democrats except Mr. RAHALL, for whom my admiration is boundless for his patience sitting up there, taking a little nourishment and listening very carefully to what we are saying—but to return to the lecture by Mr. Mondale today, he just said so many things that are not so. He charges President Reagan with accusing him of things the President has never accused him of that are outrageous, and then he turns them away with righteous indignation and scorn. But talking about the first amendment, he says it does not need to be fixed, he says it needs to be followed. Oh, how right he is, but he does not quite know how right he is.

The second clause of the religious clauses says, "or prohibiting the free exercise thereof * * *"

Well, what does it mean? We need to understand it before we can follow it. And it would seem to me the free exercise of religion ought to let kids in school say a prayer. If we open this Congress every day with a chaplain of a different faith coming in here and leading us in prayer, if the Supreme Court itself opens with a prayer, what is wrong with the school opening with a prayer, any kind of a prayer, a Jewish prayer, Moslem prayer, a Unitarian prayer, any kind of a prayer, but some pause in the day's turmoil to reflect upon the eternal truths and the fact that there is a God?

Now, for those who do not believe in God, they do not have to pray. We do not have to sit here if we are agnostic or atheist. We can stay in our rooms. And a youngster does not have to participate in school prayer. Yes; he will feel uncomfortable if he is by himself, but so does a kid taking sex education whose parents do not want him to stay in class, and leaves, he feels uncomfortable, or she, too, I suppose.

Mr. WALKER. I think the gentleman would agree with me that the child feels awfully uncomfortable who has been told at home that he ought to say a prayer aloud over a meal and is denied that opportunity in the schools as they are structured today under the present law. That child is uncomfortable, too.

Mr. HYDE. I suppose in the Pledge of Allegiance, where they say "one nation under"—you should pardon the expression—"God," or how does the child sing "God Bless America"? I guess we need permission from the ACLU to do that.

But here is an interesting line from Mr. Mondale's speech: "To ask the State to enforce the religious life of our people is to betray a telling cynicism about the American people."

Who wants the State to enforce religious beliefs on anybody? Now, if he is talking about abortion, as I suspect he is—you know, this whole issue flared up over abortion—religion had its role in the public life of this country when the marches at Selma were going on, when the red liquid was being poured by the brothers Berrigan on the draft records, when lettuce was being boycotted, the clergy were welcome allies in the public arena; but, of course, when you get into the sexual revolution, when abortion starts to be the issue, all of a sudden religion seems somewhat out of place and disreputable and ought not be a participant in this public debate.

Mr. WALKER. If the gentleman will let me reclaim my time, that is an interesting point, because one of the things he criticizes in his speech is the fact that the Christian Voice Report Card, which flunks GERALDINE FERRARO on the moral family issues because she supports nuclear freeze—that is a quote from the Walter Mondale speech—later on he praises the Presbyterian Church in here. Now, as a Presbyterian I am aware of the fact that the Presbyterian Church specifically backs the nuclear freeze, and in its most recent general assembly meeting called on the denomination to work within the political arena to try to get the nuclear freeze passed.

Mr. HYDE. Do you mean Mr. Mondale is not protesting against that?

Mr. WALKER. Well, he praises the Presbyterian Church later on and protests a group that criticizes GERALDINE FERRARO's position on the nuclear freeze.

I have a problem with that. It sounds to me as though it is kind of a one-sided religious-political tie that he is talking about here.

Mr. HYDE. It depends on the side of the question. If you are for the freeze, you welcome clergy support; if you are against the freeze, it is an intrusion that borders on a violation of the Constitution.

But let me add just two points.

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. HYDE. The gentleman has been very generous to me, and I appreciate it.

Mr. Mondale says to ask the State to enforce the religious life of our people is to betray a telling cynicism of the American people.

I do not know a single, solitary person in public life, certainly not a Republican Member of Congress, certainly not this administration, who wants to use the machinery of Government to enforce any religious beliefs on anyone.

Now, if he means through the lines there, reading between the lines, that in advocating resistance to abortion we are imposing somehow a peculiarly narrow religious belief on a secular society and thus using the fist of Government to smash down the wall of separation of church and state—their language comes so easily, I might add—if that is what he means, the Supreme Court has put that to rest in Harris against McCrea. They said abortion is not a uniquely religious notion, it is the traditional way that our society is looked upon preserving innocent human life.

And, last, let me just suggest to my friend that Germany, before World War II, had the most literate population, I suppose, in all of Europe. The literacy rate was as high as it could possibly get, a very educated and modern, civilized state, and a religious community. People went to church on Sunday, the Catholic churches, the Lutheran churches were crowded, the German people went to church. And you must ask yourself: How did that country, with all its literacy and its civilization and its culture, how did that country avert its eyes while 6 million Jews were incinerated and millions of non-Jews were incinerated and herded into camps like cattle, like animals, and slaughtered? How could that happen?

Well, I will tell you my answer is that the principles that are taught by all religions, respect for human life, for the weak, for the vulnerable, for the defenseless, somehow were kept in the closet. They were kept in the closet and they did not animate and energize and inform that people, enough of those people, so that they would avert their eyes from this carnage, from this Holocaust.

We have to look at a country and say: If you do not carry your moral principles into the public arena and let them animate your decisions, how much do you believe in those moral principles? Is that the Wizard of Oz, to read to your kids, and then put on the shelf and not let it guide you, not let it energize you, not let it animate you? Well, if that is what you go to church on Sunday for, stay home and watch TV because you are wasting your time. It is meaningless. But if we have universities and if we have libraries and if we have clergy to teach us what is the difference between right and wrong and we are not permitted to bring that into this Chamber and to try to implement that through access to the political process—I do not have a machinegun, I do not even use my open hand to force anybody to do anything, but I want access to the microphone, I want access to the political process, so that I may, hopefully, prayerfully, persuade them to the rightness, to the logic of my position. That is democracy. And that is all we want who want prayer in school, who oppose abortion, and who think that if you believe something, then you ought to act on it. Is there something wrong with

that? If you say you believe something, it ought to guide your life and you ought not to keep it in the closet under lock and key when you come in here.

The subject of abortion is a very sensitive one with these people. It is like saying, "I personally do not believe in slavery, but I would not raise a finger to stop you from owning a slave." One could question, could not one, how deep my conviction is in opposition of slavery? This building exists to protect the weak from the strong. There is nothing weaker than an unborn child. Now, they do not have to support abortion or oppose abortion to be good, solid, moral people; I understand that. But do not accuse us who want to fight to defend the weak from the strong trying to impose our religious beliefs on anybody. That is nonsense. We want to advocate them and persuade people.

I resent Mr. Mondale and the Governor of New York and the rest of them getting on their high horse because some of us have a different view of what religious values ought to mean different from them. They want to show up on Sunday, go to church, but Monday, Tuesday, Wednesday, Thursday, Friday you better not carry your moral convictions into this Chamber, or somehow you are a cultural lag, a throw-back to the Middle Ages. Well, that is not my notion in this democracy. And I prefer to agree with George Washington and Abraham Lincoln and the Founding Fathers who thought God was pretty important. The first thing they did was run out and hire a chaplain. The first thing they did in the First Congress, their first official act was to go get a chaplain. That must offend some of these secularists who think the first amendment guarantees hostility to all religions, disbelief is the established religion.

But they need an issue. They have lost the economy. They are trying foreign policy, they are trying arms control. And now they are bringing in religion and calling the kettle black.

□ 2000

It is wrong, it is unfair, it is divisive, and it is not going to win. I hope Mr. Mondale will forgive me if I close my remarks by using the expression "God Bless America."

Mr. WALKER. I thank the gentleman very much, and I think the gentleman makes several valid points. The gentleman, above all, knows that what we have happening in America today is the fact that Government power is being wielded on the abortion issue in a way that permits abortion. The question before this Chamber on many occasions is whether or not Government power ought to be used against the weak and the helpless or whether or not Government power ought to be protecting the weak and the helpless. It is an application of Government power that we are really talking about on that issue. It has nothing to do with the great diversity of religions that are on both sides of that particular matter.

I would agree with the gentleman, I think that some of the code words that are in the Mondale speech refer to abortion. He just did not have the nerve, evidently, to say that.

I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding. I think that there is an important question raised by this line of thought developed by the gentleman from Illinois and the gentleman from Pennsylvania. An important question raised for Democrats around this country and for Democrats in this Chamber. You know, the language used in this speech by Mr. Mondale, in discussion those of us who take positions different from his on issues like abortion, school prayer, and tuition tax credits, is pretty strong. He calls us a determined band, raising doubts about peoples' faith. An extreme fringe; an ambitious crowd with fire in its eyes.

My question to Mr. Mondale and to the Democrats in this Chamber, in this body, is if that applies to us, what does it say about those Democrats, admittedly a minority, but some of them in this body who precisely the same positions. You know, not every Democrat is prochoice. Not every Democrat is opposed to the voluntary school prayer amendment. Not every Democrat is against tuition tax credits. Should they be read out of the Democratic Party because they do not conform to Mondale's views of what is proper political discussion? If that strikes you as an extreme statement, consider this: The views of those who are opposed to abortion were excluded from the Democratic National Convention when the National Right to Life Committee tried to buy an ad to pay for its placement in a brochure or pamphlet constructed by the Democratic National Convention.

They sent back a $5,000 check to the National Right to Life Committee and refused to permit them to pay to get their views into that brochure.

Mr. WALKER. Let me yield to the gentleman, then I think there is a point to follow up on that.

Mr. HYDE. You know, in reading this drivel, I do not know what else to call it, I came across one of the most outrageous things I have ever read in the English language. The former Vice President says, and I quote:

> At the Republican Convention in Dallas, moderates were driven out. An ambitious crowd with fire in its eyes seized control of the platform, the podium, and perhaps the future of the party.

I was there, I was on the platform committee. I sat there and I listened to my dear friend and leader of the mainsteam group and the moderate wing and the liberal wing, Mr. JIM LEACH of Iowa. A dear friend; I listened to him with great respect because I do respect him. I totally disagree with him but I respect him. He was not driven out, he was having coffee, as I recall, while he testified.

Mr. John Buchanan, a former Member of Congress, and another moderate with a capital "M", testified.

Mr. WALKER. Quoted by Mr. Mondale in his speech.

Mr. HYDE. Yes. Senator WEICKER and I had some spirited but I hope friendly debate on various issues. I did not see anybody driven out. They were not carried out, they were not pushed out, they were not nudged out, they were welcomed in. They were listened to with respect. They did not prevail, but again that is democracy. There were not enough of them.

So we welcome our liberals. The conservatives in the Democratic Party, that dwindling band, were driven out. I did not see any address the convention; I did not see the prolife forces represented there. They could not even buy an ad in their book. So when it comes to intolerance, I must say they have the gold medal, for intolerance belonged in San Francisco.

Mr. WALKER. I thank the gentleman because he homed in on precisely the language in the former Vice President's speech that I was going to mention. You know, to suggest that moderates were driven out of the Republican Convention in Dallas is to suggest a total inaccuracy, and is something which facts would show were not correct.

Some of the moderates were not happy with certain provisions of the platform, but the fact is they participated in the deliberations. I saw them on the floor of the convention. They were there and were participating in the deliberations of our party. That is totally different from the Democrats experience in San Francisco. I do not even think most of the conservatives went to San Francisco. I would be surprised to hear of any that were out there. I know that they did not participate. I know that their platform does not suggest any concessions whatsoever to any conservatives whatsoever.

If the problem is of a, as Mr. Mondale puts it, "an ambitious crowd with fire in its eyes seizing control of the party," the problem is in his party, and it is a liberal problem in his party.

I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman from Pennsylvania for yielding. I just want to make one final point which I think is very important in considering the moral position of the two parties on the real issue that is involved in the separation of church and state and the

real issue that is involved in the pluralism that we all respect in the American society.

Mr. Mondale, in his speech, goes on to ask rhetorically of his audience:

> Judge us by whether we understand them. Judge whether we honor the spirit of pluralism and the letter of church-state separation. Judge whether we unify America. Judge whether we denounce bigotry and divisiveness.

I think that is a pretty important question. Let me say that our platform, the Republican Party platform, speaks directly to that issue, and I have some interest in that because I was the cochairman of the subcommittee of the Republican Platform Committee that did speak directly to that issue. Let me read to you from the Republican Party platform.

We say, on page 41 of the Republican Party platform:

> The Republican Party reaffirms its support of the pluralism and freedom that have been part and parcel of this great country. In so doing, it repudiates and completely disassociates itself from people, organizations, publications, and entities which promulgate the practice of any form of bigotry, racism, anti-semitism, or religious intolerance.

I think that speaks directly to the issue that Mr. Mondale rhetorically raised before the Convention of B'nai B'rith today. But let me say in answer to Mr. Mondale, that statement that I just read to you from the Republican Party platform was not included in the Democratic Party platform. It was going to be offered at one point by a delegate from the State of Ohio, and accordingly to news accounts from San Francisco, the Mondale people prevented it from being offered; prevented it from being included in Democratic Party platform because of opposition from some of Mr. Jackson's supporters at the convention.

Mr. WALKER. Now, wait a minute. Is the gentleman saying that the language that he just read to us was going to be offered as a portion of the Democratic platform, and the Mondale people prevented that from happening?

Mr. WEBER. Accordingly to news reports from the San Francisco convention, a delegate from Ohio was prepared to offer an explicit statement, almost word for word, like the statement I just read, condemning bigotry and anti-Semitism specifically. According to those news reports, it was not offered because the Mondale people at that convention felt that it would be divisive and a slur to Mr. Jackson and some of his supporters. Why? You can only guess. Let me just tell you though, we had no problem such as that at our convention. there was no faction, none of these zealots, none of these fire-eyed people at the Republican Convention that Mr. Mondale speaks so disparagingly of, had any problem accepting the statement that I just read to you today condemning bigotry, racism, anti-Semitism, and religious intolerance. It was the democrats that has a problem putting that on their platform; not the Republicans.

Mr. WALKER. I think the gentleman makes an extremely important point. Here is another little section of Walter Mondale's speech today that I think is kind of interesting.

□ 2010

He says:

> I join those Americans in their concerns. I stand with them in condemning the explosion in drug traffic. I share their outrage at child molesting. Anger at street crime is legitimate. An epidemic of teenage pregnancy is a national calamity. A blizzard of pornography is indecent. Low standards, whether they infect the classroom, the workplace, the government or the street corner are a threat to all of us.

He said that today and it just raises a question with me. He was right here on Capitol Hill today, right in this Chamber, meeting with Democrats who control this place and the legislative schedule. If he is concerned about drug traffic, child molesting, and street crime, did he ask his colleagues here in the Congress to do something to get the passage of the anticrime package that would deal with some of those issues? I did not hear anything about that. I did not hear him say that on those moral issues that he was willing to come up to tell TIP O'NEILL and the Democrats here that they ought to pass those bills and do something about what he claims to be concerned about.

He also says the epidemic of teenage pregnancy is a national calamity, and, boy, it is. But what about the programs that have been instituted around here that have created the dependency that allows teenage girls to go out and get pregnant and collect welfare and so, therefore, encourage the kind of teenage pregnancy, the maternalization of proverty that we see taking place in this country? Did Walter Mondale speak out against that today when he had a chance to in the House Chamber, suggesting that maybe that is something that ought to be dealt with before the end of this Congress? I doubt it.

This statement is really amazing. He says, "A blizzard of pornography is indecent." It sure is. I wonder. Has Walter Mondale suggested to his Vice Presidential running mate's husband that he ought to immediately get rid of the pornography operation that is operating out of one of the buildings that he manages? Has he taken even a stand to suggest that that pornography operation ought not go next January; it ought to go now?

If these are issues that he really feels strongly about, can we really expect him to take strong stands? He criticizes people who take strong stands about other issues, but the things that he says that he is for, that he wants to do something about, is he really willing to stand up and do anything about them or is he just making a speech? I suspect he may just be making a speech, because I have not heard one word about him doing any of those things.

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

Mr. WALKER. I would be glad to yield to the gentleman from Michigan.

Mr. SILJANDER. I thank the gentleman for yielding.

Mr. Speaker, the gentleman has pointed out time and time again throughout this speech, which I have read twice now sitting up here, that there seems to be clearly two tracks of thought. On the one hand, Mr. Mondale says, and I quote:

> A determined band are reaching for government power to impose their beliefs on other people.

Let us look through history just for a moment, and recent history as well, and we will find that the Democrats and the more liberal thinkers of America on slavery, civil rights, Vietnam, more recently the nuclear freeze, the ecological movement, Central America and the policies there, South Africa, the National World Council of Churches, we have seen in all these issues the liberals using church pulpits, specifically church pulpits, church goers, and religion to perpetuate, for better or for worse, these particular thinkings and political issues.

The nuclear freeze was debated on this floor for 42 hours and it consumed nearly 7 weeks of congressional time. That certainly is a political issue. It is in the Democrat national platform.

Jesse Jackson of late, a candidate for the Presidency of the United States in the Democrat Party, has been in pulpits preaching the doctrine that he believes in, the political doctrine that he believes in. Cameras of all three networks and others following him pulpit to pulpit, church to church, encouraging the goers to register and vote and to join the Rainbow Coalition.

We have seen preachers of the past, mostly of the more liberal Democrat nature, pushing in pulpits, in public forums as preachers, using the cloak of morality to in any way they can perpetuate their thinking. We have seen it in all these issues, I repeat: Slavery, civil rights, Vietnam, ecological, nuclear freeze, Central America policies, South Africa, the National World Council of Churches, encompassing all denominations, have been involved in politics around the world, specific issues, for years. The Catholic Church, the pastoral letter regarding Central America, regarding social

issues, has been involved in politics for years.

My point is just this to the gentleman: We have Mr. Mondale, who has associated himself with many of these same issues, many of these same promoters of these issues. On the one hand he condemns the new right who observed a tactic encouraging their parishioners to register and vote, to become informed, to become involved in issues that they feel are important. All of a sudden the shout goes up, "Separation of church and state." "Is it not hideous," say the liberals and Walter Mondale, "that preachers such as Jerry Falwell and Jimmy Swigert," and others mentioned in his speech, "would dare try to combine church and state by advocating that their respective constituencies, spiritual in nature, become involved and aware in politics, and take stands on issues," while on the other hand he and his party have been doing it for years.

So the more fundamentalist movement has taken note of a very, very successful endeavor and simply duplicated it, and now hypocritically the far left is saying we have fire in our eyes, we are wild maniacs at our convention, and we are uncontrolled simply because we are essentially duplicating the tactics of the left of the past and the tactics of the more liberal and moderates of the present.

I am not criticizing their tactics, mind you, nor am I criticizing necessarily the issues that they are promoting. I am simply saying I hope clearly that they have used the pulpit, that they have used religious forums and religious congregations for decades to promote their own thinking.

One other point, if I may, with the gentleman.

While Walter Mondale criticizes church and state, which I define as not using religion to promote issues which I just discussed, a second issue it seems clear in his speech that is inconsistent in which I see a double track is not using moral convictions and political deliberations. That is essentially what much of this debate is centered around.

We all know and we all studied in school the socialization process in America. It encompasses the church, the school, the family and other institutions. All of us are brought up in a certain view of the world, a certain culture. We are all part of these three, and our moral convictions either reflect part of our family traditions, our church or synagogue or mosque traditions, and part of our schooling traditions. We cannot help but avoid that. No society can help but avoid that.

So naturally we apply our moral convictions to what we perceive is right and wrong, and what we perceive is right or wrong is certainly public servants defined by what we consider moral and immoral. If an FBI agent dressed like an Arab offered you money, the gentleman from Pennsylvania, I certainly believe that your moral conviction, based on your socialization process that you have experienced since you were born, would tell you "Certainly not. I will not accept a bribe from an FBI agent dressed like an Arab." Nor would I accept a date with a page. All the types of issues that have come in this Congress. In fact, the Congress brought up considering it immoral. Members were censured as a result because the Congress as a body determines certain behaviors are immoral.

Where did we come up with the idea that certain behaviors are immoral? We came up with them because of certain belief systems that we all possess. Walter Mondale, I am certain, based on his speech, since it encompassed religion, since his wife's father is a preacher and since his father was a preacher and he has been so religiously involved in things according to his speech, he certainly ought to have some form of moral convictions and I truly believe he does.

The trouble is that he is not tolerant of others' beliefs. He has been criticizing Ronald Reagan and several others in his speech for being intolerant because they are criticizing others' philosophies or views of the world; yet Walter Mondale, certainly from a deeply religious background, using his moral convictions and his belief system, is very, very strongly, ardently, criticizing those on the other side of the spectrum for what they believe in.

□ 2020

Now I see a very clear dual dimension. While it is all right for him to criticize and call some of us "fire in our eyes" and associate the Christian voice with Reverend Farrakhan and others. While it is all right for him to make such ridiculous comments and say I condemn them all, to quote Mr. Mondale.

I condemn them all and call them spiritual obscenities. Referring to the Ku Klux Klan, I hate them, too. But is it not interesting that he seems to have a free form to criticize, to hate, to condemn, to finger point, to accuse, including the President of the United States, whom the Speaker of this House said it would be immoral to vote for.

It is all right for them to say those types of things, radical statements, but if Jerry Falwell or BOB WALKER or HENRY HYDE or any other Member would dare to say anything that tends to be more of a moderate to conservative element, all of a sudden we are doing something that is immoral and wrong and somehow we are mixing church and state and mixing up our religion with our political practice, which Walter Mondale feels is inappropriate.

So, I thank the gentleman for his special order and for the opportunity to express these two concerns of hypocrisy that I see protruding from this entire document.

And before I sit down, I want to correct the record on one miscellaneous element, if I may.

Mr. Mondale said, and I am quoting his speech:

> Last month in Dallas, Mr. Reagan attacked those of us who are trying to preserve the separation of church and state. He supports a constitutional amendment instituting school prayer with the prayers chosen by local politicians.

This is untrue. Anyone who knows the President's constitutional amendment for voluntary prayer in school and if Walter Mondale's writers would have had enough gumption and enough integrity to at least read the document that they are criticizing they would find that in the document, in the constitutional amendment itself, there are words prohibiting anyone, including local politicians from choosing a prayer; from leading a prayer, or having anything to do with a prayer.

If they would read the document they would have found that prayers must be instituted and followed and done specifically and only by the students themselves.

So this is an inaccurate statement, a wrong statement and a very unfortunate one to be made by a man running for the Presidency of the United States.

Mr. WALKER. Well, I thank the gentleman for pointing that out, because there is another note that I had made here. The gentleman if absolutely correct. No one that I know of who has supported the school prayer issue has suggested that the prayer should be chosen by local politicians. I do not know of anybody who has suggested that.

The only people who have suggested that have been people who have been trying to mislead the American people into believing that there is something that we want to do that would mandate particular prayers in the public schools.

We have always said forthrightly we have no intention of doing that whatsoever. But Walter Mondale, in making that statement, just tells a plain lie. I mean that just is totally inaccurate and there is no way that he can defend having made that statement.

Mr. HYDE. Would the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Illinois.

Mr. HYDE. I think my friend is being too harsh on Walter Mondale. I think he has probably got a logistics

problem in getting accurate information.

Mr. WALKER. The gentleman is probably correct. I may be harsh.

Mr. HYDE. His well-oiled machine that made him ultimately at the 11th hour, triumph and snatch that nomination away from the gentleman from Colorado and sundry other people, he may have trouble.

You know how it is with staff, getting the accurate information.

And I would prefer that explanation for his inaccuracy, his untruth than that it is deliberate. So if we could put that to rest I would appreciate that.

Mr. WALKER. I do not think we would want to use Mayor Young's characterization of some of those staffs, those same boys may have just fouled up on this. So I may have been unnecessarily harsh.

Mr. HYDE. But if the gentleman would yield further, I would like to comment briefly on another extraordinary paragraph in Vice President Mondale's speech.

He says on page 2:

I have never thought it proper for political leaders to use religion to partisan advantage by advertising their own faith and questioning their opponents.

Now, if you look at the paragraph above that wonderful statement that has a certain ring to it, he says:

My dad was a minister. My mom was a director of religious education. My wife, Joan's dad, is a minister. I was taught to believe the God of the Old and New Testaments. The God of justice and mercy and love.

It brings a tear to your eye to hear those sentiments but just below that he says:

I have never though it proper for political leaders to use religion to partisan advantage by advertising their own faith.

He has just done it and done it very effectively, I am sure.

And then the next line, "And questioning their opponents."

I have a one-question quiz for the gentleman from Pennsylvania and I know you will pass it, but I still want to go through the motions anyway. Name me one Presidential candidate in this current race who has been criticized publicly by a Vice-Presidential candidate and had their Christianity questioned. The question is, I doubt if Mr. Reagan is a good Christian.

Now, Mr. Mondale excoriates anybody who questions their opponents' religion, so I want to ask you if that has happened and who has questioned whose religion.

Can the gentleman answer that?

Mr. WALKER. Would the gentleman make this a multiple choice question, maybe?

Mr. HYDE. I think the gentleman from Georgia may have the answer. Maybe the Speaker knows up there. He is all-wise and all-knowing.

Mr. GINGRICH. I just have to comment that the gentleman from Illinois earlier made the point that it is possible that one of the reasons that this particular speech is so thoroughly inaccurate is because, in fact, the Mondale campaign does not know.

It suddenly struck me a second ago that all of us including the media have misunderstood Mondale's speech. This speech is aimed at GERALDINE FERRARO and is designed to communicate to Ms. FERRARO——

Mr. HYDE. The gentleman has the number of this problem. She is the only one that fits this description.

Mr. WALKER. Jesse Jackson may also fit some of this because Jesse Jackson, you know, just the other day did say something to the effect that if Jesus were alive today he would support liberal Democratic programs and so on and also made reference to President Reagan as being the equivalent of King Herod.

So maybe the speech is aimed at him as well.

Mr. SILJANDER. If the gentleman will yield, there is one other person that this also is very applicable to, and that is his former President of the United States, who he served under as Vice President, Jimmy Carter, who well termed and made the public very aware of the term, "born-again President."

It was Jimmy Carter who said he was born again. It was Jimmy Carter who said he was a born-again Christian and people should vote for him as a result. And he is referring certainly and I will throw another name in here, his own former running mate, President Jimmy Carter.

Mr. HYDE. Well, if the gentleman would yield, Jerry Falwell is quoted without much admiration or enthusiasm in this speech and even criticized for saying, "We will get two more Supreme Court judges if Ronald Reagan is elected."

Well, Jerry Falwell is not a Republican. He is not a Republican. I will say again in case some of his speech writers are listening in. Jerry Falwell is not a Republican. He is an independent and you would think he is on the Republican National Committee.

He is just a man who is religiously trained; a minister of God who has been watching the left, the trendy vicars picket and boycott lettuce and splash duck's blood on draft records and said, hey, it is our country, too. It is our country, too.

We are worried about the tidal wave of drugs and pornography, the condition of the movies, the exploitation of women in the magazines that is going on, the drugs, the crime in the streets that is spread now to suburbia.

It is our country, too. Maybe we need a moral reawakening. Oh, my God, what a bold thing to say. How it must chill the ultraleft, the McGovern rightwing which is now ascendant in the Democratic Party.

I certainly do not include the Speaker, who is a man of eminent reason and common sense.

But, in any event, the very things he accuses Reagan of, his own people have been guilty of and the French must have a word for it but I do not, and I thank the gentleman for yielding.

Mr. WALKER. I thank the gentleman very much.

Well, in Walter Mondale's speech he quotes a group of church people who recently met in New York and he says yesterday in New York they issued a statement.

□ 2030

They said in their statement, and I quote, "To reject categorically the pernicious notion that one brand of politics meets God's approval and that others are necessarily evil," and they urge both parties to commit themselves, "to the spirit of religious tolerance and mutual forebearance that is indispensable to a free society."

I think all of us here would agree with what those churchmen said, virtually everybody who spoke on the floor here tonight.

Walter Mondale went on to say, "I accept the challenge for myself, for GERALDINE FERRARO, and for the Democratic Party."

Well, if he really did, he would have had a hard time giving the speech that he gave today, because the speech that he gave today is particularly out of line with precisely what those church people said yesterday.

There was another speech given to the B'nai B'rith today, given by the President of the United States. I am going to close with the words that he chose when talking about this issue.

He said:

So let me speak plainly. The United States of America is and must remain a nation of openness to people of all beliefs. Our very unity has been strengthened by this pluralism. That is how we began. That is how we must always be. The ideals of our country leave no room whatsoever for intolerance, anti-Semitism, or bigotry of any kind—none.

The President of the United States is absolutely right. That is what we are attempting to do in raising the issues we raise. I wish Walter Mondale would join us.

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

CUBAN INDEPENDENCE DAY CRUSADE 1984

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 60 minutes.

● Mr. PEPPER. Mr. Speaker, it gives me great pleasure, as every year, to commend Msgr. James P. Cassidy of

Catholic Charities of New York and recently appointed director of worldwide Catholic health centers on his profound and moving open prayer as guest chaplain this morning.

Monsignor Cassidy and his associates of the Cuban Crusade for Relief and Rehabilitation hope through prayer and other peaceful efforts within the mantle of the church to bring about an essential transformation of Cuban society away from communism and toward freedom and democracy.

This is an idea that elicits broad resonance and a heartfelt yearning among the Cuban-American population of my district and in the Nation wherever the former "pearl of the Caribbean" is remembered as an island of freedom and beauty that has fallen under the evil sway of a bloody tyrant, Fidel Castro. We share the fervent hope that someday the people of Cuba will be free again from domination by the Soviet Union and their representative in our hemisphere, Castro.

This annual observance which usually coincides with Cuban Independence Day on May 20 was delayed until now because of the untimely death of one of the vigilant founders of the group and an untiring Cuban patriot of democracy, Miss Candelaria Achay. She strove with great and inspired effort to carry the message of Christ to the desecrated island that was her original home as a worker for the welfare of the impoverished and the sick which she was forced to flee. Following is a brief description of her and her work which I commend to the attention of our colleagues:

CUBA INDEPENDENCE DAY—1984

Crusade 1984—Respectfully, our message today is being addressed to His Excellency Ronald W. Reagan, Vice President George Bush and Administration, Honorable Speaker Thomas P. O'Neill Jr., Congressmen Claude Pepper, and Dante B. Fascell and all other Members of Congress.

In this glorious day—May 20th, 1902—we wish also to pay humble tribute to Miss Candelaria Achay, the beloved co-founder of our international "Cuban Crusade for Relief and Rehabilitation", who recently expired at St. Vincent Hospital in New York City. She functioned as the Indisputable leader of our organization for more than 25 years.

Divinely inspired, she helped to carry on the torch of hope and the message of Christ on the desecrated island of Cuba and elsewhere, through an arduous and bitter struggle.

Miss Achay was born in Cuba, of Cuban-Chinese parents, December 12, 1927, and received basic religious education at the Sacred Heart Academy; but, shortly had to abandon the religious career because of failing health.

Soon she entered into the political arena during the regime of President Fulgencio Batista. First-rank collaborator of the President's wife, in one of the most successful social projects ever executed in Cuba; dealing with housing for the poor, health center, and better wages for fishermen and workers of the mining industry.

She was co-founder of the "Obra Benéfica Religiosa Social en la Sierra Maestra", together with Dr. Joseph R. Julia and Vicentian Father Superior Lorenzo Elosegui Orodengae C.M. in 1957.

In 1961, she was co-founder of the "Cuban Crusade for Relief and Rehabilitation Association Inc.". She personally helped thousands of Cubans, latinamericans and others to obtain employment, housing, clothing, furniture, medical help, educational grants, at the Cuban Crusade offices in New York City and Miami. In 1965, she was elected Chairman of the Committee for Hemispheric War on Poverty Crusade in Latinamerica.

In 1984, she accompanied Dr. Julia to the Orient setting up the "Cuban Crusade Asian Chapter", with central offices in Taipei, Taiwan—"The Power of the Cross" postcards were printed and distributed through Asia.

She is a co-owner of patented "Achay-Julia" economical homes which are intended to benefit the poor world-wide.

Soon after Castro's successful take-over in Cuba in 1959, the above Committee met with him on numerous occasions from January 1959 until July 5, 1960.

Mr. Castro gave his personal approval to said "Obra Benéfica Religiosa", which immediately became law by Resolution No. 575 of the "Ministerio de Finanzas" in July 5, 1960.

The 575 Resolution of July 5, 1960, set a unique precedent since it permitted, for the first time, the teaching of religious and social work within a communist country. Our Sierra Maestra's program was conceived and so officially sanctioned as an autonomous organization without any direct government control or intervention.

It allowed for the construction of: (a) one 300 hospital beds in Sierra Maestra; (b) a vocational center for the teaching of arts, trade, agricultural, and mining techniques.

Dr. Joseph R. Julia, Father L. Elosegui O.,CM, and Candelaria Achay, presiding, formed the Vincentian Fathers Committee.

Both Dr. Joseph R. Julia and Candelaria Achay were designated via legal document, with the exclusive presentation and "Power of Attorney", globally of the "Obra Benéfica Religiosa Social St. Vincent de Paul en la Sierra Maestra".

It is, therefore, the most perfect instrument in our hands with which spearhead the process of peace, and gradual normalization of relations between Americans and Cubans, Now!

It was precisely Miss Achay's dream and profetic desire at the time of her ill fated premature death.

It all began with Mr. Castro's revolution embracing of the Christian Crucifix and the insidious metamorphosis that followed. Castro's rise to power in Cuba marked a turning point in the traditional love-hate relationship between North and South and among Latinamericans themselves.

Time is now ripe for action and not for a military intervention, nor for an aggresive political adventurism which could turn out to be as counterproductive today as it has been in the past.

It is a time for action through good will and common sense. As Miss Achay said it, "the moment of truth is now!"

During long years, our "Obra Benéfica Religiosa Social" was forced into painful inactivity. But, we were not dead, through our efforts, funds were raised in Cuba and in the United States from firms like Hirsh and Company of Wall Street and others who happened to believe in the sincerity, feasibility, and down to earth approach of our program.

We offer a sensible way out of this Caribbean alienation; the shortest possible approach; perhaps the only door still open to reconciliation.

Our "Obra Benefica Religiosa Social St. Vincent de Paul", has a 20 year old record of credibility in the United States Congress, and within the Spanish-American communities as well.

We have no attachment whatsoever to vested interests here or abroad, this is why we can speak today, freely and loud.

We are only truly committed to God, and to the highest ideals of freedom. These reasons may explain why our program has received (a) best wishes for success from our State Dept. in bringing about closer relations between cubans and americans; (b) the blessings from the Papal Nuncio, with an introduction to America by a letter to late Cardinal Francis Spellman; (c) the blessing by late Cuban Cardinal Manuel Arteaga.

Closing words—In memory of our beloved "Candy Achay":

Ms. Candy Achay was a catholic mystic. On September 8, 1962, in a dream, she received a direct revelation from the Patroness Virgin of Cuba "The Virgin of Charity". The revelation was painted in December 1962, by a famous Vincentian, Father Superior Lorenzo Elosegui Orobengua CM. It is titled the "Power of the Cross", and it depicts the end of atheistic oppression in Cuba.

The Virgin of Charity is shown high in the heavens carrying child Jesus surrounded by purple and reddish clouds depicting the bloody period the earth's people have been traversing for nearly a century being gathered by God Almighty for dispersement in Space. In her right hand is the cross from which emanates the healing vibrations of Jesus Child falling directly upon Cuba, killing the dragon Atheism. The sickle and hammer symbols of the regime in Cuba are broken signifying the end of Cuba's Atheism by divine intervention.

The three figures in the rowboat are the original Cubans to whom the Virgin appeared in Cuba's Bay of Nipes last century, rowing towards Cuba to spread the message of freedom. This is a divine message from God Almighty announcing the coming victory of Jesus Christ over the forces of darkness.

Miss Candy's remains were cremated and her ashes were thrown in the waters in front of the Statue of Liberty in New York City.

Candy's last wishes were—"May my ashes reach a free Cuba someday!"

REMEMBRANCES

"Candy is a ray of light shining down from the Almighty . . ."—Dr. Josheph R. Julian, life long associated of Candy and cofounder of Cuban Crusade.

". . . a loyal friend, . . . I feel her presence down to my soul . . ."—Rev. Father Lorenzo Elosegui Obergoa, Seville, Spain.

"She is the personification of love . . ."—The late John Wm. McCormack, Speaker of the House, December 14, 1977.

"She is the soul of Asia—with her Chinese ancestors . . . she is now in the "Celestial Heaven".—Steve Min, President Taiwan—Phillipine Chapter.

"A Chinese sister from Cuba; her soul was always Chinese".—Peter and Vince Wu Families.

"A Chinese princess, who will help us . . . from the far reaches of Heaven".—Mr.

James T. Fan, President Japanese and Korean Chapter.

"My best friend . . . Excellency in love and goodness"—A. D. Paniagua, MD.

"Candy was a great believer in the conversion of all atheists to God's way of life".—General Penli Chao—Taiwan.

"The Power of the Cross" message can be applied in conventing Mainland China away from present Atheism".

"We have distributed thousands in Thailand, Mainland and Burma".—Gen. Kei-Chi Chiu (Generalisimo Chang Kai Shek assistant).

COMMITTEE FOR HEMISPHERIC WAR ON POVERTY CRUSADE

Crusade 1984—Respectfully, our message today is being addressed to His Excellency Ronald W. Reagan, Vice-President George Bush and Administration, Honorable Speaker Thomas P. O'Neill Jr., Congressmen Dante B. Fascell, Claude Pepper, and all other members of Congress.

The above tribute to our beloved Candelaria Achay is a direct appeal to President Fidel Castro of the Socialist Republic of Cuba so we could save precious lives of Cubans, Salvadorans, Nicaraguans and many others, now being wasted in a senseless "Class War" throughout the hemisphere.

As stated in Rome, Italy last August 22nd, His Holiness Pope John Paul II—referring to Marxist influence on "liberation theology", said that the Church's efforts to help the poor could not be based on class struggle.

The Pope's comments were contained in a message read to 67 Bishops in Zimbabwe at the Inter-Regional conference of Southern African Bishops, in which the Pope emphasized the Roman Catholic Church's wish to be close to the suffering and the oppressed.

He said, "the solidarity of the Church with the poor, with the victims of unjust laws or unjust social and economic structures goes without saying." But, the Pope warned that he would not tolerate the basing of such solidarity on class struggle a fundamental Marxist principle that is evident in many movements aiding the poor.

"The forms in which this solidarity is realized cannot be dictated by an analysis based on class distinction and class struggle." Pope John Paul said, "the church's task is to call all men and women to conversion and reconciliation without opposing groups, without being against anyone". The message was read in English.

Pope John Paul told Latin American Bishops in 1979 that he objects to viewing Jesus as a "political activist", as a fighter against Roman domination and the authorities and even as someone involved in a class struggle.

He told the Church's officials charged with fighting heresy to resist the Marxist based brand of liberation theology and its idea of class struggle.

(Signed) Dr. Joseph R. Julia; Alejandro D. Paniagua, M.D.; General Penli Chao; General Kei Chi Chiu; Mr. James T. Fam; Rev. Father Lorenzo Elosegui Obergoa; Mr. Steve Mim; and Peter and Vince Wo Families.

CUBAN INDEPENDENCE DAY

Crusade 1984—Worldwide Solidarity Message honoring Cuban patriots Jose Marti, General Antonio Maceo Grajales, General Generoso Campos Marquette and American patriot President Theodore Roosevelt, who personally led Americans fighting alongside Cubans to successfully liberate Cuba. That first real liberation date was commemorated on May 20, 1902 and is known as Cuban Independence Day.

To: His Excellency Ronald W. Reagan, Vice-President George Bush and Administration. Honorable Speaker Thomas P. O'Neill Jr., Congressmen Dante B. Fascell, Claude Pepper, Robert Garcia and all other members of the United States of America, House of Representatives and Senate and to the peoples of the world.

Cuban Independence Day is also Latin American and World American Solidarity Day since it signifies the very first day of Hemispheric and Global Brotherhood. In order to reflect the true beliefs and sentiments of world-wide peoples after having their memories refreshed as to the real historical and present day established and known facts that remain unchallenged today, we expose these facts for the global population to hear, see and take very careful notice of.

The United States, in joining Cuban patriots last century in their struggle for freedom against Spanish tyranny, did not exact their pound of flesh and colonize Cuba as has always and still is the practice when large powerful nations have aided small countries in their so-called freedom wars. Instead America rejoiced together with Cuba on May 20th, 1902 when they celebrated their hard won freedom then. America had helped a new free democratic nation to be born by aiding them during their liberation struggles and after economically.

And today more than ever, it is very necessary for the United States to point out their record, referring to all of their dealings with any nation small or large; America has always liberated or aided liberation but has never colonized anyone.

May 20th, anniversary of the free Republic of Cuba's Liberation Day is the first and best example of America's fraternal behaviour towards a hemispheric brothers liberation struggle; the United States is your brother and not your master. The same is true for the rest of the world proven time and again via its total aid for many European, Asian and African nations during World Wars I and II. Practically all militarily occupied or colonized nations were liberated by America at a very high cost of American materials and blood, at the end of those wars.

Soviet Russia and mainland China were major recipients of that aid. Communist Russia has repaid that debt by colonizing fourteen now captive nations and utilizing force to dominate its now imperialistic Russian Empire, a major political enemy of America. Chinese Communists overran mainland China and now threaten to colonize all Asia. It is important to note that all communist takeovers titled liberation revolutions have taken place after World War II, when both Russia and China were aided to liberate themselves from German and Japanese occupation with America's help.

The above statements are historically established facts forgotten under the stress of political battle by U.S. against an ever aggressive foe who specializes in propaganda trickery, such as Russian sponsored "World Peace Movement" and utter falsehoods represented by Russian backed "World Nuclear Freeze", and who has enslaved countries utilizing the noble colors of liberation, falsely and criminally.

In the name of Cubans, Americans and the world's peoples, we publicly challenge our atheistic totalitarian and political adversaries to produce and name just one May 20th style of real free self-autonomous sovereign state produced by Russia or China, via a Communist induced and backed revolution. In two words, they cannot.

May 20th, Cuban Independence Day, also Latin-American and World Solidarity Day is the actual anniversary of America's Foreign Policy Principles; Liberate and Aid to Liberate, as against the Dominate by Force and colonize practice championed by World Communism.

American and global peoples our duty and moral obligations is to hammer out these truths via the entire global media to educate world opinion by commemorating next May 20th anniversary of Cuban Independence Day 1902 representing the first true 20th century liberation and transmitting the above Solidarity message of strong truths hemispherically and universally.

We call upon the free nations of the world to stand united behind American Universal Foreign Policy and aid, liberate all of the world's enslaved peoples from communist tyranny and oppression now infiltering the Western Hemisphere and elsewhere via the communist surrogate of Soviet Russia, who in 1959 stole Cuban liberty from Cubans, Fidel Castros Red Cuba.

We also call upon the global free nations to join in complete solidarity; militarily, economically, politically and religiously and thus unified march to triump over World Communism before the 1980's end.

Dr. Joseph R. Julia, President, Cuban Crusade Political Committees.

Dr. Alejandro Paniaqua, President Carribbean Committee.

Mr. Steve Min, (Wu Shiu Mei), Asian Committee President.

Mr. Joseph Yali, President, African Committee.

Mr. Peter Hartwich, Chairman, Cuban Crusade Campaign 1984.

General Penli Chao, Taiwan, General Adviser.

General Kei-Chi Chiu, Taiwan, General Adviser.●

IT'S TIME FOR THE HOUSE DEMOCRATS TO PUT UP OR SHUT UP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, the title of my special order is "It's time for the House Democrats to put up or shut up."

I think it fits particularly well after the special order from the gentleman from Pennsylvania, because precisely the kind of deception, distortion and demagoguery which he just outlined in Mr. Mondale's speech today is going to become, I am afraid, characteristic across this country in the next few months, in the next 2 months of many House Democratic campaigns. I thought it was important to put into perspective now at the beginning of this last month of session what is at stake and what is happening.

The two conventions are over. The two platforms have been written. The two tickets have been chosen. We have the clearest choice in years. We have a liberal, Walter Mondale, protege of

Jimmy Carter; a liberal, GERALDINE FERRARO, protege of TIP O'NEILL.

On the other side we have conservatives, Ronald Reagan and GEORGE BUSH. It is the clearest liberal-welfare state versus conservative opportunity society choice we could have asked for. We have liberal Democratic platform promising a massive tax increase in the acceptance speech by Walter Mondale, estimated by some at as much as $1,800 per family tax increase. We have a Democratic platform so liberal that it condemns the United States for a century of interference in Central America, a paragraph which condemns Woodrow Wilson, a Democrat; Franklin Roosevelt, a Democrat; Harry Truman, a Democrat; John F. Kennedy, a Democrat; and Lyndon Johnson, a Democrat.

Now, a party so liberal that it condemns five of its own Presidents, frankly if you go back a century it also includes Grover Cleveland, but he was in the last century and I am not sure Mondale's staff thought he was a part of them; but a party which condemns five Democratic Presidents in the 20th century in a Democratic platform is pretty far to the left.

The Democratic platform supports radical values and radical lifestyles.

The Democrats fail to condemn anti-Semitism, as was pointed out in the special order of the gentleman from Pennsylvania [Mr. WALKER].

Given a chance on the floor of the convention, the Mondale forces begged those Democrats who were furious at the anti-Semitic remarks of some Democratic campaigners, begged them not to do anything, promised them that week on Friday the Democratic National Committee would condemn anti-Semitism, failed on Friday to condemn anti-Semitism.

It tells you something about the kind of narrow, old-fashioned special interest politics that Mr. Mondale chose to go to a Jewish organization to finally 7 weeks later have the courage to say something that his party failed to say to the entire Nation.

The Democrats ignored voluntary school prayer. The Democrats ignored a constitutional amendment to require a balanced budget.

The Democrats ignored welfare reform.

The Democrats ignored the omnibus bill to stop crime and drugs.

The press has been saying that this campaign is falling apart on the left because Walter Mondale has no ideas. The press is frightened, but it is the liberal members of the press, to look at the ideas Walter Mondale does have.

The fact is that Walter Mondale is the clearest Democratic candidate with ideas in years, certainly much clearer than his predecessor, Jimmy Carter. Walter Mondale's ideas are the ideas of 1936, the year in which TIP O'NEILL was first elected to public office.

Walter Mondale's ideas are the ideas of big government, high taxation, a large welfare state.

The problem is that working Americans are simply repudiating those ideas. It is not that we are confused. Walter Mondale is very up front. He said, "Vote for me and I will raise your taxes."

People said, "Fine, I won't vote for you. Thank you for telling me in advance."

He has dropped. He has plummeted in the weeks that it sank in that the boy was serious. Early on there was this thought that maybe he did not mean it, but with each passing week as the country begins to realize, these folks really are a long way over on the left and it is a little strange. They really want my wallet and they want my pocketbook and they have fallen apart.

Liberal analysts who do not want to say, "Gosh, liberalism is not popular," simply say that Walter Mondale has no new ideas. Well, he does not, but he has a lot of old ideas.

Working Americans are against the big liberal welfare state.

Working Americans are for an opportunity society.

Working Americans are against big tax increases.

Working Americans are for take-home pay.

Working Americans are against big government bureaucracy in Washington.

Working Americans are for more government at home, more chance to control through local elected officials what happens.

Finally, working Americans are against weakness in foreign policy.

Working Americans favor an America strong enough not to have an Iranian hostage crisis for 400 days.

Working Americans want an America strong enough not to have the Communists penetrating Grenada.

Working Americans happen to believe that the Walter Mondale-Jimmy Carter policies were not real effective in protecting American interests.

Congressional Democrats looking at the polling data, as we all do, are beginning to figure out that this is not going to be a good year. As we walk across the floor, as my colleagues have, I am sure it has become obvious that our good friends on the left are beginning to sense that maybe Mondale is not going to win in a landslide. There is some feeling he may not carry any State represented in this building. There is some sense that even in Guam he is in trouble and there is a feeling out there among congressional Democrats that this would be a good time to run and hide, that in fact they are not really Democrats. They are really just local folks who happened to get elected on the Democratic ticket.

Now, all of us have experienced, I am sure every Member here has experienced the classic Democratic defenses. I predict these are the four things Democratic incumbents will say and Democratic candidates will say across America in the next 60 days.

Defense No. 1: "I'm really just like you. I don't understand those guys up there, either."

Defense No. 2: "Not only am I just like you, I'm really helpless. I get frustrated with all the bad things they do."

Defense No. 3: This is progressive, if the first one does not work, you fall back—"I don't like Mondale, either."

Finally, defense No. 4: "I don't even like O'NEILL."

And what you will see happen is that when the Democrats get in trouble, when they are at 60 percent they sort of ignore it. When the poll comes in and they are 55, they go to, "I really believe like you do."

At 50 they begin explaining how they in fact wanted to pass the crime bill, but the liberal Democrats would not let them.

When the poll shows them at 45, they are angry about how bad Mondale is.

When the poll shows them about 40, they are angry about everybody in the Democratic hierarchy.

Now, I point tonight at the beginning of this 3½ weeks just to say to our good friends on the left that it is time to put up or shut up.

First of all, who are you going to vote for for President? It is a clear choice. It is secret ballot for those who are not in public life, but if you are in public life you ought to say to the folks back home who you are going to vote for.

I am going to vote for Reagan. I do not mind saying that.

BOB WALKER is going to vote for Reagan.

We would be delighted for our friends on the left to rush in and proudly tell how many are going to vote for Walter Mondale.

Second, you have to ask the question, who would you vote for for Speaker next year?

The gentleman from Illinois proudly recommends the man who I think would be a dramatic improvement, a man who I think would have a sense of dignity and nonpartisanship more appropriately. I will not mention that man for the record, because there is no reason to get him in real trouble.

I could think of probably 70 or 80 good solid moderate Democrats, none of whom will be chosen by the Democratic caucus, any of whom would in fact be closer to working Americans than the current leadership; but the question ought to be asked, if the lib-

eral Democrats in liberal caucus insist on nominating a liberal for Speaker, are you going to vote for him?

Now, if an incumbent Democrat says, "Well, I am really going to vote for Mondale," and says, "Well, I am really going to vote for the liberal caucus's choice," then you have to ask the question, "Wait a second. If we are going to get more of the same, why are we voting for you?"

Now, let me make the point of where I come from personal. It hit me one day while the Speaker was attacking me for the deficit that I was 11 years old when his party took control. I was only 9 when he was elected. He spent 2 years in the minority. I was 11 years old. I was in school. My dad was in the Army. We were at Fort Riley, KS. I went to school at Junction City.

□ 2040

And I frankly did not have much to do with the deficit that year. And it sort of ticked me off when I began to think about it, the gall of the Democrats who have run this House for 30 years attacking me for the Tax Code. My party has not been in charge of the Ways and Means Committee for 30 years. So every American who is mad about loopholes ought to vote Republican just to give the other side a chance. My party has not been in charge of the Budget Committee since it was formed. We have never been in charge of the Budget Committee. So Americans who are upset about deficits ought to vote Republican to give us a chance. My party has not been in charge of the Judiciary Committee since I was 11. So after 30 years maybe it is time for Americans who are upset about crime and drugs to give us a chance.

The Democrats who go home and campaign this fall bear the burden of 30 years of being in charge of this room. The message to the Democrates tonight is simple: we have 3½ weeks to go. We have 3½ weeks to change that record. You are in control. You have the speakership. You control the calendar. You control the schedule.

We could pass—the schedule this week has been a joke. I was absolutely shocked to discover I think this is the only day this week we are going to have votes; 1 day this week.

We may have votes 2 days next week.

Now, if you thought everything was wonderful, if you did not care about crime, if you did not care about drugs, you are not worried about welfare reform, you did not want to pass the constitutional amendment for a balanced budget, you did not care about voluntary school prayer, maybe we should only vote 1 or 2 days. But any Democrat who plans 3½ weeks from now to take the defense "We could not get it all done" had better be served notice 1 day a week does not count. Most Americans have to work 5 days a week. They do not understand the idea that overtime here was that we stayed around until 7 once this week. They are really charging up the hill, 2 days next week.

Then when we finally get down to the last 3 days before we adjourn they will talk about the crush of business, the need to have all-night sessions. And it is a joke. It is a deliberate manipulative ploy. The fact is working Americans want welfare reform, House Democrats do not. That is why they do not schedule, that is why they do not report it out of committee, that is why it is not here before we adjourn.

Working Americans want an omnibus crime bill such as the one which passed the other body 91 to 1. House Democrats do not. That is why they do not schedule it, that is why they do not report it out of committee, that is why we are not going to see it.

Working Americans want to see the immigration reform bill passed; House Democrats do not. That is why they have not even appointed conferees, unless they appointed them today. If they appointed them today it is after I think 4 weeks that the other body was ready to go. So a deliberate 1-month delay to slow the process down.

Working Americans want a constitutional amendment to require balanced budgets; House Democrats do not. That is why they do not want to bring it to the floor. That is why they are hoping deeply that we will not get enough signatures on the discharge petition by next Thursday, because under their schedule next Thursday would be the last day we could possibly get it in and get it reported out before we go home.

Working Americans want voluntary school prayer; House Democrats do not. That is why they have not reported that constitutional amendment, I think since our good friend, Mr. WEBER of Minnesota, was in college, as I remember, or high school. It has been something like 13, 14 years.

Now the question that should be asked, as I said earlier: "Who will you vote for for President? Who will you vote for for Speaker? What did you do in this coming 3 weeks to get these things passed?" Because the proof is in the pudding. Do not go home and say, "We have had control for only 30 years, give us another 2." We have 3½ weeks, and if the Democrats want to get something done, they control this body, they can get it out.

Across America the message should be that the time to act is now. Every moderate and conservative, every working American who is breathing a sigh of relief at the collapse of the Mondale campaign should wake up because in 1972, as George McGovern collapsed, liberal Democrats shifted their resources and their emphasis to congressional races. In 1972, faced with the reality that their candidate was not going to make it, liberal Democrats simply said, "Fine, we will just cut him out. We are going to support our local candidates," because if they could keep control of this House they could stop conservatism.

What do they hope to do this year? Exactly the same thing.

What is happening right now is very simple, they are beginning to figure out here among the House Democrats that Mondale may be another McGovern; not only is he as far to the left as McGovern, not only does he have a relatively weak ticket, not only is their platform pretty goofy in its leftwing version, but the American public is turning off. So what is going to happen? The Democrats are going to try to cut their losses, they are going to fight desparately to hold on to the last bastion of power, a bastion they have had now for 30 years. And they are going to use what I think is the 6-D theme; doom, despair, delay, deception, distortion, and demagoguery.

Doom: Someone said to me a little while ago that if Chicken Little were alive he would vote for Walter Mondale; that here is a man who loved doom. If something bad could be said it will be said and he will relish it as he says it.

You are going to hear Democrats running across America warning about a desparate future. They cannot warn about a desparate present because we have saved them from that. And much of what they describe will remarkably resemble 1980 and the last year of Jimmy Carter and Walter Mondale; high interest rates, high inflation, a decaying economy, everything we experienced in 1980.

Second, their despair as their ticket collapses will be translated into a general despair about America. Because they cannot accept that the American people really do not want tax increases, they are likely to despair themselves and then claim that it is the American condition.

Third, delay: We are seeing it right here. We could be passing the legislation that working Americans want. We could be doing the things that working Americans want. Instead, the Democratic leadership is deliberately delaying and sloughing off and avoiding the votes that matter.

Now, because doom, despair, and delay do not work with the American people, we will get the second set of 3-D's: deception, distortion, and demagoguery.

Anyone who reads the special order by Mr. WALKER, that long, elaborate analysis of everything that Walter Mondale said today, can appreciate why we fear a campaign of deception, distortion, and demagoguery.

Let me take just two examples and frankly this is the sort of stuff that

drives decent people out of politics, because it is destructive of reasonable debate.

Mr. Mondale said today, and the gentleman from Michigan [Mr. SILJANDER] brought this up and drew our attention to it, and it is really worth looking at; it is the sort of thing that I think attorneys in a trial would look at as absolutely damning evidence.

In the middle of a carefully designed and constructed speech today Mr. Mondale said "Reagan supports a constitutional amendment instituting school prayer with the prayers chosen by local politicians."

Now that statement is totally false. I do not know how to describe it otherwise to any decent American citizen. Either Mr. Mondale's staff did him a total disservice or he decided to deliberately smear the President of the United States. But that sentence is just plain totally false. If that statement were true I would be with Mr. Mondale. I think every member of the Republican Party in the House would be with Mr. Mondale. I do not think there is a single vote in this House for local politicians deciding on prayer.

Mr. Speaker, I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, it occurs to me that I think Mr. Mondale got bad information from his staff. He certainly would not deliberately go before a national audience and quote Mr. Reagan as advocating an amendment that Mr. Reagan does not advocate.

I mean you would really look silly. And he must know that this evening. So I do not think he did that deliberately. I just think the information given to him was shoddy, woefully inadequate.

But that raises another question: Mr. Mondale, if he should become President, are those people that are advising him now and informing him now, going to be in the inner circle? Will they give him the same quality of information about foreign policy and arms control?

I would say we would be in desperate situation then if the same sort of disinformation and misinformation and inaccuracies are handed to the Chief Executive of this country, the Commander in Chief; I must tremble for the Republic.

□ 2050

Mr. GINGRICH. I wish I could share the spirit of human warmth and generosity that characterize the gentleman from Illinois, who is one of the most humorous, one of the most effective, one of the most articulate Members of the House, but let me pose for the gentleman from Illinois this problem. You see I think this kind of deliberate deception and distortion and demagoguery is in fact in response to yesterday's advice that Mr. Mondale got from the Speaker of the House, Mr. O'NEILL.

Let me quote from both the Washington Times and the Washington Post. The Washington Post had its headline: "Hill Democrats Urge Mondale to Start Slugging at Reagan."

It says in here:

> In tough language O'Neill said Mondale was "being too much of a gentleman trying to talk issues" while the Republicans have been "beating the hell" out of him." This is all from the Speaker of the House.
>
> Asked if he believes that nice guys finish last, O'Neill said, "Yea, that's an old axiom, isn't it?"

Now, I think in fact today's speech is in a sense the beginning of the new Mr. Bad Guy Mondale and is the beginning of a campaign we can expect to see over and over for the next 60 days. I remember one time that the gentleman from Illinois was on a television show with a Democratic pollster and as I remember the television show, the Democrat pollster said, "You know, we had to lie and smear about Social Security because it was the only issue that was working." That is a paraphase and I am not sure that I have it exactly.

Mr. HYDE. If the gentleman would yield, the gentleman conceded that they demogoged the issue of Social Security. I accused them of terrorizing old folks for a few votes by telling them that the Reagan administration was going to do away with Social Security and he conceded the point. That was a television broadcast with Mr. Mark Shields, the moderator, and the gentleman who made that startling admission was Mr. Peter Hart, a well-known pollster for the Democratic Party. He was perfectly honest and I congratulate him for that.

Mr. GINGRICH. Let me go on to say then in the same tradition, again from the Washington Post this morning:

> In an attempt to raise the specter of Social Security cuts O'Neill said, "As of today every plan this administration has put forward for long-term deficit reduction has relied on massive cuts in Social Security."

Now, that is just simply plain not true, period. The Speaker of the House yesterday, and let me repeat for any who are in doubt, said something which is just not true.

He said:

> As of today every plan this administration has put forward for long-term deficit reduction has relied on massive cuts in Social Security.

Mr. WALKER. If the gentleman will yield, I think the gentleman was on the floor when we had a Member of the Democratic Party parade out here earlier this evening trying to scare people on the balanced budget amendment by raising Social Security as a part of that and was supported by a couple of colleagues on that side of the aisle. In other words, every issue that comes up that is a legitimate issue for public debate it seems that what they try to do is scare older Americans about the fact that it is going to somehow affect the integrity of Social Security. It really is a disgusting political tactic and does border on what the gentleman from Illinois referred to evidently on a television show as terrorizing older citizens.

Mr. GINGRICH. While the Democratic themes of doom and despair are failing and their tactic in the House of delay will backfire, I think every American reporter and every American analyst and every citizen should be aware of the fact that October is going to be a month of deception, distortion and demagoguery.

Now, I think our answer, as they become more desperate and their rhetoric becomes more extreme, our answer has to be to slow down the dialog, our answer has to be to look at the facts. They ask the questions in a simple way. Working Americans should ask simple questions. They should start with I think every working American should say to themselves, "How old was I in 1954 when the Democrats took over the country?" It sort of gives you a sense of perspective on how many years the Democrats have been in charge of the House.

I should not have said country, they took over the House. Sometimes in this room you get the feeling that this place becomes the country.

For 30 years the Democrats have been in charge.

For people who are watching this we are now currently running a poll up here to find out what the average age was of the Members, who are participating, in 1954. I will report the results presently.

Working Americans should ask Democratic challengers "Would you really have voted for a Democratic Speaker of the House who bottled up crime bills? Would you really go up and vote in 1985 for a Democratic Speaker of the House who bottled up the constitution amendment to require a balanced budget?"

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

Mr. GINGRICH. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding.

I just wonder if we could pose the question this way: Mr. Mondale has tried to make a lot of political hay out of the fact that the President has not met with the leader of the Soviet Union, ignoring the fact, of course, that we have had three leaders in the Soviet Union, all of them in various stages of failing health, and the fact that the Soviet Union has left the bargaining table when we tried to bargain in good faith, but it just seems to me we ought to posit this question: If Mr.

Mondale is afraid of ever disagreeing with the ACLU and major labor unions of this country, what makes us think that he will stand up to the Soviet Union in the person of whoever happens to be the leader of that country at the time we might be engaged in negotiations. One should see whether one has to be involved in being a tough negotiator from what that person has done before.

President Reagan, to my knowledge, is the only former labor union leader we have ever had as President of the United States. He is the only person I know of who has served in that office who has actually negotiated contracts on behalf of a major labor union in the United States and knows something about how you engage in such negotiations.

Mr. GINGRICH. I think the gentleman is asking a question that frankly can also be applied to every Democratic incumbent. How many Democratic incumbents who go back home and proudly claim everything they have done, how many of them have tried to negotiate with TIP O'NEILL to get the crime bill out? How many of them have tried to negotiate with the Speaker of the House to get any of the constitutional amendments to require a balanced budget?

I think the gentleman's point is perfectly correct.

Mr. LUNGREN. You might even ask another question. The Speaker of the House revealed 2 months ago that Mr. Mondale had called him personally and begged virtually that the Speaker postpone consideration of the immigration bill on this floor. One that the House of Representatives was very divided on. It ran across different philosophical and political lines. But the reason he asked him to postpone, I thought was interesting. He said:

> Can you please postpone it past the primary in California so that I don't have to take a position on it and members of my party don't have to take positions on it prior to the time that the people in California are going to cast their vote.

In other words, he wanted to make sure that the people of California were left in the dark as much as possible as to positions taken by people they were asked to vote upon.

I just ask if that the gentleman from Georgia believes would be another chapter of John F. Kennedy's book "Profiles in Courage"?

Mr. GINGRICH. Well, I think the point the gentleman is making again applies exactly here. The Democratic strategy of delay in that case almost delay in order to deceive because, of course, I think all along it was fairly clear where Mr. Mondale was going to come down. He just did not want to have to do it prior to the California primary.

Mr. LUNGREN. Well, the big problem of course the former Vice President had was that he had two constituent groups, two special interest groups. One, Hispanic activist organizations, who were against the bill and labor unions who had come out in support of the bill. He wanted to diminish the controversy and not have to take the political heat for finally having to decide a question between two of the many special interest groups in which he had found himself on a very, very tough issue.

I wonder if the gentleman has found the answer to the questions that a number of us asked this morning in our 1-minute discussions when we inquired as to whether Mr. Mondale, in meeting with the Democratic caucus here on the floor of this House about 12 hours ago, had ever asked them whether they should vigorously confront the immigration issue, had asked them whether they should at least have an opportunity to vote on the President's crime package to show, in fact, as Mr. Mondale has suggested that his party is as strong for law enforcement as is the President's party or whether they have even discussed the balanced budget constitutional amendment. Has the gentleman received any information from other Members?

Mr. GINGRICH. All I can report to the Member is that given the schedule we are now being told about it is the liberal strategy of the Democratic leadership of the House and I assume, since he visited them here today, of the Democratic candidate for President, to avoid virtually every major issue that working Americans care about.

□ 2100

Mr. LUNGREN. Can the gentleman perhaps instruct us as to why the Democratic Members of the U.S. Senate would work with Republican Members on a bipartisan basis to get out a major comprehensive crime package, initially sponsored by the President of the United States, voted out 91 to 1, and yet never allow us to vote on its entirety here on the floor of the House?

Mr. GINGRICH. Well, I think that the Democrats in the other body would have to explain for themselves why they acted as they did. I think that it is clear, though that it is the deliberate intention of the Democratic leadership in the House, and that it is being accepted, apparently, by Democrats in the House, to avoid passing this incredibly important anticrime and antidrug package.

Mr. LUNGREN. Would the gentleman have believed before he served here that organizations such as the ACLU could have such a stranglehold on one of the major political parties in this country?

Mr. GINGRICH. I think that it is amazing that the Democrats have turned the Judiciary Committee into what one major publication called "the graveyard of legislation," and I think that it is stunning that the Democrats, at a time when even Vice President Mondale in his speech today talked about the problems that we have——

Mr. WALKER. If the gentleman will yield, let us just quote the words of the Vice President as he spoke today. He said, speaking about the American people, "I stand with them condemning the explosion in drug traffic, I share their outrage at child molesting, anger at street crime is legitimate, a blizzard of pornography is indecent." That is what he is saying today. And yet we cannot find any hint that when he came to the Hill he suggested that the bills designed to do something about a number of those things ought to be brought to this floor by the Democrats in Congress.

Mr. GINGRICH. Let me just say that that is why I deliberately used the title "put up or shut up." I am personally tired of very glib, very articulate Democratic politicians feeling that they can say anything that has no relationship to their actions.

Mr. LUNGREN. If the gentleman will yield, I would ask the gentleman a question: Based on the remarks of Mr. Mondale today, would the gentleman believe, based on those remarks, that Mr. Mondale would not support us having an opportunity to vote on capital punishment?

Mr. GINGRICH. I think we have to ask Mr. Mondale and we have to ask his Representatives in the House, both Ms. FERRARO and Mr. O'NEILL, are they going to listen to the speech today in public, in which Mr. Mondale said he was against crime and wanted, presumably, a strong bill? Or what did they discuss in the private closed meeting here?

Mr. LUNGREN. If the gentleman will further yield, does the gentleman have any indication that Mr. Mondale's operatives here in the House, namely, Speaker O'NEILL and Ms. FERRARO, have worked so that we could deal with the insanity defense reform here on the floor of the House?

Mr. GINGRICH. I think we have every evidence that they have delayed and they have avoided and they have strangled opportunities to bring this bill to the floor.

Mr. LUNGREN. Does the gentleman have any evidence of the fact that they have assisted in trying to bring to the floor of the House bail reform so that the Federal judges across this country can consider the dangerousness of the individual when they decide whether or not an individual charged with a violent crime should be let out on the street?

Mr. GINGRICH. Well, of course, the gentleman from California serves on

the Judiciary Committee and is an expert in many of these areas. But my understanding is, as just a Member of the House at large, that in fact the Democratic leadership has deliberately avoided that very important reform coming to the House floor.

Mr. LUNGREN. Does the gentleman recall that the Speaker, in a speech that he made as we started this Congress, indicated that the ERA would be designated with the No. 1, to indicate how important it was, and the rapidity with which that bill was brought to the floor, and the lack of an opportunity for us to debate it for any extensive period of time, and contrast that with the fact that the President's total comprehensive crime package was not even sent to relevant subcommittees in this House for 51 weeks?

Mr. GINGRICH. As the gentleman knows, the Speaker himself has said that he controls the calendar. He controls the schedule. He is in charge. And that is why I say "put up or shut up."

If they wanted to pass these very, very important reforms, if they wanted to have a major impact on drug traffic, if they wanted to stop much of the crime in America, if they wanted to impact on the constitutional amendment to require a balanced budget, they could bring them to the floor tomorrow.

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

Mr. GINGRICH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just want to emphasize a point here. The Speaker said, in a news conference I think it was yesterday, that if the President sent a balanced budget up here, he would have it on the floor in 48 hours. I think the Speaker gave us the timeframe in which he works. In other words, if he wants to get something to the floor, he can do it within a 48-hour time period. So what he has really told us is that if he really wanted a crime control bill on the floor, he could have it out here in a 48-hour period, if he really wanted an immigration bill to move out here, he could have it out here within a 48-hour period, if he really wanted the balanced budget amendment to the Constitution, he could get it out here in a 48-hour period. The point is, he does not want any of those things and we are not going to see them out here in a 48-hour period. He gave us the timeframe. We do not have to debate that any more. We know what the time period is. He said.

Mr. GINGRICH. I yield to the gentleman from Florida.

Mr. MACK. Let me build on that point about the 48 hours it is something that was clearly said yesterday, that, in essence, if you will bring the legislation that I am interested in, that is, a balanced budget, bring it here, I will see that it gets to the floor in 48 hours.

The one thing that is perfectly clear is that there is no intention. In fact, the Speaker's only role between now and—well, I guess it is maybe a dual role—but the most significant role that he has between now and the time that we adjourn is to make sure that the working Americans in this country never are able to find out how the Democrats in their district would vote on issues that are concerning them, whether that is criminal justice reform, whether that is immigration reform, whether that is a balanced budget. Those issues will not be allowed to come to the floor of this House because, once and for all, if they did, people back home would understand really where they stand. And for that reason, every effort on the part of the Speaker will be to continue the delay that you have talked about. They have been able to delay these issues for the last 18, 19 months in this session, and they have been able to delay those issues for many, many years, as you referred some of us were just 14 when this House came into the control of the Democrats.

So I think that the points that you have raised about doom and despair and delay are things that are going to continue. What we need to be prepared, and I think the message that you are trying to deliver, is: What is going to happen in the month of October, as those Democrats begin to get concerned about what is happening throughout the country, if now we are going to hear about demagoguery, distortion, and deceit.

Mr. LUNGREN. If the gentleman will yield further, I think we might make an observation here that it is obvious that the Speaker and the Democratic leadership determine the schedule of this House. The Speaker has said on many occasions that he schedules things; bills come on the floor because he decides that. It might be of interest to note that we had 1 day of votes here this week. That is today. There were no votes taken on the floor yesterday. We are not going to be in session tomorrow. We are going to be in a type of session on Monday and Tuesday, but we have already determined, after we heard from the Speaker, that there will be no votes on Monday or Tuesday. Evidently we will have a chance to vote on Wednesday and Thursday. The question about next Friday is up in the air.

The idea that somehow we are overwhelmed with other pieces of legislation is so ludicrous that you cannot even repeat it very easily. So people ought to be able to focus on the fact that we have plenty of time available. We may not have legislative days available, because that has been the Speaker's decision as to when we work and when we do not work, when we will bring up important bills, when we will not bring up important bills.

The fact of the matter is, we had 4 days this week, the other 4 workdays of this week—well, excuse me, 3 days of this week, because the first day of the week was a holiday, but 3 days of this week in which we could have dealt with or begun to deal with the balanced budget constitutional amendment question, the criminal reform package of the President, and a host of other things.

How about the line-item veto that the President has talked about?

The Speaker says, "You give me a balanced budget, and send it up here," when he knows the President has no legislative responsibility as far as the budget is concerned. He cannot veto it. People do not realize that. He has no influence. It gets thrown in here because it is nonbinding in a truly statutory sense. But if the Speaker is serious about giving the President of the United States responsibility for what we spend, then he ought to be willing to let us vote on a line-item veto, because then the President will have what 43 Governors of the States of the Union have, an ability to exercise his decisionmaking with respect to particular spending within overall spending on appropriation bills.

And so I think that one of the things we ought to remind ourselves here is that we may be dwindling down to just a precious few legislative days, but it is not because the calendar of the year is stopping us. It is because of a decision made by the chief scheduler of this House, and that is the Speaker of the House of Representatives.

Mr. GINGRICH. As I listened to the gentleman I asked if they could find me a copy of the Constitution, because I wanted to check something which I thought was correct. When you read the Constitution of the United States, the basic document of this Government, it begins, of course, with the Preamble, "We the people of the United States," with which we are all familiar with, and it then goes to article I, section 1. You would think that the Founding Fathers deliberately designed the Constitution to have a structure of importance, so that article I, section 1, would talk about the thing they thought was most important, the beginning building block of the whole process. Article I, section 1:

> All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Now, you have to, in fact, go on a pretty long way in this particular version before—let us see if I can find the exact page—and you find page after page about the Senators, the House Members, how they are chosen, how they are organized, what they are

paid, you go on and on, you talk about every bill that is passed and how it is going to be signed into law, and you keep going, on and on, for page after page, it has a whole section on Congress:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States * * *.

It goes on:

To borrow money on the credit of the United States;

To regulate Commerce with foreign Nations * * *.

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies * * *.

To coin Money * * *.

To establish Post Offices and post Roads;

To promote the Progress of Science and useful Arts * * *.

To constitute Tribunals inferior to the Supreme Court;

To define and punish Piracies and Felonies * * *.

To declare War * * *.

To raise and support Armies * * *.

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval forces;

To provide for calling forth the Militia * * *.

□ 2110

It goes on and on. The Founding Fathers gave us enormous power. Only finally, after all the enormous power of the Congress you get to article II; the executive power shall be vested in the President.

Now, in the Constitution, it is right clear, it seems to me, that the Founding Fathers thought that probably the Speaker of the House ought to be important enough that he could write his own budget. That probably the Budget Committee should not be the responsive committee to the White House. Can you imagine the chairman of an important committee responding to the President? Oh, I think we will sit around and wait for a few weeks and pay our staff to see if the President wants to do something. That is ridiculous. We are independently elected. We are supposed to represent the people in our own way in the House. To think that the most the Speaker can do is for cheap partisan reasons in some way, and I assume there can be no other reason, oh, it is all the President's responsibilities.

I yield to the gentleman from California.

Mr. LUNGREN. Through all the arguments over the War Powers Act and prior to that, in discussions of the relative powers of the legislative branch and the executive branch, one thing has always been crystal clear, and that is the ultimate power of the Congress is the power of the purse.

Whether you agree with the War Powers Act or disagree with it, and I think there are some very strong constitutional problems with it, everyone said the ultimate weapon that the Congress has is the power of the purse. The President may be the Commander in Chief, but the Congress can cut off his funding for things that he may be involved in, and at that point we are, therefore, able to exercise most directly our influence over his warmaking responsibilities and our direct influence over international relations.

So the power of the purse is seen as integral to the very essence of the legislative branch. What is the power of the purse? It is the power to spend money. It is the power to raise taxes. What essentially is the budget made up of? A budget is made up of the type of spending determined by the Federal Government and how you are going to fund it. What is that? That essentially is the ultimate responsibility of the House of Representatives.

It has been said so many times it is almost a cliche, but it ought to be repeated. The President cannot spend $1, cannot spend one quarter, cannot spend one penny unless it is approved, statutorily, by the House of Representatives and the U.S. Senate. What we talk about here in the House of Representatives as the budget—the budget—is a mechanism that we have established between and the two House of Congress; the House of Representatives and the Senate, to guide our actions.

What I said a minute ago that the President has been cut out of the action is extremely important. The President cannot exercise his veto power so his ultimate power that the Founding Fathers gave him in a statutory sense, is denied him in the budgetary process. He may send something up here and hope that influences us, but under the rules of the House and the Senate, we can totally ignore what he sends up to us, and we can pass something, get the agreement with the Senate, and he has no ability to influence our decisions whatsoever with respect to the budget.

So what the Speaker is saying is, the old thing about the spider to the fly, come into my lair, Mr. President, you send up this document in which you are at your weakest constitutional position, in which you can only indirectly influence what we do here, and then let us cut it up and cut you up in the meantime. In essence, have no meaningful ability to make the decision.

Now, if the Speaker is willing to give the President an effective line-item veto, that may change the relationship between the executive branch and the legislative branch, much as it is changed in 43 States in the Union. But the Speaker has indicated to us that he sees no reason to give the President that ability, and therefore, it makes eminent sense for the President to ignore this political game of having him send up a budget to balance next year when the Speaker knows the President has no ability to directly influence that once he sent it up here.

Mr. GINGRICH. Well, I think the gentleman is correct, and the point I want to drive home is that we are now in the season when the Democrats who have controlled the House for 30 years are going to be dodging and trying to hide from their responsibilities. Every Republican challenger across the country should stand up and say that if they were in the Congress today, they would fight over the next 3 weeks to bring up welfare reform, to pass the Immigration bill, to pass a constitutional amendment to require a balanced budget. To pass enterprise zones, to have voluntary school prayer, to do the things the American people want.

In October when the session is over, when the debates are held, this is the real question Democratic encumbents should have to answer: Your party has had control of the House for 30 years; working Americans want Representatives who represent them. Do you represent working Americans who want welfare reform, and after 30 years, why could you not pass it?

Do you represent working Americans who want immigration reform? And after 30 years, why could you not pass it? Do you represent working Americans who want a constitutional amendment to require a balanced budget? And, after 30 years, why could you not pass it? Do you want enterprize zones to create jobs in the inner cities, to have a chance for people who are poor today to work their way out of poverty? And, after 30 years, why could you not pass it?

Do you want to allow our children to voluntarily, on their own, without interference from the Government, have the right to pray in school? And, after 30 years, why could you not pass it?

We have 3 weeks yet for the Democrats to take away all those issues; it would be so simple. All they have to do is pass the bills. It would not be difficult for the Democrats to seize the high ground. If they would pass the bills the working Americans want. If they would pass the legislation that working Americans, in poll after poll, say they favor. If they would meet the challenge of crime and drugs by passing the Omnibus Crime bill, we would not be talking. We would not have special orders, and there would be no issue in October.

But, those Democrats who in 1972 practiced running away from George McGovern; those Democrats who practiced in the past saying well, go ahead and vote for the conservative for President, but I am a nice guy, vote for me later on, need to be aware that this is not that kind of year. In 1984, it is time to put up or shut up. When we

adjourn, working Americans, the news media, and challengers across America are going to have a report card. They are going to look at each of these issues. So, for those Democrats who hope to avoid the liberal Democrat label; for the Democrats who hope to avoid running with Walter Mondale and the Democratic power structure, they have 3 weeks. The time for them to get the job done is now, because after these 3 weeks, when we have adjourned, then it is too late. Then they bear the burden, not just of their own incumbency, but of 30 years of the Democratic Party having run the House. Thirty years of not having passed those constitutional amendments.

I think then the legitimate question working Americans can ask in October is: Since you have failed so completely, since you are going to vote for the liberal candidate for President, since you are going to vote for the liberal candidate for Speaker, since we know what they will do, then the signal to send to Washington is to elect somebody new.

The time to avoid that for our Democratic friends is right now. For their sake, I hope they give America good legislation because then we would have a very different campaign come October.

□ 2120

BUREAU OF INDIAN AFFAIRS FISCAL ACCOUNTABILITY ACT OF 1984

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, I have introduced today H.R. 6202, the Bureau of Indian Affairs Fiscal Accountability Act of 1984. The following is an explanatory statement of this proposed legislation.

HISTORY OF THE BUREAU OF INDIAN AFFAIRS

The Bureau of Indian Affairs is the principal Federal agency charged with carrying out the Government-to-government relationship between the United States and the Indian tribes; implementing the trust and fiduciary responsibility of the United States for the Indian tribes and their lands and resources; and providing or funding various educational, social, economic, and governmental programs to meet the legal, moral, and historical obligations of the United States.

The Bureau was created as an agency of the War Department on March 11, 1824, by order of the Secretary of War Calhoun. By the act of July 9, 1832 (4 Stat. 564; 25 U.S.C. 1-2), Congress authorized the President to appoint, with the advice and consent of the Senate, a Commissioner of Indian Affairs who was to have "* * * the direction and management of all Indian affairs, and of all matters arising out of Indian relations * * *." He was under the direction of the Secretary of War and subject to the regulations prescribed by the President.

Two years later, the act of June 30, 1834 (4 Stat. 735) was passed "* * * to provide for the organization of the Department of Indian Affairs." This constituted, in effect, a reorganization of the field force of the War Department having charge of Indian affairs and has been considered to be the organic law of the Bureau of Indian Affairs.

In 1849, under section 5 of the act of March 3, 1849 (9 Stat. 395), by which the Department of the Interior was established, the Bureau of Indian Affairs passed from military to civil control. The act provided: "That the Secretary of the Interior shall exercise supervisory and appellate powers now exercised by the Secretary of the War Department, in relation to all acts of the Commissioner of Indian Affairs."

The Bureau continued in the Department of the Interior, with major statutory authorities in the field of Indian affairs vested in the Commissioner of Indian Affairs subject to the supervisory and appellate powers of the Secretary. Then, in 1950, pursuant to the reorganization plan of 1950, all existing functions and authorities of the Commissioner were transferred to the Secretary with power to delegate. In practice, through delegations from the Secretary, the Commissioner continued in effective control of the Bureau.

Finally, in 1977, the Bureau was placed under the leadership of an Assistant Secretary for Indian Affairs by order of Secretary Andrus. The position of Commissioner has essentially been left vacant since that order. There is currently pending before the House Committee on Interior and Insular Affairs legislation recommended by the administration (S. 1999 and H.R. 4290) to statutorily create and designate an Assistant Secretary of the Interior for Indian Affairs.

APPROPRIATIONS PROCESS

Beginning in 1865, when the Committee on Appropriations was established, until 1885, all general appropriation bills in the House of Representatives were within the jurisdiction of, and referred to, the Committee on Appropriations. In 1885, the rules of the House were changed to permit some general appropriation bills to be referred to other committees. Finally, in 1920, the rules were again changed to revest the Committee on Appropriations with jurisdiction over all appropriations measures.

The current rules of the House continue the separation of the authorization and appropriation process. The legislative committees have jurisdiction over any bills authorizing the appropriation of money for any purpose within their substantive jurisdiction. Legislative committees may not report any bill containing an appropriation. Any such bill is subject to a point of order on the floor.

Conversely, as noted, the Committee on Appropriation has jurisdiction over all appropriation bills, but, in general, may not report a bill containing appropriations for a purpose not authorized by existing law and many not report a bill containing legislative matter. Again, such a bill would be subject to a point of order on the floor.

During the period between 1885 and 1920, the House Committee on Indian Affairs had jurisdiction over both legislative and appropriation bills relating to the Indian Department or Bureau of Indian Affairs. The Appropriation Acts reported by the Indian Affairs Committee were entitled "an act making appropriations for the current and contingent expenses of the Indian Department, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending ——." In fact, these acts generally contained both appropriation and substantive legislative provisions.

After the revesting of all appropriation jurisdiction in the Appropriations Committee in 1920, Members began to raise points of order against bills making appropriations for Indian purposes on the grounds that there was no law authorizing appropriations for such purposes. In response to this practice, the Committee on Indian Affairs reported legislation which was enacted as the act of November 21, 1921 (42 Stat. 208; 25 U.S.C. 13) to provide authority for the appropriation of funds for the Bureau of Indian Affairs.

THE SNYDER ACT

That act, commonly known as the Snyder Act, provides extremely broad authority for the appropriation of funds for Indian purposes and has no monetary or fiscal year limitation. Its brief provisions are as follows:

The Bureau of Indian Affairs, under the supervision of the Secretary of the Interior, shall direct, supervise, and expend such moneys as Congress may from time to time appropriate for the benefit, care, and assistance of the Indians throughout the United States for the following purposes:

General support and civilization, including education.

For relief of distress and conservation of health.

For industrial assistance and advancement and general administration of Indian property.

For extension, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supplies.

For the enlargement, extension, improvement, and repair of the buildings and grounds of existing plants and projects.

For the employment of inspectors, supervisors, superintendants, clerks, field ma-

trons, farmers, physicians, Indian police, Indian judges, and other employees.

For the suppression of traffic in intoxicating liquor and deleterious drugs.

For the purchase of horse-drawn and motor-propelled passenger-carrying vehicles for official use.

And for general and incidental expenses in connection with the administration of Indian affairs.

The Snyder Act, in effect, says that such sums as are deemed necessary are authorized to be appropriated for such purposes as are deemed necessary to carry out the responsibilities of the United States in the field of Indian affairs for as long as may be deemed necessary. The Snyder Act is the basic law authorizing the various programs funded by the Congress and administered by the Bureau of Indian Affairs.

Since the Snyder Act has no fiscal year or monetary limitation, there is no need for the periodic enactment of reauthorization legislation to continue the programs and functions of the Bureau of Indian Affairs as is the case with most other Federal agencies and programs. As a consequence, the Snyder Act is considered by the Indian tribes to be the centerpiece of this Nation's commitment to its legal, moral, and historical obligations to the Indian tribes. They would be strongly opposed to any effort to repeal, suspend, or substantially modify the act.

Since the Snyder Act is an extremely broad authorization statute, it has the needed flexibility to permit the administration and the Appropriations Committees to periodically fashion and fund new programs or efforts to meet the changing needs and problems in Indian affairs. Almost all of the programs and efforts of the Bureau—and of the Indian Health Service in the Department of Health and Human Services—were developed through the appropriation process under the broad umbrella of the Snyder Act. The legislative committees are able to maintain some degree of involvement in this process through their legislative and oversight jurisdiction and through the congressional budget process.

BIA APPROPRIATIONS

The very features of the Snyder Act which establish the permanency of the Bureau and the Nation's commitment to Indian tribes and which gives the Bureau and the Appropriations Committees the needed flexibility to craft and fund programs to meet changing needs also give rise to the potential for administrative abuse in the apportionment or diversion of appropriations and to a lack of accountability for appropriation apportionment and expenditure.

Appropriations for the Bureau are included in the annual Appropriation Act for the Department of the Interior and Related Agencies. Because of the broad language of the Snyder Act and, in part, because the various programs of the Bureau are primarily developed through the appropriation process and not through specific legislative authority, the BIA appropriation language is in the form of three lump-sum appropriations: Operation of Indian programs; construction; and road construction. Appropriations relating to Indian trust funds and to direct or guaranteed loans are not relevant and not considered. While there may be specific appropriation language on line-items, set-asides, or limitations relating to these lump-sum appropriations, they are not additions to the lump sums.

These three lump-sum appropriation figures are based upon the breakdowns contained in the BIA budget justification submitted to the Congress for each fiscal year. The budget justification allots the requested lump-sum amount among the various activities subactivities, and program elements within that appropriation. For instance, under the operation of Indian programs appropriation, there are the following activities: Education, Indian services, economic development/employment programs, natural resource development, trust responsibilities, facilities management, and general administration.

Each activity has two or more subactivities and each subactivity is further broken down into its constituent program elements. In each case, the justification shows the proposed allotment of the requested funds and personnel positions among the activities, subactivities, and program elements. In addition, it shows how the Bureau proposes to distribute the total allotment of each subactivity to the tribe/agency level, the area level, and the central office level.

The justification is submitted to support the Bureau's request for the lump-sum appropriations and also represents their intention to allot whatever funds are appropriated among the various activities, subactivities, and program elements. In general, the justification is used by the Appropriations Committees to accept, increase, or decrease the lump-sum requests based upon their decisions to accept, increase, or decrease proposed funding in the subdivisions within that appropriation.

After the appropriation process is completed and the Interior Appropriation Act is passed, it is expected that the Bureau would allot and expend or obligate funds appropriated to it as stated in the budget justification subject to the express language of the Appropriation Act and the directives of the Appropriations Committees as found in the reports of such committees, including any conference committee report.

However, since the statutory language of the Bureau's appropriation is on a lump-sum basis subject to any limitations within the language, there does not appear to be any independent legal prohibition, except for the reprogramming procedure, to prevent the Bureau from transferring or diverting funds allotted to any particular activity, subactivity, or program element to another activity, subactivity, or program element within the same appropriation. While to be found doing so may subject Bureau officials to the wrath of the two Appropriations Committees, there does not appear to be clear legal penalty in existing law, including chapter 15 of title 31, United States Code, for doing so. In short, there is general lack of a legal requirement that the Bureau account for how it allots its appropriations among the various programs and how it, in fact, expends or obligates funds within those programs.

The legislation I am introducing today will establish a legal requirement that the BIA clearly set forth its allotment of appropriated funds based upon the budget justification as modified by appropriation language and directives of the Appropriations Committees; that, subject to certain exceptions, it must actually allot and expend or obligate those funds as set forth; and the Bureau account for how it, in fact, did expend or obligate the funds.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROBERTS (at the request of Mr. MICHEL), for today, on account of attending a funeral.

Mr. LEWIS of Florida (at the request of Mr. MICHEL), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

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

By OBEY, for 60 minutes on today and on Monday, September 10; Wednesday, September 12; Thursday, September 13; and Tuesday, September 18.

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

Mr. SILJANDER, for 30 minutes, today.

Mr. FISH, for 60 minutes, on September 12.

Mr. FISH, for 60 minutes, on September 13.

Mr. MOLINARI, for 60 minutes, on September 13.

Mr. NIELSON of Utah, for 15 minutes, on September 12.

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

Mr. WEAVER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.
Mr. PEPPER, for 60 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. LEVINE of California, for 5 minutes, today.
Mr. UDALL, for 10 minutes, today.
Mr. HAYES, for 5 minutes, today.
Mr. GONZALEZ, for 60 minutes, today.
Mr. WEAVER, for 60 minutes, on September 10.
Mr. LEVIN of Michigan, for 5 minutes, on September 12.
Mr. LEVIN of Michigan, for 5 minutes, on September 13.
Mr. MOODY, for 60 minutes, on September 12.
Mr. MOODY, for 60 minutes, on September 13.
Mr. GLICKMAN, for 60 minutes, on September 24.

EXTENSION OF REMARKS

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

Mr. BOEHLERT, to revise and extend his remarks prior to the vote on the amendment offered by the gentleman from Tennessee [Mr. QUILLEN].

Mr. ROWLAND, to revise and extend his remarks prior to the vote on the amendment offered by the gentleman from Tennessee [Mr. QUILLEN].

Mr. BIAGGI, to revise and extend his remarks immediately following prayer.

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

Mr. YOUNG of Alaska in two instances.
Mr. BROOMFIELD in three instances.
Mr. BROYHILL in two instances.
Mr. BILIRAKIS.
Mr. GILMAN in five instances.
Mr. SAWYER in two instances.
Mr. ZSCHAU.
Mr. CLINGER.
Mr. QUILLEN.
Mr. MILLER of Ohio in three instances.
Mr. FISH.
Mr. ARCHER.
Mr. JEFFORDS in two instances.
Mr. RITTER.
Mr. DEWINE.
Mr. MOLINARI.
Mr. LENT in two instances.
Mr. CARNEY.
Mr. DANIEL B. CRANE.
Mr. HYDE.
Mr. SMITH of New Jersey.
Mr. O'BRIEN in two instances.
Mr. GEKAS.
Mr. DAVIS.

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

Mr. KASTENMEIER.
Mr. BERMAN.
Mr. HAMILTON in three instances.
Mr. SIKORSKI.
Mr. EDGAR.
Mr. BONIOR of Michigan.
Mr. STARK.
Mr. MATSUI.
Mr. WYDEN.
Mr. GARCIA in two instances.
Mr. FLORIO.
Mr. EDWARDS of California.
Mr. BARNES in two instances.
Mr. COYNE.
Mr. KILDEE.
Mr. HUBBARD.
Mr. APPLEGATE.
Mr. SCHUMER.
Mr. GAYDOS.
Mr. ACKERMAN.
Mr. STUDDS.
Mr. KOSTMAYER.
Mr. GORE.
Mr. MARKEY.
Mr. ECKART.
Mrs. BYRON.
Mr. FOWLER.
Mr. HAYES.
Mr. MORRISON of Connecticut in two instances.
Mr. BORSKI.
Mr. WEISS.
Mr. MAZZOLI.
Mr. DYSON in two instances.
Mr. HAWKINS.
Mr. DORGAN.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

[Inadvertently omitted from Record of Wednesday, September 5, 1984]

S.J. Res. 332. Joint Resolution to proclaim October 16, 1984, as "World Food Day."

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that commitee did on the following days present to the President, for his approvel, bills and joint resolutions of the House of the following titles:

[Inadvertently omitted from Record of Wednesday, September 5, 1984]

On August 10, 1984:

H.R. 5325. An act to amend part D of title VI of the Social Security Act to assure, through mandatory income withholding, incentive payments to States, and other improvements in the child support enforcement program, that all children in the United States who are in need of assistance in securing financial support from their parents will receive such assistance regardless of their circumstances, and for other purposes.

On August 20, 1984:

H.R. 1652. An act to amend the Reclamation Safety of Dams Act of 1978, and for other purposes;

H.R. 3787. An act to amend the National Trails System Act by adding the California Trail to the study list, and for other purposes;

H.R. 4214. An act to establish a State Mining and Mineral Resources Research Institute program, and for other purposes;

H.R. 4280. An act to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve the delivery of retirement benefits and provide for greater equity under private pension plans for workers and their spouses and dependents by taking into account changes in work patterns, the status of marriage as an economic partnership, and the substantial contribution to that partnership of spouses who work both in and outside the home, and for other purposes;

H.R. 4596. An act to amend section 1601(d) of Public Law 96-607 to permit the Secretary of the Interior to acquire title in fee simply to McClintock House at 16 East Williams Street, Waterloo, NY;

H.R. 4707. An act to designate certain national forest lands in the State of Arizona as wilderness and for other purposes;

H.R. 5604. An act to authorize certain construction at military installations for fiscal year 1985, and for other purposes;

H.R. 5712. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1985, and for other purposes;

H.R. 5890. An act to establish a commission to assist in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.;

H.R. 6040. An act making suplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes;

H.J. Res. 452. Joint resolution recognizing the important contributions of the arts to a complete education;

H.J. Res. 529. Joint resolution to designate the week of September 23, 1984, through September 29, 1984, as "National Drug Abuse Education and Prevention Week";

H.J. Res. 574. Joint resolution to designate the week beginning on September 9, 1984, as "National Community Leadership Week";

H.J. Res. 583. Joint resolution to designate January 27, 1985, as "National Jerome Kern Day";

H.J. Res. 587. Joint resolution designating the month of August 1984 as "Ostomy Awareness Month";

H.J. Res. 597. Joint resolution to designate the week beginning September 2, 1984, as "Youth of America Week"; and

H.J. Res. 600. Joint resolution to amend the Agriculture and Food Act of 1981 to provide for the establishment of a commission to study and make recommendations concerning agriculture-related trade and export policies, programs, and practices of the United States.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands in adjournment until noon on Monday next.

There was no objection.

Accordingly (at 9 o'clock and 20 minutes p.m.) under its previous order, the

House adjourned until Monday, September 10, 1984, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

3969. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate for the quarter April 1 through June 30, 1984, pursuant to Public Law 98-212, section 718; to the Committee on Appropriations.

3970. A letter from the Secretary of Housing and Urban Development, transmitting the quarterly report on HUD-owned multifamily project negotiated sales; to the Committee on Appropriations.

3971. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter of offer to Saudi Arabia for defense articles (Transmittal No. 84-66), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

3972. A letter from the Secretary of Housing and Urban Development, transmitting a report on the housing and revitalization activities undertaken by local governments approved for participation in the section 8 (housing) Neighborhood Strategy Area [NAS] Program, pursuant to Public Law 98-181, section 220; to the Committee on Banking, Finance and Urban Affairs,

3973. A letter from the Secretary, Interstate Commerce Commission, transmitting notification of a delay in submitting a printed final decision in Finance Docket No. 30300, CSX Corporation—Control—American Commercial Lines, Inc., pursuant to 49 U.S.C. 11345(e) (94 Stat. 1932); to the Committee on Energy and Commerce.

3974. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed lease of defense articles to Korea (Transmittal No. 17-84), pursuant to AECA, section 62(a) (95 Stat. 1525); to the Committee on Foreign Affairs.

3975. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter of offer to Saudi Arabia for defense articles and services (Transmittal No. 84-66), pursuant to AECA, section 36(b) (90 Stat. 741; 93 Stat. 708, 709, 710; 94 Stat. 3134; 95 Stat. 1520); to the Committee on Foreign Affairs.

3976. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a) (92 Stat. 993); to the Committee on Foreign Affairs.

3977. A letter from the Acting Secretary of State, transmitting an additional report on the situation in Grenada; to the Committee on Foreign Affairs.

3978. A communication from the President of the United States, transmitting a draft of proposed legislation to authorize the establishment of a Presidential fund to provide emergency food assistance abroad, and for other purposes (H. Doc. No. 98-253); to the Committee on Foreign Affairs and ordered to be printed.

3979. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting notification of a proposed revision of the statement of general routine uses for all CIA records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3980. A letter from the Inspector General, Department of Health and Human Services, transmitting notificaton of a proposed new computer matching program, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3981. A letter from the Attorney General, Department of Justice, transmitting his determination that the Department of Justice will refrain from defending the constitutionality of the appointment provisions of the Bankruptcy Amendments and Federal Judgeship Act of 1984, pursuant to Public Law 96-132, section 21; to the Committee on the Judiciary.

3982. A letter from the Chief Immigration Judge, Department of Justice, transmitting a report on grants of suspension of deportation of certain aliens, pursuant to INA, section 244(c) (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

3983. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of June 3, 1948, to provide for the involuntary separation or retirement of commissioned officers of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3984. A letter from the Acting Director, National Science Foundation, transmitting a report on Federal support to universities, colleges, and selected nonprofit institutions, fiscal year 1982, pursuant to the act of May 10, 1950, chapter 171, section 3(a)(7) (82 Stat. 360); to the Committee on Science and Technology.

3985. A communication from the President of the United States, transmitting notification of his decision not to grant import relief to the copper industry, pursuant to Public Law 93-618, section 203(b) (H. Doc. No. 98-256); to the Committee on Ways and Means and ordered to be printed.

3986. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report of the nondisclosure of safeguards information for the quarter ending June 30, 1984, pursuant to AEA, sections 147d. and 147e. (94 Stat. 788); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3987. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the allocation and obligation to El Salvador of the amount appropriated by the Urgent Supplemental Appropriations Act of 1984; jointly, to the Committees on Foreign Affairs and Appropriations.

3988. A letter from the Secretary of Transportation, transmitting a report on administration of the offshore oil pollution compensation fund, pursuant to Public Law 95-372, section 314; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

3989. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's fiscal year 1986 budget, pursuant to Public Law 93-633, section 304(b)(7); jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5479. A bill to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; with an amendment (Rept. No. 98-992). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROYBAL: Committee of Conference. Conference report on H.R. 5798 (Rept. No. 98-993). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4557. A bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 with respect to the treatment of mortgage backed securities, to increase the authority of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and for other purposes; with amendments (Rept. No. 98-994 Pt. I). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. Report on the activity of the Committee on Energy and Commerce for the 98th Congress, 1st session (Rept. No. 98-995). Referred to the Committee on the Whole House on the State of the Union.

Mr. HUGHES: Committee on the Judiciary. H.R. 6067. A bill to amend chapter 44, title 18, United States Code, to regulate the manufacture and importation of armor piercing ammunition, and for other purposes; with amendments (Rept. No. 98-996). Referred to the Committee on the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ANDERSON:

H.R. 6193. A bill to equalize the duties on imported tuna, whether or not packed in oil, to the Committee on Ways and Means.

By Mr. BADHAM:

H.R. 6194. A bill to amend the National Housing Act to protect the rights of State-chartered savings and loan associations to engage in activities and make investments authorized under State law and to provide for additional funding of the primary reserve of the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BATES (for himself and Mr. JACOBS):

H.R. 6195. A bill to amend the Communications Act of 1934 to prohibit willful or malicious interference to radio communications; to the Committee on Energy and Commerce.

By Mr. DASCHLE (for himself and Mr. BEREUTER):

H.R. 6196. A bill to coordinate and expand services for the prevention, identification, treatment, and followup care of alcohol and drug abuse among Indian youth, and for other purposes; Jointly, to the Committees on Interior and Insular Affairs, Education and Labor, and Energy and Commerce.

By Mr. HANSEN of Utah:

H.R. 6197. A bill to improve the land ownership patterns and management of State and Federal lands in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JEFFORDS:

H.R. 6198. A bill to amend the Federal Power Act to delegate to the States the authority to license small hydroelectric power projects; to the Committee on Energy and Commerce.

By Mr. JENKINS (for himself and Mr. HEFTEL of Hawaii):

H.R. 6199. A bill to amend section 501(c)(14) of the Internal Revenue Code of 1954 to exempt from income taxation certain nonprofit corporations and associations organized to provide reserve funds for domestic savings and loan associations, and for other purposes; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 6200. A bill to require that the President transmit to the Congress, and that the congressional budget committees report, a balanced budget for each fiscal year; jointly, to the Committees on Government Operations and Rules.

By Mr. SAWYER (for himself, Mr. FISH, Mr. MOORHEAD, Mr. HYDE, and Mr. DEWINE):

H.R. 6201. A bill to strengthen and improve the operations of the U.S. Bureau of Prisons; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. MCCAIN, and Mr. MCNULTY):

H.R. 6202. A bill entitled: "Bureau of Indian Affairs Fiscal Accountability Act of 1984"; to the Committee on Interior and Insular Affairs.

By Mr. WEISS (for himself and Mr. WOLPE):

H.R. 6203. A bill making supplemental appropriations for the fiscal year ending September 30, 1985, for famine relief and recovery in developing countries; to the Committee on Appropriations.

By Mr. DORGAN:

H.J. Res. 643. Joint resolution proposing an amendment to the Constitution to require a balanced Federal budget; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.J. Res. 644. Joint resolution designating the week beginning April 14, 1985, as "National Alopecia Areata Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. LANTOS (for himself and Mr. GILMAN):

H. Con. Res. 352. Concurrent resolution expressing the sense of the Congress that the U.S. Embassy in Israel should be located in the city of Jerusalem; to the Committee on Foreign Affairs.

By Mr. LONG of Louisiana:

H. Res. 576. Resolution designating the chairmen of two standing committees of the House; considered and agreed to.

MEMORIALS

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

465. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the Older Americans Act; to the Committee on Education and Labor.

466. Also, memorial of the Legislature of the State of California, relative to cigarette smoking; to the Committee on Energy and Commerce.

467. Also, memorial of the Legislature of the State of California, relative to the Coast Guard's Vessel Traffic Service on San Francisco Bay; to the Committee on Merchant Marine and Fisheries.

468. Also, memorial of the Legislature of the State of California, relative to the Coast Zone Management Act of 1972; to the Committee on Merchant Marine and Fisheries.

469. Also, memorial of the Legislature of the State of California, relative to the National Science Foundation; to the Committee on Science and Technology.

470. Also, memorial of the Senate of the State of Illinois, relative to health care benefits for those exposed to agent orange; to the Committee on Veterans' Affairs.

471. Also, memorial of the Legislature of the State of California, relative to the employment of handicapped students; jointly, to the Committees on the Judiciary and Armed Services.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. JEFFORDS:

H.R. 6204. A bill entitled: "The Tehran American School Claim Act of 1984"; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 6205. A bill for the relief of the vessel *Ululani*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

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

H.R. 1315: Mr. FOGLIETTA, Mr. FUQUA, Mr. QUILLEN, and Mr. WOLF.

H.R. 1351: Mr. SCHUMER.

H.R. 2568: Mr. ECKART, Mr. CAMPBELL, Mr. DWYER, Mr. STUDDS, Mr. BIAGGI, and Mr. VANDER JAGT.

H.R. 2700: Mr. ROYBAL.

H.R. 3027: Mr. ROYBAL.

H.R. 3043: Mr. BENNETT.

H.R. 4402: Mr. OXLEY, Ms. KAPTUR, Mr. ANDREWS of North Carolina, Mr. PEPPER, Mr. LEWIS of Florida, Mr. BENNETT, Mr. HUTTO, and Mr. MCCOLLUM.

H.R. 4494: Ms. KAPTUR.

H.R. 4559: Mr. ACKERMAN.

H.R. 4642: Mr. BORSKI.

H.R. 4865: Mr. SLATTERY and Mr. KOGOVSEK.

H.R. 4876: Mr. FRENZEL.

H.R. 4901: Mr. BONIOR of Michigan.

H.R. 4966: Mr. SKEEN.

H.R. 5017: Mr. KOLTER, Mr. UDALL, Mr. KASTENMEIER, Mr. COLEMAN of Texas, Mr. SCHEUER, Mr. WILSON, Mr. MRAZEK, and Mr. BATES.

H.R. 5024: Mr. KOGOVSEK and Mr. EDWARDS of Oklahoma.

H.R. 5159: Mr. SENSENBRENNER and Mr. EMERSON.

H.R. 5232: Mr. GILMAN and Mr. KOSTMAYER.

H.R. 5377: Mr. UDALL, Mr. LELAND, Mr. SHAW, Mr. CARPER, Mrs. JOHNSON, Mr. EDGAR, and Mr. MAVROULES.

H.R. 5400: Mr. MADIGAN and Mr. PORTER.

H.R. 5501: Mr. DENNY SMITH and Mr. DANNEMEYER.

H.R. 5569: Mr. CONYERS.

H.R. 5581: Mr. VOLKMER, Mr. EVANS of Illinois, and Mr. ACKERMAN.

H.R. 5582: Mr. EVANS of Illinois, Mr. VOLKMER, Mr. MORRISON of Connecticut, Mr. MCNULTY, and Mr. ACKERMAN.

H.R. 5627: Mr. BIAGGI, Mr. BOEHLERT, Mr. CARNEY, Mr. CRAIG, Mr. GUNDERSON, Mr. HARTNETT, Mr. LUJAN, Mr. MARTIN of New York, Mr. ROGERS, Mr. SUNDQUIST, and Mr. WORTLEY.

H.R. 5704: Mr. RUSSO.

H.R. 5745: Mr. MCKINNEY, Mr. GEJDENSON, and Mr. TORRICELLI.

H.R. 5791: Mr. JONES of Tennessee, Mr. EVANS of Illinois, Mr. BIAGGI, Mr. DWYER of New Jersey, Mr. HAYES, Ms. KAPTUR, and Mr. HORTON.

H.R. 5849: Mr. LELAND, Mr. CONYERS, Mr. FRANK, Mr. HERTEL of Michigan, Mr. LEHMAN of Florida, Mr. ROE, Mr. WHITTAKER, Mr. WEISS, Mr. TORRICELLI, Mr. RAHALL, Mrs. BOXER, Mr. VENTO, Mr. RICHARDSON, Mr. MARTINEZ, Mr. DWYER of New Jersey, Mr. TOWNS, Mrs. KENNELLY, and Mr. YOUNG of Missouri.

H.R. 5874: Mr. VENTO, Mr. KOLTER, Mr. WON PAT, Mr. KAZEN, and Mr. HAWKINS.

H.R. 5930: Mr. FISH, Mr. HEFTEL of Hawaii, Ms. KAPTUR, and Mr. HUGHES.

H.R. 5940: Mr. RITTER and Mr. EVANS of Iowa.

H.R. 5944: Mr. BENNETT, Mr. SEIBERLING, Mr. THOMAS of Georgia, Mr. WEISS, Mr. MATSUI, Mr. CORCORAN, Mr. ST GERMAIN, Mr. MACKAY, Mr. MORRISON of Connecticut, Mr. BROWN of California, Mr. GILMAN, Mr. WAXMAN, Mr. COURTER, Mr. LANTOS, and Mr. ACKERMAN.

H.R. 6021: Mr. DERRICK, Mrs. BYRON, Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAUB, Mr. EVANS of Illinois, Mr. ANDERSON, Mr. STENHOLM, and Mr. LEWIS of Florida.

H.R. 6045: Mr. MARTINEZ and Mrs. MARTIN of Illinois.

H.R. 6053: Mr. HARRISON, Mr. STANGELAND, Mr. EVANS of Illinois, Mrs. HOLT, Mr. DWYER of New Jersey, Mr. WILLIAMS of Montana, Mr. MCGRATH, Mr. LUKEN, Mr. EMERSON, Mr. WILSON, Mr. SHUMWAY, and Mr. RUSSO.

H.R. 6066: Mr. WEAVER, Mr. KOLTER, Mr. WILSON, Mr. WILLIAMS of Montana, Mr. DWYER of New Jersey, Mr. TORRICELLI, Mr. ENGLISH, Mr. ROWLAND, Mr. HUCKABY, Mr. ACKERMAN, and Mr. MINISH.

H.R. 6067: Mr. DE LUGO, Mr. ADDABBO, and Mr. SIMON.

H.R. 6080: Mr. SISISKY, Mr. EVANS of Illinois, Mr. MARTINEZ, and Mr. MOAKLEY.

H.R. 6096: Mr. PEASE and Mr. CONTE.

H.R. 6101: Mr. HUBBARD.

H.R. 6137: Mr. MARTINEZ.

H.R. 6158: Mr. HUTTO, Mr. MCCURDY, and Mr. MATSUI.

H.R. 6162: Mr. TOWNS, Mr. WEBER, Mr. WON PAT, Mr. SIMON, Mr. DYMALLY, Mr. CONYERS, Mr. FAUNTROY, Mr. MRAZEK, Mrs. COLLINS of Illinois, Ms. KAPTUR, Mr. PRITCHARD, Mr. LEVIN of Michigan, Mr. CROCKETT, and Mr. LAGOMARSINO.

H.R. 6175: Mr. VENTO, Mr. WEISS, Mr. TOWNS, Mr. MATSUI, and Mrs. BURTON of California.

H.J. Res. 392: Mr. BARNARD, Mr. BONIOR of Michigan, Mr. MARKEY, Mr. ROEMER, Mr. HEFNER, Mr. PRICE, Mr. KASTENMEIER, Mr. SUNIA, Mr. MAZZOLI, Mr. KLECZKA, Mr. CONTE, Mr. CONABLE, Mr. WON PAT, Mr. MOORHEAD, Mrs. JOHNSON, Mr. SMITH of Iowa, Mr. LUNDINE, Mr. KINDNESS, Mr. TORRES, Mr. EVANS of Iowa, Mr. YOUNG of Alaska, and Mr. SCHULZE.

H.J. Res. 400: Mr. CRAIG, Mr. BADHAM, and Mr. TORRICELLI.

H.J. Res. 482: Mr. KILDEE.

H.J. Res. 508: Mr. CONABLE, Mr. FOWLER, Mr. LEVIN of Michigan, Mr. LIVINGSTON, Mr.

MCKAY, Mr. MOLINARI, Mr. RAHALL, Mr. SOLARZ, and Mr. WOLF.

H.J. Res. 512: Mr. PARRIS, Mr. WIRTH, Mr. PURSELL, Mr. MCKINNEY, Mr. LUNDINE, Mr. SOLOMON, Mr. HILLIS, Mr. WEAVER, Mr. ROBINSON, Mr. STENHOLM, Mr. LEHMAN of Florida, and Mr. ROBERT F. SMITH.

H.J. Res. 589: Mr. PICKLE, Mr. LATTA, Mr. SAVAGE, Mr. WILLIAMS of Ohio, Mr. STOKES, Mr. TOWNS, Mr. BILIRAKIS, Mr. THOMAS of Georgia, Mr. STENHOLM, Mr. TORRICELLI, Mrs. BOXER, Mr. WOLF, Mr. HATCHER, Mr. MILLER of Ohio, Mr. BROWN of Colorado, Mrs. SCHNEIDER, Mr. WILSON, Mr. YATRON, Mr. STARK, Mr. WYDEN, Mr. HUTTO, and Mr. JONES of Tennessee.

H.J. Res. 591: Mr. WINN, Mr. EVANS of Iowa, Mr. ROBERTS, Mr. SABO, Mr. SIKORSKI, Mr. DANIEL, Mr. FEIGHAN, Mr. CARPER, Mr. SISISKY, Mr. BATEMAN, Mr. FROST, Mr. MACKAY, Mr. BROYHILL, Mr. TOWNS, Mr. HUTTO, Mr. DYMALLY, Mr. BOUCHER, Mr. TORRICELLI, Mr. TAUKE, Mr. SKELTON, Mr. SAM B. HALL, Jr., Mr. MATSUI, Mr. KASTENMEIER, Mr. VANDER JAGT, Mr. FLIPPO, Mrs. ROUKEMA, Mr. CORRADA, Mr. LUJAN, Mr. SUNDQUIST, Mr. SILJANDER, Mr. ROEMER, Mr. ANNUNZIO, and Mr. MURPHY.

H.J. Res. 609: Mr. WORTLEY, Mr. WOLF, Mr. HANSEN of Utah, Mr. EARLY, Mr. GUARINI, Mrs. KENNELLY, Mr. SISISKY Mr. TORRES, Mr. MCCAIN, Mr. GREGG, Mr. SWIFT, Mr. MARRIOTT, Mr. MINISH, Ms. OAKAR, Mr. BOEHLERT, Mrs. COLLINS, Mrs. BURTON of California, Mr. EMERSON, Mr. MILLER of Ohio, and Mr. LEWIS of California.

H.J. Res. 611: Mr. FISH, Mr. PORTER, Mr. SIMON, Mr. SOLARZ, Mr. GRAY, Mr. REID, Mr. DAUB, Mr. WIRTH, Mr. WEISS, Mr. GUARINI, Mr. WYDEN, Mr. BARNARD, Mr. PRICE, Mr. WILLIAMS of Ohio, Mr. DIXON, Mr. OWENS, Mr. PATTERSON, Mr. ADDABBO, Mr. HARRISON, Mr. TOWNS, Mr. KOLTER, Mr. MCEWEN, Mr. LENT, Mr. DYMALLY, Mr. MARTINEZ, Mr. KOSTMAYER, Mr. THOMAS of Georgia, Mr. RODINO, Mr. YATRON, Mr. STANGELAND, Mr. SMITH of New Jersey, Mr. HANSEN of Utah, Mr. ROE, Ms. MIKULSKI, Mr. FAZIO, Mr. FORD of Tennessee, Mr. QUILLEN, Mr. WON PAT, Mr. WOLF, Mr. FRANK, Mr. BRYANT, Mr. BROYHILL, Mr. HOYER, Mr. LONG of Louisiana , Mr. DANIEL, Mr. GREEN, Mr. NELSON of Florida, Mr. DEWINE, Mr. WOLPE, Mr. LEWIS of Florida, Mr. SIKORSKI, Mr. LEACH of Iowa, Mr. STARK, Mr. NEAL, Mr. ROWLAND, Mr. MCNULTY, Mr. SKELTON, Mr. LUNDINE, Mr. BROOKS, Mr. YATES, Mr. BADHAM, Mr. COELHO, Mr. OXLEY, Mr. GARCIA, Mr. SPRATT, and Mr. MATSUI.

H.J. Res. 613: Mr. KASICH, Mr. FEIGHAN, Mr. DEWINE, Mr. BRYANT, Mrs. JOHNSON, Mr. MATSUI, Mr. BIAGGI, and Mr. DE LUGO.

H.J. Res. 616: Mr. SCHEUER.

H.J. Res. 619: Mr. BRYANT.

H.J. Res. 630: Mr. BROYHILL, Mr. FISH, Mr. ANDREWS of Texas, Mr. BRYANT, Mr. APPLEGATE, Mr. ADDABBO, Mr. MOLLOHAN, Mr. DYMALLY, Mr. SIMON, Mrs. COLLINS, Ms. KAPTUR, Mr. KOSTMAYER, Mr. MCCLOSKEY, Mr. BARNES, Mr. BEDELL, Mr. BONER of Tennessee, and Mr. BOEHLERT.

H.J. Res. 632: Mr. CRAIG, Mr. JACOBS, Mr. MCCAIN, Mr. MCGRATH, Mr. TRAXLER, and Mr. VENTO.

H. Con. Res. 260: Mr. SCHUMER, Mr. KEMP, and Mr. CARNEY.

H. Con. Res. 322: Mr. BURTON of Indiana, Mr. EMERSON, Mr. YATRON, Mr. ENGLISH, Mrs. HOLT, Mrs. SCHROEDER, Mr. SCHUMER, Mr. PEPPER, Mr. MCGRATH, Mr. BIAGGI, Mr. DASCHLE, and Mr. KLECZKA.

H. Con. Res. 341: Mr. DWYER of New Jersey, Mr. SIMON, Mr. BERMAN, Mr. ACKERMAN, Mr. COATS, and Mr. HORTON.

H. Con. Res. 344: Mr. COYNE and Mr. WHEAT.

H. Con. Res. 345: Mr. SIMON, Mr. OWENS, Mr. MCHUGH, Mr. STOKES, Mr. FISH, Mrs. BOXER, Mr. HOYER, Mr. RANGEL, and Mr. MINETA.

H. Con. Res. 347: Mr. BONIOR of Michigan, Ms. KAPTUR, Mr. FRANK, Ms. SNOWE, Mr. MILLER of California, Mr. SCHUMER, Mr. SIMON, Mr. BERMAN, Mr. APPLEGATE, Mr. BARNES, Mr. DWYER of New Jersey, Mr. FISH, Mr. FROST, Mr. RANGEL, and Mr. OWENS.

H. Res. 430: Mr. ANDREWS of Texas, Mr. BIAGGI, Mr. CARR, Mr. DONNELLY, Mr. HARKIN, Mr. HARRISON, Mr. KASTENMEIER, Mr. MACKAY, Mr. MOAKLEY, Mr. PEASE, Mr. PRICE, Mr. TALLON, and Mr. ZSCHAU.

H. Res. 518: Mr. FIELDS.

PETITIONS, ETC.

Under clause 1 of rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

409. By the SPEAKER: Petition of First Federal Savings, Ottawa, IL, relative to budget deficits; to the Committee on Banking, Finance and Urban Affairs.

410. Also, petition on the Board of Directors, National District Attorneys Association, San Diego, CA, relative to the Comprehensive Control Act of 1983; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

VETERAN ARTISTS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BONIOR of Michigan. Mr. Speaker, war strains the human spirit, but out of that strain has often come greater understanding. The art born of America's wars has made a lasting contribution. It is one of the ways in which the horror of war is slowly and partially tamed.

Stars and Stripes, the national veterans newspaper, helped sponsor the show "Vietnam: Reflexes and Reflections," a moving exhibit of art by Vietnam veterans. In a distinguished series of special articles, the paper has profiled a number of veteran artists.

I call my colleagues' attention to three of those profiles.

VETERAN ARTIST: RICHARD OLSEN

(By Dan McCurry)

Former Army Captain and Vietnam veteran, Richard Olsen, hung his first one-man show in the gallery of the University of Wisconsin in May, 1964. "Ole" was the first of a growing group of veterans from that conflict to share their wartime experiences through art.

This Wisconsin show, "Viet-Nam Re-visited," brought home to the American hinterland those scenes of war which were little known.

It provided none of those convenient pauses for television commercials, and denial, enjoyed by most American war-watchers in 1964.

Oils and pastels were entitled with "Hill 881," "POW," "KIA," "The Prisoners," and other familiar vocabularies of previous wars.

"Stand Solidly Now," and "Welcome to the War" showed those scenes of human misery familiar to all soldiers.

"Commemorative to Tim Lan" reminded the gallery visitor that Americans were dying in Vietnam.

And "Untitled Dream" showed the horrors of warfare, of the delayed stress syndrome which were those dream memories from which scores of combat veterans were to paint, to write and to struggle with psychologically, even today.

"The crystalizing effect of an experience in combat has an overwhelming result on a person who has creative ambition," Olsen says. "It could be in literary circles like Hemmingway. It could be in photography like Robert Capra, who went through five wars."

Olsen and his twin brother, Don, went to Vietnam as helicopter pilots in 1962. Don opted for a career in the Army. Richard left the military with a Purple Heart and five Air medals to pursue a career in the arts.

"Many artists came out of WWII and Korea, went to school on the GI Bill and merged into the abstract expressionist school of painting," Dick observed. "But few of their pieces reflected that wartime experience. I wanted my work to tell the Vietnam story."

"My father was an architect," he continued, "and at night, he would let us stay up half an hour extra if we would draw . . . and be quiet. That was the time I developed my imagination with a pencil. Later I would paint to relax before a football game. But it was of the idealized scene of streams, clouds and sky. I would transport myself to a controlled world.

But in Vietnam, that peace and control was no longer in nature. The landscape, even in those early years of war, was full of fear."

Olsen decided to become a professional painter after reading the work of Giotto, an Italian who added perspective to art. "That man changed the face of the world from a Gothic world into a Renaissance world. One man brought human considerations into everything."

The pioneer efforts of Dick Olsen certainly brought a human dimension into the public's view of Vietnam. Presently he serves as professor in the Art Department of the University of Georgia where he continues to help other veterans pursue art careers.

Professor Olsen's Vietnam-related work will be on exhibit in the Cannon Rotunda of the House of Representatives, September 12-24, as part of the collection of the Vietnam Veterans Art Group.

VETERAN ARTIST: LOU POSNER

(By Dan McCurry)

On his canvases and in his conversations, Connecticut artist Lou Posner moves very deliberately. The carefully edited images created by this former Navy journalist almost hum with an intense energy.

"I think that the strongest creative messages are often the simplest," he contends. "There is a power in paring your work down to the essentials."

In the work reflecting his Vietnam experience, Posner paints almost exclusively in the hard glows of sienna and amber. These shades highlight the sparseness of the pieces which are constructed with the same intricacy as those public housing heating systems on which he worked with his father.

Living above the family's appliance store in Trenton, NJ, attending a public school through the week and Reformed Temple on the Sabbath, Posner's life differed little from those of other eastern European Jewish immigrant families.

Posner wanted to be a doctor. Vietnam changed that dream when, in 1966, he opted for the Navy's longer enlistment over an Army draft notice.

"Bad health prevented my father from fighting in WWII," Posner explained, "but to our family, military service was an obligation."

After training in journalism and radio/tv at Ft. Ben Harrison, and three state-wide assignments, Posner was ordered to Danang, South Vietnam in 1969.

"There were writers working around the clock there," he recalls. "Most of our work was put into the circular file, and not because of its quality.

"Public Affairs people didn't want to publish anything they didn't have to print because there was the chance that it would be disapproved by higher command echelons. If it wasn't published, then there was no chance for criticism.

"For example, I was sent to interview sailors on Christmas Eve. Of course, all they wanted for Christmas was to go home. My superiors decided not to release any of those interviews."

In his last posting to Saigon, Posner's major work was writing solicitations for donations for a Navy program to buy chickens and pigs to increase the protein in the diet of South Vietnamese Navy families.

"I am still angry at the incredible inefficiency and wasted energy I experienced in the Navy," Posner explains.

Only charcoal portraits of friends remain from his artistic experiments in Vietnam. Painting was just a hobby; Posner wanted to be a writer.

"I was naive enough to believe that I could support myself as a writer. I have 200 poems, a couple of plays, three and one-half books and four years of rejection slips. In 1974, I was one-third finished with a book about Vietnam when I couldn't continue.

"I don't know exactly why I stopped writing, but the remembering was too painful to continue.

"On the other hand, my paintings were selling. With a tangible product to sell, I thought things might be easier. The art seemed more of a challenge."

Posner had received no formal artistic training. Like other veterans, he did not settle down when he returned from Vietnam, but traveled around the U.S. and Canada for several years.

"In 1971, the Appleton, WI Library loaned me over fifty books on oil painting. In 1976, I took some Masters course at Wesleyan University in Connecticut.

Even after he was painting full time, Posner had still not come to know himself as a professional artist. "At some point, I looked around and saw that I had enough work with which I was pleased," he recalled. "Then I accepted myself as an artist.

"One of the biggest thrills of my life was when a customer redecorated her bedroom around the color scheme of one of my paintings. In that room I had the feeling that I was standing inside my own painting."

Posner never hesitates to borrow from any technique or tradition. Early cubist images were of seated musicians. In the "Squatting Vietnamese," Posner utilizes the cubist technique to depict a familiar Asian rural scene.

His "Self Portrait" collage shows Posner after boot camp, and again after his discharge. The physical and psychological changes of those four years reflect upon one another in an unmistakable anger.

"I try to find a style that is suited or adequate for the message I want to present," he says. "These different styles often disorient my friends who wish that I would continue in one style.

"But, I don't like to say the same things twice. It smacks of sloganism and demogoguery. It is also boring."

Posner's canvases are never boring. Two color experiments in amber and sienna dramatically accent his minimalist techniques, demonstrating a power which is heightened by their simplicity.

Posner's work is not composed, however, to bring comfort to the observer. "An artist

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

must have the individual freedom and honesty to produce works that are tailored to the desires of others. That responsibility should be taken very seriously," Posner believes.

The sense of obligation which took Posner into the Navy also present in both his Vietnam art works and in his view of that experience.

"When large groups of people are asked to act on orders from authority," he says, "that authority must deeply feel their responsibility to determine just what those orders should be. Such accountability was often missing in Vietnam."

In his move from writing to painting, Posner has found artistic success. But he won't be soon looking for another job. "My wife, Mary, simply refuses to allow me to drop art and pursue another career," he says with a grin.

Mary is a practicing psychologist in New Haven where both she and Lou are involved with the local veterans' community. Lou has returned to writing again, this time in the production of a Vet Center newsletter.

Posner's work will be shown in the Cannon Rotunda of the U.S. House of Representatives, September 12-24.

VETERAN ARTIST: DON GLISSON

(By Dan McCurry)

There are many veterans with enormous hearts and a talent to match. Within a small network of art critics, their reputation will travel far. But their names will not often appear in print.

Don Glisson of Petersburg, VA, is such a man. Like the walnut trees in which he carves, Don has also taken 13 years to "season out" the Vietnam combat experiences which chopped so much from his life.

The well seasoned tone of his portfolio shows the diversity of his talents. With Don's early focus on nautical art, sea lovers have purchased and carried his carvings along many international waterways. Glisson's oil portraits now hang in the homes of the Duponts, Singers and other leading families of Tidewater, VA.

His airbrushed landscapes and pinstriping have turned countless friends' vans and motorcycles into mobile billboards of Don's work.

Commercial success has been hard won. "I was really a hellion as a kid," Don confided, "But I always seemed to have a bent to draw."

As a child, many nights were spent at the kitchen table under the tutelage of his Mother, Maude, who guided Don thru simple graphics exercises to develop his eye and hand.

Before joining the Department of the Army as Chief Management Analyst, Maude had also worked as an artist, touching up commercial photos for Woodward and Lothrop's Department Stores in Washington, DC.

Crossland High School art teacher John Hawkinson gave Don his only formal art training.

Don affectionately recalls this teacher. "He's still probably out there sharing his multitude of skills in the class he called 'Studio 7.' Not only did Hawkinson give me basic art forms, he also taught me how to make a living in art."

Because Don fell one grade behind during his senior year he was already draft age.

"All through that last year, the Selective Service was on me. Pressure got so heavy that I ran away to the beach. But the draft board came and got me and in four months I was in Vietnam.

"One year later I was coming home through the Seattle, Washington Airport. Here I had been in heavy combat for my country but was still not old enough to buy liquor at home. Everybody's got that story, but is still tells the tale."

In Vietnam, Don served first in amphibian logistics, then as a helicopter door gunner with the First Cavalry.

There was little time for art work in the First Cavalry. But when words were inadequate for telling of life in combat, many soldiers often sketched a story on envelopes going home. Don still has many of these sketches.

"After the war, I did some reflective pieces about 'Nam. They are closet pieces, I keep them hidden away. My veiws of that war are not pretty.

For over seven years Don's Vietnam experiences plugged up his artistic energies. Then Gene Myers, owner of a Woodbridge, Virginia marina convinced him to paint signs and plaques for boats. This lead to an ongoing commission with the Virginia Bass Fisherman's Association to carve game fish models.

Though he had landed a steady job as window display designer for Montgomery Wards, Don soon went into business for himself, living and working in the coal cellar of an 1870's building in Fredricksburg, VA.

"Only thing that cellar had going for it was the low rent," he said. "But soon I got a handle on how to make a living as an artist.

"Then I married a fine woman, Bonnie, and had two wonderful kids, DJ and Lydia Nicole. With them, my life seems a pleasure."

Three years ago, Don's art career was almost ended when his right hand was torn off in a cement mixer. Fortunatley, Bonnie, an orthopedic nurse, had rapid access to specialist who saved the hand and arm.

During this recuperation, Don painted some of his most acclaimed portraits.

Though his refuses to discuss his Vietnam years, Don's paintings continue to show this unfinished business.

"Tether Me Not" which he calls "just a passing thought" is a powerful depiction of a coiled rope savagely frayed at one end.

"Butterfly" combines the "found art" of a butterly killed on his car windshield with a lichen covered twig discovered in the middle of a bulldozed mudflat. Here life continues to grow out of death.

"I must make my living by word-of-mouth trade," he says. "It takes a lot of sensitivity to do art and a lot of brashness to be in sales. The two don't go well together. Fortunately my clients seem to understand.

"I'm just a backwoods person, like a rock on water sort of skipping along, It works well for me."●

THE BANACH BOYS: TRUE AMERICAN HEROES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GILMAN. Mr. Speaker, our colleagues who read the New York Times on Labor Day know that Port Jervis, NY, experienced last Saturday what some called the greatest day that Port Jervis has ever seen.

Port Jervis, NY, enjoys a total population of about 8,500 people, but last Saturday, over 10,000 crowded into the picturesque little city on the Delaware River.

For last Saturday, Olympic gold medalists, the Banach boys—Lou and Ed—returned home to Port Jervis.

Ed and Lou Banach are believed to be the first twins to garner gold medals at an Olympiad. On August 9, Ed Banach won the gold medal for wrestling in the 198-pound weight class. Two days later—August 11—his twin brother, Lou, copped another gold medal in the 220-pound wrestling class.

The eyes and ears of millions of viewers were on Los Angeles as the Banach boys captured the hearts and the imagination of the whole world. Undoubtedly, most viewers are now well familiar with their heart-wrenching life story.

The Banach boys were born in Newton, NJ, and were 2 of 14 children. When they were 3, a fire destroyed their home. Their mother consequently suffered a nervous breakdown and their father left them. Eleven of the Banach children were separated and sent to various foster homes. Lou and Ed, and their older brother Steve, were kept together by their beautiful, caring adoptive parents: Alan and Stephanie Tooley of Montague, NJ.

In 1972, the Tooleys, with their adopted children, moved to Port Jervis, NY—just over the State line—and it was there that the Banach boys first became interested in wrestling.

With the three Banach brothers on the team, the Port Jervis Red Raiders soon became the New York State champions. The people of Port Jervis became ardent wrestling fans, following the careers of the three Banach boys as they went undefeated in 90 consecutive bouts.

The oldest Banach brother, Steve, eventually went into the Army and gave up his wrestling career. But the Banach twins, Lou and Ed, were recruited by the University of Iowa where they went on to make that fine school's wrestling team a living legend.

The pinnacle of the Banach boys' careers came last month in Los Angeles. It is doubtful that anyone in the Olympic's worldwide audience was not duly impressed in hearing how these young men overcame their tragic childhood, triumphing over adversity and emerging No. 1 in their chosen sport and there was a marked feeling of admiration and respect for that unselfish couple, the Tooleys, who adopted the Banach boys and led them on a sterling path.

Now that they have each won their richly-deserved gold medals, Ed and Lou Banach have retired from competitive wrestling. Ed, who married a classmate at the University of Iowa, is

returning there as assistant wrestling coach. Lou is a second lieutenant at West Point and has already published his first book of poetry.

Mr. Speaker, I know my colleagues join with my constituency in the Port Jervis area in saluting the Banach boys, as true American heroes.●

CORRECTIONAL IMPROVEMENTS ACT OF 1984

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. SAWYER. Mr. Speaker, today I am pleased to introduce the Correctional Improvements Act of 1984. This proposal is designed to improve the functioning of the Federal prison system by correcting and updating controlling legislation. It is my understanding that many persons in the Bureau of Prisons and the Department of Justice worked long and hard to fashion this noncontroversial bill to better the efficiency and the effectiveness of our correctional institutions.

It is clear to me that to function properly our criminal justice system must work well from start to finish. People are always anxious to have adequate numbers of police to protect their communities. Many of these same people, however, are loath to invest tax dollars in prison construction. Surely the effectiveness of the law enforcement officer is diminished by the early release of criminals from over-crowded prisons. The Attorney General's Task Force on Violent Crime recommended that $200 million be applied to prison construction for each of 4 years. While this proposal, which is contained in H.R. 2447, has not been enacted, it highlights the serious need for more congressional interest in the proper functioning of our prison system. I sincerely hope that Congress will increase its assistance to the Federal Bureau of Prisons.

One important form of assistance that Congress can provide is the passage of the bill I am introducing today. The Correctional Improvements Act of 1984 would update many laws pertaining to the administration of correctional facilities.

The Bureau of Prisons has done an excellent job in maximizing the efficiency in correctional facilities' administration. The forward views of the Bureau have helped to modernize the Federal approach to prison administration. We have a long way to go.

Mr. Speaker, the Correctional Improvements Act of 1984 merely takes outmoded laws that are no longer helpful and updates them in light of new techniques in the administration of the Federal prison system. Many of the changes in this bill appear minor, but together, these changes will greatly assist the Bureau of Prisons, improve the quality of life of the prisoner, and create a more efficient use of tax dollars.

I urge my colleagues to join me in cosponsoring this important law enforcement legislation.

SECTION-BY-SECTION ANALYSIS OF THE CORRECTIONAL IMPROVEMENTS ACT OF 1984

SECTION 1—SHORT TITLE

SECTION 2—ESCAPE FROM CIVIL CONTEMPT

The purpose of this amendment is to broaden the definition of escape to include persons is custody as a result of findings of contempt under Section 28 U.S.C. 1826 in addition to those already covered under 18 U.S.C. 401. A similar provision was passed by the State in S. 1762 Title X, part L (Section 1013) on February 2, 1984.

SECTION 3—PROVIDING OR POSSESSING CONTRABAND IN PRISON; SUMMARY SEIZURE OF SAME

Section 3(a) amends 18 U.S.C. 1791 to establish the offense of possession of contraband in prison and does away with the previous requirement that it be introduced so that an inmate's attempt to make, procure, or possess contraband will constitute the offense. It also incorporates from 18 U.S.C. 1791 the possession or conveyancing of weapons in prison. The absolute sentence of 10 years imprisonment is eliminated and a graduated scale established based on severity.

Section 3(b) amends 18 U.S.C. 1792 to deal only with the instigation of a mutiny or riot at a Federal penal or correctional facility and provides for a sentence of up to 10 years or a $25,000 fine or both. The provisions about conveying weapons is eliminated because it is now covered in subsection (a)'s amendment to 18 U.S.C. 1791.

Section 3(c) amends the sectional analysis to include the new code sections.

Section 3(d) creates a new code section to be found at 18 U.S.C. 4012 which clearly authorizes the forfeiture and seizure of contraband items found in the possession of prisoners.

SECTION 4—TRESPASS ON BUREAU OF PRISONS RESERVATION AND LAND

Currently there is no provision to prosecute those who trespass on Bureau of Prisons property unless they do some damage pursuant to 18 U.S.C. 1361. This provision would allow for arrest, prosecution and punishment of those who willfully and knowingly trespass and threaten the orderly operation of Bureau of Prisons facilities.

SECTION 5—ARREST AUTHORITY

This proposed version of 18 U.S.C. § 3050 will give Federal Bureau of Prisons' employees the authority to arrest off of Bureau of Prisons property only in cases where an officer is assaulted, and when there is an escape or someone assists in an escape. This would authorize any officer transporting an inmate to arrest the parties involved in any assault or escape occurring in his presence. The balance of the arrest authority is confined to Federal Bureau of Prisons property for actions such as damage to property, trespass, contraband and disruptive type violations. All such violations require arrest authority and have been the subject of confusion in the past due to jurisdictional questions arising on the federal reservation properties between local law enforcement and the Federal Bureau of Investigation. This granting of a limited arrest authority when necessary to protect security or government property or to insure the orderly operation of Bureau facilities will avoid any future problems occasioned by the unavailability of a local FBI agent.

SECTION 6—CONTRACTING WITH PRIVATE ORGANIZATIONS

The Bureau of Prisons has broad authority under 18 U.S.C. 4042 to designate any suitable facility for service of sentence, including private facilities (e.g., privately run community treatment centers) for concurrent service of sentence. This amendment expands contracting authority to the same extent. While we believe current law authorizes this, it is desirable to resolve any doubt by clarifying legislation. Private contracting is an important option for an expanding prison population and special needs of some offenders.

SECTION 7—DISCHARGE PAYMENTS

The present gratuity carries a maximum of $100. While a gratuity even approaching $500 will be rare, it is desirable for staff to have this discretion to make higher awards for deserving inmates with special needs. The dollar amount was last amended in 1962. Five-hundred dollars was the amount in the Department's Revised Criminal Code, in the version which passed the Senate.

SECTION 8—AUTHORITY TO EXCHANGE INMATES WITH STATES

The current law requires reimbursement of the United States in full for all costs and expenses of boarded State prisoners, and precludes such flexible arrangements as prisoner exchanges, which this proposal would allow.

SECTION 9—DONATIONS ON BEHALF OF THE BUREAU OF PRISONS

From time to time, federal institutions receive offers of property donations from nongovernment sources. In the past the Bureau of Prisons has had requests from institutions to authorize them to accept offers of such items as pianos, clothing, library books, automobiles for inmate vocational training, and other similar items.

Currently, there is no authority to accept donated property. There is a Comptroller General's decision (36 C.G. 268, October 2, 1956) which included the following statement: "It is well established that in the absence of specific legislation, there is no authority for an official of the government to accept on behalf of the United States voluntary donations or contributions to augment appropriations."

The Attorney General is authorized by 31 U.S.C. § 725s-4 to accept gifts or bequests of money for credit to the "Commissary funds Federal Prisons," but this does not cover items on property. This proposed 18 USC § 4043 would authorize the Attorney General to accept gifts on behalf of the Bureau of Prisons, and to utilize these gifts as deemed best.

ACCEPTING VOLUNTARY SERVICES

Under present law, the Bureau of Prisons lacks authority to accept voluntary and uncompensated services (31 U.S.C. 665(b)). Highly qualified members of the community are willing to provide education, training, counseling and other services to federal prisoners on a voluntary basis. Under proposed § 4044, the Bureau could improve correctional programs, with considerable savings, if specifically enabled to accept such services.

AUTHORITY TO CONDUCT AUTOPSIES

Federal authority in this area, as provided by proposed § 4045, would fill a void when-

ever an incarcerated person dies under circumstances which warrant autopsy. Generally, the laws of the states where Federal facilities are located provide by statute for autopsy without consent of next of kin where circumstances of death warrant the examination. Although local authorities usually are cooperative and will conduct autopsies, local laws are not in fact applicable to exclusive Federal reservations. We have encountered difficulty in obtaining autopsies where they were needed in some instances.●

EUROPEAN VIEWS OF THE STRATEGIC DEFENSE INITIATIVE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. HAMILTON. Mr. Speaker, on August 1, 1984 a number of public witnesses testified before the Subcommittee on Europe and the Middle East on the question of political-military issues in the Atlantic Alliance. A number of my colleagues expressed interest in the testimony of Andrew Pierre, director, Project on European-American Relations, Council on Foreign Relations, particularly his views on the European reaction to the strategic defense initiative [SDI].

Mr. Pierre believes that the SDI "raises some extremely serious problems for the Atlantic Alliance," and his views warrant serious attention.

An excerpt of his testimony follows:

EXCERPT OF TESTIMONY MADE BY ANDREW J. PIERRE

The Strategic Defense Initiative [SDI] potentially raises some extremely serious problems for the Atlantic Alliance, and this has not been adequately recognized.

The SDI could ultimately lead to the real decoupling of Europe and the United States. There is nothing that, if not handled well, could be more destabilizing to American-European relations, not to mention Soviet-American relations.

With respect to the United States there are, of course, serious doubts about the technological feasibility of constructing an adequate "shield" or nuclear umbrella. Is even one percent leakage of such a "shield" acceptable?

But when one turns to Western Europe these doubts must be multiplied many times over. It is hard to see how adequate missile defense of Western Europe is in the cards. For the United States we can have a layer defense whereby we try to hit the incoming systems at various points in their trajectory, and we have 20 to 30 minutes to do this.

In Europe the time scale is down to five to ten minutes, maybe even less then five in some cases. It is hard to see how there could be layered defense of Europe.

The Europeans would have to contend not only with SS-20s, but tactical nuclear systems of a shorter range, low flying cruise missiles, bombers, and so on.

An effective defense of Europe through a kind of nuclear "shield" or ballistic missile defense remains highly unlikely. I hesitate to say a technological impossibility. But that is certainly the way it looks right now.

Suppose, however, it worked for the United States. Such a "shield" would make this country a Fortress America. We would be defended. But Western Europe would not be. Is this not true decoupling?

Suppose the Soviet Union were to respond by building a ballistic missile defense of its own. U.S. strategic offensive forces would no longer provide a credible nuclear guarantee to Europe.

Indeed, that may no longer be their role. Presumably as we move away from mutual assured destruction to missile defense we would be moving away from any theoretical deterrence system whereby we would provide a nuclear shield for Europe.

In my view, the Alliance will not support the SDI. At present many Europeans hope it will go away. If, however, we do proceed seriously, the British and French will have to give a great deal of thought to upgrading their own nuclear forces, something that they are already in the process of doing in a more limited way.

And SDI could even raise the question of a nuclear role for West Germany. Moreover, SDI would enormously complicate the arms control problem.

Indeed, if I were to go out on a limb I would say that potentially the notion that the United States is defended and Europe is not can spell the demise of NATO.

For this reason alone, I think we should be very cautious as we approach the Strategic Defense Initiative issue, not to mention the feasibility question for the United States.●

THE TEHRAN AMERICAN SCHOOL CLAIM ACT OF 1984

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. JEFFORDS. Mr. Speaker, today I am introducing the Tehran American School Act of 1984. This legislation would permit the U.S. Government to reimburse the school for money, just over $13,000, held for it by the U.S. Embassy in Tehran and lost as a consequence of the seizure of the Embassy.

Identical legislation has been introduced in the other body by my colleagues Senators STAFFORD and LEAHY. This claim was originally filed with the State Department by Mr. William Keough, who was superintendent of schools for the Tehran American School and had previously served in a like capacity in several Vermont communities.

As a result of the political tensions in Iran and in anticipation of closing, the school arranged through the Embassy to sell some of the school's motor vehicles in 1979. Just over $18,000 was raised, which, after deducting amounts owed the Embassy, left the school with $13,333.94 due to it.

The Comptroller General of the United States judged that the U.S. Government technically could not reimburse the school, as the loss was due to an uncontrollable event. I would also note that the State Department has concluded that the hostage agreement between the United States and Iran precludes submission of this claim to Iran. In light of the extraordinary circumstances and equities of the situation, the Comptroller General suggested that legislation be introduced to award the school's claim, pursuant to the provisions of the Meritorious Claims Act.

Mr. Speaker, I hope that the House will give this legislation prompt and favorable consideration.

The text of the Comptroller General's report to the Congress follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, June 15, 1982.

To the Congress of the United States:

The Meritorious Claims Act of April 10, 1928, 45 Stat. 413, 31 U.S.C. § 236 (1976), provides that:

"When there is filed in the General Accounting Office a claim or demand against the United States that may not lawfully be adjusted by the use of an appropriation theretofore made, but which claim or demand in the judgment of the Comptroller General of the United States contains such elements of legal liability or equity as to be deserving of the consideration of the Congress, he shall submit the same to the Congress by a special report containing the material facts and his recommendation thereon."

In accordance with that Act, we make the following report and recommendation on the claim of the Tehran American School for $13,333.94.

The facts in this case show that as a result of the political tensions in Iran in 1979, in anticipation of closing, the Tehran American School arranged that the United States Embassy in Tehran sell three of the School's motor vehicles. The State Department informed us that United States Embassies provide this kind of assistance to American institutions operating in foreign countries. Although State indicated that occasionally the proceeds from these sales are given directly to the seller, since the School had closed, the monies were placed in the Embassy cashier safe with other receipts normally kept in the safe. The other receipts regularly were deposited in an account at the Tehran bank used by the Embassy.[1]

For payment, the Embassy intended to have the United States disbursing office in Paris issue a $13,333.94 Treasury check drawn on funds deposited in the Tehran bank used by the Embassy. ($18,194.74 from the sale minus amounts owed by the School to the Embassy for outstanding telephone bills and other payables.) As a result of the Embassy seizure, however, the safe was lost and never recovered and the Paris disbursing office was not notified to make the payment.

In its submission to us the State Department stated that the sale of the motor vehicles was made in accordance with Department regulations, the funds were properly maintained in the safe, and the loss was not due to negligence. The Department also concluded that the United States was re-

[1] A State Department official informed us that to the best of his knowledge the receipts held in the Embassy safe were deposited weekly.

sponsible for the funds and that payment to the School was warranted.[2]

We agreed with the State Department's characterization of the relationship between the School and the Embassy as that of principal and agent. As such, we concluded that there was nothing in the record to suggest that the Embassy breached its duty as agent to exercise reasonable care to protect the School's monies. The funds in the safe were lost as a result of the seizure of the American Embassy—an uncontrollable event.

We also found that the Embassy's commingling of the proceeds from the sale of the School's vehicle with other receipts in the safe was in the normal course of business and impliedly was undertaken with the School's consent. The proceeds from the sale of the vehicles could not have been paid directly by the buyer to the School since the School had closed. The Embassy took the cash proceeds intending to draw a Treasury check against the funds deposited in the Tehran bank used by the Embassy. But for the seizure of the Embassy, the funds in the Embassy safe, including the receipts from the sale, would have been deposited in that bank. There is nothing in the record to indicate that the School objected to the Embassy following its regular procedures for payment. Since the commingling of the proceeds of the sale with other monies in the Embassy safe was proper, we determined that the risk of loss was shifted to the School. Thus, the Embassy was not liable to the School for the $13,333.94.

The Meritorious Claims Act is an extraordinary remedy whose use is limited to extraordinary circumstances. The cases we have reported for the consideration of the Congress generally have involved equitable circumstances of an unusual nature, and which are unlikely to constitute a recurring problem, since to report to the Congress a particular case when similar equities exist or are likely to arise with respect to other claimants would constitute preferential treatment over others in similar circumstances. 53 Comp. Gen. 157, 158 (1973)

We think the seizure and occupation of the United States Embassy and resulting loss of the proceeds from the sale of the School's vehicles, was an extraordinary circumstances calling for equitable consideration. Although other individuals and institutions were damaged by the hostilities in Iran, the State Department has informed us that it is not aware of any similar claims in which the Government had the direct responsibility for safeguarding the private party's funds.

If the Congress agrees with our recommendation, it is suggested that enactment of a statute in substantially the following form will accomplish the desired result:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Tehran American School for $13,333.94 which amount constitutes proceeds from the sale of three motor vehicles arranged by the United States Embassy in Tehran, Iran in 1979. There is hereby appropriated from any money in the Treasury not otherwise appropriated such amount as may be necessary for the payment of the claim."

MILTON J. SOCOLAR,
Acting Comptroller General.

Mr. Speaker, the text of this legislation is as follows:

H.R. 6204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is, authorized and directed to settle and adjust the claim of the Tehran American School for $13,333.94, which amount constitutes proceeds from the sale of three motor vehicles arranged by the United States Embassy in Tehran, Iran in 1979. There is hereby appropriated from any money in the Treasury not otherwise appropriated such amount as may be necessary for the payment of the claim.●

[2] The Department determined that the Hostage Agreements between the United States and Iran precluded the United States from submitting the claim either to the Iranian Government or the Iran-United States Claims Tribunal.

AMY BULL CRIST: A LIVING LEGEND

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GILMAN. Mr. Speaker, many of us have seen the current television advertising campaign sponsored by the National Education Association, which stresses the importance of individual dedication by outstanding persons in the educational field.

The residents of Orange County, NY, can readily identify with those commercials, for we are fortunate enough to have in our midst an individual who personifies the best in those who have chosen education not only as a profession, but as a way of life.

Amy Bull Crist, a "first lady" of my Orange County, NY, constituents, began her career as a one-room schoolteacher with the responsibility of simultaneously educating children in grades 1 through 8. Fifty years later, she retired as district superintendent for the Orange-Ulster Board of Cooperative Educational Services.

In those 50 years as an educator, her compassion and her caring literally touched thousands of lives: fellow educators who were inspired by her, parents who were reassured by her, and most importantly, students who learned from her.

Amy Bull Crist believed in traditional education: the learning of "the three B's" as the basic foundation for a learning program. But by no means did she lack one iota of compassion. She privately arranged for a patron to subsidize medical surgery for students who were in need. She paid out of her own pocket for eyeglasses and hearing aids for students whose families could not afford to purchase them. She founded and served as the first president of Occupations, Inc., a not-for-profit, sheltered workshop for the handicapped which today serves thousands of clients. In 1950, after learning that Orange County had one of the lowest percentages of collegebound high school graduates, Amy Bull Crist lobbied for the establishment of an Orange County Community College, which is now one of the finest and most respected 2-year community colleges in our Nation. Amy was a charter member of that institution's board of trustees and helped to guide the college through its formative years.

Believing that we all learn from our past, Amy Bull Crist serves as cochair of the Orange County History and Heritage Collection, as chair of "Hill-Hold," a historic site in Orange County, and as trustee of the Orange County Museum and Gallery.

Mr. Speaker, this summer was one of the few times in her life that Amy Bull Crist was able to receive rather than to give. As the recipient of the 12th annual James E. Allen, Jr., Memorial Award for Distinguished Service to Education, the regents of the University of the State of New York singled her out to draw the attention of all New Yorkers to the outstanding dedication Amy Bull Crist has exemplified over the years.

In their citation, the regents chose to quote Amy's own words in outlining her beliefs:

All children are entitled to the best education possible;

Schools are effective only if their program is based on planning and research;

Quality education can only be given to children by superior teachers who understand the children they teach; and

Children must assume responsibility for high standards of work and school citizenship."

Mr. Speaker, in the presentation of this prestigious regents award, New Yorkers everywhere became aware of the service and dedication of Amy Bull Crist. In bringing Amy's outstanding service and dedication to her profession to the attention of our colleagues, I hope that teachers and educators throughout our Nation will be inspired by the achievements of this truly great lady.●

DOCUMENTATION OF THE VESSEL "ULULANI"

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. YOUNG of Alaska. Mr. Speaker, I am introducing a bill today which will permit the Coast Guard to issue a document to the vessel *Ululani,* official number 239729, so that its owners, Imants and Kristie Leitis, can operate it as a charter service in Alaska.

This legislation is needed because the abstract or chain of title shows that the vessel was sold to a foreign corporation and a prior owner neglected to file the necessary paperwork with the Maritime Administration to cure this defect. Other than this problem, the Leitises are working hard to put the vessel in shape and should be able to go into business next year.

The vessel is a wooden hull sailboat with an auxiliary engine. The intention is to operate it as a sightseeing charter out of Seward, Alaska or in Prince William Sound. The vessel is 63 feet in length, 29 gross tons, 25 net tons, and 105 horsepower. The marine survey conducted on the vessels at the request of the Leitises shows that although a lot of maintenance may be necessary, the full design is good and sailing abilities should be good also. The Leitises will be investing large amounts of money to put the vessel in shape and make it seaworthy, and should not have a legal technicality stand in the way of operating it.

This legislation will clearly permit the vessel to be documented under a U.S. flag, although it will still be necessary to undergo Coast Guard safety inspections so that the vessel may be operated as a charter service. This type of legislation has routinely been approved in similar situations. The vessel *Ululani* is certainly no different and merits our prompt action. The vessel has been undergoing appropriate preparation to be safely operated and this will be one more way to support the American merchant marine industry.●

CITIZEN/LABOR ENERGY COALITION WRONG AGAIN

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BROYHILL. Mr. Speaker, a self-styled "consumer" organization, the Citizen/Labor Energy Coalition [CLEC], has been conducting extensive fundraising campaigns since 1981, ostensibly for the purpose of passing legislation to lower consumer natural gas prices. In support of its campaign, CLEC has issued numerous studies projecting tremendous natural gas price increases. These studies have been uniformly wrong. CLEC itself was forced to withdraw a study it issued last fall because of major errors.

CLEC's latest study, issued July 12, 1984, claims that average domestic natural gas wellhead prices will increase 20 percent in nominal dollars in 1985 compared to 1984 and that average residential gas bills will increase 14 percent in nominal dollars, or about $100 in 1985 as compared to 1984. Knowing of CLEC's past record of inaccuracy, I asked the Department of Energy to review CLEC's analysis. The DOE responded in a letter dated August 7, 1984, from Jan W. Mares, Assistant Secretary for Policy, Safety, and Environment. The DOE's basic conclusion is, "that CLEC's projections, like past projections made by CLEC, are much too high and are based on erroneous assumptions." Partial decontrol on January 1, 1985, will not cause gas prices to "fly up."

I would like to share the DOE analysis with my colleagues and I ask that it be reprinted at this point.

DEPARTMENT OF ENERGY,
Washington, DC, August 7, 1984.

Hon. JAMES T. BROYHILL,
House of Representatives,
Washington, DC.

DEAR MR. BROYHILL: In response to a request by your staff, we have analyzed the natural gas price projections recently published by the Citizen/Labor Energy Coalition (CLEC). The CLEC projections show a substantial increase in residential gas bills in 1985. Our analysis indicates that CLEC's projections, like past projections made by CLEC, are much too high and are based on erroneous assumptions. The most critical CLEC assumptions are that there will be no renegotiation of problem indefinite price escalators and that most wellhead price increases must be borne by "captive" residential gas customers. Recent developments in the domestic natural gas market clearly indicate that both of these assumptions are wrong. Barring major oil price increase, gas prices will not fly up in 1985 upon partial decontrol.

It is ironic that CLEC is urging Congress to consider increased regulation of the domestic natural gas market to correct the problems in the gas market. As explained in detail in the *First Report Required by Section 123 of the Natural Gas Policy Act of 1978*, federal regulation of the domestic natural gas market, along with restricted access to interstate pipeline capacity, have caused the current problems in the gas market. The costly shortages of the 1970s' and the current inefficient surplus, are the direct result of federal regulation of the domestic gas market. The way to eliminate these problems is to reduce, not increase, federal regulation of the domestic natural gas market.

I hope the enclosed analysis is useful. Please do not hesitate to contact me if you have any questions about this analysis or need additional information on this issue.

Sincerely,

JAN W. MARES,
Assistant Secretary
for Policy, Safety, and Environment.

Enclosure.

ANALYSIS OF CLEC PROJECTIONS OF 1985 CONSUMER GAS BILL INCREASE

On July 12, 1984, the Citizen/Labor Energy Coalition (CLEC) released a five page study entitled "Cost of Inaction." The study claims that:

Average domestic natural gas wellhead prices will increase 20 percent in nominal dollars in 1985 compared to 1984.

Average residential gas bills will increase 14 percent in nominal dollars, or about $100, in 1985 compared to 1984.

The CLEC study claims that most of the projected increase in wellhead gas prices will be caused by indefinite price escalators in producer/pipeline contracts that will be triggered in 1985 under the partial decontrol provisions of the Natural Gas Policy Act of 1978 (NGPA).

The CLEC projection of consumer price increases in 1985 is much too high. The CLEC projections are the result of two major assumptions—both of which are wrong. The CLEC study:

Assumes that producer/pipeline contracts will not be renegotiated and that wellhead prices will increase by 20 percent in 1985 as compared to 1984.

Assumes that most wellhead price increases are borne by "captive" residential gas customers who consume the same quantity of gas regardless of its price.

The Department of Energy (DOE) in The First Report Required by Section 123 of the Natural Gas Policy Act of 1978, estimates that average domestic wellhead prices will increase only 2.5 percent above inflation in 1985, and average residential gas prices will rise only 1 percent above inflation in 1985 compared in 1984. The Energy Information Administration (EIA) projects average residential gas prices will rise only 3 percent above inflation in 1985 in its Annual Energy Outlook, 1983.

WELLHEAD PRICE FLY-UP UPON PARTIAL DECONTROL

The CLEC study assumes an unrealistic wellhead price fly-up scenario under partial decontrol in 1985. CLEC's estimate of a 20 percent wellhead price increase (including inflation) is higher than even the Interstate Natural Gas Association of America's (INGAA) worst-case estimate of 12 percent (above inflation) referenced in the CLEC study. The CLEC study fails to justify its excessively high projection that wellhead prices will fly up by 20 percent.

Furthermore, we believe the INGAA estimate of fly-up is much too high because it is based on contract terms in effect at the time of its survey and does not reflect the substantial amount of contract renegotiation that has occurred since the survey was completed.

As a result of gas prices that are above market-clearing levels, and competition from alternative fuels, producers and pipelines are currently signing more flexible contracts, renegotiating existing contracts, and undertaking special marketing programs. These initiatives indicate that producers and pipelines will take measures to maintain competitive natural gas prices when regulatory constraints are eliminated. There is no reason to believe that producers and pipelines will allow gas prices to fly up under partial decontrol, which would cause them to lose sales to competitors and alternative fuels.

DOE's *First Report Required by Section 123 of the Natural Gas Policy Act of 1978* explains in greater detail why wellhead prices will not fly up in 1985. DOE projects wellhead prices to increase 2.5 percent above inflation in 1985 as a result of increased demand and a reduced gas surplus.

RESIDENTIAL PRICES AND CONSUMPTION

The CLEC study is based on the incorrect assumption that most wellhead price increases are borne by residential and commercial customers, while industrial gas consumers are able to avoid much of the burden of wellhead price increases. The CLEC study also assumes incorrectly that the quantity of gas demanded is equal in all cases, despite differing price levels.

In fact, residential and commercial natural gas consumers have and will continue to reduce their gas consumption if gas prices rise. Econometric analysis shows that residential customers will reduce their gas consumption by over three percent for every ten percent increase in gas prices. Residential customers in several areas of the country are choosing to heat with electricity and wood rather than gas as a result of gas rising price. In addition, studies by the American Gas Association show that a large number of commercial users can switch to residual fuel. Distribution companies have begun to dispute minimum bills and reduce purchases from high-cost pipelines and their suppliers.

By assuming that gas consumers consume the same quantity of gas regardless of the price of gas, CLEC exaggerates the ability of producers to increase wellhead prices and overestimates increases in residential gas prices and gas bills.

PAST CLEC PROJECTIONS HAVE OVERSTATED ACTUAL PRICE INCREASES

In October 1983, CLEC projected dramatic increases, 21 percent on a national average, in winter heating bills for the 1983-84 heating season compared to the 1982-83 heating season. The report met with much skepticism and was quickly retracted by CLEC because of "erroneously inflated" heating costs.[1] In that study approximately 7 percent of the increase was due to projected rate increases and 14 percent to the expectation of a much colder winter. In reality, residential gas price was less than 2 percent higher in the first quarter of 1984, in nominal terms, than in the first quarter of 1983.●

THE VICE PRESIDENCY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, September 5, 1984, into the CONGRESSIONAL RECORD:

THE VICE PRESIDENCY

The first nomination of a woman, Geraldine Ferraro, as the vice-presidential candidate of a major political party has sparked the public's interest in the office that she is seeking. There can be no doubt that the Vice Presidency is a job in transition.

Perhaps no office on earth has been so reviled by its occupants as that of the Vice President. Slandered, cursed, and forgotten, the Vice Presidency often proved to be a pool of political quicksand where people could sink into obscurity for the duration of their terms in the executive branch or the remainder of their careers in public life. In the past twenty years, however, attitudes toward the Vice Presidency have been chaning. A gradual reshaping and expansion of the office has transformed it into an active training ground for future Presidents. The Vice Presidency today may not be so much a hardship post as a springboard to political prominence.

Ambiguity in constitutional definition of the Vice Presidency historically has accounted for many of the difficulties of previous Vice Presidents. Some architects of the Constitution thought that the creation of a Vice Presidency was unnecessary, and, when the Vice Presidency was finally set up at the end of the Constitutional Convention of 1787, its powers were left largely undefined. More important, early electoral procedures put the President and Vice President in an adversarial relationship. They were political rivals until the party convention, when the candidate with the most votes won the spot at the top of the ticket, his closest contender receiving the second position. These procedures, combined with early presidential efforts to consolidate the executive power, often led to vice-presidential isolation from the flow of information and the formulation of policy.

The Vice President's frustrating confinement to ceremonial duties led to some memorable quotes in American politics. The first Vice President, John Adams, complained that "my country, in its wisdom, contrived for me the most insignificant office that ever the invention of man contrived or his imagination conceived." Speaker John Nance Garner lamented that he "gave up the second most important job in the government for one that didn't amount to a hill of beans." Thomas Jefferson called the Vice Presidency "honorable and easy" compared with "the splendid misery" of the Presidency. Apparently the only politician to achieve greatness in the post—apart from the many Vice Presidents who went on to achieve later fame as Presidents—was a Hoosier named Thomas Riley Marshall. Mr. Marshall correctly perceived his role in Woodrow Wilson's administration as that of goodwill ambassador, not policy maker, and he kept the country amused for eight years as he travelled about telling anecdotes. It was Mr. Marshall, the President's "only vice," who said, "What this country needs is a good 5 cent cigar!"

According to some political scientists, a stronger Vice Presidency began to emerge as a result of the Watergate scandal. Gerald Ford demanded greater independence and more staff from President Nixon as a condition for replacing Spiro Agnew as Vice President, and in turn granted his Vice President, Nelson Rockefeller, increased responsibilities. Since the Ford Administration the trend toward an expanding Vice Presidency has continued, with Walter Mondale and George Bush assuming progressively greater roles in their administration. Mr. Mondale moved in President Carter's inner circle and influenced electoral reform, executive appointments, U.S. policy during the hostage crisis, and the establishment of a Department of Education. Mr. Bush has served as chairman of President Reagan's crisis management team and has exercised leadership in the area of regulatory reform. A former vice presidential aids has observed that because of individual efforts like these, "Input—the opportunity to have your say—is now a basic right in the Vice Presidency."

Protocol, an important gauge of political power, has also changed for the Vice President. Lyndon Johnson had a staff of fewer than twenty people when he was Vice President, but today Mr. Bush has a staff of seventy and an annual budget of $2 million. The past three Vice Presidents have enjoyed independent access to the Oval Office, and all have had their own offices in the West Wing of the White House, only a stone's throw from the President's desk. The Vice Presidency has its own seal and flag, and an official location in the prestigious Old Executive Office Building.

Most political commentators now agree that the Vice Presidency is an ideal breeding ground for future Presidents. It trains its occupant to work effectively within the critical limits of media visibility and presidential policy. It allows him to master the skills of being a follower before becoming a leader, and enables him to contribute a balance of geography, expertise, or gender to a presidential ticket. The Vice President has a unique chance to learn how to be President, how to shape a government, how to identify talented assistants, how to deal with adversaries as well as friends at the pinnacle of power, how to manage intelligence, national security, and intentional relations, and how to cope with Congress. Few jobs, if any, offer the people who fill them as much potential to learn. Of the past twelve presidential candidates of the major parties, six have been Vice Presidents, a statistic seeming to prove that Vice Presidents have been taking advantage of this potential.

The Vice Presidency has long been a post to American politics where politicians languished, faithfully awaiting a day when America might need their services. Now, thanks to a series of strong Vice Presidents and able Presidents, the Vice Presidency has at last developed into what might be called a "good job," a job of active responsibilities and recognized duties where a Vice President can better learn to serve the American people. The current attention to the Vice Presidency only demonstrates that good things may indeed come to those who, like so many Vice Presidents of years past, patiently stand and wait.●

[1] "Survey Erred in Predicting Soaring Natural Gas Prices," *USA Today*, October 31, 1983.

A TRIBUTE TO THE WASHINGTON OFFICE ON LATIN AMERICA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BARNES. Mr. Speaker, recently the Washington Office on Latin America celebrated its 10th anniversary. As many of my colleagues know, during those 10 years WOLA has established itself as a leader in the struggle for a U.S. policy that promotes human rights and democracy in Latin America.

On the occasion of WOLA's 10th birthday our former colleague, the Honorable Robert F. Drinan, authored an article for the National Catholic Reporter that pays appropriate tribute to this fine organization. Particularly at this time, when WOLA is under attack by an administration that spends more time denigrating human rights organizations than promoting human rights, I am pleased to join Father Drinan in this tribute by placing his article in the RECORD.

No one who labors for human rights in Latin America has any doubts about WOLA's contributions. Certainly the Subcommittee on Western Hemisphere Affairs, which I have the honor to chair, has benefited greatly from WOLA's expertise and concern. But I have discovered that the most elo-

quent testimony on WOLA's behalf comes from Latin America's oppressed themselves, and those who struggle to promote and defend democracy and human rights in their societies. WOLA obviously has a special place in their hearts.

I hope the next 10 years will be fruitful both for WOLA and for its cause, and I submit Father Drinan's article at this point.

LATIN AMERICA OFFICE MARKS 10TH ANNIVERSARY AS REGION'S STRIFE GROWS

(By Robert F. Drinan)

In the summer 10 years ago, when the country was traumatized by the unraveling of the Watergate drama and the aftermath of Vietnam, a religiously affiliated organization called the Washington Office of Latin America (WOLA) was born. It was the coming together of a loose coalition jolted into action by the revelation that the government of Chile had been changed by the CIA.

On a summer night in 1984, the friends and admirers of WOLA came together to celebrate its 10th anniversary. The lovely garden party brought together that increasing number of individuals and groups who are deeply concerned about the repression, the crushing poverty and the bloodshed in Latin America.

It was an evening tinged with melancholy and sadness. The short talks referred constantly to the pain and suffering with which the people of South America are afflicted. The growth of WOLA was noted, but everyone knew that, despite its strength and influence, U.S. policies in Latin America have worsened in almost every respect. In conversations made pleasant by wine, tacos and captivating Mexican music, the talk was filled with a sense of foreboding over what tragedy might happen next in Central America. Would Congress hold firm in its withdrawal of funds for the contras? Would the Pentagon continue to defy the law and the intentions of Congress in its massive construction projects in Honduras?

The 200 guests of WOLA were people connected spiritually or organizationally with the 11,000 American religious personnel who are working in every nation of Latin America. WOLA and its friends exist to be the voice of this courageous group. WOLA's level of frustration is very high. In the last 40 months, it has seen the human rights program of the Carter administration in Latin America almost dismantled, the Contadora process defied and several nations of South America made subservient to American banks because of unbelievably large loans.

The only consolation for the friends of WOLA was the certainty that this vibrant organization will continue to grow in influence. It now has 11 full-time personnel, and funding has grown from $6,000 a year a decade ago to $370,000 in 1984. It has earned the respect of even those many forces in Washington that want to continue to dominate and exploit the 350 million people of Latin America.

Tensions between Catholics and Protestants do not exist in WOLA. All people affiliated with WOLA recognize that the common enemies of religion in Latin America are the dictators and the military—and, now, sad as it is to record it, the White House.

The able and unassuming director of WOLA for its first decade has been the Reverend Joseph Eldridge, an ordained minister of the United Methodist church who served as a missionary in Santiago, Chile, from 1970 to 1973. It was the coming to power of General Augusto Pinochet that prompted Eldridge to return to Washington and to become, in essence, the founding father of WOLA. He orchestrates the ceaseless stream of conferences, publications and human rights missions that WOLA sponsors, and he has gathered support from 33 church-related groups and 13 foundations.

The friends and watchers of WOLA speculated at a beautiful midsummer night's party about what WOLA should do in its second decade. The answer was obvious: Somehow, the churches of America brought together in WOLA should preach from the housetops that the United States has been arrogant and exploitative in the use of its power in Latin America. They should preach that this attitude is now causing suffering beyond description to the peoples of Central America who want to escape from the economic and political tyranny with which they have been afflicted for several generations.

Considering the profundity and the persistence of U.S. mistakes in its dealings with Latin America, it is clear that the work of WOLA has just begun.

(Jesuit Father Robert F. Drinan is a professor of law at Georgetown University.)●

WEBSTER HOUSE

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. QUILLEN. Mr. Speaker, I wish to bring to the attention of Members a private restoration project of an historic building in my district which is a source of great pride to its owners, Mr. and Mrs. George D. Webster and to the people of the Rogersville, TN area. The Websters are a warm and friendly couple with a love of history and have done an outstanding job in the restoration of a lovely country home that occupies grounds on which were played out a number of important events from the early days of Tennessee pioneer history through a battle during the War Between the States.

I wish to insert at this point an informative pamphlet that describes Webster House and its interesting history:

WEBSTER HOUSE

Webster House was built by Drury Alsbrook Spears in 1858 on lands that had been owned by the Spears family since 1796. The bricks in the original house were made on the site. Webster House was restored in the period 1968–72, and a new wing was added in 1977–78.

Webster Angus Farms is owned by George D. Webster. Mr. Webster is a great-grandson of Drury Alsbrook Spears and a great-great-grandson of Joseph Rogers, founder of Rogersville (1786), the second oldest town in Tennessee, at that time part of the State of Franklin. The farms comprise 900 acres bordering on the Holston River in Hawkins County.

Many events of early historic interest have occurred here. The Holston River was a major travel route for both Indians and early white settlers. The lands were occupied by the Cherokees; arrowheads and other artifacts are still found here. After the Long Island peace conference between the Cherokees and the Virginians in 1761, Lt. Henry Timberlake set out in a dugout canoe down the Holston and spent a night with friendly Cherokees here at this farm. Early in 1779 Colonel Evan Shelby led one thousand volunteers in a complete rout and defeat of the Chickamauga Indians. On the way to this encounter, Colonel Shelby's army rendezvoused on this farm, built canoes from nearby forests and headed down the Holston. In the winter of 1779–80, Colonel John Donelson, who led a group of boats on the way to Fort Nashborough and founded what is now Nashville, spent part of the winter on this farm at the confluence of Big Creek and the Holston River. During the late 18th century, the land was North Carolina, the State of Franklin, the Territory of the United States South of the River Ohio, and finally, Tennessee (1796).

In the War Between the States, the Skirmish of Big Creek was fought partly on this farm on November 6, 1863 at a Spears house called "Seven Maples". Confederate soldiers defeated the Union Troops and threw many captured Union guns into what became known as Bloody Pond. Later, Lt. Lazarus Spears, CSA, home on leave, was ambushed by bushwhackers and hung on a persimmon tree in the front field of Webster House. The hat he wore that day is still preserved in the house. Millbend is another landmark house on the property, its land having originally settled in 1782.

The portraits of Joseph Rogers (1763–1833) and his wife Mary Amis Rogers (1764–1833) were painted in 1831 by M. Scarborough. The portraits of Dr. Hugh Kelso Walker, Rogersville physician (1802–1866) (great-grandfather of Mr. Webster), and his wife, Frances Rogers Gaines Walker, are by the well-known Tennessee painter Samuel Shaver. Throughout the house are paintings in oil, watercolor and pastels by Ruth Parke Webster (1890–1965) who lived here all her life. The fireboards are by Washington artist Betsy Edgeworth. In the bedrooms are several of Mrs. Webster's collection of Currier & Ives lithographs. The many antique books were collected by the Drs. Hugh and Joseph Walker families.

The circular Peacock Garden was designed in 1979 by Donald Parker, chief landscape architect of Colonial Williamsburg. The large English boxwoods in front of the house are over fifty years old and all of the smaller boxwoods were propagated from them by Mrs. Webster. Over a thousand boxwood cuttings are planted here annually. The farms raise Aberdeen Angus cattle and burley tobacco. Trees include sycamore, magnolia, hemlock, maple, walnut, cedar, ash, pecan and holly.

Most of the furniture was owned by the Spears, Webster and Walker families. Several pieces were made for Dr. Hugh Walker for his home in Rogersville which he built in 1838. The Walker home is being restored by the Webster Foundation, Inc.●

WILDERNESS PRESERVATION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. KASTENMEIER. Mr. Speaker, this year marks the 20th anniversary of the passage of the historic Wilderness Act. Senator Gaylord Nelson, one of the great environmentalists of our times, has reminded us of this occasion by presenting an eloquent case for wilderness preservation in the September 4, 1984 New York Times.

Senator Nelson, who is now chairman of the Wilderness Society, has stressed the importance of preserving part of our natural heritage not only for today but for all times.

I urge my colleagues to read Senator Nelson's comments.

[From the New York Times, Sept. 4, 1984]

AH, WILDERNESS! SAVE IT

(By Gaylord Nelson)

WASHINGTON.—Today, and 200 years from now, when Americans want to know what the land looked like when their forebears arrived, they need not resort to pictures in a history book. They can go see the real thing, in no small part because of the passage of the Wilderness Act of 1964.

But as we celebrate this 20th anniversary, we must face the fact that much more remains to be done. The acreage preserved so far has been modest. Less than 2 percent of the land in the lower 48 states has been designated wilderness, and with each passing day there is a little bit less wilderness left to protect.

Congress can help by acting promptly on legislation that would protect land in a dozen states. Most prominent is a California bill designating such sites as the Tuolumne River and the Ansel Adams Wilderness in the Sierra Nevada. This measure, passed in August by the Senate, now awaits House approval, as does legislation for Florida, Utah and Arkansas. Not as far along are bills for Pennsylvania, Colorado, Texas, Virginia and other states. The proposed bills for Wyoming, Montana and Idaho, however, are inadequate because they do not include acreage that clearly deserves protection.

Opponents of wilderness bills, which represent long study and considerable compromise, continue to traffic in myths. They warn that we are "locking up" land needed by oil, timber and mining companies. But surely a country as large and as rich as ours can afford to keep more than just two acres out of every 200 in their original condition. Nor are we talking about land rich in mineral resources. Independence geological surveys indicate that only about 1.2 percent of the nation's undiscovered, recoverable oil is in existing wilderness areas.

In contrast, the recreational value of these areas is tremendous. The Wilderness Act, originally introduced by Hubert H. Humphrey, wanted land set aside for "the use and enjoyment of the American people," and Americans are responding. During the past decade, recreational-visitor days have increased 42 percent, to more than 11 million a year. Wilderness areas are hardly the exclusive playgrounds of the elite as some opponents would have us believe.

Even those who never set foot in a wilderness area can expect to "use and enjoy" this land. Almost half of our modern pharmaceuticals are derived from natural substances. The rosy periwinkle, for example, is the key ingredient in drugs used to treat leukemia and Hodgkin's disease. And because we have yet to tap the potential of nearly 99 percent of the plants that do exist, we should treasure the research opportunities offered by these natural laboratories called wilderness.

Wilderness does many other things for us. The high quality of New York's water, for example, is a direct result of the foresight of those who years ago protected watersheds in the Adirondacks and Catskills. Wilderness limits erosion and the siltation of streams and rivers. It also provides vital habitat for wildlife valued by hunter and bird-watcher alike.

Few of us will leave as bountiful a legacy as that of the great environmentalists—men like Frederick Law Olmsted, John Muir and Howard Zahniser, a director of the Wilderness society whose lobbying efforts did so much to move Congress. But all of us should try. While there is still a little time left, shouldn't we save here and there a few undisturbed remnants of nature's work? Is not a million years or 10,000 of evolving landscape and fragile beauty worthy of our most attentive stewardship? The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard.●

TAX REFORM—ITS TIME HAS COME

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. STARK. Mr. Speaker, we expect to make some difficult and profound tax decisions in the next Congress. The traditional practice of tax reform has been to apply loophole-closing band-aids to the Internal Revenue Code. Unfortunately, history teaches us that this approach cannot cure our sick tax laws, with their patchwork quilt of deductions, exemptions, credits, special preferences, exclusions, offsets, and miscellaneous conditions. Accordingly, tax reform is a process that has frustrated the most optimistic legislator looking for a better, simpler, and fairer way to raise the needed revenue of Government.

Most experts now believe that the process of reforming the tax laws while adding to their length and complexity just will not fly any longer. There is too much grassroots desire for justice and equity in the whole area of tax policy to continue this process. We in Congress have heard the cumulative voice of our constituents and must respond to their concerns.

However, in our zeal to solve this vital problem, we should avoid the primrose path of Reaganomics and its promises of a good national life without tax increases while accompanied by huge deficits. Americans do not want to mortgage their Nation's future to test the specious wisdom of supply-side economic theories. Moreover, our citizens want the Federal Government to continue to play a vital role in the domestic life of this Nation—one that must be reasonably supported by all the people.

The Democratic responsibility in this tax policy dialog is to develop and propose major tax reform legislation that will meet the public's desire for simplicity and fairness while at the same time reflecting the party's traditional concern for evenhanded treatment of all our citizens. It is not an easy task. Thus far, it has been an elusive one.

A recent article in the New Republic provides an excellent summary of what is wrong with Reaganomics. It also explains where the Democrats are in the arena of tax reform and what they must do to deal with the historic challenge posed by the 1984 Presidential election. All of us, Democrats and Republicans, can learn from the ideas discussed in this article.

TAX TANGLES

Whoever is the next President, 1985 will bring a national debate about who shall pay taxes. We have Ronald Reagan to thank for that. There is no reasonable prospect that growth, at any sustainable rate, will be sufficient to ease projected federal deficits. And there is an undisputed consensus that those deficits are a route to national bankruptcy.

The debate will come; but we fear for its quality and its outcome. Already, as has so often been the case in the Reagan years, the conservative side of the debate has sounded a more certain trumpet than the liberal. Conservatives have a very clear theory of economic growth, and a tax policy that logically follows: private capital formation is a source of national wealth; therefore taxes on corporate profits, on dividends, on family fortunes, and on capital gains should be as low as possible, and taxes on personal income should be flat rather than progressive.

That theory, put into practice, has gouged huge holes out of the tax code. Hence the deficit. And it has brought us to a point, according to our friends at Citizens for Tax Justice, where the total base that is given away in loopholes is now almost as large as the base that is taxed. In fiscal 1983 there was eighty-nine cents of tax expenditure for every dollar of tax. In corporate collections, there was $37 billion in tax collections and $62 billion in tax expenditures. There is no evidence that this massive tax subsidy has done much for economic growth. The current recovery is instructively Keynesian, a pure product of deficit spending, and the fact that the rich have been designated to do the spending is immaterial. What has changed is the balance of who pays taxes. If half the tax base is exempt from taxation, then the other half must bear twice the load.

The Reagan years have also given us a brand of tax politics in which the function of the "tax-writing" committees of Congress is less to tax than to spend. Since 1981 the appropriation window has been sealed shut,

but the tax subsidy window has been thrown wide open. Even in the recently enacted "deficit reduction"—a politically painful election-year tax hike—Congress couldn't resist adding several billion dollars' worth of additional special interest loopholes. The tax-writing committees have become prized assignments, not for the innocent pleasure of fashioning national tax policy but for the lucrative vice of servicing corporate PAC-men. The capital formation ideology gives members of Congress and economic royalists ideological camouflage for doing what comes naturally. It disguises the mutual massage parlor as a fiscal health club.

The orgy has gone on so long that tax expenditures at last must take a breather. The next Administration and Congress will spend much of 1985 debating how to raise new revenue. But the danger is that instead of restoring some taxes on the freeloaders, Congress will place an even greater load on current taxpayers, through new taxes on consumption. For liberals are less sure than conservatives of what they believe about taxes and economic policy.

Not so long ago, liberals championed the progressive income tax and shunned consumption taxes as a regressive burden on those least able to pay. Unfortunately, despite the evident failure of supply-side economics, the malarkey about capital formation and tax policy has taken deep root, even in the liberal consciousness. Many liberals who should know better wish to tax consumption on the theory that the United States suffers mainly from a shortage of savings and investment. In reality, America's rates of savings and capital investment have been quite constant since World War II. The net savings rate did fall during the Reagan Administration, but only because the huge federal deficit has eaten up so much of the personal savings supply—another refutation, if any were needed, of the supply-side mythology.

We predict that if Mr. Reagan is reelected, and finally owns up to the need for more revenue, his people will concoct some awful blend of flat-rate income and consumption taxes. The American Council for Capital Formation, which wrote much of the script for the first Reagan tax program, is a good leading indicator of the next ideological fashion. When the Council and its tireless chairman, Charles Walker, begin shifting from wide lapels to narrow ones, it means that Congress will soon be heading for the tailor—or maybe for the cleaners. Lately, Mr. Walker has been singing the prases of value-added taxes. It would seem that the good people of the capital formation lobby have correctly discerned that somebody will bear a hefty tax increase next year, and they want to be sure that this somebody isn't them.

In this climate, Democrats and liberals need to figure out what they believe, and fast. Those among them who truly believe that tax fairness and economic equity are bad for economic growth should have the courage of their convictions and join the Republican Party. The rest should begin looking at proposals like the "fair tax" bill proposed by Senator Bill Bradley of New Jersey and Representative Richard Gephardt of Missouri, which Walter Mondale has been edging toward embracing. Bradley-Gephardt trades a broader base for lower rates, getting rid of most personal tax deductions and permitting a lowering of rates to a top rate of 30 percent, with a vast majority of taxpayers paying only 14 percent. It greatly simplifies the tax code, but without sacrificing the principle of progressivity. The conservative variant of the "flat tax," designed by Robert Hall and Alvin Rabushka of the Hoover Institution, also simplifies the tax code by getting rid of personal deductions, but taxes all personal income at a uniform 19 percent—thereby creating a massive shift in the tax burden from the well-off onto the middle class and the working poor.

Another conservative proposal with perverse appeal to some liberals is the idea that the only income which should be taxed is income that is spent. Under what is sometimes termed a "progressive expenditure tax," a taxpayer could subtract from taxable income all income set aside as savings, and the remainder (that which was spent) would be taxed at a progressive rate. That sounds fine in theory, but in practice it would allow a person with a million dollars in investment income to save $900,000 of it and pay a tax only on the $100,000 that was spent. If that millionaire were taxed at the 30 percent rate on his taxable income, his true tax rate would be just 3 percent ($30,000 out of a million dollars). Why begrudge the millionaire his tax windfall? Not out of "envy," but because there is no evidence that tax incentives are needed to coax savings out of people who can afford to save—and because if those with financial means don't pay taxes, then somebody else has to pay. There is no way that a "progressive" expenditure tax could be anything but steeply regressive. It would codify all the recent peicemeal tax preferences, like the "all-savers" gimmick and the I.R.A. write-off, into a single gigantic loophole.

A look at the tax policy of other nations suggests how nonsensical the claims about tax inequity and capital formation truly are. The world's two top economic performers, Germany and Japan, both have tax systems with fewer loopholes and more equity than our own. Great Britain, with the greatest tax favoritism for capital investment, has the poorest rate of actual investment. One recent study for the National Bureau of Economic Research, by Mervyn King of the University of Birmingham, England, and Don Fullerton of the Hoover Institution—both of them reliably laissez-faire economists—found that the actual economic performance of four major nations was exactly the opposite of what the capital formation school would predict. Germany, with the highest taxes on capital, had the *best* rate of capital formation; the United States with the second highest tax rate on capital (pre-Reagan), had the second best record; Sweden, ranking third in capital taxes, had the third highest capital formation; and Britain, with a negative tax on capital, had the worst performance. Said King and Fullerton: "The results are surprising to say the least."

Japan, with the highest rate of savings and investments of all, has no value-added tax, no consumption tax, lower sales tax rates than the United States, and the highest effective tax rates on corporate profits in the world. With a gross national product one third the size of ours, Japan actually collects more corporate tax revenue than we do. That doesn't mean we can, in a kind of liberal parody of voodoo economics, encourage capital formation by taxing it; it simply means that tax incentives as the premier tool of economic policy have been ludicrously oversold. "Tax laws do not hold the key to the kingdom of growth and prosperity, as a lot of people have been telling us in recent years," Representative Byron Dorgan, the populist former North Dakota state tax commissioner—on the House Ways and Means Committee—has observed. "There is not, on one side, the tax laws, and on the other side, behavior. Those, who assert that are asserting nonsense." (Mr. Dorgan's comments came in an illuminating symposium titled "Less Taxing Alternatives," sponsored by the Democracy Project and Citizens for Tax Justice. The test is available, for $7.50, from the Democracy Project, 145 East 49th Street, New York, N.Y. 10017.)

The brutally Darwinian tax giveaways of the Reagan years and the deficit that resulted now provide an opportunity to rebuild a tax system that is both adequate and fair. Tax reform has always been a thankless cause. The constituencies for loopholes are unbiquitous; the constituency for fairness is ephemeral. Walter Mondale's task as candidate is to challenge not just the artifacts of Reagonomics but the broader ideology which disguises greed as economic necessity. And if by some chance Mr. Modale is elected, he will have to exercise uncommon Presidential leadership to face down the Congressional predilection for tax expenditure. The markup session of any tax legislation to repeal major loopholes will be an olympics of special pleading.

In making his acceptance-speech pledge to raise taxes, Mr. Mondale sought—and got—credit for "boldness." But has yet to show he is prepared to stay the course. If he isn't, he should stick with cowardice, like his rival the incumbent.

Mr. Mondale's "bold" promise to raise taxes was, in fact, artfully ambiguous: the President, said the former Vice President, "will sock it to average-income families again, and he'll leave his rich friends alone. And I won't stand for it." Very well, but what would Mr. Mondale actually do? His statement can be interpreted in two ways. Either (a) he will sock it to the rich and leave average people alone, or (b) he will sock it to both to the rich and to average people. If he meant (a), then his assertion that this constitutes "my plan to cut the deficit" by two thirds is bluster. You can't make a serious dent in the deficit by taxing only the rich. Nor is there much political boldness in promising to raise taxes only on rich people. The only logical interpretation is (b). Yet that opens him up to the charge that he is, well, planning to raise average people's taxes.

Mr. Mondale obviously intended to smoke out Mr. Reagan on the deficit issue, and to some extent he has succeeded. But he smoked himself out, too. Reeling from the inevitable counterattack, he has retreated to his pre-boldness position that any tax increases in a Mondale Administration "would hold the average American family harmless," and in fact wouldn't even touch anyone making less than $30,000 a year. His real targets, he suggests, are incomes over $100,000. It won't wash, because that's not where the money is. And Mr. Mondale risks ending up in the worst of all possible worlds. He could lose the editorial writers by seeming unwilling to face up to the deficit after all. He could lose the political analysts by turning out (one again) not to be "bold." And whatever he does, he'll surely get tarred by the Republicans as an old-fashioned "tax and spend" Democrat.

Mr. Reagan's obfuscations and evasions have been more successful. He began, at his press conference the week after Mr. Mondale's challenge, by saying that he had no plans to raise taxes—except that, well, he

might. His advisers determined that this needed firming up. Mr. Reagan's latest formulation, as we went to press, was: "I will propose no increase in personal income taxes, and I will veto any tax bill that would raise personal income tax rates for working Americans or that would fail to make our tax system simpler or more fair." This clever construction leaves Mr. Reagan with loopholes for either a consumption tax or a Republican-style income-tax "reform" that would place a larger share of the tax burden on middle-class people even while lowering their tax rates.

Although Mr. Mondale has endorsed the general notion of cutting out loopholes and lowering tax rates, he has held back from explicitly endorsing Bradley-Gephart, fearing to offend the denizens of various loopholes. The Democratic Party platform is similarly evasive, thus fumbling an opportunity to make this sort of reform a Democratic issue. It is probably the only way to make a tax increase really digestible. The complexity of the present tax code and the suspicion that others are getting away with murder gripe people almost as much as the amount they have to pay.

Mr. Reagan may yet be backed into the corner of foreswearing any kind of tax increase, however prettily packaged. There are loud voices in the Republican Party insisting that prosperity alone will raise tax revenues enough to solve the deficit problem, along with some (unspecified) cuts in spending. After all, they say, the economy has been expanding at an annual rate of over 7 percent, and if this keeps up. . . . It's the free lunch, its hour come 'round at last. Unfortunately, however, this can't keep up. The growth so far in this recovery has come from putting idle people and factories back to work. That's the relatively easy part. As the economy reaches full capacity, it can only grow through new investment and technological advance—a much slower process.

Nothing threatens that process more than the deficit, and nothing either candidate has said has brought us any nearer to closing the deficit. Mr. Reagan's massive fiscal shell game—his "tax cut" program that was really a massive transfer of wealth from the poor, the middle class, and the future to the well-off—created the present dilemma. Mr. Mondale, in his acceptance speech, shined a light in the direction of the only possible so-

only grow through new investment and technological advance—a much slower process.

REMEMBERING OUR VETERANS

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BILIRAKIS. Mr. Speaker, I want to share with my colleagues a poem which was written by a disabled veteran from my district, Clayton S. Glore. When I read Mr. Glore's poem, it struck me as a moving reminder of how much our Armed Forces veterans and their families have given to their country, and of how much we owe them for their service. As Americans, we cherish our freedom, and we must always remember those who fought to keep America free. The poem, entitled "Remember Me," is as follows:

REMEMBER ME?

(By Clayton S. Glore)

I was a baker until I decided to leave my business and family to fight for the freedom of this New Land.
On September 11, 1777 we engaged the British on a small stream called the Brandywine.
I now lie at rest in Wilmington, Delaware.
Will my family understand why I did not come home and will they remember me?
My father died fighting the British in 1777.
I did not know my father well, he was killed when I was in my teens.
I was a farmer until I joined the Army to fight the British for a second time.
On August 24, 1814 we tried to stop General Ross from crossing the Potomac.
I now lie at rest in Georgetown, Maryland.
Will my son be able to live in peace and will he remember me?
My father died in 1814, fighting to keep this country free.
I was a homesteader until I joined the Army to fight the Mexicans under Santa Anna.
On February 22, 1846 we engaged 18,000 Mexicans at the Angostura Pass.
I now lie at rest in El Paso, Texas.
Will my wife and three sons understand why I had to leave and will they remember me?
Our father died in Mexico in 1846.
My two brothers and I worked the ranch until my older brother got married and took his wife and our Ma back to Indiana. My younger brother left to join the Rebs last year.
I joined up with the GAR in May.
On July 3, 1863 we met the Rebs head on at the Ridge.
I now lie at rest in Gettysburg, Pennsylvania.
Will my brother come out of this terrible war alive? Will he understand why I could not fight on the same side and will they remember me?
My two uncles were killed on July 3, 1863 in Gettysburg.
My dad had to take care of my grandmother, mother, sister and me so he couldn't go to war, thank God!
I was a gunsmith until I joined the Army to fight the Spanish in Cuba.
On July 1, 1898 we charged San Juan Hill.
I now lie at rest in Charleston, South Carolina.
Will my sister stay with my wife and son and will they remember me?
My father died fighting the Spanish in 1898.
I haven't even stopped growing and here I am going to a place I've only read about. I'll be fighting against the Hun and some guy named Kaizer "Bill."
I'm home now and the war to end all wars is over. I own my own newspaper and have a wife and two sons.
My God! They said it would end all wars, but they call this new horror World War Two. Today I received my recall. Here we go again.
Our headquarters was hit on June 3, 1942 by a German bomb.
I now lie at rest in Arlington, Virginia.
Will British historians even remember we were in North Africa and back home will they remember me?
My father was killed in North Africa in 1942.
I was an attorney until I joined the Air Force and went to Korea.
On May 21, 1951, I engaged three MIG fighters.
I now lie at rest in San Francisco, California.
Will my wife and sons be able to make it without me and will they remember me?
My father was killed in 1951 in Korea.
My brother joined the Marines and I joined the Navy.
As a Navy medic I was assigned to the Marines in Hue.
On January 3, 1968 our bunker took a 122 rocket.
I still lie in Hue, listed as Missing in Action.
Will my country bring me home, forget, or will they remember me?
My brother is an MIA in Vietnam.
I am a married career Marine with a son in the Army.
On Sunday, October 23, 1983, in Lebanon, my life ended.
I now lie at rest in Jacksonville, Florida.
Will people always kill in the name of their God and will God remember me?
My father was killed in Lebanon just a few days ago.
I am a Ranger in the U.S. Army. My wife is expecting our first child after the first of the year.
On October 25, 1983 we engaged Cuban 'construction workers' on an island called Grenada.
I now lie at rest near Fort Bragg, North Carolina.
Will people never understand that as a free people some of us will give our all to remain that way?
When will they realize that this country was born, raised, and continued to exist because of me and men like me?
We gave you our lives and left you our names. For all of this, I only ask you remember me.●

A STRONG DEMOCRACY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GARCIA. Mr. Speaker, an August 30 article in the New York Times entitled "U.S. Investigating Travel to Cuba," raises some serious questions about administration policy restricting travel to that nation. Not only has the administration taken upon itself to enforce, strictly, travel to Cuba, it has also decided to harass a travel agency which facilitates such travel.

The issue of whether or not trips to Havana made by scholars, journalists, and other professionals are legitimate is separate from what the Government is doing to Marazal Tours, Inc., a travel agency that arranges trips to Cuba for American citizens. As the article explains, the Government has subpoenaed records from Marazal Tours to see if that agency is abiding by U.S. law in arranging these trips, as well as to determine whether or not its customers have also abided by the law.

Why should Marazal Tours be harassed because of possible infractions of the law by its customers? It is senseless. It is a great deal of money to

become involved in a law suit, but it is particularly disturbing when the purpose of that law suit is simple harassment. This administration has gone out of its way to encourage free enterprise. That is all that Marazal Tours is doing—participating in the free enterprise system. Unless there is ample evidence of wrongdoing, Marazal Tours should be left alone.

On September 4, the Washington Post ran an editorial on the subject of travel restrictions. The Post editorial concludes by saying:

A strong democracy such as ours has nothing to fear from allowing citizens to see a communist society in operation. And we have a lot to lose by restricting the exercise of this right. Let them all go, grandmothers, journalists, evangelists and political organizers, tourists and fishermen.

We, to paraphrase F.D.R., having nothing to fear with this issue but ourselves.

I am submitting the August 30 New York Times article and September 4 editorial from the Washington Post for the perusal of my colleagues.

[From the New York Times, Aug. 30, 1984]

UNITED STATES INVESTIGATING TRAVEL TO CUBA—WASHINGTON MOVES TO TIGHTEN CURBS—IT SUBPOENAS A TRAVEL AGENCY'S FILES

(By Philip Taubman)

WASHINGTON, Aug. 29.—The Reagan Administration, in an effort to tighten the enforcement of curbs on travel to Cuba, is investigating trips to Havana by scholars, journalists, lawyers and other professionals, Administration officials said today.

They said that the Government has subpoenaed the records of a New York travel agency that arranges most trips by Americans to Cuba.

The Treasury Department, according to the officials, wants to examine the records of the Manhattan travel agency, Marazul Tours Inc., to see if the company and its customers, particularly scholars, journalists and lawyers, have abided by restrictions on tourist and business travel to Cuba that were established by the Administration in 1982 and upheld in June by the United States Supreme Court.

The restrictions, which were designed to support a trade and financial embargo against Cuba, bar ordinary tourist and business travel to Cuba to limit the Castro Government's hard currency earnings from tourism.

PROFESSIONAL TRIPS ARE FOCUS

The Government investigation, according to Administration officials, focuses on about 2,000 trips to Cuba by American scholars, journalists, lawyers and others who traveled under an exemption that permits visits for certain kinds of professional research and meetings.

Administration officials said they suspect some of these visits may have violated the regulations by offering opportunities for tourist trips under the guise of research or attendance at meetings.

The investigation of Marazul and its customers signals a more aggressive effort by the Administration to enforce the travel restrictions, the officials said.

"Because of the Supreme Court decision we feel we are in a stronger position in terms of enforcement," Dennis M. O'Connell, a Treasury official said.

13,000 NAMES TURNED OVER

Lawyers representing Marazul said that one subpoena, served earlier this month, forced the travel agency to turn over to the Government by today thousands of records, including the names of more than 13,000 Americans who have visited Cuba since 1982. Many of them are from the New York area.

Most of the visitors assisted by Marazul were Cuban-Americans returning to the island to see close relatives, one of the categories of travel permitted under the restrictions, according to Francisco Aruca, the owner of the travel agency.

Of more interest to the Administration, officials said, were trips to Cuba by Americans who said they were doing academic research, reporting, or attending business or scholarly meetings. Marazul has arranged about 2,000 such trips since the travel restrictions went into effect, Mr. Aruca said.

AN OUTRAGEOUS INTRUSION

Harold A. Mayerson, a lawyer for Marazul, called the Government investigation "an outrageous intrusion."

He said, "The Government is either trying to harass Marazul and force it to withdraw from arranging travel to Cuba or intends to remove the company's license to handle visits to Cuba. Either way, the goal appears to be to further limit travel to Havana."

A second subpoena asked Marazul to provide the names and addresses of lawyers who recently received a company brochure about a legal conference in Cuba next month. Marazul did not provide the names, reporting that it did not keep a copy of the mailing list, according to Mr. Mayerson. Mr. Aruca said Marazul sent the brochure to about 2,000 lawyers.

Michael D. Ratner, a lawyer at the Center for Constitutional Rights, who planned to attend the legal conference, said the center was considering filing a motion to quash portions of the second subpoena.

NO COMMENT ON INQUIRY

Mr. O'Connell, who is the director of the Treasury Department's Foreign Assets Control Office, the Government agency primarily responsible for enforcing the travel restrictions, said he could not comment on the Marazul investigation.

But he said that, in general, the office reviews travel records to determine whether visits to Cuba fall within the exemptions and "whether the spirit and letter of the regulations are being observed."

He added, "We check to see if the reasons for travel to Cuba have been inflated or distorted in any way. For example, what appears to be a legitimate professional conference may actually have been hoked up to provide a pretext for what is really a tourist or business trip."

Two years ago, shortly after the travel restrictions were imposed, the Treasury Department determined that a Texas travel agency had arranged unauthorized trips to Cuba. The department found that the trips, described as "professional research" by the travel agency, were primarily for the purpose of bass fishing. The agency was prohibited from handling other travel in Cuba.

PENALTIES FOR VIOLATION

A criminal violation of the travel ban carries a fine of up to 10 years, penalties that are applicable to both travelers and those who arrange trips. The Government, however, has relied of a variety of administrative penalties that, in effect, can bar a travel agency from doing business involving Cuba or prohibit people from visiting there.

The 1982 travel restrictions revived a ban on trips to Cuba that was in effect from 1963 to 1977.

In 1983, a Federal appeals court in Boston overturned the restrictions, ruling that in drawing up the regulations, the Administration relied on the 1917 Trading with the Enemy Act, "the relevant part of which had been repealed by the time it promulgated this regulation."

The ruling, which was stayed until further appeal, was overturned in June when the Supreme Court, in a 5-to-4 vote, upheld the travel curb, accepting the Government's argument that cutting off the flow of dollars to Cuba was an urgent foreign policy interest of the United States.

It is unclear what connection, if any, exists between the crackdown on travel to Cuba and current negotiations between Washington and Havana about immigration issues.

[From the Washington Post, Sept. 4, 1984]

DANGEROUS FISHERMEN

Now that the Supreme Court has upheld the administration's regulations reestablishing restrictions on travel to Cuba, the Treasury is moving with a vengence to enforce them. Tourists were first prohibited from visiting Castro's island back in 1963. At the same time, trade and economic sanctions were imposed in an effort to isolate Cuba and to cut off the flow of dollars that might be used to finance communist adventures abroad.

The travel restrictions were removed for a time during the Carter administration, but in 1982 this administration promulgated currency regulations that have the effect of barring travel to Cuba by all except those going to visit close relatives, conduct professional research, engage in official visits or report the news.

The Treasury believes that some travel agencies are trying to get around these restrictions by packaging tours described as "professional research" trips when in fact they are really for sightseers and beachcombers. A Texas travel agency, for example, was penalized for arranging a tour on the pretext that study was intended when the travelers were actually going for the bass fishing, which, of course, would be a dangerous threat to our national security.

The New York Times, in a story this week, reports that a crackdown on tour promoters has now begun in earnest. One Manhattan firm has been forced to turn over travel records of 13,000 clients who have gone to Cuba since 1982. A second subpoena was issued asking for the names of 2,000 lawyers who simply received an advertising brochure about a legal conference in Cuba; the agency has so far refused to comply with this demand.

If you lived through the 1950s all of this may have begun to sound familiar. In those days the government used to deny passports to individuals because of their political beliefs, a practice struck down by the Supreme Court. Though general travel bans such as the one that applies to Cuba have been sustained by the courts, they are bad policy and can lead to the kind of intrusive list-making we now see.

When the government starts compiling dossiers on who travels where and whether the traveler's reasons for doing so are approved, beware. These Reagan regulations

have not specifically been authorized by Congress, and legislators ought to step into the picture to make clear that they intended in earlier statutes to protect the right of Americans to travel.

A strong democracy such as ours has nothing to fear from allowing citizens to see a communist society in operation. And we have a lot to lose by restricting the exercise of this right. Let them all go, grandmothers and journalists, evangelists and political organizers, tourists and fishermen.●

ARE WE SAVING THE SEALS AND LOSING THE PEOPLE?

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. YOUNG of Alaska. Mr. Speaker, Members of both the House and the other body have recently been treated to a barrage of mail urging that they oppose the extension of the Interim Convention on the Conservation of North Pacific Fur Seals. Included in these mailings are stories of seals being "massacred," pictures of the seal harvest on St. Paul Island, and outright untruths about the alleged wealth and sophistication of the Aleut people.

Recently, the Washington Times published an article written by a freelance journalist who visited St. Paul Island and took the time to talk with the people living there. This is one of the best articles I have seen on the subject of the Aleut people and the annual fur seal harvest, produced by someone who has no ax to grind and represents no special interest group. Because of the importance of the Convention to the continued maintenance of the North Pacific fur seal, and to the Aleut people of Alaska, I ask that the article be included in the RECORD.

The article follows:

[From the Washington Times, Aug. 16, 1984]

WHICH SPECIES IS THE MOST ENDANGERED?

ALEUTS, SEALS VIE TO SURVIVE

(By Elinor Lander Horwitz)

Michael Zacharof, the mayor of St. Paul, the larger of the two inhabited Pribilof Islands, tells about the day Alaska Gov. William Sheffield flew in to shake hands with voters during his 1982 campaign.

"I like to kid Bill, so when I took him around and people would say, 'Hey, Mike, who's that guy?' I'd tell them, 'You better keep away from him. He's one of those humane society fellows!' "

Mr. Zacharof, a burly, energetic 47-year-old Aleut Indian, leans back against the teacher's desk and laughs. Seated on tiny chairs in the first-grade classroom of the island school, his audience—11 tourists who have just watched a slick video production about the cultural and economic signficance of the island's summer fur seal slaughter—appreciatively laugh with him.

In June this year U.S. District Court Judge Gerhardt Gesell refused to halt the summer fur seal harvest on this 8- by 14-mile island in the Bering Sea 800 miles west of Anchorage, 1,200 miles east of Siberia. A suit had been brought by the Humane Society of the United States, the International Fund for Animal Welfare, and the Fund for Animals charging that the seal harvesting violates the Marine Mammal Protection Act. The suit resulted from years of opposition by environmental and animal welfare groups, which judge the harvest to be a threat to the survival of the species—seal populations have decreased markedly in recent decades—and also inhumane.

The mayor warms to the sensitive questions of the visitors, who an hour ago would have hesitatingly identified with the position of the plantiffs and who are now indignantly concerned about the future of the largest Aleut community in the world, the 537 citizens of St. Paul Island. If the federal government yields to these pressures and the harvest is stopped there will be no employment on the island, everyone will leave, and the Aleuts will face "cultural extinction," Mr. Zacharof says. He offers to take interested visitors out in his van in the morning to witness the slaughter of 700 seals, which will take place on the killing ground adjacent to the rookery at Northeast Point.

The crew goes out five mornings a week in the summer, rotating rookeries until the limit, a low 22,000 animals this year, is reached. Limits are set by four nations signatory to the International Fur Seal Treaty of 1911. The treaty was enacted to halt pelagic sealing—shooting seals, predominantly females, from boats—a practice that had brought the species to dangerously low levels. Periodically renewed—it was extended for four years in October 1980—it prohibits pelagic sealing, awards the Pribilof harvest exclusively to the United States, and designates the sharing of pelts by the United States and the U.S.S.R. (which harvests seals in the Commander Islands) with Canada and Japan.

At 6:30 it is still too gray and misty at the killing ground to get a reading on a camera loaded with ASA 400 film. The first herders appear over a ridge waving sticks and rattles. Large groups of agitated seals move ahead of them at a remarkable rate, swiveling their heads and vocalizing loudly. Only male seals below breeding age and under 49 inches long may be harvested.

Females are distinguishable in this posture only by head shape. Errors are extremely rare and a man who kills a female seal has not only committed an illegal act but has invited the ridicule of his peers for years to come.

The slaughter is efficiently accomplished. Each person involved is a skilled specialist with a descriptive title. Two "pod-cutters" with clangorous metal rattles bring groups of five to 10 seals at a time to the "stunners," who circle them and strike each seal on the front of the skull with a 5-foot hickory club. The "stickers" pull the limp seals to one side and pierce each one in the heart. The "ripper" opens the belly of the seal and, in one motion, the "peelers" strip the pelt, which is tossed on a pile. The warm red carcasses, neatly lined up on the tundra, steam in the cold air.

All parts of the seal are potentially usable. Some of the seal meat will be consumed by the islanders and some will be shipped to St. George Island, 45 miles away, where sealing was halted in 1972. Pickled seal flipper is a delicacy. The remainder will become dog food, mink food, or bait. Two young boys, one with a knife and one with a stack of Ziploc bags, walk down the rows slicing off genitals for shipment to Korea, where they are valued as aphrodisiacs.

Later the visitors will see the pelts stripped of their blubber and packaged for shipment. Fifteen percent will go to Canada and 15 percent to Japan under the terms of the treaty. The rest belongs to the U.S. government and will be sent to the Fouke Fur Co. of Greenville, S.C., where the coarse guard hairs will be removed and the pelts tanned and dyed. Until recent years the harvest, conducted by the U.S. Department of Commerce, was extraordinarily profitable. An estimated $100 million was taken into the Treasury within a century. But in the past 15 years, due to changes in fashion, sensitivities aroused by environmental activists, and increased costs of harvesting and processing, it has been a losing proposition. Most of this year's pelts will be sold to Western European countries and the government will not even break even.

The fur seal harvest, as a commercial venture, began in the late 18th century when Russian Fleet Master Gerassim Pribilof landed on the islands. The U.S. purchase of Alaska a century later was largely motivated by interest in the fur-seal harvest, which provided Russia virtually all its revenue from the territory.

Today 80 percent (now about 900,000) of the fur seals in the world still come each summer to breed on the volcanic rocks of St. Paul Island, St. George Island, and three uninhabited mounds known as Otter Island, Walrus Island, and Sea Lion Island.

The human population is virtually entirely made up of descendants of Aleuts brought by the Russians from Unalaska, Atka, and other islands of the Aleutian chain to harvest the seals. The Aleuts adopted Russian names and were converted quickly from their shamanistic religion to the Russian Orthodox church.

The persistence of the Russian tradition is remarkable. Worshippers at the church of St. Peter and Paul chant the services on successive weeks in Slavonic, Aleut, and English. Landmarks on the island are Tolstoi Point, Zapadni, Kitovi, and Lukanian Rookeries, Polovina ("half-way point") Hill, and a cinder-cone crater dubbed Bogoslof. Names over the doorways of the shabby frame houses are: Stepetin, Philemonoff, Melovidov, Esmilka, Kochergin, Buterin.

Although fewer than 100 people are employed in the seal killing and processing, and those only seasonally, the industry is still virtually the only source of jobs on the island.

In the 1960s the islanders achieved full Civil Service wages, the federal government continued to subsidize maintenance of roads, buildings, power plants, and other services, sales plummeted, and profits sharply decreased. In recent years the federal government has been putting $5-6 million annually into the island; taking approximately $1 million out.

"We were slaves of the Russians for 100 years and slaves of the U.S. government for 100 years," Mr. Zacharof says, reviewing a litany of complaints about the heavy-handled paternalism with which the U.S. government ruled the island before the 1960's.

In 1982 a pullout ("transfer of responsibility") was proposed by the administration. This year, the fur harvest was turned over to the native Tanadgusix ("our land") corporation, and the corporation was paid $500,000 to run it this summer. Subsidies were withdrawn and the islanders given a trust fund of $20 million to help them over

the period requested to establish an alternate economic base.

Fishing has always been put forth as an alternative industry for the island. Although the Pribilofs are surrounded by the world's richest bottom fishing grounds, neither St. Paul nor St. George had a serviceable harbor. This summer the first phase of a major harbor construction project is under way. The venture, which will cost $25 million, is being funded by the state of Alaska. Mr. Zacharof warns that all this will take years. He says that anxiety about the future following the abrupt federal government withdrawal is the reason for the island's distressing high rate of alcoholism and for a rash of suicides that led recently to the deaths of five young men.

Mr. Zacharof anticipates new job opportunities and increased revenues from another source as well. He invites suggestions from the visitors on how tourism, which will bring approximately 900 adventurers to the island this year, can be increased. The 1984 Fodor's Alaska lists the islands in its final pages under "The Most Remote Areas," describing them as "almost in tomorrow in time and next door to Siberia in space," visited only by "inveterate travelers addicted to way-out destinations."

The tourists come between June 1 and Sept. 1, laden with cameras, binoculars, telescopes, and field guides—generally on three- or four-day package tours from Anchorage that include transportation, lodging, and guided bus trips mornings and afternoons. Visitors sleep in the rickety frame King Eider Hotel, at considerable expense, in rooms furnished with unmatched narrow twin beds, a small ceiling light, a sink. Meals are served cafeteria-style at the restaurant down the road where the adventurous are invited—at shameless prices—to try seal steak, which tastes rather like venison.

Not to worry. The visitors didn't come to the Pribilofs for luxury. They came for the red-legged kittiwake. They came to this foggy windy speck in the sea to acquaint themselves with the most spectacular seabird colony in the world. They came to identify and enjoy the wild flowers of the sub-Arctic tundra which lavishly coat the treeless island with yellow, blue, lavender, purple, and pink blossoms. They came also to observe the overcrowded community of squirming, barking, birthing, copulating Arctic fur seals. They knew about the harvest, did not plan to watch it, and felt as a certainty that it was a national disgrace.

By the second day the visitors are insiders. They have listened to the issues and they feel involved. Things are more complicated up close. They call the mayor "Mike" and walk up the hill after dinner for a pricey sundae at the little cafe the Russian Orthodox priest and his wife run in the basement of their home.

What will happen to these people? Why don't the humane society folks lay off the seals and do something about the poor minks?

In summer the sun sets over St. Paul Island at 1:30 a.m. by the third night the tourists, who will rise early to down fried eggs and reindeer sausage and try once more to catch a look at the McKay's bunting, lie restlessly in their undersized beds in the King Elder. They draw the heavy curtains at 10:30 p.m. and listen to the raucous shouts from the town bar, and the calls from the 18-hour-a-day baseball game on the nearby diamond ("Hit it, Dmitri, you jerk!"). Three-wheeled "all-terrain" vehicles roar back and forth on the scoria—volcanic ash—roads, at speeds inspired by boredom and booze.

The island begins to seem a dispirited and dispiriting place. The visitors are naturalists and they want to maintain their integrity. They yearn for a solid point of view. No one knows why the fur seal population has fallen and few researchers point to the harvest.

Will the fur seal treaty be renewed in October and the harvest thereby continued for another four years? Most people think yes. Some feel the issue will be so unpopular that the administration will not permit it to surface near election time. All predict that environmentalists will wage a strong counterattack when it reaches the Senate for ratification. Michael Zacharof traveled to Washington last year to tell congressmen that the treaty must be signed and the harvest continued.

In a memorable speech he declared, "The Aleuts are the rare and endangered species of the Bering Sea."●

IN RELIEF OF THE JUNIOR ACHIEVEMENT OF SACRAMENTO, INC.

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MATSUI. Mr. Speaker, the Junior Achievement has long been recognized as an outstanding organization dedicated toward the education of our youth. Teenagers, through the first-hand experience of operating their own business, gain practical knowledge in such areas as business basics, economic management and applied management. Such training provides our youth with important skills to assist them in embarking on future careers.

The Junior Achievement of Sacramento, Inc, was established to provide teenagers with practical experience in how American business operates. The program, funded through charitable donations and supervised by adult volunteers from the business community, has greatly enriched the educational experience of our youth. Indeed, the Sacramento program has been recognized for its outstanding achievements and contributions to my community.

As a nonprofit, volunteer organization, the Junior Achievement of Sacramento, Inc., qualifies as an organization exempt from taxation. The Junior Achievement of Sacramento, Inc., established and maintained this status with the Internal Revenue Service since its inception. Unfortunately, due to an inadvertent error by a volunteer to the organization, the exempt status of this nonprofit organization has been jeopardized.

Today, Mr. Speaker, I rise to introduce legislation on behalf of this commendable organization seeking resolution of this matter. This bill provides that services performed after June 30, 1977, and before January 1, 1984 in the employ of Junior Achievement of Sacramento, Inc., shall not be treated as employment for the purposes of charter 21 of the Internal Revenue Code of 1951 and title II of the Social Security Act. Furthermore, services shall not be treated as performed after June 30, 1977, to the extent that remuneration for such services is paid after such date. I believe that Junior Achievement of Sacramento, Inc., deserves this extraordinary relief granted by this legislation based upon the following factual information.

The secretary to the volunteer treasurer of this organization inadvertently filed a Form 941 for the quarters ending December 31, 1975, March 31, 1976, and June 30, 1976 and erroneously withheld and remitted FICA taxes with those returns. Upon discovery of these filings, the organization immediately filed Form 941C requesting a refund of the taxes paid. The request for the refund was denied in January 1977.

After that denial, the organization continued to correspond with the Internal Revenue Service regarding the matter, and, upon the advise of their attorney, filed Form 941 and paid FICA taxes for two quarters in 1977 under protest. The Service then refunded the taxes paid for the quarter ended December 31, 1975. The organization immediately wrote to the Service stating that apparently their claim for a refund had been reconsidered and granted. Accordingly, the organization filed Forms 941 and 941C for the quarter ended December 31, 1977 and applied for and received a refund of the taxes paid in the earlier quarters of 1977.

Consequently, the Junior Achievement had every reason to believe that the Service had recognized the organization's exempt status and that the refund for the quarters ended March 31, 1976 and June 30, 1976, would soon be forthcoming. In addition, the FICA taxes originally withheld from the employee in 1976 and 1977 were refunded to the employee. Subsequent to that time, the organization did not withhold any FICA taxes from its employees and filed its quarterly payroll tax returns as an exempt organization. Unfortunately, however, the Service has continued to demand repayment of these taxes.

It is apparent from the chronology of events that upon the discovery of the error in filing taxes, the organization made every attempt to clarify the situation and make amends with the Service. Indeed, the refund of the taxes paid for the quarter ending December 31, 1975, and the quarters in 1977, would indicate that the Service recognized the error and granted the organization's request for a refund due to their exempt status. Furthermore, the organization has continued to file its quarterly payroll tax returns as an

exempt organization and has not withheld any FICA taxes from its employees since 1977; yet the Service refuses to recognize the previous error and still demands repayment.

To persist in collecting these taxes is not only unjustifiable but inequitable. To allow a nonprofit organization such as the Junior Achievement to suffer this burden is inexcusable. In addition, it would seriously impair the organization's ability to continue within the community. Therefore, I urge my colleagues to support this legislation and I respectfully request that the committee grant the immediate consideration of this urgent matter in order that this inequity may be resolved in the near future.

The legislation follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purposes of chapter 21 of the Internal Revenue Code of 1954 and title II of the Social Security Act, services performed after June 30, 1977, and before January 1, 1984, in the employ of Junior Achievement of Sacramento, Inc., shall not be treated as employment.

(b) For purposes of subsection (a), services shall be treated as performed after June 30, 1977, to the extent that remuneration for such services is paid after such date.●

TRIBUTE TO D.B. BOSTICK, SR.

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. HUBBARD. Mr. Speaker, I speak today in tribute to, and in memory of, a long-time friend and constituent of mine, David Beverly (D.B.) Bostick, Sr., of Hopkinsville, KY, who died on August 2 at the age of 85 at Jennie Stuart Medical Center in Hopkinsville, KY.

A native of Christian County, KY, D.B. Bostick was a self-made, self-educated mechanical genius. With only an eighth-grade education, he was chief engineer for the Kentucky Light and Power Plant at age 19. In later years, D.B. was chief engineer at Watts Bar and Muscle Shoals Plants of the Tennessee Valley Authority. After leaving TVA, he opened "Dick's Place" in Hopkinsville, a favorite eating place for people from many miles around, especially area farmers.

D.B. Bostick was a member of the Grace Episcopal Church in Hopkinsville and supported the Elk Club, Odd Fellows, and Sons of the American Revolution. In 1946, he found D.B. Bostick & Son, Inc., which has been in business since that time serving Kentucky and local communities' needs for a quality mechanical contracting firm.

I believe D.B.'s greatest contributions to his fellow men were the love he gave to his family, his unquestioned honesty in dealing with the public, and his success at showing how far a person could go in life; also by his hard work, honesty, and fairness to all people.

Just before his death, one of D.B. Bostick's greatest dreams came true. He had worked long and hard to obtain a patent on his beautiful Bostick bank lamp. He received word that his patent was granted, and his smile upon hearing this good news lit up his hospital room. My wife, Carol, and I will treasure the two bank lamps he gave us as a wedding gift.

I am proud to have represented D.B. Bostick as his Congressman in the U.S. House of Representatives. I am also proud that D.B. Bostick, Sr., and I were friends.

Survivors include his lovely wife, Katherine Black Bostick, of Hopkinsville; a son, D.B. Bostick, Jr., and a daughter, Mrs. Jack (Margaret) Gilkey, both of Hopkinsville; a half brother, Lon Bostick, and a half sister, Mrs. Cecil (Alline) Cornelius, also of Hopkinsville; four grandchildren and two great-grandchildren.

My wife, Carol, and I extend our sympathy to the survivors and friends of this outstanding Kentuckian who was an inspiration to those of us who knew and loved him.●

RUMBARGER CEMETERY ASSOCIATION COMMENDED

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. CLINGER. Mr. Speaker, I feel it is important to recognize the volunteer efforts that have always helped beautify communities throughout the United States and improve the quality of life for all Americans. I rise today to call to the attention of my colleagues the outstanding effort put forth by the Rumbarger Cemetery Association in DuBois, PA.

For over 20 years, the association, which is chaired by Mr. Wallace Lindsay, has been doing renovation on the badly deteriorated burial site. In 1977, the association was able to obtain the deed for the land where the cemetery is located and assure that the land would not be converted into a recreation area.

With continued volunteer help and financial support, the Rumbarger Cemetery can be maintained at its present level. I would like to commend Mr. Lindsay and the association for their outstanding commitment and untiring efforts over the years, and salute the ideals behind all community volunteer efforts across our country.●

POSTCARDS FOR PEACE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. KILDEE. Mr. Speaker, I am pleased to bring to the attention of my colleagues in the Congress an unusual and inspiring effort to encourage world peace.

The "Postcards for Peace" project began in the Kirkridge United Presbyterian Church in Grand Blanc, MI. The earnest simplicity of this idea belies its scope. On World Communion Sunday, October 7, 1984, each participant will send postcards to President Reagan and Soviet General Secretary Chernenko urging the two to work together for world peace with justice.

"Postcards for Peace" was adopted nationally by the Presbyterian Church (U.S.A.) at its general assembly in June. Since then the project has been growing steadily, embraced by different denominations in houses of worship throughout the country. Individuals of every faith are invited to join in this grassroots effort with a global vision, so that millions of cards will reach the leaders of the world's superpowers and renew hope for international understanding.●

QUESTIONS RAISED ABOUT GRACE COMMISSION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. FORD of Michigan. Mr. Speaker, the work of the President's Private Sector Survey on Cost Control, popularly known as the Grace Commission, has been discredited in a number of studies by highly regarded organizations.

Both the General Accounting Office and the Congressional Budget Office have raised serious questions about savings proposals in Grace Commission reports. So have studies outside the Government.

Moreover, a review by the professional staff of the Post Office and Civil Service Committee found sections of the report dealing with Federal employees to be so riddled with factual error as to be useless in setting public policy.

Yet the White House, and many of my colleagues as well, continue to embrace the reports as meaningful.

I was delightfully surprised last month when conservative columnist George Will, in the Washington Post of August 9, exposed the Commission's work for what it really is—a stack of recommendations to change public

policy rather than achieve savings through "modern business practices."

I offer the article for the benefit of my colleagues who still labor under the false impression that the Commission offers some magic to save the people's money.

[From the Washington Post, Aug. 9, 1984]

CONSERVATIVE COWBOYS HEAD 'EM OFF AT THE HOOVER DAM

(By George F. Will)

If you have tears, prepare to shed them for one of President Reagan's 2,478 favorite ideas.

He got these ideas from Peter Grace. When conservatives say, "Let Reagan be Reagan," they mean "Let Reagan be Grace." One of the most radical fellows in or around government, Grace, a businessman, chaired the commission that recently rendered 2,478 recommendations for "cost control" in government.

Reagan has seized upon these recommendations as a refutation of the notion that a tax increase will be required to reduce the deficit to manageable proportions. Vowing at a press conference to rely instead on spending cuts, Reagan said, "We have a task force working on 2,478 recommendations . . . of ways in which government can be made more economic and efficient by simply turning to modern business practices."

Reagan has not read the 10-foot-high stack of documentation for the 47 Grace volumes, so he can be forgiven for not knowing that they involve a lot more than "modern business practices." Brigades of public-spirited persons donated their time to the commission, and identified hundreds of possible efficiencies that could indeed save billions of dollars. But most of the large sums pertain not to more efficient administration of policies—not to diminishing "waste, fraud and abuse"—but to changing policies.

For example, the report proposes cutting pensions for more than 5 million federal workers and their spouses. Were Reagan to endorse all 2,478 ideas, he would lose 50 states.

He and other conservatives who use the Grace report to suppress talk of tax increases are, shall we say, selective in their enthusiasm for the particular recommendations. This was shown when Congress recently tumbled over itself in antic haste to send to Reagan a bill that does the opposite of the Grace proposal concerning federal sales of hydroelectric power.

The proposal was that federal power-marketing administrations charge for their electricity something more than mere cost-recovery rates, if not the full rate the market would bear. Congressional conservatives recently had a chance to stop praising and start implementing the Grace recommendations with respect to the Hoover Dam.

Since 1937 the dam has been generating electricity under a contract that guarantees cheap power to parts of Nevada, Arizona and Southern California for 50 years. Although the contract still has three years to run; although Congress has so much work and so little time that it cannot pass even appropriation bills in a timely manner; although the Depression-era Hoover rates are from one-fourth to one-fourteenth those that unsubsidized Americans pay—nevertheless, Congress has rushed to extend for 30 years, until 2017, the cheap sale of this federal resource.

The vote in the Republican-controlled Senate was 64-34, with every senator from west of Missouri voting to continue the subsidy. That is Reagan country, pardner, but it also is where there are other cheap federal power arrangements.

Furthermore, conservative cowboys can spot trouble coming across a far mesa and they saw a slew of troubles in the suggestion that federal resources should be sold at something approaching market rates. Suppose that obnoxious principle were applied to water, or grazing, fees. All those folks whose church-going clothes include cowboy boots and Adam Smith neckties worship at the altar of the Glorious Free Market, but this is hitting close to home.

Conservative Republican senators said (hang on tight—this argument can give you ideological whiplash) it would be "laissez-faire economics—the public be damned" to end federally subsidized rates. They said it is good conservative government-bashing policy to continue this subsidy. Why? Because it is "consumer protection" to prevent big government from charging big (market) rates. Anyway, they said, it is sound anti-government policy to prevent government from going "into business to make a profit." (What happened to Reagan's sound business practices? Hush.) Besides, subsidized power is—stand up and salute, conservatives—a "tradition."

As Mark Twain said, get the facts first—you can distort them later. The fact is that Congress has again demonstrated the real conservatism of modern government, which labors to protect people from disagreeable change.

Twain also said that thunder is impressive, but lightning does the work. The Grace report is thunderous, but Congress must do the work. Will Reagan, who praises the Grace approach, veto the bill by which Congress shreds a Grace idea? No.

Reagan now says he will veto any increase in "personal" income taxes. The adjective is a modifier, modifying his opposition to taxes. His pledge leaves—as it should—lots of kinds of taxes unmentioned. The Hoover Dam vote illustrates why today's 2,479th idea—that tax increases are coming—will not go away.●

EUGENE FISHER, ESQ.

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding member of our community, Mr. Eugene Fisher. As a lawyer, a real estate developer, but most of all, as a humanitarian and a philanthropist, Mr. Fisher has made his indelible mark on the lives of his friends and neighbors in southern California. His contributions to over a hundred charities, organizations, and community service organizations are a testament to his generosity of spirit and his abiding concern for the welfare of others. It is this spirit that reflects the enduring values and greatness of the American people. We are proud to know him and we congratulate the Gateway Hospital Mens Club for voting him their "Man of the Year 1984." ●

DEMOCRACY IN URUGUAY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GARCIA. Mr. Speaker, the upcoming elections in Uruguay are clouded in controversy. The imprisonment of Wilson Ferreira, leader of the Uruguayan National Party, has cast a shadow over what is hoped to be a move back to democracy in Uruguay.

The State Department has not been supportive of Mr. Ferreira's struggle to participate in the upcoming elections. While it is by no means necessary or appropriate for the United States to interfere with Uruguay's internal politics, it is, nonetheless, important that we openly express our concern over the current state of affairs in Uruguay.

I am submitting for the RECORD an article from the Washington Office on Latin America on the current situation in Uruguay. I am also submitting a letter to the New York Times from Peter Bell of the Carnegie Endowment on United States response to current problems in Uruguay. I hope that my colleagues find both of them useful.

[From the Washington Office on Latin America, July-August 1984]

URUGUAYAN TRANSITION TOTTERS

The June 16 arrest of the controversial Uruguayan National Party leader Wilson Ferreira Aldunate and his son, Juan Raul, as they came off the boat from exile in Argentina cast a shadow over Uruguay's "transition" to democratic rule and unleashed a storm of reaction in Uruguay and throughout the world.

In late 1983, Wilson Ferreira, a former Senator and Minister of Agriculture, was overwhelmingly chosen by the National (*Blanco*) Party as their presidential candidate for the scheduled November 1984 elections. His fate is a litmus test of the sincerity of the Uruguayan military's commitment to a return to democracy, which was interrupted on June 27, 1973 with the illegal closure of the Uruguayan Parliament.

Ultimately, the fate of Wilson Ferreira will be decided by a political, not a legal process.

Wilson currently faces up to 30 years imprisonment for charges which include: "attacking the morale of the Armed Forces," committing "acts capable of exposing the Republic to the danger of a war or other reprisals" and subversive association. The judicial documents indicate that Wilson Ferreira's most serious "crime" is his 1976 testimony before the U.S. Congress which led to a cut-off of U.S. military aid to Uruguay for human rights reasons. Juan Ferreira was indicted on lesser charges, which carry a possibility for release on bail. A judicial holiday from July 1-23 forced postponement of immediate court action on either case.

Wilson's prominence at this current tenuous juncture in Uruguay is apparent. For publishing or broadcasting statements by or photographs of the proscribed Blanco presidential candidate, the Uruguayan generals have closed down newspapers, a radio station and a television channel. National

Party headquarters was raided twice and copies of speeches by Wilson confiscated. In anticipation of his return, the Uruguayan military government restricted domestic travel and prohibited publicity or promotion of demonstrations or rallies. It issued decrees that reiterated the ban on direct or indirect media coverage of Ferreira's activities and warned that "professional agitators" had infiltrated the country.

Despite the various bans and threats, popular mobilization on behalf of the Ferreiras has been widespread. Approximately 20,000 Uruguayans gathered in Montevideo to await the arrival of the ship which carried the Ferreiras back to their homeland. In the weeks since, the streets of Montevideo and other Uruguayan cities have teemed with demonstrators seeking the release of the Ferreiras. The demand of a June 27 peaceful work stoppage included Wilson's release, freedom, elections, amnesty, and democracy.

Likewise, international pressure on behalf of Wilson Ferreira has been considerable. Governments of democratic nations such as Argentina, Bolivia, Colombia, Coata Rica, Ecuador, France, Italy, Mexico, Panama, Spain and Venezuela have called for the release of Wilson Ferreira. While U.S. congressional response has been significant (see Washington in Focus, 6/29/84), the Reagan administration has maintained an extremely low profile. The State Department's only press guidance on the subject expresses the expectation that the cases "will be processed expeditiously with all the guarantees of due process of law."

Although ultimately, the fate of Wilson Ferreira will be decided by a political, not a legal process, the U.S. State Department accepts the legality of Uruguayan military justice and expresses its hope that "this incident does not jeopardize" the return to civilian government. This statement is ambiguous at best, and at worst, indicates tacit support of the Uruguayan government's actions.

In fact, the Uruguayan government leads one to understand that the U.S. government sees eye-to-eye with them on the issue of the Ferreiras. In a June 21 press conference on the subject, Uruguayan President Alvarez remarked, "The [U.S.] Department of State has been very careful not to interfere in the internal affairs of Uruguay by saying, and in this it acted very properly, that the aspiration of the Department of State was coincidental with the aspiration of the Uruguayan Government." (FBIS, 6/22/84.)

By failing to publicly declare its consternation over the arrests, and appearing to side with the Uruguayan military, the United States risks identifying itself once more with the forces of repression in Latin America.

[From the New York Times, Aug. 21, 1984]

WASHINGTON ERROR IN THE URUGUAYAN CRISIS

To the Editor:

In his letter of Aug. 14, Assistant Secretary of State Elliott Abrams defends the Reagan Administration's response to Wilson Ferreira's imprisonment in Uruguary. He states that all of the Administration's actions there are designed to advance the return of democracy.

Mr. Abrams divides Uruguayan opinion regarding the political crisis in that country into two camps—those who believe there should be no transition to elected government without Ferreira, and others who believe "the transition itself is more important than the immediate situation of any individual politician."

From the State Department's weak public statement supporting a speedy and fair trial for Ferreira and from my own discussion with department officials after Ferreira's arrest, it is clear that the Administration has sided with the second camp.

The problem with Mr. Abrams's analysis is that Ferreira is not just "any individual politican." By far the most popular politican in Uruguary, he would undoubtedly be the presidential choice in a free election. Thus, his freedom to run for president has itself become an important symbol of the return to meaningful democracy.

Ferreira's dramatic return to Montevideo marked a critical moment in Uruguayan history. The Reagan Administration should have forthrightly denounced the arrest and trumped-up charges, and urged that all Uruguayan politicians be permitted to participate in the electoral transition to democracy.

The Administration's failure to do so makes the United States seem resistant to the very democracy it seeks to promote.

(Peter D. Bell, Senior Associate, Carnegie Endowment for International Peace, Washington, Aug. 15, 1984.)●

ADVENTURE IN SCIENCE PROGRAM

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BARNES. Mr. Speaker, I would like to call your attention to the excellent work being done by Adventure in Science, a nonprofit, all-volunteer educational group which is aimed at increasing the mathematical and scientific knowledge of elementary and secondary school students. I am proud to have an organization of such devotion to the education of today's youth in my district of Montgomery County, MD.

The program was started 11 years ago in the basement laboratory of Dr. Ralph Nash, a recently retired NASA physicist, relying on donations of time, talent, and equipment to encourage student exploration of any scientific area they choose from "Astronomy to Zoology." The program has blossomed into a second basement laboratory as well as into space at the National Bureau of Standards. During 1983, 94 area students participated and their explorations were guided by 70 area volunteer technical professionals.

"Adventure in Science's" approach is a healthy combination of brief explanations, group discussions, and individually paced work for each student. The students gain a thorough understanding of ideas by conducting simple experiments. It is this kind of hand-on experience that creates a memorable impact.

In today's world of high technology it is important for young people to build and maintain a storehouse of scientific knowledge in order to contribute to and shape the progress of this great Nation in the future. The "Adventure in Science" program should stand as a paradigm for similar efforts to stimulate the scientific curiosity of children who will become the technological leaders of tomorrow.●

AMBASSADOR ROWNY TALKS ABOUT AMERICA'S ARMS CONTROL EFFORTS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BROOMFIELD. Mr. Speaker, I commend Chief U.S. Arms Negotiator Edward L. Rowny for an excellent speech earlier today regarding arms control. With all of the recent discussion about America's arms control policy and the great impact which this issue has on all of us, he chose an excellent time to lay the facts on the line about what America wants to accomplish in the arms control area. I have included excerpts from his speech for my colleagues in the Congress.

Ambassador Rowny told the American Legion's National Convention in Salt Lake City that "one of President Reagan's major foreign policy goals is to reduce the risk of nuclear war through substantial reductions in the United States and Soviet nuclear arsenals." He stressed that the President has worked long and hard, and his team has negotiated patiently, seriously, and flexibly. He also said that by making a number of changes and offering new negotiating initiatives to meet Soviet concerns, our Government demonstrated its genuine commitment to arms control and reducing the threat of nuclear war. According to the Ambassador, no U.S. proposals were ever put on a take-it-or-leave-it basis.

As a 10-year veteran of nuclear arms negotiations with Moscow, he said that the Soviets "have always acted in their own interest" and for that reason they will return to the negotiating table. He also noted that the Soviets have convinced him that they too are interested in reducing the threat of nuclear war.

With these thoughts in mind, I strongly recommend the following thoughts from Ambassador Rowny's recent speech to my colleagues.

REMARKS OF AMBASSADOR EDWARD L. ROWNY TO THE AMERICAN LEGION, SALT LAKE CITY, SEPT. 5, 1984

As Legionnaires, no one knows better than you the importance of preserving the peace. As President Reagan indicated, one of his major foreign policy goals is to reduce the risk of war through substantial reductions in the U.S. and Soviet nuclear arsenals. In seeking to attain this goal, we have worked long and hard, negotiating patiently, seri-

ously and flexibly. We will continue to strive to bring about a peaceful world by reducing or banning those weapons which contribute to fear, danger and instability. But you can be assured we will do so in a way that improves this country's security. Any arms control agreement we enter into must serve the goal of enhancing the security, not only of the U.S., but also simply for agreement's sake—an agreement has to be the right one.

I speak to you as one who cherishes peace. Like you, I have seen war firsthand. In Europe, in Korea and then in Vietnam, I have personally experienced the horrors that result when peace breaks down or when nations are lulled into a false sense of security. Most of us realize the truism of President Reagan's statement that a nuclear war must never be fought and can never be won.

BOLD STEPS BY PRESIDENT REAGAN

Let me state our arms control goals clearly. We seek substantial reductions, lower equal levels, stabilizing and verifiable agreements. In striving to attain a stable balance at substantially reduced levels of weapons, President Reagan has been continuously and closely involved in the arms control process.

President Reagan has taken bold and imaginative steps in his search for new arms control agreements that really have some meaning and purpose. His one and only goal in these negotiations is to help make the world a safer place for us and our children. Does this sound like the President is inflexible and an opponent of arms control?

What the United States seeks is to get away from the type of arms control agreements that allowed increases in strategic forces. In the Strategic Arms Limitation Talks (SALT), we thought we had constrained Soviet strategic programs. To paraphrase former Secretary of Defense Brown, "when we built, the Soviets built; when we failed to build, the Soviets continued to build." In START, we seek to build down, not build up.

The most disturbing aspect of the Soviet buildup is, indeed, the massive growth in their intercontinental ballistic missile capabilities.

The Soviet START proposal would permit the number of ballistic missile warheads to increase by one-half over current numbers, whereas the U.S. proposal calls for a one-third reduction in current warhead numbers. Moreover, our proposal seeks to redress, by way of Soviet reductions, the better than three-to-one advantage in ballistic missile throw-weight the Soviets have over us. Throw-weight is important because it can be used to increase the destructive power and the accuracy of a missile.

MOVEMENT AND FLEXIBILITY IN START

The United States proposal seeks to make deep reductions in the nuclear stockpiles of both countries. During the year-and-a-half of negotiations, we painstakingly explained our proposals to the Soviets, relying on one underlying premise, namely that we and the Soviets want a more stable strategic relationship. In some cases, the Soviets agreed with our views; in other cases, they didn't. In response, to the stated concerns of the Soviets, the President authorized me to make significant modifications and to propose new and different initiatives in a search for common ground. No U.S. proposal was offered on a take-it-or-leave-it basis.

In the course of the negotiations, the Soviets made some extreme and unfounded charges about the effect the U.S. START proposal would have on Soviet strategic forces.

The Soviets' main assumption was that the U.S. proposal would force the Soviet Union to build new strategic systems. The image the Soviets tried to convey was that of a country eager to beat its swords into plowshares, forced against its will, by the U.S., into a crash program to acquire weapons it had no desire for. This image does not stand up to close scurtiny. Indeed, it is evident that the Soviet Union has not stopped producing new weapons; it has not stopped testing new weapons; it has not stopped deploying new weapons. Instead, it has vigorously moved ahead on all fronts.

GRADUAL EVOLUTION TO STABILITY

Critics of our policy who say we are asking too much of the Soviets can't have it both ways. How can these critics accuse us of not doing enough, or not being serious about arms control, and then say that our proposals for large reductions, even banning some weapons, are too much or are more arms control than the Soviets will accept? How can we and the Soviets move to a more stable relationship without getting rid of dangerous and destabilizing missiles? How can there be reductions without getting rid of something? But the bottom line is that we do not seek to force the Soviets to restructure radically. Rather, we are encouraging a gradual evolution to more stabilizing systems.

Another major allegation the Soviets made was that the U.S. proposal would cause the Soviet Union to make severe reductions while U.S. forces remain unaffected. This is not true. The United States would also be required to make substantial reductions. I want to emphasize that our reductions would not be trivial and would not be limited only to the elimination of old, unwanted systems.

At this point, let me comment on the freeze. A freeze would do nothing to diminish the existing nuclear threat. Negotiating the terms of a freeze, to say nothing of provisions for verifying a freeze, would derail any negotiations on reducing nuclear arms. The only thing a freeze would do is reduce any incentive the Soviets might have to negotiate the reductions we have proposed. A freeze would prevent the introduction of newer, more stabilizing systems, and would thereby perpetuate the existing dangerous strategic imbalance that results from the high levels of Soviet destabilizing weapons.

THE RECORD OF START NEGOTIATIONS IN 1983

From the beginning of START in 1982, President Reagan showed a great deal of flexibility in efforts to move the talks toward an agreement. First, some background. At Eureka College in May 1982, the President proposed a reduction to 850 ballistic missiles—one-half of the current U.S. level and a reduction to 5,000 ballistic missile warheads, a one-third reduction from current U.S. and Soviet levels. At Eureka, the President also proposed that the negotiations focus first on the most dangerous and destabilizing systems—ballistic missiles. We did not, however, neglect the other elements of strategic forces and heavy bombers. From the outset of START, the U.S. proposed equal numbers of heavy bombers at levels well below what would have been allowed by SALT II.

But the Soviets did not want to reduce as much as we did. And the Soviets claimed that by focusing on missiles, we were attempting to hide something. In the spring of 1983, we met the Soviet concerns by modifying our proposal in three ways. First, because the Soviets would not come down to 850 we changed our proposal to be closer to theirs. Second, because the Soviets wanted to negotiate on all systems simultaneously, we put everything on the table at one time. Third, we told the Soviets they need not reduce their 3-to-1 advantage in missile throw-weight down to equality. We, of course, would prefer equality sooner, not later.

Thus, as a result of our willingness to try new initiatives and show flexibility in order to move toward an agreement, a great deal of progress was made during the spring and summer of 1983. More progress was made than is generally recognized.

TRADEOFFS PAVE THE WAY FOR REAL PROGRESS

We believe our proposal for trade-offs, which we introduced in the fall of 1983, could pave the way for an agreement. For example, we are prepared to reduce submarine-launched ballistic missiles and bombers and to limit the number of air-launched cruise missiles we might otherwise be allowed to build. We are willing to reduce or limit those weapons which are of concern to the Soviets if they reduce or limit their weapons which are of concern to us. We also introduced the build-down concept which calls for reducing more weapons than are added for modernization. This concept is more important because it marks the beginning of a bipartisan approach to arms control in the Congress.

SOVIETS REFUSE TO RESUME START

No one can predict what the Soviets might do. When they walked out of the intermediate-range negotiations, they did not say they would *not* return to START. They simply said they would not return to START until they completed their reassessment of the strategic situation. Based on my ten years of face-to-face negotiating experience with the Soviets, however, I am convinced that it is not a question of "if" but "when" they will come back to the table. They have always acted in their own interest and it's in their interest—as it is in ours—to reduce the threat of nuclear war.

ARMS CONTROL AND MODERNIZATION

All this presents a mammoth challenge to the United States. One thing is clear. We *must* continue to modernize our forces. This gives the Soviets added incentive to negotiate. They are cold realists. They have indicated to me that they, too, want to avoid a nuclear war. Similarly, they know that they have no hope in the long-run of competing with the U.S. technologically. Therefore, they have nothing to gain from a costly arms race. Accordingly, in the interests of stability, we must redress the imbalance which was allowed to occur. By doing so we accomplish two goals. First, we take care of our own security by improving stability. And second, we are put in a better position to negotiate an arms control agreement. As the Soviets so often tell us, they don't give up something for nothing.

The Soviets' relentless buildup of multiple warhead, land-based, intercontinental ballistic missiles gives them a potential first-strike force. The Soviets have deployed over 800 heavy and medium ICBMs including 308 massive SS-18s.

The Peacekeeper, MX, missile represents a limited response to this lopsided advantage the Soviets have in their 800 medium and heavy ICBMs. And this response is one of moderation. We intend to deploy only 100

Peacekeeper missiles, one-half the number proposed by previous Administrations.

In the final analysis, deterrence of nuclear war is our goal. We can get there by matching the Soviets, which we don't want to do. What we aim to do is to achieve deterrence which at the same time enhances stability.

AN HISTORIC OPPORTUNITY

Let me leave you with several thoughts. I believe that there is an historic opportunity before the United States and the Soviet Union to reverse the accumulation of nuclear arsenals on both sides.

Without giving up our basic principles or abandoning our long-range objectives, we changed our proposals to meet the major concerns the Soviets had with them. To our pleasant surprise, the Soviets changed their original proposals in several ways to meet our concerns. As a result, and contrary to the general public perception, we made a substantial amount of progress in START prior to the Soviets leaving the table.

President Reagan has gone farther than any other President in the breadth, the content, and the depth of his arms control proposals. He has sought substantial reductions, even the total elimination, of more types and more categories of nuclear weapons than any of his predecessors.

If all we wanted is an agreement, for agreement's sake, I can assure you I could have brought one home in 1983. But I, like President Reagan, want real arms control, real reductions, a real reduction of the threat of nuclear war. I remain convinced that we can, with patience and with your continued support for the President's modernization programs and his arms control policies, reach an equitable and verifiable agreement with the Soviet Union. Such an agreement is one of President Reagan's main goals.●

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. EDGAR. Mr. Speaker, in the whirlwind of the election year and given the chilled relations between the United States and the Soviet Union since the downing of KAL 007, it is all too easy to forget the people who comprise our world. Within the context of political primaries, national conventions, and even the Olympics, we tend to forget about the vast number of individuals and families who live out their daily lives under the shadow of fear.

But in the excitement of this summer's activities, the plight of Andrei Sakhorov and his wife, Elena Bonner, brought home to the American public the stark realities faced by dissenters in the Soviet Union. Even now, the exact whereabouts of the couple are unknown. As we return from our home districts to finish the business of the 98th Congress, I would like to take this opportunity as part of the 1984 Congressional Call to Conscience Vigil for Soviet Jewry to remind my colleagues of the continuing struggle of Jews in the Soviet Union.

Although their goals and means are peaceful, Jews who wish to leave the Soviet Union and emigrate to their homeland of Israel face harassment and arbitrary imprisonment at the hands of Soviet authorities. These people are the victims of a continuing tragedy—a situation exacerbated by the ailing relations between the United States and the Soviet Union and worsened by the failing health of the Soviet leader, Konstantin Chernenko. In July, a scant 85 of the thousands of Jews seeking to emigrate left the Soviet Union. As Members of Congress, it is our responsibility to voice the loud calls of our constituents on behalf of Jews in the Soviet Union.

As a member of the Congressional Human Rights Caucus and activist on behalf of Soviet Jewish refuseniks and other prisoners of conscience, I personally realize that progress in the field of human rights is often slow and agonizing. Individual cries for reform often fall upon deaf ears, but together we can make a difference. In the spirit of international cooperation, we must continue to urge Soviet leaders to reverse their policies and to let Jews freely emigrate to Israel. It is only through coordinated and concerted action on all levels that attention is drawn to individual cases and to the problem as a whole.

Next week, you will be receiving a "Dear Colleague" from me asking you to sign a letter to Konstantin Chernenko on behalf of Yakov Mesh and his family. Yakov Mesh, his wife Marina, and their son Marat, all of Odessa, have been seeking to emigrate to Israel since 1977. Their request has been repeatedly denied and the family have been constantly harassed and frequently detained by the KGB. As part of this body's overall effort on behalf of Soviet Jewry, I urge you to sign this letter on behalf of the Mesh family.

In closing, I would like to praise all of those who have struggled on behalf of Jews in the Soviet Union and urge others to become actively involved in this effort.●

SOVIET HARASSMENT OF JEWISH REFUSENIKS

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. SIKORSKI. Mr. Speaker, as a participant in the Union of Councils for Soviet Jews Call to Conscience Vigil, I would like to call to your attention the plight of Tashpulat and Lelia Katanov, and their two sons Igor, age 15, and German, age 12. Thank you for this opportunity to speak on their behalf.

The Katanov family, like so many other Soviet Jews trying to leave the Soviet Union, are classified as refuseniks. The term "refusenik" is an international word which describes a Soviet Jew who, having been consistently refused permission to emigrate to Israel, is harassed by the KGB, usually dismissed from work, and lives in fear of arrest and trumped-up charges which could result in imprisonment.

Tashpulat first applied for a visa to emigrate to Israel on June 28, 1979, but was refused permission on August 25, 1979. Both Tashpulat, technician, and Lelia, economist, were immediately fired from their jobs, cutting them off from their sole source of income. When Tashpulat applied for a second time, he was once again denied permission to emigrate, without reason or explanation from Soviet authorities.

The Katanov family suffers from another dilemma. As with all Jewish refusenik families, there is concern that as Igor gets close to finishing high school, he will become eligible for the military draft. If he refuses to serve, he could be imprisoned for up to 3 years. However, after being in the military for the required term, he could then be detained indefinitely on the grounds of knowing "military secrets."

I need not remind you of the horror stories that have befallen Soviet Jews seeking to emigrate. As members of the U.S. House of Representatives, we must raise our voices in support of the plight of the Katanov family and other refuseniks who have been denied their fundamental freedoms.●

PAYING TRIBUTE TO THE AMERICAN LEGION POST 33 BASEBALL TEAM OF STEUBENVILLE, OH

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the achievements of the American Legion Post 33 baseball team of Steubenville, OH. For the fourth time, Post 33 has captured the Ohio American Legion baseball championship.

Post 33 culminated its successful season by beating Ashtabula Post 103 by a score of 11 to 3 at Ohio University on August 10, 1984. Steubenville had successfully maneuvered itself through the double-elimination tournament in the minimum of just five games. After obtaining the State title, the team went on to the Great Lakes regional tournament, and while not totally successful there, did make an impressive showing.

Post 33 had previously captured the State title in 1964, 1978, and 1979. The

first three titles came under the leadership of Ang Vaccaro, who retired from coaching at the beginning of the 1983 season. Vaccaro was succeeded by Coach Chuck Watt, who in just 2 years has accumulated an outstanding record of 75 wins and just 20 losses.

Mr. Speaker, I ask that my colleagues join me in paying tribute to the young athletes, coaches, and managers of Post 33 who have brought honor to the city of Steubenville and the State of Ohio.●

OLYMPIC GAMES AND INTERNATIONAL UNITY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. SCHUMER. Mr. Speaker, I would like to praise the overwhelming spirit of unity present at our 1984 international Olympic games in Los Angeles. The games were symbolic in that they served to emphasize that diverse nationalities can flourish in a climate of international cooperation, working toward a common goal of athletic excellence.

I am particularly proud of Chris Mullins, one of my constituents, who was a member of the U.S. Olympic basketball team that brought home the gold. Chris proved to be one of the more dominant and explosive players on the team, and has a history of excellent defensive play.

Chris Mullins graduated from Xaverian High School in my district. Currently projected as a first-round draft pick in the NBA, Chris has a healthy list of awards behind him. He was a member of the Big East Conference all-rookie team and was selected Big East Player of the Year. He received the Haggerty Award for best player in the New York area; was selected to the U.S. Pan-American team; and garnered a UPI first team all-American position.

Chris is presently in his senior year at St. John's University, where he benefits from the advice of basketball coach Mr. Lou Carneseca.

I wish Chris Mullins continued success in his basketball career. He is an excellent example of what hard work, perseverance, and talent can accomplish.●

COMMUNITY CHILD WATCH WEEK

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. SAWYER. Mr. Speaker, it is with pride that I would today like to recognize the week of September 15-22 as Community Child Watch Week in my home State of Michigan. Because of the efforts of citizens in Grand Rapids, Community Child Watch was created 5 years ago. Its creation was in response to the need for a program to protect children when they are away from home. Police departments, school systems, and community agencies work together to train volunteers and observe and report any situation which might be dangerous to children. Volunteers over the age of 18 complete an application to join in the effort and attend a 1-hour training session. After the session, each volunteer receives a handbook and a window poster that shows neighborhood children where they can go for emergency help. It also helps prevent crimes of all kinds, and teaches children how to use child watch volunteers and how to keep themselves safe.

I'm very pleased to see the residents of Grand Rapids, as well as the State of Michigan, taking such an active role in preserving the safety of our children. It's our responsibility to collectively take every precaution to provide a safe and secure environment for our children, and this child watch program makes a tremendous contribution to that goal.

I'd like to thank the volunteers of the Community Child Watch program for their dedication and their commitment to this worthy cause, and I wish them sucess in their celebrations on Saturday, September 15, in promoting Community Child Watch across Michigan.●

JOSEPH ATIYEH, OLYMPIC MEDALIST

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. RITTER. Mr. Speaker, I would like to pay tribute to Joseph Atiyeh, the first person representing Syria in an Olympiad to win a medal. He won a silver medal in the 220 pound freestyle wrestling class. He also had the honor of carrying the Syrian flag during the opening ceremonies.

Joseph was born in Syria and raised in Allentown, PA, in my congressional district. He holds both American and Syrian citizenship. Joseph was a two-time all American at Louisiana State University. After winning the silver medal, he was presented the Syrian Merit Award for Excellence by Syrian President Assad, and received a hero's welcome while touring Syrian villages and cities.

He will be recognized at a victory celebration in Allentown, PA, on September 7, which will include many dignitaries and myself. The celebration is being sponsored by the Lehigh Valley Arab-American Community. I congratulate Joseph on his fine accomplishment and also would like to commend our Lehigh Valley and our Nation's Arab-American community for their unique contribution to our ethnic heritage.●

IT'S TIME FOR ADMINISTRATION TO LEAVE MOTHER GOOSE LAND

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. FLORIO. Mr. Speaker, over the past several years, Congress, the States, and many others have tried to tackle the problem of acid rain in a variety of ways. However, as we have learned, acid rain has proven to be one of the most difficult issues facing the Congress and our Nation today.

It is an issue that has pitted North against South, East against West. In short, it is an issue that has created its own Civil War.

Some, namely the administration, seem to think that by simply pretending acid rain isn't a problem, it will some day disappear and our problems will be over. However, contrary to the administration's "let's-pretend-it-doesn't-exist" approach, I believe acid rain is a real problem, a problem that should be addressed now, and not left under the microscope for years to come.

We are beyond the point of simpy talking about acid rain, its cause and effects. We must act now if we are to save our lakes, rivers, forests, and wildlife from irreversible contamination. The time has come to develop and implement a sound Federal policy to stamp out acid rain.

As the editorial below suggests, it is time for the administration to leave Mother Goose land and face reality: Acid rain is destroying our country's natural resources; resources which, once gone, will not come back again some other day.

The article follows:

[From the Philadelphia Inquirer, Aug. 28, 1984]

PANEL'S ACID-RAIN REPORT SHOULD BE MADE PUBLIC

The Reagan administration's position on acid ran is becoming a parody of a nursery rhyme—"Acid rain, go away, come again some other day"—and is just about as childish.

Since March the White House has suppressed a report, written by an independent panel of top scientists commissioned by the Reagan administration in 1982, that recommends immediate strong action to combat acid rain damage to the environment. And on Sunday, Environmental Protection Agency Administrator William D. Ruckelshaus, appearing on ABC-TV's This Week with David Brinkley, had the temerity to

criticize the panel for recommending that action be taken.

In a truly dismaying statement, Mr. Ruckelshaus said:

"What the scientists have done . . . is to go from the assessment of the risk—what the nature of the problem is—and jump in and start telling people what to do about it. That is a mixed scientific-social-political kind of judgment which is up to the Congress, the President and policy-makers to make."

Having said that, Mr. Ruckelshaus went on to advise environmental groups to muffle their opposition to the administration's policies during the election campaign. "Many of the groups . . . stood in the Rose Garden in September 1980 and endorsed President Carter's re-election," he said. "They're still mad at the President. I think it's unfortunate. I don't think they ought to do that. I think it denigrates from their own credibility."

Welcome to Mother Goose land. If anybody's credibility on environmental concerns is on the line it is Mr. Reagan's and nothing makes the point clearer than his handling of the acid rain issue. Not all the answers are known about acid rain, which is doing untold damage to the environment of the Northeast and Midwest, but it is generally blamed on sulfur dioxide and nitrogen oxide compounds discharged into the atmosphere by power plants and automobiles. As Congress has debated proposed steps to reduce acid rain, the Reagan administration has argued that the exact cause and effect were unknown and that more study was needed. Thus, the President appointed the panel to make an independent review of the problem.

If the administration believes that its policy is right, there is no good reason why the panel's report should not be made public. And there's absolutely no reason why acid rain and other environmental concerns should not be issues in the election campaign. The nation needs to begin reducing the damage that acid rain is causing, and the only way that can be done intelligently and effectively is for the public to have the facts. By refusing to release the panel's report President Reagan apparently would like acid rain to go away and come again some other day. It won't.●

STATEN ISLAND BOROUGH PRESIDENT ANTHONY GAETA RETIRES

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MOLINARI. Mr. Speaker, it was announced today that the borough president of Staten Island, Anthony R. Gaeta, will be retiring in November. Tony Gaeta has been one of the most popular elected officials in the history of New York City politics. He is a man who has amassed armies of friends and, amazingly, virtually no enemies.

Mr. Gaeta began his career as a tax assessor for the city of New York in 1949. He was the administrative assistant for Congressman John M. Murphy for 10 years and was subsequently elected to the position of city councilman. In 1977, he was elected as the borough president and has held that position since that time.

Mr. Gaeta's greatest quality is that he is a man of the people. His door at borough hall has always been open and it does not matter whether the person entering that door is a Democrat, Republican, or a member of any other party. Staten Island is the only borough in New York City where there is a viable two-party system. Having held public office myself for 10 years, I cannot recall any time when Borough President Gaeta let partisan politics interject itself into the relationship which I have enjoyed with him.

Those of us who have toiled in the political vineyards have known our share of confrontations, frustrations, successes, and failures. One of the most rewarding experiences, however, is the people with whom you meet and work. Tony Gaeta ranks on the top of the list of the fine men and women that I have worked with in New York City, Albany, and Washington. He is a public servant in every sense of the word.

President Gaeta is intensely interested in the welfare of the borough that he represents and has taken off the gloves and fought for that borough when necessary. He has always found time for his family with whom he enjoys a close, loving relationship. I wish him and his family well in his retirement.

I know that Mr. Gaeta will continue to try to help his fellow man after he leaves office. He has served his borough well and he has served his country well. I salute my good friend Tony Gaeta.●

A TRIBUTE TO THREE OUTSTANDING OLYMPIC ATHLETES

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. ARCHER. Mr. Speaker, today I would like to pay tribute to three outstanding Olympic athletes who have lived and trained in the Seventh Congressional District of Texas which I represent: Mary Lou Retton, Carl Lewis, and Julianne McNamara.

They have been much lauded throughout the world as Olympians, and on behalf of the residents of the Seventh District of Texas, I'm taking this opportunity to extend our congratulations to Mary Lou, Carl, and Julianne for the honor they've brought our area of the Nation. Acknowledgement for their years of training and dedication to represent their country cannot be overstated. Julianne's resplendent, graceful performance; Carl's strong drive and his seemingly effortless accomplishment; and Mary Lou, who entranced the crowds with her excellence and precision.

We should continue to offer our support and encouragement for these amateur athletes who give their all for the pursuit of outstanding achievement. The games in Los Angeles represented our spirit and enthusiasm to all the world. The youth of our Nation holds promise—promise to commitment, integrity, and magnificence.

I know my colleagues join with me in saluting not just these three athletes, but all our Olympians. They have uplifted the spirit of our Nation with their dedication and energy. These young achievers are our hope for the future.●

AGRICULTURE PATENT REFORM ACT OF 1984

HON. MICHAEL DeWINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DEWINE. Mr. Speaker, on April 26, 1984, I joined with my colleague, DAN GLICKMAN, in introducing the Agriculture Patent Reform Act of 1984. This bill corrects a major inequity that has arisen under our current patent system for agriculture chemicals, pesticides and animal drugs. This bill will go a very long way in assuring American farmers that new and effective products will continue to be available to protect and to increase the yield of their crops and livestock. This bill encourages the marketing of such products.

Patent law was designed to encourage the research and development of new products and technologies. By rewarding those who put forth the initiative, time and capital investment necessary to develop new products we assure our position as a world leader in new technologies. As George Washington said when he urged the Congress to act on our first patent law in 1790, "I cannot forebear intimating to you the expediency of giving effectual encouragement * * * to the exertions of skill and genius in producing * * *" new products. And because today this research and development is very expensive—return on investment is not at all certain—patent protection is critical in spuring economic risk taking and the development of new products. This is the reward we give those who bring new inventions and products to the marketplace.

Since 1861, patent term protection has been set at 17 years. Our laws have asserted that for that period of time the patent holder has the exclusive right to the making, using and marketing of the new product. Unfortunately, the regulatory process

through which these products must travel has become a disincentive to new research and development. This process may take upward of 7 years or more, and all the while the "patent clock" is ticking away. Very quickly a 17 year patent has an effective patent life of 10 years or less.

Now, this does not mean that the regulatory review process should be eliminated. On the contrary, this process has become a necessary assurance of the safety and efficacy of new products. But, neither should we sacrifice our long established policy, as evidenced by our patent laws, of rewarding those who create and develop new products and technologies.

H.R. 6034 serves to remedy this inequity by restoring up to 5 years of the patent life lost to regulatory review and testing. This bill also provides for the term extension to be reduced for any time of the regulatory review period during which the product manufacturer failed to act with due diligence. By doing this we assure the safest and fastest possible marketing of new products. This bill is fair and balanced; it merely restores that which is lost due to Government regulation.

It is important to note that this bill has the support of every major farm group in this country. These groups represent the consumers of the new products this bill will encourage. They do so because patent protection encourages new and better products which make farming more economical by making it more efficient. And in the end, we, the consumers benefit as well.

Mr. Speaker, this bill has been reported out of the House Judiciary Committee and I urge its immediate consideration and passage by this body. This bill is needed and needed now.●

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the residents of New York's 22d Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens, and I invite my colleagues to join in welcoming the following newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland:

Mr. Abe Mannoopermpil Abraham, Mr. Asmath M. Abrahim, Ms. Rosa Ines Acevedo, Mr. David Nahum Adler, Ms. Maria del Carmen Aguiar, Ms. Virginia Aguilar, Ms. Marcelle Aine, Ms. Letizia Albiani, Ms. Christine Albrecht, Mr. Lindon Desmond Alexander, Ms. Lesly Renaud Alphonse, Ms. Elsy Andrews, Mr. Ida Annunziata, Ms. Huguette Antoine, Ms. Remedios Aranzamendez, Mrs. Maria Rosa Arca, Mrs. Millicent Arneaud, Mrs. F. Asturias, Ms. Danie Atisme, Ms. Marie Clauzite Atisme, Mr. Fehmi Numan Aydin, Ms. Avelina Aguas Ayson, Mr. Benjamin Santos Ayson, Ms. Marie Anne Lina Azard, Ms. Roldye Michel Azard, Mr. Kanagasabapathy Balendran, Mr. Luis Batapa Barredo, Mrs. Fanny Barrero, Mr. Joseph Basch, Mrs. Loris Johnson Batten, Mr. Ulrick Beauvilaire, Mr. Dan Beit-Halahami, Mrs. G. Bhanusali, Mrs. Esther Bickel, Mr. Jacob Bickel, Ms. Yelva Blain, Ms. Leslie Arnold Bloom, Mrs. Salka Bloom, Ms. Linda Bohleke, Ms. M. Bonhomme, Ms. Noris Remigio Bonilla, Miss Liliana Joana Bornstein, Ms. Justa Boursiquot, Mr. Aba Breisch, Mrs. Philippa Jane Broadhurst, Mr. Haron Bruck, Mr. John Bucek, Mrs. Edith Armida Buckley, Mr. Stanley E. Bulua, Mr. H. Caballero, Ms. Marina Cabrera.

Mrs. Nella Durante Calabertta, Mr. Azarian Campbell, Ms. Elena Capatina, Mr. Jack Cappel, Mr. Generosa Lazarte Carlos, Mrs. Anita Lara Castro, Mr. David Docosta Catlyn, Mrs. M. Catwell, Mr. S. Cerbolles, Mr. Raymond Delroy Chang, Mr. Peter Hsiu-Huang Cheng, Mr. Marc Dominique Cherimond, Ms. Marie Myrlande Cherimond, Mr. Bal Krishen Cherwoo, Mr. Jean Joseph Chery, Miss Mirlande Chery, Ms. Yichung Reneee Cho, Mr. Chi-Che Chu, Mr. Tsu-Yi Chu, Ms. Tsuling Chu, Mr. Man You Chung, Mr. Cesar S. Clemente, Ms. Rosita Agpalo Clemente, Ms. E. Clohessy, Mr. Alfred Signson Co, Mr. Herman Melvin Copeland, Ms. Lillian Cornejo, Mr. Carmine Cortese, Mrs. Maria Mercedes Costa, Mr. Hub Shop Road Coutable, Ms. Sylviane Eliane Coutable, Ms. Gina Cueva, Ms. Terisita Mirella Cueva, Ms. Gail Cunard, Ms. Shamita Das, Mr. John Daskkalis, Mr. Jonathan William Dator, Miss Amanda Suzanne DeMeola, Mrs. Carna Debora, Ms. Elizabeth Catherine Deevy, Mr. Walter W. Delgadillo, Ms. Lucie Demossthene, Ms. Marie Sonia Demosthene, Mr. Kedar Shashi Deshpande, Mr. Shailesh Shasi Deshpande, Ms. Natale DiIorio, Ms. Rosario Diaz.

Mrs. Noemi Oliveira Diniz, Mr. Oliamas Souza Diniz, Mr. Dean Joseph Doherty, Ms. Bibliane Marie Dolne, Ms. Endamise Dolne, Mr. Amado V. Dolorico, Mrs. Sonio T. Dolorico, Mr. Jose Mauricio Domingo, Mr. Raoul H. Dominguez, Ms. Charlemagne Dominique. Mr. Gregory Peck Dominique, Mrs. Martha Dorado, Mr. Raymond Dubuche, Mr. John Feinsley Dufrene, Mr. Chatterpaul Dukhram, Mr. T. Dumornay, Mr. Ervin Eidlisz, Mr. Mose Ekstein, Ms. Yita Ekstein, Mr. Efim Ekstra, Mrs. Natalia Ekstra-Rodin, Mrs. Cacheca Veronica Elias, Ms. Nuala Bernadette Emerson, Mr. Horst Karl Eppenbach, Ms. Catherine Ewing, Mr. Henry Eyssallene, Mr. Ibrahim Fadl, Mrs. Linda Esther Fanous, Mr. George Mircea Farcas, Mrs. A. Farmer, Mr. Domenico Federico, Mr. Raphy Kessler Felix, Ms. Juana Altagracia Ferreira, Mr. Zvi Feuerstein, Mr. Pietro Fini, Mr. Vincenzo Fini, Ms. F. Flores, Mr. Samuel Woodrow Fogarty, Ms. Sulina Fontaine, Mr. Eugenio Viado Fontanilla, Mrs. Jocelyn Zosa Forde, Mr. Eusebio Formoso, Mr. Bohdan Gafycz, Mr. Glen Joseph Gairey, Mrs. Sultana Galatali, Ms. Sossi Galian, Ms. Ligia Antonia Garcia, Mr. Leovigildo Antonio Garcia, Mr. Bernardo Hermo Gastelu, Mrs. Rosa Isabel Gastelu, Mr. Nechama Pnina Gelbman.

Mr. John Koickal George, Ms. M. Germosen, Mr. Dhanachai Getbamrungrat, Ms. Monica Hervas Gildore, Mr. Erika Goldberger, Mrs. Freda Goldstein, Ms. Rachel Goldstein, Mr. Arnold Freeman Gomez, Mr. Mario Arnaldo Gomex, Mr. Harry Gorstayn, Mrs. Judy G. Green, Mrs. Winsome D.B. Gregory, Ms. Eva Rita Grunfeld, Mr. Bela Grunhut, Ms. Mireille Guiteau, Ms. Thelma Altagracia Guzman, Mrs. Helga Hackbarth, Mr. Farhad Hakima-Fard, Ms. Clover Winnoah Hall, Mr. Avraham Samuel Hamburger, Ms. Hayah Ahuvah Hamburger, Ms. Miriam Hamburger, Mr. Sayed Ezzeldin Abas Hamza, Mrs. Alice Han, Miss Gaelle J. M. Harris, Mrs. Angalina Harrow, Mrs. Anna Harvey, Miss Tracey Lynne Haskell, Ms. Dang Thi Hill, Garfield Oleto Hines, Ms. Chiewen Lai Hsu, Mr. David Tsung-Hwa Hsu, Ms. Jane Hsu, Mrs. Linda Jung-Yung Hsu, Mr. Deng Ruey Hwang, Mrs. Gloria Irizarry, Mr. Josiah Emmanuel James, Mrs. Liliana Robert Jimenez, Mr. L. Johnson, Mr. St. Fort Joseph, Mr. Frantz Juin, Mrs. Nila Jurado, Mr. Hans Kaplan, Ms. Nazan Karadagli, Ms. Rezzan Karadagli, Mr. Joseph Kavalan, Mr. William Patrick Keaveney, Ms. Rose Kelman.

Ms. Haideh Keshmirian, Mr. Sini Suren Kilerciyan, Ms. Carlene Sunki Kim, Mr. Ko Soo Kim, Ms. Yun Sik Kim, Mrs. Audrey Elsie Klores, Mr. Josh Klugman, Ms. Heike Koenig, Ms. Lea Kohn, Mr. Otto Kohn, Mr. Benno Kollegger, Mrs. Helga Kollegger, Mrs. Anna Kovacs, Mr. Yok Wah Kow, En-Te Kuo, Mr. J. Kwiatkowski, Mr. Walter Kwok, Mrs. M. Labeach, Ms. Marlene Lafleur, Mr. Abel Lafontant, Ms. Choy Ling Lam, Ms. June Jarvis Larkin, Ms. Aida Lau, Ms. Claudette H. P. Lazarus, Ms. Nympha Trabado Leano, Mrs. Francine Tsiang Lee, Mrs. Hsiu-Hsiu Su Lee, Mr. Vincent Gock Che Lee, Mr. Eugene Lefkovitz, Mr. Gerard Leonard, Ms. Li-Hsiu Lin Leung, Mrs. Maria Lenarda Levato, Mrs. Ordea Leveque, Mr. Brett Ian Levinthal, Ms. Ruth Katharina Ley, Mr. A. Liahov, Ms. Pauline Louie, Ms. Alice Louis, Ms. Arielle Louis, Mr. Spyridon Lourentzatos, Mrs. Isabel Maria Lupi, Mr. Dagmar Eliasova Machacek, Mr. Geva Elhanan Mannor, Mrs. Fiorella Marcoccia, Mrs. Lea Markovitz, Ms. M. Marseille, Ms. Maria Marshall, Mr. Emilio Martelli, Mrs. Marvetta Olivia Martin, Mrs. Michele Martin, Ms. Alourdes Ceil Massenat.

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Ortiz, Mr. George Constantin Parvu, Ms. B. Pasternak.

Ms. J. Patel, Mr. Yashvantrai Patel, Ms. Marilyn Andree Paul, Mr. Ivan Martin Peill, Mr. Jose Ramon Pena, Mrs. Mary Blanca Pena, Mr. Casiano Elias Penin, Mr. Armando Pereiras, Mrs. A. Pereiras, Ms. Alicia Perez, Ms. Angela Perez, Mrs. Cathy Perez, Ms. Corazon Mercado Pidlaoan, Ms. Trinidad Maria Polanco, Mr. Ron Pomroy, Mr. Piero Porcu, Mr. Ravi Prakash, Mr. Nicolas Leger Preval, Ms. Rudie Princivil, Mr. F. Provenzale, Mrs. Giovanna Provenzale, Ms. Mariamma Punnoose, Mr. Nicola Pupo, Mr. John Mathew Puthenkalam, Ms. Theonne Armand Rameau, Mrs. Elizabeth Ramirez, Mrs. Sara Alicia Ramirez, Ms. Irene Ramos, Mr. Vickram Ramroop, Mr. Shiv Narain Rastogi, Mr. Victor Raymond, Ms. Denise Antoinette Reau, Ms. Milagros Tolete Recientes, Mr. and Mrs. G. Regenauer, Ms. Shirley Regis, Mr. William Gordon Reynolds, Mr. Francisco Geraldo Reynoso, Ms. Maria Orquidea Rocha, Ms. Margaret Teresa Roder, Mrs. Angela Rodriguez, Mr. Florencio Rodriguez, Mrs. Graciela Rodriguez, Mr. Manuel Roger Rodriguez, Ms. Ingred Rofofsky, Mr. Satish K. Rahatgi, Mr. Joseph Mordecai Rokach, Mr. Torgrim Rom, Mrs. T. Rom, Mrs. Teresa Iris Roman, Mrs. V. Rosal-Greif, Mr. Mauricio Roberto Rosales.

Ms. Andrise Rosarion, Mr. Guy Edouard Rosarion, Mrs. Alourdes Rosembert, Mr. Aron Rosenberg, Mr. Herman Rosenberg, Mrs. Emilia Rotundo, Mr. Domenico Ruggiero, Miss Catherine Ann Russell, Mr. Dmitri Rutman, Mr. Shanmugham Sadras, Mrs. Vicki Salamouras, Mr. Ernest Salazar, Mr. Nardo Trinidad San Diego, Ms. Terisita Lee San Diego, Mr. Chaim Sander, Ms. Sukhminder Kaur Sandhu, Ms. Dilia Mercedes Santos, Mr. Alix Saturne, Mr. Victorio Savellano, Ms. Rosalinda Gustilo Sazon, Mr. Teodorico Beating Sazon, Mr. Isaac Scher, Mr. Hans Helmut Schwendimann, Ms. Maria Majia Schwendimann, Ms. Carmina Seche, Ms. Rimma Sedova, Mr. Deacon Thomas Shoreland, Ms. Pnina Silber, Mr. Manpreet Singh, Mr. Athenasios Smernaos, Ms. Carmel Margaret Smyth, Mr. Zeng Zong Song, Ms. Sue Huey Song, Ms. Syeda Ayesha Soofia, Mrs. Judith Spark-Palmer, Ms. Herta Sperchman, Mr. Chaim S. Spilman, Mrs Rivka Spilman, Mrs. Evita Sterling, Mr. Yizchak Stern, Catherine Theresa Swanepoel, Ms. Marie Mona Sylvestre, Ms. Ilona Szybiak, Ms. Arlene Tablizo, Mr. Fred Tablizo, Mr. Jean Tadal, Mr. Joe Taktajian, Ms. Ismay Venita Taylor.

Ms. Sandra O. V. Taylor, Mr. Pinches Teichman, Mr. Steven Telesco, Mrs. Chaya Teller, Ms. Denise Louise Thermidor, Mr. Kadumputara V. Thomas, Mrs. Ava Pui Yuk Ting, Mr. Terence Kwang Hou Ting, Mrs. Elvire Milord Toussaint, Mr. Joseph Heffrard Toussaint, Ms. Katerina Tsirilakis, Mr. George Tuica, Miss Ilada Uzzo, Mrs. Manigeh Ghani VanDerveer, Ms. Annamma Varghese, Mrs. Marlene Ann Verdes, Mr. and Mrs. G. Villanueva, Ms. Martha Rosario Wagner, Ms. Joyce Silvia Walker, Ms. Amy Eng Watson, Ms. Gislaine Marie Wawa, Mrs. Hanna Weinberg, Mr. Zeev Avraham Weinberg, Mr. Aron Weiss, Mr. Abraham Weiss, Ms. Gertrude Werkshage, Mr. Klaus Werkshage, Ms. Rachel Wiznitzer, Mr. Yosef Wiznitzer, Mr. Mike Xhidija, Mrs. Fernanda Xisto, Mr. Avaham Yacobi, Ms. Diana Yacobi, Mr. Joseph Yagen, Ms. Phongsiri Sivasen Yee, Mrs. C. Youhanna, Ms. Giana Bruna Zamboni, Mrs. Justina Zamora, Ms. Ana Altagracia Zapata, Mr. Jose De Jesus Zapata, Mr. Joseph Zappavigna, Mr. Jose Zetina, Mr. Mohammad Ziaullah, Mr. Noel Reginaldo de la Rosa.●

JUDGE WILLIAM D. STEIN

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. ZSCHAU. Mr. Speaker, today William D. Stein will be sworn in as judge of the municipal court of the State of California for the city and county of San Francisco. A lifelong resident of San Francisco and a graduate of its public school system from elementary through law school, Mr. Stein takes his place on the bench after a long and effective career in the office of the California attorney general. Appointed deputy attorney general in 1965, Mr. Stein served in that capacity in the criminal division until 1980, when then-Attorney General George Deukmejian appointed him assistant attorney general in charge of the criminal section of the San Francisco office. He thereafter served as acting chief assistant attorney general in charge of the criminal division statewide prior to being appointed by Governor Deukmejian to the municipal court.

Mr. Stein brings a diverse legal background to the bench. A practiced trial lawyer, he has prosecuted all types of criminal cases. As an accomplished appellate advocate, he has argued before most California appellate courts, the California Supreme Court, several U.S. district courts, the U.S. Court of Appeals for the Ninth Circuit, and the U.S. Supreme Court. Further, he has handled a number of matters relating to the fitness of State judges before the California Commission on Judicial Performance. The State's judicial system is indeed fortunate to have an individual of his abilities on the bench, and I am confident that he will continue his fine service to the people of California.●

THE VOYAGER 2 MISSION TO NEPTUNE AND TRITON AND THE GAMMA RAY OBSERVATORY

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. FOWLER. Mr. Speaker, one of the hallmarks of the era in which we live is the exploration of space. Provided that sufficient funding is forthcoming, the next 5 years will see a temporary resurgence of the "golden era of space exploration." In 1986, the Voyager 2 spacecraft will encounter the planet Uranus, and the Hubble space telescope will begin operation. In 1988 the Venus radar mapper will start returning images of Venus and the Galileo mission will arrive at Jupiter. In 1989 Voyager 2 will fly by Neptune and its moons. Finally, sometime before the end of the decade, the gamma ray observatory is to be launched.

Printed below is a summary of the Voyager mission to Neptune, and the gamma ray observatory.

These missions and others already approved will being a bountiful harvest of scientific knowledge and international prestige to the United States. However, the frontiers of science move steadily onward and if we are to enjoy such benefits in the next decade and into the next century we must begin now to chart the course for the future of the U.S. Space Science Program.

NASA, JET PROPULSION LABORATORY,
VOYAGER AT NEPTUNE AND TRITON: 1989

INTRODUCTION

The planet Neptune orbits at the outskirts of the solar system, nearly 3 billion miles from the Sun. Despite its rank as the fourth largest planet in the solar system, it is invisible to the naked eye. Our view of Neptune has not improved substantially since it was discovered in 1846. Today, through even the most powerful telescopes, the planet appears only as a small, mottled, bluish-green ball. What we know of Neptune's characteristics has been inferred from extremely limited measurements.

In August 1989, on the twelfth anniversary of its launch, the Voyager 2 spacecraft will encounter Neptune and its moons. At that time, Voyager will be 1.35 billion miles beyond the planet Uranus, which the spacecraft will have encountered in January 1986. The robot spacecraft will be linked by radio to engineers and scientists at NASA's Jet Propulsion Laboratory in Pasadena, California. At the speed of light, Voyager's signal will take four hours and six minutes to travel from Neptune to Earth.

From June through September, 1989, Voyager 2's cameras and a battery of 10 other instruments will scan and probe Neptune and its satellites to collect new data on one of the least understood planet-moon families in the solar system.

NEPTUNE

Their births in the cold and dark domain of the outer solar system gave Uranus and Neptune, the seventh and eighth planets from the Sun, characteristics that differ from those of Jupiter and Saturn, the other giant gas planets.

Both Uranus and Neptune have only about one-fifth the mass of Jupiter and are almost the same size: Uranus is approximately 32,200 miles in diameter and Neptune, 31,000 miles. Uranus like Saturn, has dense rings, whereas Neptune does not—although, like Jupiter, Neptune may possess a tenuous ring.

All the gaseous planets have rocky cores of about the same size, but the amount of hydrogen and helium enveloping the cores differs vastly. Jupiter and Saturn are made up mostly of hydrogen and helium—the components of their atmospheres. Uranus and Neptune are mostly carbon, nitrogen, and oxygen—the main components of their cores.

Despite their similarities, however, Uranus and Neptune each possess distin-

guishing characteristics. For example, although Neptune is slightly smaller in diameter, it is more massive, being equal to about 17 Earth masses. Uranus is equivalent to about 14.

The most obvious difference between Uranus and Neptune is in the direction their axes tilt. Uranus is tipped over on its axis and, in its current orbital position, points its southern pole at the Sun. With its moons traveling in the planet's equatorial plane, the Uranian system resembles a bulls eye facing the Sun. But Neptune's axis, like Earth's has only a slight tilt of 28 degrees.

From the sparse data collected on the two planets, scientists conclude that Uranus has lost most of the heat stored during its formation, while Neptune is still warm.

Voyager will measure the precise ratio of the amount of energy Neptune emits versus the amount it receives from the Sun, enabling scientists to produce a theoretical model of the source of Neptune's excess heat. Some theories predict that if Neptune emits more than 30 percent of the solar energy it absorbs, the planet will exhibit a banded atmosphere like Jupiter's. If it emits less than 30 percent of the energy it absorbs, however, it might possess a completely different weather system—one driven, like Earth's by the transportation of heat from the equatorial regions of the poles.

NEPTUNE'S MOONS

Neptune has at least three moons. Triton and Nereid are very different from one another, but both travel in orbits unlike any others in the solar system. A third, 1981 N1, reported in 1981, is a mysterious object about which virtually nothing is known.

Nereid, only 190 miles across, travels in a wildly elliptical orbit, more so than any other known satellite in the solar system. It comes as close as 800,000 miles to Neptune, then pulls as far away as 3.5 million miles. It may be a captured asteroid or comet.

Triton is the largest and most enigmatic of Neptune's moons. What little is known of Triton suggests that it is also one of the most interesting objects in the solar system. Its mass and size are poorly known, but it is estimated to be about 2,175 miles in diameter, a little larger than Mercury.

For some unknown reason, and unlike any other of the larger moons in the solar system, this giant satellite orbits Neptune backwards, moving opposite to the direction in which the planet rotates.

Current evidence suggests that methane exists as ice on the satellite's surface, beneath a nitrogen—methane atmosphere equivalent to about a tenth of Earth's atmosphere. In fact, Triton is cold enough for nitrogen to exist as a liquid on its surface. Lakes or even a shallow ocean of liquid nitrogen may exist on this strange moon.

Scientists are especially interested in seeing Triton's surface, which might harbor a rich, hydrocarbon sludge of organic molecules.

Triton's reddish color is believed to be due to photochemistry, the action of sunlight on chemicals in Triton's atmosphere—the same type of action that occurs in the much denser atmosphere of Saturn's moon Titan.

The satellite's highly inclined orbit may contribute to dramatic seasonal variations. Each pole spends 82 years facing the Sun, while the other is in darkness. At the lighted pole, ices of nitrogen, methane, neon, and argon may vaporize, adding to Triton's atmosphere. Meanwhile, volatiles at the unlighted pole would condense into the ice cap. This alternating shrinkage and growth of polar caps could mean that Triton's atmosphere varies as dramatically, growing thicker and thinner with its 41-year-long seasons.

Voyager observations of other planetary systems have revealed a variety of geologic processes occurring on small bodies: eight active volcanoes were observed erupting on Jupiter's Io. Europa showed a cracked and icy surface, evidence of tidal heating. Many of Saturn's and Jupiter's moons exhibited fault lines, ridges, and valleys—evidence of tectonics and other geophysical activity. Scientists anticipate that Triton might possess any or all of these characteristics and more.

Triton's surface is expected to be visible to Voyager's cameras through the moon's atmosphere. At Voyager's closest approach, the spacecraft will be within 27,000 miles of the moon, allowing easy detection of surface features, as well as any oceans of liquid nitrogen.

Many intriguing theories about Triton's origin and orbit have been postulated since its discovery in 1846, although a number of them have been disproven over the years. For example, scientists once thought it possible that the outermost known planet, Pluto, was an escaped satellite of Neptune. They speculated that Pluto's departure perturbed Triton to such a degree that the moon was thrown into its unique retrograde orbit. That suggestion now seems unlikely, however, since the discovery that Pluto itself has a satellite, Charon.

Another theory to explain Triton's retrograde orbit proposes that Triton is a captured object. However, most of the other retrograde objects in the solar system are small (such as Saturn's Phoebe and Jupiter's Leda, Carme, Pasiphae, and Sinope) and are probably captured asterorids or comets. The fact that Triton vastly outclasses all those bodies in size makes less plausible the concept that Triton is a captured object.

If, however, Triton was captured, scientists say its initial orbit around Neptune would have been noncircular. Triton's orbital path would have become more circular as tidal distortion and dissipation siphoned energy from the moon's orbital momentum over hundreds of millions of years. The resulting tidal heating might be manifested in the form of volcanism, ridging, or other geophysical activity. Evidence of such past activity would be visible to Voyager's cameras.

While Triton's history is uncertain, its future is fairly predictable. Its retrograde orbit is forcing it to slowly spiral toward Neptune. It is already nearer to Neptune than our moon is to Earth. Eons from now, when Triton drifts too close, it will be torn apart by Neptune's gravity field. Remnants of the giant satellite will form huge rings of debris around the planet, similar to those around Saturn.

VOYAGER EXPERIMENTS

At Neptune, Voyager's 11 experiments will—

Determine Neptune's rotation and pole orientation.

Measure the density, temperature, and composition of Neptune's atmosphere.

Determine Neptune's heat balance.

Detect any magnetic field, and measure its strength and orientation.

Listen for radio emissions from Neptune.

Search for auroral emissions from Neptune.

Investigate the magnetosphere and plasma environment around Neptune, and define its composition and structure.

Search for rings and small satellites around Neptune.

Measure the diameters of Neptune and its moons.

Define the mass and density of Neptune and Triton.

Measure the pressure, temperature, and composition of Triton's atmosphere.

Measure the surface properties and features of Triton's surface.

Determine the presence of liquid nitrogen on the surface of Triton.

Look for polar caps and evidence of other seasonal variations on Triton.

Voyager 2 will also continue its investigations of interplanetary space at and beyond Neptune's orbit. Instruments on the spacecraft will

Measure the solar wind.

Search for low-energy cosmic rays outside the solar system.

Measure radio emissions from the Sun.

Voyager scientists also intend to use the spacecraft to detect and characterize the boundary of the heliosphere, thereby determining where the Sun's influence fades and interstellar space begins.

VOYAGER AT NEPTUNE

The Uranus and Neptune encounters will be complicated by the vast distance that Voyager's radio signal must travel to Earth. The signal containing science and engineering data (transmitted at 19 watts) is growing dimmer as Voyager moves farther away from Earth, and advanced computer and telecommunications techniques will be used on the spacecraft and on the ground to ensure the quality and quantity of data from Voyager.

Image data compression techniques, whereby photographic information collected by Voyager will be considered onboard the spacecraft and "decompressed" through computer processing on the ground, will allow 50 percent more images (5,000 at Neptune) to be returned than previously planned.

Antennas at the three Deep Space Tracking Complexes of NASA's Deep Space Network (DSN) will be upgraded to improve their ability to capture Voyager's radio transmissions from Uranus and beyond. For example, each complex (California, Spain, and Australia) will have a pair of 34-meter antennas, and the 64-meter antenna at each complex will be enlarged to 70 meters for the Neptune encounter and for future DSN workloads. In addition, combining signals received by multiple antennas (called "arraying") provides enhanced reception capability.

NASA is currently negotiating with several foreign governments, as well as the National Radio Astronomy Observatory, to provide additional antenna arraying capabilities for Voyager's Neptune encounter.

TRW SPACE AND TECHNOLOGY GROUP, MESSENGERS OF CREATION

GAMMA RAYS

Gamma rays are a form of electromagnetic radiation, like radio waves or light rays or X-rays, but with shorter wavelength and therefore higher energy. All these forms of radiation have properties of both waves and particles. The particles are packets of energy (photons). Lower-energy photons are emitted when an electron changes energy level in its atom, but gamma-ray photons are emitted when the nucleus of an atom changes energy level. Photons are also emitted when a high-energy electron interacts with matter, with a strong magnetic

field, or with other, lower-energy, photons. Gamma-ray photons are also created when matter and antimatter meet, as when a positron and an electron meet and annihilate each other.

All these processes are going on out in the universe, and each produces gamma-rays with characteristic energies or a flux of gamma-ray photons with characteristic spectral shape. The excited nucleus in an element deactivates to lower energy levels and emits a gamma-ray photon, characteristic of the specific element. Gamma-ray astronomy is so important because it can tell us what processes created the photons and what kinds of atoms were involved.

Because of the extremely short wavelength of gamma rays, we do not discuss them in the common terms of wavelength or frequency but use an equivalent measure, energy. Visible light measured in these terms has an energy in the range of one electron volt, while the lowest-energy gamma rays begin at a tenth of a million electron volts. We do not know how high gamma ray energies can go, because they are at the top end of the spectrum, but they have been observed at billions of electron volts.

Gamma rays are truly messengers of the creative events in our early universe. The universe is largely transparent to gamma rays. They can reach our detectors from the remotest parts of the universe without losing energy or being deflected. Other forms of radiation tend to be dispersed by interstellar matter: for example, we cannot "see" the center of our own galaxy at other wavelengths because of all the intervening matter. The Gamma-Ray Observatory will help us find out what is at the center of the galaxy and what is going on there.

THE GAMMA-RAY OBSERVATORY

We have spoken of gamma-rays as another part of the spectrum, like radio waves or light or X-rays. The gamma-ray part of the spectrum is, however, much larger than than these other regions. The range of energies is over ten thousand times the range of visible light and over a hundred times that of X-rays.

The information we want is spread over the full range of gamma-ray energies. No single instrument could cover the entire range; GRO carries four different instruments, one of which will look for and measure gamma-ray bursts.

The low-energy range from a tenth of a million to ten million electron volts is covered by the Oriented Scintillation Spectrometer Experiment, which consists of four separate detectors that can rotate to look at different parts of the sky. One reason for this arrangement is that the background radiation can be measured and then subtracted from the measurements of point source. The sensitivity of this instrument will be over ten times better than that of any previously flown unit and it will be able to determine the direction of a source to a fraction of a degree.

The mid-range instrument is called the Imaging Compton Telescope. It covers the range from one to thirty million electron volts and will be able to determine angle of arrival to within less than a degree at the energies. It can measure the energy of the photons to within 5 percent (also at the higher energies). Special provisions are made to reduce the background radiation effects.

For the highest energy range, from 20 million to 30 billion electron volts, the Energetic Gamma-Ray Experiment Telescope will be able to measure the position of a source to a fraction of a degree and the energy of individual photons to within 15 percent.

Finally, the Burst and Transient Source Experiment will continuously observe the full sky (except for Earth blockage) for gamma-ray bursts or other short-duration phenomena. It will also make a full-sky survey of long-lived strong sources.

All these instruments together weigh some six tons. The full observatory including these instruments will weigh about 15 tons. It has been designed to be launched, serviced, and retrieved by the Space Shuttle. Every advantage has been taken of earlier experience to make the spacecraft as inexpensive as possible, using off-the-shelf components and proven designs.

THE MISSION OF THE GAMMA-RAY OBSERVATORY

Astronomers and astrophysicists are looking forward eagerly to the launching of the Gamma-Ray Observatory, which is designed to collect far more and better gamma-ray data than has ever before been possible. They have enough jobs lined up for it to keep it busy for many years. The earlier gamma-ray observations have raised dozens of questions that can be answered only by the high-sensitivity, high-resolution observations GRO is being built to make.

For example there is a diffuse flux of gamma rays that seems to be coming from all directions. Some of it probably comes from interactions of fast-moving protons (and a few electrons) called cosmic rays, which seem to be coming from all directions. When they encounter matter in the form of interstellar dust or gas, the interaction can produce gamma rays. The energy of these gamma rays can tell us about the characteristics of the cosmic rays and the matter they encountered. One thing we hope to learn is whether the cosmic rays are really coming uniformly from all directions or have regional sources of higher and lower intensity.

GRO's data will tell us about the nature and distribution of that matter. We are especially interested in the center of our galaxy, which is obscured at other wavelengths by clouds and dust.

Probably first on the target plan for the GRO are the point sources of gamma radiation that have already been observed, particularly the supernova remnant in the Crab Nebula in our galaxy. High-resolution gamma-ray observations may help us understand how the heavier elements are formed in such supernovas.

Quasars, pulsars, and active galaxies are high on the list, because of the unusual and poorly understood nature of these objects. And the list goes on. It includes our own sun, which is also a source of gamma rays. GRO has special provisions for solar observations. The plan is that the GRO will, in addition to observing many known sources, make the first full-sky, gamma-ray survey of the heavens.

These messengers of creation will tell us some things we expect. They will probably tell us many things we did not expect. It has always turned out that way.●

FOREIGN GOVERNMENTS' PAYMENTS FOR U.S. WEAPONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. HAMILTON. Mr. Speaker, a San Francisco Examiner article of July 15, 1984, raised several questions about the management of U.S. arms sales to foreign countries. The article claimed that "the Pentagon can't accurately determine how much foreign governments owe for the weapons they buy."

I wrote to the Department of Defense July 23, 1984, asking whether these reports were accurate, and I enclose for my colleagues' attention the newspaper article, my letter, and the Department of Defense reply of August 17. A copy of the Defense Department's 1984 Report on the FMS Financial Management Improvement Program group's activities referred to in the Defense Department reply is retained in Committee on Foreign Affairs files.

[From San Francisco Examiner, July 15, 1984]

PENTAGON DOESN'T KNOW HOW MUCH NATIONS OWE UNITED STATES FOR WEAPONS SALES

(By Robert Gettlin)

WASHINGTON.—A Defense Department program that administers arms sales is so ineptly managed that the Pentagon can't accurately determine how much foreign governments owe for the weapons they buy, according to government officials and audit reports.

The result, officials say, is billion-dollar discrepancies in the Pentagon's unbalanced books.

More than 40 reports by Pentagon auditors and the General Accounting Office (GAO) dating back 15 years have turned up a persistent pattern of incomplete records, unbalanced books and inaccurate billings in the accounts of the Foreign Military Sales Trust fund.

Because of continued mismanagement, officials said, some foreign governments aren't making payments for the weapons they buy from U.S companies.

This, in turn, can drain the resources of the military services that oversee the weapons contracts by forcing the military to make payments from public funds and seek reimbursement later.

The trust fund, managed by the Pentagon's Defense Security Assistance Agency, collects quarterly deposits from foreign governments.

When bills come due for jet fighters, tanks, ships, missiles, guns or any other weapon, the U.S. manufacturer is paid out of a foreign country's trust fund account. The U.S. government acts as the intermediary between the commercial supplier of arms and the foreign government.

In fiscal 1983, $18.3 billion in such agreements involving 74 nations was channeled through the trust fund and represented about 90 percent of all weapons deals between foreign nations and U.S. companies.

"We may never get a true picture of the trust fund," said an auditor in the Office of the Inspector General at the Defense Department. "Documents are missing and records are inaccurate."

A major problem, experts said, is that 40 defense-related organizations are involved in management of the trust fund.

"Each of the military services is involved and there are branches within the services involved," one Pentagon official said. "The best thing to do is create a whole new trust fund and do it right from the start."

The Defense Department refuses to do that—despite a similar suggestion from Congress in 1982—although a special Pentagon office created in 1983 to deal with the mounting trust fund difficulties has acknowledged that there are serious problems with the accounts.

According to the most recent audit by the Pentagon's inspector general, there were "gross differences of $1.2 billion" between two sets of records in the fund.

These records, like a personal checking account and a monthly credit card bill, are supposed to keep track of what foreign governments have available to spend on weapons and what they owe for purchases already made.

The June 1983 audit concluded, "An accurate determination of the differences between the two sets of records could not be made and the reasons for many of the differences remained unknown."

That is what the GAO concluded three years earlier in June 1980, when it found a $1.5 billion discrepancy between the two sets of records.

The Pentagon "could not determine the amount of money available for purchases of military goods and services" by foreign nations, the GAO report concluded.

"A lot of the problems that the General Accounting Office has reported on in the past are still problems," said Al Huntington, an auditor with the GAO who has done extensive work on the trust fund. "The Defense Department is now studying the foreign military sales accounting and financial management system."

"To the extent that we don't get reimbursed (from other governments) for foreign military sales, the money comes out of appropriated (taxpayer) funds," said Bob Davis, an aide to the House defense appropriations subcommittee.

A January 1984 report by the GAO said that Saudi Arabia, which has negotiated weapons and related agreements with the United States worth $45 billion over the last decade, has refused to pay more than $1 billion in trust fund billings.

According to officials familiar with the report, the Saudis have refused to pay charges for their ambitious naval expansion program and other agreements, citing inaccuracies in the billings and a failure to deliver weapons on time.

JULY 23, 1984.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Defense, The Pentagon, Washington, DC.

DEAR MR. SECRETARY: In recent weeks, there have been some reports in the newspaper about the poor performance of the Foreign Military Sales Trust Fund. I attach for your consideration and response an article which appeared in the San Francisco Examiner July 15, 1984. This article draws from studies done both by Defense Department auditors and the General Accounting Office.

This article says that the management of arms sales by various Department of Defense groups is so inept that the Pentagon can't accurately determine how much foreign governments owe for the weapons they buy and that some foreign governments aren't even making payments for weapons purchased from U.S. companies.

I would like to know whether these reports of mismanagement are accurate, what the Defense Department is doing to correct these problems and why it has taken so long to straighten out the persisting problems of the operations of the FMS Trust Funds.

I appreciate your consideration of this matter and look forward to your reply.

With best regards,

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 17, 1984.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR CHAIRMAN: This is in response to your letter of July 23rd expressing concern about a recent article in the San Francisco Examiner that alleges poor management of the Foreign Military Sales (FMS) program by the Department of Defense.

Concerning the questions you have raised about the Department of Defense's management of the FMS program, I believe it is only fair to say that there are some problems that we are well aware of, most of which can be traced to the unforeseen growth that has occurred in this program over the past eight years. However, I do not believe that these administrative problems are correctly characterized either by the title given the article or by many of the charges contained therein. For the most part, the general substance of audit reports referred to in the article is yesterday's news and represents conditions that existed 5 or 6 years ago, many of which have been corrected. The reporter conveniently overlooks the fact that a major effort to correct the deficiencies has been underway for some time. As an example, in November 1982 former Deputy Secretary Carlucci established a new group in the Office of the Assistant Secretary of Defense (Comptroller) whose sole objective or charter was to identify problems in our FMS systems and to direct implementation of improvements. Since its activation the FMS Financial Management Improvement Program group (FFMIP), as it is known throughout the Department, has worked directly with project officers in the implementing agencies to insure that improvements are made in the shortest possible time.

It is important to point out that we have tried to be very candid in this matter and to keep the Congress fully informed of our ongoing management initiatives. In April 1984 the DoD Comptroller submitted to the Congress a report that very carefully details the activities of the FFMIP and, in my opinion, clearly demonstrates that the Department is acting responsibly and in a straightforward manner to resolve the technical problems that have been identified. I am enclosing a copy of the report for your information.

While I would like to be able to say this effort can be wrapped up in a few months, I think it is clear to everyone familiar with the projects involved that the work will continue over several years. Perhaps the major reason for the extended nature of the effort is the fact that many of the projects are interrelated and must be completed in sequence. Also, we have deliberately decided to take a measured approach to insure that we do not become victims of the "quick-fix" syndrome and wind up trading one set of problems for another.

I would like to point out that the cited article is somewhat misleading in the overall impression it attempts to convey and is less than balanced because the author has completely ignored explanations provided by DoD. These explanations were in the form of answers to five specific questions posed by the reporter—answers which I believe were responsive and forthright. A copy of the questions and answers are enclosed for your information.

In addition to completely ignoring our official comments, the reporter implied that the U.S. taxpayer was footing the bill because Saudi Arabia had refused to make more than $1 billion in trust fund billings. In fact, the GAO report referred to in the article clearly indicated that Saudi Arabia had sufficient funds on hand in the trust fund to meet its overall requirements. This kind of reporting, far from informing the public, only misleads and contributes nothing to the legitimate role of the press in keeping all taxpayers accurately informed about the acitivities of government.

A final concern I have has to do with the impression conveyed to our friends and allies who are legitimate partners in this important program. We also have a responsibility to them, and while they are generally satisfied with our performance, I believe articles such as the one by Mr. Gettlin do a disservice to all concerned and clearly conflict with the important national security objectives with which we all generally agree.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF, Director.

Attachments.

NEWHOUSE NEWS SERVICE REPORTER REQUEST

Q. Because of problems with discrepancies between trust fund balances and individual country accounts, several countries (notably the Saudis) are refusing to pay into the fund until their perception of inaccurate billing is cleared up. Please comment on the problem and what you're doing to fix.

A. The Arms Export Control Act directs that payments for FMS sales be made in advance of performance or delivery. Our billing procedures have been designed to accomplish this. To date, no country has refused to pay its quarterly bill because of a perception of inaccurate billings. In point of fact, the Saudis have paid in $2.3B during the first seven months of this fiscal year. A few countries, for selected sales cases, have questioned the amount of advance funds required that was shown on the quarterly bill.

Q. What's the latest discrepancy amount between case accounting records and the trust fund cash balance (reporter says the IG quotes a $1.2B difference). What's the latest finding?

A. The variance between case accounting records and the trust fund cash balance as of 31 March 84 is $586M. Much of this variance is related to "float" which is the lag between the time disbursements are made at a paying activity until they are posted to the SAAC case records. The cash and case accounting records are in balance at case closure.

Q. The 2 Nov 82 Carlucci letter to MILSECS (atch 1 to the FFMIP report) says "Since FY76 Congress has reduced DoD direct appropriations by $413M because of FMS underbillings." What's the latest underbilling estimate and explain why.

A. Since the FY 76 timeframe detailed policy guidance was issued in 1981 in the "FMS Financial Management Manual", DoD 7290.3-M, that should preclude underbillings by giving in depth instruction in the pricing of articles and services sold under FMS. From our perspective, there is no current underbilling estimate. There is certainly no intent to underbill and where legitimate underbillings are discovered, appropriate corrective action is taken.

Q. In the Wall Street Journal article, L/Gen Gast says that FMS has brought $30B into the U.S. Treasury in the last three years. Where does this money come from and how does it get into the Treasury?

A. The $30B was derived through a standard formula for calculating economic costs and benefits by applying an economic multiplier of 2.5 with an average national tax rate of 25 percent against the value of total FMS agreements for the three years. In essence, because almost all FMS articles and services are purchased in the U.S., including those purchased with U.S.-financed credits, these sales bring revenue to the U.S. Treasury.

Q. Does a country's refusal to pay into the Trust Fund put an undue drain on the Treasury?

A. No, because we would not continue performance of a contract if the country failed to pay its quarterly bill. As indicated in our answer to your first question, the quarterly bill includes an anticipated amount for the next quarter to satisfy working capital requirements. In addition, the bill includes an estimated amount for termination liability which would cover any cost incurred if the contract were terminated. In summary, the country must make payments to the Trust Fund before funds are disbursed to the contractor.●

HOW THE DEMOCRATIC TWIG WAS BENT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. HYDE. Mr. Speaker, the Republican Study Committee has produced some outstanding research material recently and Frank Gregorsky has played a key role in this scholarly work.

The Washington Times of September 5, 1984, contains one of his recent articles which I take pleasure in sharing with my colleagues:

[From the Washington Times, Sept. 5, 1984]

HOW THE DEMOCRATIC TWIG WAS BENT

(By Frank Gregorsky)

The Coalition for a Democratic Majority was formed in 1972 to combat McGovernism and defend the realistic Truman-Kennedy tradition. In June, CDM took its recommendations to the party's platform committee. But their proposals got short shrift.

There are a few similarities between what CDM gave the committee and what the committee gave the rest of us. Both value international law and the Taiwan Relations Act. Both condemn the Soviets for Poland and Afghanistan. Both wish the president had done more to control the spread of nuclear materials. Both disdain the Palestine Liberation Organization.

But even areas of seeming agreement look like rhetorical concessions. In nearly all areas where CDM invited the Democrats to think clearly about foreign policy, the San Francisco Democrats preferred defeatism and fantasy.

Here's what CDM wanted said about Grenada: "Our military action in Grenada was a strong and necessary signal that we can act to oppose the imposition of Soviet-Cuban totalitarianism in this hemisphere."

And here's what the platform ended up saying: "In Grenada, Mr. Reagan renounced diplomacy for over two years, encouraging extremism, instability, and crisis. By his failure to avoid military action, he divided us from our European allies and alienated our friends throughout the Western Hemisphere."

The CDM draft sought to link President Reagan's approach in El Salvador to that of his Democratic predecessor: "U.S. policy in El Salvador has in general followed the lines established during the last year of the Carter-Mondale administration: a strategy of economic and social reform coupled with carefully restricted military assistance to defend democratic governments. . . ."

Ignoring Carter's lame-duck support of El Salvador, the final platform blamed everything on President Reagan:

"Since he took office the region has become much more unstable; the hemisphere is much more hostile to us; and the poverty is much deeper. Today in El Salvador, after more than a billion dollars in American aid, the guerrillas are stronger than they were three years ago, and the people are much pooper. . . . In Honduras, an emerging democracy has been transformed into a staging ground for possible regional war. And in Costa Rica our backing for rebels based there is in danger of dragging that peaceful democracy into a military confrontation with Nicaragua."

The CDM, recognizing that "coalition government" with Communists means slavery on the installment plan, pledged to reject "any proposal which would replace the existing elected government of El Salvador with any form of coalition that grants power to unelected, armed revolutionary groups." But the Democrats hint that such groups ought to help run El Salvador:

"A Democratic president will support the newly elected president of El Salvador in his efforts to establish civilian democratic control, by channeling U.S. aid through him and by conditioning it on . . . serious negotiations with contending forces in El Salvador. . . ."

One wonders why the platform wordsmiths didn't tell Mr. Duarte to confine his overtures to "contending democratic forces."

The CDM platform draft stressed the importance of military strength in crisis regions: "Military power, as the late Sen. Henry M. Jackson so persuasively argued, is not a basis for our foreign policy. It can be most effective when it provides a shield behind which those who share the democratic idea can strengthen their purposes and institutions."

But the San Francisco Democrats ridicule the Henry Jackson-JFK concept of "shields" against communism while allies build democracy "paternalism . . . is always resented whether we choose to label it a 'special relationship' or to call it a 'defensive shield.'" They make any military alliance sound like an insult.

The CDM proposal was crystal-clear about Nicaragua: "We strongly endorse the demands of Nicaraguan democrats inside and outside of their country: the Sandinistas must restore full rights and freedoms to the media, the labor unions, the churches, the opposition political parties, and the private economic sector. . . . So far, nothing the Sandinistas have yet proposed suggests a real willingness to permit the Nicaraguan revolution to return to its democratic course. Until this is achieved, the United States must continue to support the Nicaraguan democratic opposition."

But the San Francisco Democrats will have none of it:

"We must terminate our support for the contras and other paramilitary groups fighting in Nicaragua. We must halt those U.S. military exercises in the region which are being conducted . . . to intimidate or provoke the Nicaraguan government or . . . as a pretext for deeper U.S. military involvement in the area."

The CDM credits the president with a "highly necessary increase in [the] defense budget," and commits to "steady, carefully programmed increases in defense spending at levels of 6-8 percent in real terms for each of the next four years." But even Fritz Mondale's primary pledge of 4 percent annual spending growth never made it to the platform. It contains no promise of general defense budget growth.

CDM favored building some B-1 bombers and some MX missiles because "the United States needs additional deterrent capability." The San Francisco Democrats disagreed. They vow to "terminate production of the MX missile and the B-1 bomber . . . prohibit the production of nerve gas, and work for a verifiable treaty banning chemical weapons." How do you get a treaty to ban something you've already banned on your own?

The San Francisco Democrats hit space-based defense with Luddite self-righteousness: "Mr. Reagan wants to open the heavens for warfare. His Star Wars proposal would create a vulnerable and provocative 'shield' that would lull our nation into a false sense of security . . ." Just where do they think ICBMs would travel *now*?

By contrast, the CDM draft was at least willing to allow "research and development on a range of defensive technologies [to] avoid being surprised by the Soviet Union in this important area."

The Democratic platform endorses the nuclear freeze. Stump orthodoxy triumphed over CDM's realism: ". . . the nuclear freeze is a slogan, not a practical or adequate arms control program."

The CDM is proud of Harry Truman's legacy: "It was the Democratic Party which proposed and executed the Marshall Plan, the Truman Doctrine, containment, NATO, and the Point Four Program." The final platform's chapter 3 does not mention his name. (Perhaps they think he started the Cold War.)

The Democrats spurn Jeane Kirkpatrick's distinction between salvageable right-wing dictatorships and incorrigible, imperialist leftist ones tied to Mowcow. The Reagan administration, the platform scoffs, "downgrades repression in the noncommunist world, by drawing useless distinctions between 'totalitarian' and 'authoritarian' regimes."

The San Francisco Democrats strain at gnats while ignoring army ants. They think we live in a world "threatened by the dictatorships on the left and right." But it's hard to name one right-wing dictatorship (other than Iran) that murders American diplomats and routinely subverts U.S. allies.

Here's how the platform would cope with bad people: "A Democratic administration will initiate and establish a Peace Academy. In the interests of balancing this nation's investment in the study of making war, the Peace Academy will study the disciplines and train experts in the arts of waging peace." The CDM draft had the good sense to ignore the Peace Academy while focusing on Soviet history and potential. Democratic platform-writers did the exact opposit, warning the United States to avoid an approach which "fuels Soviet paranoia." Thus they put the blame for Soviet misbehavior on fear of the United States, making us responsible for the Soviet mentality.

The CDM took seriously liberal talk of peacefully challenging totalitarian systems: "We will expand Radio Free Europe and Radio Liberty, and expedite the establishment of Radio Marti for the Cuban people. We will explore the possibility of expanding similar broadcasting capability to the peoples of Indochina." The San Francisco Democrats tossed that idea into the round file.

The Coalition for a Democratic Majority, in sum, had little influence on the Democratic platform. Mr. Mondale compromised with the hard left (Gary and Jesse) not with party's traditionalists.

Traditional Democrats were abandoned by their party. President Mondale might not follow the platform to the letter, but the platform reflects the radical world-view of those who now hold the reins of the party. If those traditional Democrats now desert their party in droves, the San Francisco Democrats will have only themselves to blame.●

BARBARA FRITCHIE

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mrs. BYRON. Mr. Speaker, I rise today to pay tribute to Barbara Fritchie of Frederick, MD, who became a Civil War legend through a popular poem written by John Greenleaf Whittier.

In 1862, during the Confederate occupation of Frederick, Union flags were forbidden to be flown in the city. Historians differ on the exact sequence of events, but Barbara Fritchie—95 years old at the time—is known to have waved the Union flag at passing Confederate soldiers in defiance of their edict.

As Whittier described her brave stand: "Shoot, if you must, this old gray head, But spare your country's flag." Barbara Fritchie's remarkable valor is still well-known throughout the world, and has touched the hearts of those in peril since that historical confrontation.

On Saturday, September 8, a parade and other activities will be held in Frederick, MD, to honor the unique historical contributions made by Barbara Fritchie. I encourage all of you to visit the Barbara Fritchie Home and Museum in Frederick.●

DR. WILLIAM L. PODESTA

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DANIEL B. CRANE. Mr. Speaker, Dr. William L. Podesta of Mattoon will be the guest of honor in a surprise salute on Wednesday, September 12, at the Eastern Illinois Dental Society's annual banquet.

As you know, Mr. Speaker, Bill Podesta richly deserves this high honor. He is in his 50th year of service to his profession, his community, and the people of the State of Illinois.

He served for 9 years on the Lake Land College board of directors, and added to his commitment to education by his 12 years of service on the Mattoon School Board. He was named a fellow of the American College of Dentists in 1976, and was recognized by his colleagues once again by his appointment as a fellow of the International College of Dentists in 1981. In January of this year, he was named assistant professor of dental administration at the University of Illinois.

A listing of all of Bill Podesta's awards, honors, and contributions to his fellow man would take pages, and would only hint at the kind of man he is. One example, though, stands out: In 1976—42 years after he received his D.D.S. degree from St. Louis University—Bill Podesta earned his bachelor's degree from Eastern Illinois University. That degree he was forced to forego during the depression, but, characteristic of his dedication to young people and his commitment to education, he literally went back to the classroom as an undergraduate to earn this degree.

As my colleagues can tell, Bill Podesta is one extraordinary human being. I consider it an honor and a privilege to call him my friend.●

A BIRTHDAY MESSAGE FOR KIM FRIDMAN

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. ECKART. Mr. Speaker, I want to take this opportunity to commemorate the 50th birthday of Kim Fridman, a Soviet refusenik whom I adopted this spring.

Kim has been trying to emigrate to Israel since 1971. Repeatedly, he has been refused a visa on the grounds of secrecy. He has been separated from his family since 1976, when his wife Genrietta and daughter Victoria were allowed to emigrate. He now has a baby granddaughter whom he has never seen. In March 1981, Kim was arrested and charged with parasitism, even through the prosecutor found it difficult to present evidence that he was unemployed for as short a period as 2 months.

In early 1984, Kim joined 19 other refuseniks in writing a letter of protest to the Presidium of the Supreme Soviet, asserting that "our demand to on Aliya to Israel is no more than a demand for a home," and that they "hold no grudge against the U.S.S.R."

Kim, on this day, your 50th birthday, many Americans are hoping that your wish to go on to your homeland will come true.●

IN HONOR OF EVELYN PARLAN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. ACKERMAN. Mr. Speaker, I rise today to ask my colleagues in the House of Representatives to join me in honoring Evelyn Parlan of Flushing, NY, who made the ultimate sacrifice: She gave up her own life to save another human being from the oncoming wheels of an automobile.

On August 26, 1984, Mrs. Parlan, a 46-year-old nurse's aide and mother of three, was on her way home after buying a newspaper when she stopped on the sidewalk to talk to her friend, Laura Berg. As a weaving, out-of-control automobile bumped over the curb and raced toward them, Mrs. Parlan pushed Mrs. Berg out of the way and was fatally crushed.

The kind of courage and selflessness Evelyn showed when she risked her life for her friend are the qualities of a remarkable woman.

Mr. Speaker, there is no way to repay Mrs. Parlan for her heroism. But her poignant sacrifice gives us a message of tremendous faith and hope, a message the people of Queens and the people of this Nation can cherish and can draw strength from.

Mrs. Berg is alive and safe today. Mrs. Parlan did not die in vain. She died as she lived, giving to those around her.

Mrs. Parlan's tragic death has brought deep sorrow and grief to her family and friends and to all those who knew her. Let us honor Mrs. Parlan for her valiant sacrifice and for her precious gift of life to another human being.●

WAIT 'TIL THE POLLS CLOSE

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. WYDEN. Mr. Speaker, earlier this morning I wrote President Reagan and Democratic Presidential nominee Walter Mondale asking them to pledge now to refrain from making an official announcement of victory or defeat on election day until after the polls have closed in the Pacific time zone.

I have made this request of the two candidates because I believe it is important to try and prevent a repeat of the 1980 general election in which an early conclusion of the Presidential race harmed voter turnout in Western States.

There is little doubt that the fact that the 1980 Presidential race was conceded around 5 p.m. Pacific time put a real dent in the turnout of voters throughout Western States.

I commend my colleagues on congressional efforts to ask major television networks to abstain from announcing a victor until western polls are closed. I must say that I think it unlikely that the networks will agree to hold off on their projections. But whether or not the networks pick a winner while polls are open in the West, the candidates should not unnecessarily discourage voters by conceding defeat or claiming victory before the polls are closed.

I believe that a mutual pledge, made now by both major candidates, not only would go far toward maintaining interest in the Presidential race, but would also help ensure a larger turnout for local races.

All of us want to encourage a large voter turnout this November. The proposal I have made today, if adopted, should help a lot.●

MORE RESEARCH NEEDED ON ALZHEIMER'S DISEASE

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GORE. Mr. Speaker, this month the Investigations and Oversight Subcommittee of the Science and Technology Committee, which I chair, will continue to hold hearings on the treatment of Alzheimer's disease victims. The problem of caring for these victims is a major concern to many families. As many as 4 million Americans suffer from the disease, about 10 percent of those over 65.

The disease causes loss of memory and confusion, and in time prevents the victims from taking care of themselves. In many cases, the patient may lose the ability to speak and to recognize even close relatives. Its cause is not known. There is presently no cure or prevention.

In short, it robs many in our population of their intellectual ability at a time when they should be enjoying the fruits of a lifetime of activities.

We cannot turn our backs on these victims and their families when they so desperately need our help. More research must be conducted into the causes of the disease, and methods of care must be carefully examined and openly discussed.

Legislation, recently introduced by my distinguished colleague, Congressman CLAUDE PEPPER, would establish 20 major Alzheimer's research centers around the country. This is an important first step. I strongly endorse this measure and invite my colleagues to join in its support.

Congressman PEPPER assisted me in Tennessee in conducting the first of three congressional hearings on the issue of patient care. During the hearings we heard from many families of victims. In the words of one family member who testified, the emotional stress of seeing their loved one suffer is like enduring a "funeral that lasts for years."

Mr. Speaker, our goal is clear—to provide adequate health care for the victims. We must get the information to help us reach this goal as quickly as possible.

In closing, I would like to share with my colleagues an editorial that appeared this week in the Johnson City Press-Chronicle in Johnson City, TN, the site of our first hearing and a major Alzheimer's research center:

[From the Johnson City Press-Chronicle]

AVOIDING THE FUNERAL

"A funeral that lasts for years."

That's the way one family member described the effect of Alzheimer's Disease at a congressional hearing held here Thursday.

Many people are touched by the malady—an organic brain disease in which mental functions are progressively lost. Sometimes the process covers a span of 20 years—hence, the "funeral that lasts for years" remark.

At present, there is no treatment to arrest Alzheimer's Disease. But the congressional subcommittee, with Rep. Albert Gore Jr. of Tennessee and Rep. Claude Pepper of Florida, is seeking ways to attack the problem.

One of these is a proposed bill by Pepper—who, at 84, is certainly not an Alzheimer's Disease victim—and Gore which would establish 20 regional centers across the country for research and treatment of the disease.

And Rep. Pepper suggests that one of these centers could come to East Tennessee State University's Quillen-Dishner College of Medicine where research is already under way on Alzheimer's Disease. Certainly, the center would be most welcome, not only for adding to the regional medical center concept in Johnson City but also for providing a new means of treatment for Alzheimer's Disease victims in our area.

The disease is now the fourth largest killer in America and accounts for more than half the admissions to nursing homes. Fifty-two thousand victims live in Tennessee.

Between 300 and 400 persons attended Thursday's hearing. Asked to show personal involvement in the family with Alzheimer's, almost every person in the audience raised a hand.

Research on Alzheimer's is vital if we are to avoid those "funerals that last for years." And Reps. Gore and Pepper are on the right track.●

LABORERS LOCAL 455

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, today it gives me great pleasure to recognize the Laborers Local 455 of New Haven, CT, for its work on behalf of young people in south-central Connecticut.

Local 455 will hold its Third Annual Youth Achievement Award ceremony on September 10, at which it will present $100 to a member's son or daughter who excels in scholarship, sports, or community service.

I will have the privilege of presenting the award to this year's winner, Miss Karen Butler, who attends North Branford High School in my district, where she was ranked among the top 10 of her junior class. She is currently taking honor courses in history, English, and mathematics.

As a member of the House Select Committee on Children, Youth, and Families, I have heard testimony from educators and other professionals, parents, and young people about the need to involve all segments of the community, public and private, in helping our young people become productive citizens.

Local 455 should be commended for its commitment to the development of youth in the New Haven community. I am happy to have the opportunity to recognize its contribution and to offer my warmest congratulations to award-winner Karen Butler.●

STOP POISONING OUR CHILDREN

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MARKEY. Mr. Speaker, on July 30, 1984, the Environmental Protection Agency [EPA] finally did something right. EPA, after considerable careful research, has concluded that lead put into the air from automobile exhaust is responsible for 80

percent of the lead in the human body, and is thus responsible for most lead toxicity in children.

Lead has been recognized as a hazardous substance for almost a century. Lead poisoning has at times been endemic among the children living in city slums; it was thought that the primary source of lead was flaking leaded paint which children would eat. However, studies done since 1976, in several cities in the United States as well as in Belgium and Italy, show two new and disturbing facts. One is that about 80 percent of the lead in blood, in both children and adults, comes from airborne lead from automobile exhaust. The other is that people, and children in particular, are sensitive to much lower levels of lead than was previously thought.

The relationship between blood lead levels and lead in gasoline has been demonstrated dramatically in the data developed by EPA since 1976. Using data from the second national health and nutrition examination survey and data from refineries, EPA found a significant correlation between average levels of lead in blood, in both children and adults, and the lead content of gasoline. Between 1976 and 1978, lead added to gasoline averaged around 180,000 tons per year, while average blood lead levels were about 15 micrograms per deciliter (ug/dl). By mid-1978, lead in gasoline had been reduced to 140,000 tons/year and blood lead had dropped to about 13 ug/dl. In mid-1979, these numbers were 120,000 tons/year and 12 ug/dl, respectively. By 1980, they had dropped to 100,000 tons per year of added lead, and less than 10 ug/dl. average blood lead. Although this shows the correlation between blood lead and gasoline lead in very broad outline, the dramatic decrease in blood lead levels with the marked increase in use of unleaded gas is unmistakable.

Symptoms of lead poisoning, severe mental retardation in children, and profound damage to the central nervous system have long been known to occur at blood lead levels in excess of 70 ug/dl. Anemia, anorexia and kidney disorders have also been found in children at this level.

More recently, however, levels of blood lead as low as 40 ug/dl have been correlated with nerve dysfunction, lowered IQ and poor school performance in preschool and elementary school children. Interference with hemoglobin synthesis, vitamin D metabolism and brain wave changes in children have been found at lead levels of 12-30 ug/dl. Below 10 ug/dl, there have been no observed effects. We could easily achieve this level in all children by eliminating lead from gasoline.

It may well be that we can trace some juvenile delinquency and poor school behavior in children in low-income neighborhoods to chronic excessive lead exposure. In many major cities, freeways are routed through slums and elevated over the streets and houses, so that the automobile exhaust permeates the street air. Poor children breathe lead-laden, exhaust-laden air. Lead poisoning, with its insidious expression in behavior and school performance, is another disease of poverty.

We must remove this source of lead poisoning, and the sooner this is done, the better. EPA has proposed a schedule to phase in a standard of 0.1 gram of lead per gallon of gasoline (0.1 gplg) by 1988, and implement a standard of 0.5 gplg by July 1985. Since the lower standard of 0.1 gplg will amply protect cars that use leaded gasoline, there is no reason to wait until 1988 to implement it. The only objection to immediate implementation comes from the refiners. Are we going to sacrifice children's health to oil company profits?

Removing lead from gasoline, and thus from city air, is going to take everyone's cooperation. One of EPA's most appalling findings concerns the use of leaded gas in automobiles with catalytic converters, that require unleaded gas. In communities which have an exhaust inspection and maintenance program, this sort of misfueling was found in about 10 percent of the cars tested. In communities where there is no exhaust inspection, misfueling ran as high as 45 percent. Perhaps this EPA study of the effects of airborne lead will help curb misfueling and the illegal use of leaded gasoline. Sooner or later, however, leaded gasoline must be removed from the market.

The discovery of adverse health effects has led to drastically curtailed use of a number of substances: asbestos, DDT and EDB are three examples. There are adequate gasoline additives which can be substitutes for lead and which are comparable in cost. EPA should implement the 0.1 gplg standard for leaded gasoline immediately. Moreover, EPA must disseminate the results of its study of lead as widely as possible. There is no question that once the consequences of widespread lead exposure are known and understood, the public will support the removal of lead wholeheartedly. As Thomas Jefferson said:

Enlighten the people generally, and . . . oppressions of body and mind will vanish like evil spirits at the dawn of day.●

THE LIMITS OF STING OPERATIONS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. EDWARDS of California. Mr. Speaker, the following editorial from the August 19, 1984, San Jose Mercury News points out that in catching criminals there is a place for sting operations. But "elaborate schemes in which government agents construct the crime into which an individual is drawn" is another matter.

Mr. Speaker, I commend the editorial to the attention of my colleagues.

GOVERNMENT ON TRIAL

In the end, the John Z. De Lorean cocaine trafficking case turned not on the question of the maverick car-maker's guilt or innocence, but on the government's conduct in building a case against him.

The essential facts were quite clear. Federal prosecutors presented 65 audio tapes and more than five hours of video tapes in which De Lorean was clearly heard and seen making a scheme to buy and sell more than $24 million in cocaine.

"There's not a court or judge in the country that would have acquitted De Lorean on the basis of the evidence," Harvard law professor Alan Dershowitz told the New York Times. "De Lorean's guilt or innocense played no role in this. All the attention was focused on the government and he was presented as the victim."

According to the jury—perhaps the only dispassionate, informed group of experts on the case—that was where the attention belonged.

Informant James T. Hoffman was an admitted perjurer and cocaine smuggler turned government informer. Hoffman, it was revealed, had tried to obtain lucrative payment for his services. And other witnesses—both federal agents—admitted altering their investigative notes and back-dating documents.

Despite the prosecution's assertion that this was just "a straightforward narcotics case," in which De Lorean was a "ready and willing" participant in a drug deal, the jury came to believe that it was rather an escapade in government misconduct in which overzealous agents enticed De Lorean with lies and deceit.

"I think the important thing to come out of this case is there is going to be an impact on the future. The way the government agents operated in this case was not appropriate," one juror said after it was all over.

Surely there is a place for sting operations in law enforcement. The familiar mugging decoy and phony fencing operation are, by now, venerable institutions in the field. But these are not the same as elaborate schemes in which government agents *construct* the crime into which an individual is drawn.

They're not even the same as the bribery traps set to snare public officials. In these, an offer made and accepted is the essence of the case against those who should be held to a higher standard.

While the U.S. Supreme Court has been busy softening protections for criminal defendants, the De Lorean jury in Los Angeles showed that as far as ordinary citizens are concerned, there are limits to how far the

government may go to make its case, even when serious charges are involved.

It seems the lay judgment delivered in this case was an endorsement of the late Justice Felix Frankfurter's assertion that "No matter what the defendant's past record, or the depths to which he has sunk in the estimation of society, certain police conduct to ensnare him into further crime is not to be tolerated by an advanced society."●

STEEL IMPORT FIGURES MEAN QUOTAS MORE IMPORTANT THAN EVER

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GAYDOS. Mr. Speaker, I'm sure it will come as no surprise to you or to my colleagues that the latest figures on steel imports for the month of July are of great concern to me * * * as they should be to everyone in this country, whether they are intimately involved in the American steel industry or related industries, industries that use steel, or just people concerned about the future of this Nation and its industrial capacity and strength.

The figures for July are shocking, especially in the light of the recent recommendations by the International Trade Commission for quotas and tariffs on steel imports.

Just for the benefit of those Members who may not have seen the figures or heard the news, steel imports for the month of July reached an all-time single month high of 2.7 million tons, nearly 33 percent of the steel market.

There are some who will hear this or read this and say, "big deal. It just means that American consumers of steel and buyers of products made from steel have saved money because foreign steel is cheaper."

Obviously, that's the narrow view of the issue. What those people are overlooking is the cost to all Americans for unemployment benefits to steelworkers whose jobs are lost forever. What they are overlooking is the loss in taxes to Federal, State, and local governments because of plant closings or shrinking profits, tax losses that will have to be made up by you and me and every working American in order to provide the basic community services we expect and demand from our governments.

So, when steel imports take nearly 33 percent of the American steel market, it is a big deal. It costs every one of us.

A lot of people oppose the Fair Trade in Steel Act of 1984, H.R. 5081, arguing that the problems of increasing imports can be resolved through administrative action, such as the ITC recommendations on which President Reagan is to act by September 24, and through direct agreements negotiated with our trading partners.

As to the first, a recent report by Dr. David Cantor of the Congressional Research Service on a comparison between the impacts of the ITC recommendations and the fair trade in steel bill showed clearly that the ITC recommendations will have little or no impact on steel imports. I commend you to my remarks in the CONGRESSIONAL RECORD of August 9, 1984, for a fuller discussion of Dr. Cantor's findings.

Insofar as negotiated agreements with our trading partners, I believe them to be less than useful. In fact, judging by the level of imports from our trading partners in steel, it appears that already negotiated import levels have been and are being ignored.

Just look at the numbers: Japan's steel exports to the United States increased by 95 percent from July 1983 to July 1984, from 342,000 tons to 667,000 tons. The EEC, our European friends who are so concerned about the ITC proposal and the fair trade in steel bill, are shipping as much steel as they can now before the President's decision is made. The difference is very visible: In July 1983, the EEC nations shipped 297,000 tons of steel to the United States. In July 1984, the figure was 625,000 tons, an increase of 110 percent.

With the exception of Canada, in fact, every other steel importing country also increased its levels from July 1983 to July 1984. Those other nations in total increased by 96 percent the amount of steel shipped to the United States, from 558,000 tons in July 1983 to 1 million tons in July 1984.

Last year, for all of 1983, total tonnage of imported steel was just over 17 million tons. For the first seven months of 1984—from January through July—imports have surpassed the 15-million-ton level, meaning that imports for the full year of 1984 can be projected to somewhere around 25 million tons.

We, as a nation, cannot afford this. What it will mean to the American steel industry is chaos, economic disruption, more plant closings, more employee dismissals and few prospects for the American steel industry to get the breathing space it needs to modernize its facilities and procedures in order to achieve some degree of competitiveness with other steelmaking nations.

A recent article by David M. Roderick, chairman of United States Steel Corp., in the Pittsburgh Post-Gazette, which follows, puts the issue in its proper perspective. I strongly recommend it to you.

The fair trade in steel bill is vital to the well-being of this Nation's steel industry and to the Nation, itself, as well.

CHEAP FOREIGN STEEL IS A TROJAN HORSE

(By David M. Roderick)

Detractors of the Fair Trade in Steel Act, such as the syndicated columnist "TRB" of The New Republic, would find steel quite unnecessary in their economic scheme of things. Wood will suffice if all you care to do is construct a 20th-century Trojan horse and set it innocently before the gates of U.S. trade.

The TRB article, "Protectionism Is No Answer" (Post-Gazette, Aug. 15) itself begs the question and resorts to pat phrases regarding free trade. It strings together a number of facts and options into a pastiche that is more opinionated than factual—and to bolster its case cites statistics that are both distorted and disputed.

It's true that American steel workers make more than Brazilian steel workers. Who would expect the reverse in an advanced industrial economy?

It's true that a ton of American-made steel will cost you more than a ton of Brazilian-made steel. Who can ignore the massive subsidies provided by the Brazilian government to their steel industry, making their production costs and selling costs totally unrelated!

It's true that a quota on imported steel might lead to an increase in the price of steel, but even with inflation factored in, such an increase would be a modest one. And not at a cost to the U.S. consumer of $7.7 billion, as claimed by TRB, citing a study by the Congressional Budget Office.

This is the same study that projects a price hike even without a quota system in place. This is the same study that estimated the domestic industry's realized price at $514 per ton in 1983, rather than the real $474 experienced by the industry.

If we could accept their findings, and also the fruits of those findings, the American domestic steel industry would have reduced its $3 billion losses by $2.5 billion in 1983.

The study and the author both point to the economic negatives of steel quotas without acknowledging the positive factors. Another study by the respected Congressional Research Service is not so remiss.

The alleged higher cost to consumers for steel, if a 15 percent quota were enacted, is not much more than the $6.1 billion in additional taxes that would be collected. Not to mention increased industrial sales, a $28 billion-plus for the GNP and the increase of 112,000 or more jobs. For again TRB forgets the loss—or addition—of a steel-industry job has a ripple effect, supporting an additional 2.35 jobs with suppliers, retailers and others.

The loss of a steel-related job is not the loss of one job but of 3.35 jobs—and the price of that kind of unemployment is hardly marginal.

Put another way, the "cost" to the American economy in 1983 from steel imports over 15 percent (the level the quota bill would impose) was more than a simple loss of steel tonnage, but a $5.1 billion negative for the GNP, a loss of $1.1 billion in taxes, and a direct cost of $350 million in unemployment benefits. TRB, where was your calculator?

And, about TRB's mention of mini-mills: The Fair Trade in Steel Act does not propose to limit mini-mills to a percentage of the domestic market. TRB gives them about 20 percent of the market—16 percent is closer to the mark. And the success of the mini-mills has not been growth at the ex-

pense of the larger, integrated producers alone. They have also taken market share from foreign producers on high volume, lower value and limited market lines. To inject the mini-mill phenomenon into the discussion of quotas is hardly relevant.

Rebuttal of every comment is unnecessary to make the point. The matter of the temporary quota on steel imports is not to be so simply dismissed as "special-interest politics" in the service of misguided steel managers.

If the Brazilians are crazy enough to sell steel here at a lower price than it cost them to produce it, why shouldn't we take advantage of their stupidity? Because it will only encourage them to continue the practice with subsidies largely provided from improvident loans by world bankers, which endanger the world monetary system. Because it encourages overproduction and overcapacity, which is the true problem in the world steel marketplace. Because if Brazil and all other nations resorting to unfair steel trade are allowed to continue such dumping practices, it will surely decimate the American steel industry and leave us dependent on foreign producers.

Back to the Trojan horse. We may save a buck or two on cheaper steel now—but just wait until we need steel and foreign sources are our major source. The risks will be almost as high as the prices and no one will be talking about just how crazy those Brazilians really were!

(David M. Roderick is chairman of U.S. Steel Corp.)●

GRANTING STATES AUTHORITY OVER LICENSING SMALL HYDROELECTRIC PROJECTS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. JEFFORDS. Mr. Speaker, today, I have introduced legislation that will result in more effective scrutiny of the environmental and economic impacts of small hydroelectric projects.

Hydroelectric power, particularly in my region of the country, offers a very plentiful and renewable indigenous energy alternative. In the quest for energy self-sufficiency, hydroelectricity offers an attractive prospect. However, we cannot push the development of these projects at the expense of other equally important riverine resources: fisheries resources, prime flood plain agricultural lands, recreational opportunities, natural areas and riverfront investments.

Since the passage of the Public Utility Regulatory Policies Act [PURPA], there has been a rush to develop hydroelectric projects at new and existing dams. Many of these are very small projects with a design output of well below the 30 megawatts [MW] identified in the definition of small hydroelectric power project in PURPA. A case in point: in my small State of Vermont there are currently 79 hydroelectric projects seeking licensing from the Federal Energy Regulatory Commission [FERC]. All of these are under 15 MW in size with the majority being less than 5 MW. A 5 MW project may not appear to be of much consequence in terms of power generation. But even a dam of this size can reek havoc on a river's fisheries resources and recreational potential.

It is the job of FERC to review and assess the costs and benefits of all hydroelectric projects in terms of a project's environmental and economic impacts. Unfortunately, the word I am getting from my State is that in an effort to license projects, FERC is not giving adequate attention to unique State concerns in specific applications.

It is my opinion that with small projects on rivers wholly within one State, many States have the wherewithal to adequately evaluate the merits of projects and decide whether or not a license should be issued pursuant to both Federal and State statutes. By granting this authority to States that can show compentence in performing this task, the citizens of those States can be assured that hydroelectric projects are being developed that are truly in their best interests.

There are too many unique resource concerns involved in a decision to approve a hydroelectric project for this to be solely in the hands of a Federal agency. For example, in Vermont, the protection of prime agricultural lands is a critical State concern. We all know that the development of many hydroelectric dams involved the flooding of valuable riverside farmland. Assessing the benefits of a project versus this very specific concern would be better handled by an individual State.

This transfer of authority would also reduce confusion for applicants who now must apply for a license to FERC, but as a part of that licensing procedure must consult with various State agencies to acquire geological, environmental and utility planning information. I urge my colleagues to seriously review and consider cosponsoring this legislation. The language of the bill is as follows:

That part I of the Federal Power Act is amended by adding the following new section at the end thereof:

"STATE AUTHORITY OVER SMALL HYDROELECTRIC PROJECTS

"SEC. 31. (a) The Commission shall delegate to any State the licensing authority over small hydroelectric power projects which are located entirely in that State if the Governor of the State applies to the Commission for such delegation and establishes (pursuant to such rules and regulations as may be promulgated by the Commission) that such licensing authority will be exercised in accordance with substantially the same provisions and rules of law as would be applicable if such licensing authority were exercised by the Commission.

"(b) As used in this section, the term 'small hydroelectric power project' has the meaning prescribed by title IV of the Public Utility Regulatory Policies Act of 1978.".●

LAND OF THE FREE; HOME OF THE BRAVE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DYSON. Mr. Speaker, today I would like to read the winning essays of this outstanding writing contest sponsored by the Wicomico County Historical Society and the Jewish War Veterans Ladies' Auxiliary of Salisbury, MD. The theme of the contest was "Land of the Free; Home of the Brave".

First went to Mark Handy of Salisbury, MD; second prize to Renee Cane of Hebron; and third went to Kennerly Clay of Quantico.

Mr. Speaker, I am sure you would like to join me and our colleagues today in recognition of these three young patriotic Americans and their writing talent.

LAND OF THE FREE; HOME OF THE BRAVE

(By Mark Handy, James M. Bennett High School)

Though America can make no claim to having complete freedom, she is one of the freest countries in the world. Her citizens have freedom of speech, press, religion, and assembly, but the freedom which is most important in the guarding of this country is the freedom her citizens have to become involved at every level, affecting anything official. This involvement is more than voting; it often includes fighting an unfair or outdated system, or lobbying for a cause. Such a system of constant checking and action by people outside as well as inside the Government has kept the United States from internal corruption.

Given the right to be involved, bravery is required for people to get involved in a cause, to spend time and money for what they believe is right or needs to be changed. It is this bravery, a willingness to get involved, which keeps the United States in a prominent, enviable position in the world. This type of bravery is different from the bravery involved in rescuing someone from a burning car. These dangerous feats at high personal risk show compassion for other people, which anyone can have. But patriotic bravery shows loyalty to a country, and it needs freedom to be expressed.

America is not the home of all the brave, but she has her fair share. Where a government provides the opportunity for action, and the people provide the will to take it, the country will survive because it is a land of freedom and a home of bravery.

LAND OF THE FREE; HOME OF THE BRAVE

(By Renee Cane, J.M. Bennett Senior High)

As our National Anthem says this is the land of the free and the home of the brave. Through the years our country has fought many battles. Some of these battles have been against other countries while others have been against our fellow Americans. No matter where the fights took place, they have occurred because we Americans were fighting for something we believed in.

Through our bravery and fighting efforts we have established a reputation in other countries as being the free land. Many

people from other nations yearn to come to the United States because they know they will have freedom of speech, the freedom to achieve what they want, and be entitled to all the other rights and privileges Americans have.

Our country would not have earned the title of being the land of the free if she hadn't had the bravery to achieve it.

LAND OF THE FREE; HOME OF THE BRAVE

(By Kennerly Clay, J.M. Bennett Senior High)

America offers opportunity and freedom, but opportunity often comes by chance, and freedom has to be worked for.

Foreigners come from all over the world expecting to find the great "America" and some do. But, for most of the others there is criticism, prejudice, and mockery. And sometimes opportunity in America depends on connections and sacrifice to move ahead. Sometimes even after great sacrifices the goals still aren't reached.

In spite of America's lack of perfect freedom, we have the freedom to work on our faults. People here are free to speak what they think and print what they please.

No one can make us do something which we don't want to do, and no one keeps us from achieving what we want.

This independence requires the bravery of all people to stand up for their beliefs. If a person can achieve wanted goals and be his own person without too much outside influence, he is truly brave and outwardly free. Most importantly his mind is free to think and develop in any direction.●

AN ACCURATE ASSESSMENT OF THE EPA'S EFFORTS TO CLEAN UP HAZARDOUS WASTES

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BROYHILL. Mr. Speaker, recently, criticism has been leveled at Environmental Protection Agency Administrator William Ruckelshaus and the Agency regarding the effort to clean up hazardous waste sites. This criticism is not only misplaced, but, considering its sources, is most troublesome. Before these critics further disparage the performance of the Agency in an attempt to condemn the Reagan administration's environmental policy, they should acknowledge that the Reagan administration is at the forefront of the effort, spearheaded by Administrator Ruckelshaus, to address the threat hazardous waste and acid rain pose to the environment and the health of every American.

Rather than condemn the Agency, its efforts should be praised. The most vociferous critics of this Agency's performance are, perhaps, the greatest impediments to the Agency's efforts to clean up pollution. Ridding the environment of hazardous wastes and other pollutants is a massive task that will not occur overnight. Moreover, the spread of misinformation regarding the present efforts to address these environmental problems detracts from, rather than contributes to, the cleanup process.

The motivation of such critics is purely political or they would accurately cite the performance of the Agency to assure the American people that great progress has been made to clean up the environment. Instead, these critics are attempting to gain political advantage through the dissemination of inaccurate and misleading information designed to incite fear in the American people.

I would like to share with my colleagues an accurate portrayal of the Agency's role in cleaning up the environment, the administration's environmental policy and the manner in which critics have distorted the Agency's and the administration's efforts to address the problems related to the environmental issue. I ask that the attached article from the Thursday, September 6, 1984, Washington Post be printed in the RECORD at this point:

CLEARING THE AIR

(By Nick Thimmesch)

William Ruckelshaus, administrator of the Environmental Protection Agency, is a civilized gent of good humor. His dander rarely rises, but it did when he served in the Nixon administration, and it is now as he watches so-called environmentalists play hardball politics with his agency on behalf of the Mondale candidacy.

Ruckelshaus returned to EPA 15 months ago because he didn't want to see the agency he set up in 1971 get mangled in politics. His homecoming was literally cheered by EPA employees and saluted by editorialists across the republic.

So when officials of the Wilderness Society and the Sierra Club charge that the Reagan administration has "totally reversed" air and water pollution policies, Ruckelshaus gnashes his teeth, because those are his responsibilities.

"Those same officers of environmental groups who claim they never endorsed anyone for president before did the same thing in 1980 when they came out for Carter," Ruckelshaus says. "They were mad at Reagan then and they're still mad at him. I think such endorsements are unfortunate. It cuts the credibility of these organizations. To make progress on the environment, we've got to work together.

"The way that Tip O'Neill and his committee chairmen passed that Superfund bill August 8 was a scandal. They limited debate on the $10.2 billion bill to three hours—three hours! They introduced 31 amendments and recorded votes on only five, the rest were by voice. . . . They threw in amendments on moving expenses and victim's compensation and lost sight of the goal of cleaning up dumps.

"The Democrats are trying to claim that it is they who will clean up toxic wastes, but they are the same group that cut our budget request for this program. The bill should either be dealt with responsibly or put off until after the election. Otherwise, the government will be spending money so fast, it will make our heads swim.

"Everybody's playing politics with the environment. Last spring, Mondale stood on a platform . . . at a dump near Atlantic City and blamed Gary Hart for the mess. Hart was outraged. If Mondale portrays Hart as being against cleaning up dumps, God only knows what he'll say about Reagan."

Ruckelshaus argues that there has been "remarkable" progress in cleaning up water and air pollution. In 1970, the Cuyahoga River in Ohio burst into flames from flammable pollutants. Dead fish were measured in terms of square miles, not numbers, in Pensacola Bay. Sixty million people were on sewage systems discharging raw sewage into surface waters. Vast areas along the Atlantic and Great Lakes shorelines were closed to swimming and fishing.

"Back in 1971, when I was sitting here," says Ruckelshaus, "Nixon would call when the wind would shift toward the White House, and ask, 'what is that godawful odor, what are you doing about the Potomac?' It was about the only time he did call.

"Now people can swim and fish in that river. Over 99 percent of the streams in the country are designated 'fishable-swimmable,' as mandated by the Clean Water Act. Lake Erie is alive. The Trinity River in Dallas, once called a sewer, has fish. I guess the most symbolic achievement is the return of the bald eagle—a resurgence linked to the ban on DDT."

Ruckelshaus also says that though the U.S. population grew by 30 million since 1970, with the GNP climbing 36 percent, our air has 53 percent less particulates emission, 21 percent less sulfur oxides, and 20 percent less carbon monoxide. As leaded-gas use declined, lead levels decreased 63 percent in the 1975–82 period.

"In the world, only Japan has taken the steps we have to meet air standards," he says. "The Europeans have done very little. Our challenge now is acid rain caused by sulfur oxides—70 percent of which is coming from coal-fired power plants. We've got scrubbers on 100 such plants and have cut sulfur oxide considerably, but we're burning more coal away from our urban areas, and it's carrying across the countryside.

"We are doubling our research budget to find ways to minimize acid rain. We can retrofit scrubbers on old plants, wash the coal, build new plants, or switch from high to low sulfur content coal.

"The biggest lobby for doing nothing about acid rain is the United Mine Workers union because they're mining high-sulfur coal. They endorse Mondale, who says he has a 'secret plan' on acid rain. He won't tell anybody what it is, certainly not the mine workers."

Ruckelshaus says there's plenty of work to do on the environment that there always will be, and that the public should try to learn something about risk assessment and risk management. There are thousands of substances that show toxicity in animals, and EPA couldn't work on all of them even with a budget 10 times its present size. Moreover, any biochemist worth his salt will tell you that the human diet is loaded with toxics, including carcinogens. How about black pepper, mushrooms, celery, peanut butter, potatoes, coffee, tea, browned meat or alfalfa sprouts? But we must all eat to live.

"I wouldn't stay here if I didn't think I was serving the public interest," says Ruckelshaus. "The president has given me virtually everything I've asked for."●

OLYMPIC TEAM'S HEAD COACH

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MORRISON of Connecticut. Mr. Speaker, I would like to honor today the man who led the U.S. men's gymnastics team to their astounding gold medal-winning victories in the 1984 International Olympics in Los Angeles.

Abie Grossfeld, the Olympic team's head coach and the U.S. national coach, is being honored today at Southern Connecticut State University in New Haven, CT, in Connecticut's Third District. Mr. Grossfeld has coached there for the past 20 years, bringing national and international acclaim to the university and its gymnastics programs and to the country.

The 1984 men's gymnastic team is the first American men's team to win the gold medal in Olympic gymnastics competition. Many attribute the surprise success to Mr. Grossfeld, who, before the Olympics took place, had hoped his team would win the bronze. Mr. Grossfeld is one of the country's leading gymnastics technicians and is recognized for his innovative teaching and long competition and coaching experience.

Mr. Grossfeld was a top member of the U.S. gymnastics teams in Melbourne in 1956 and in Rome in 1960; in 1972, he was the team's head coach in Munich. Mr. Grossfeld was also the head coach of the 1983 U.S. team at the Pan American Games and at the World Championships in 1966, 1981, and 1983. Many of Mr. Grossfeld's top gymnastics have won important medals, from Peter Kormann of southern Connecticut, who won a bronze in the 1976 Montreal Olympics to the stars of the 1984 Olympics.

I know that all of my colleagues share my pride in the accomplishment of Abie Grossfeld and the 1984 U.S. men's gymnastic team.●

BALANCED BUDGET AMENDMENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DORGAN. Mr. Speaker, I am introducing today a resolution proposing a constitutional amendment to balance the budget. This amendment requires the President to submit, and Congress to enact, a budget in which outlays do not exceed revenues. It would remove the Social Security trust funds from the unified budget, and so remove the temptation to balance the budget by drawing on funds pledged to recipients of Social Security. Further, it would provide the President, and Congress, with the necessary flexibility to respond to national emergencies.

Almost 1 year ago I introduced the deficit control resolution of 1983, an act which would have produced balanced budgets within a short time. I felt at that time that the national debt had grown out of control and that interest on the debt was consuming far too much of the taxpayer dollar. I felt then that high interest rates, an overvalued dollar, and sagging export sales were largely caused by deepening Federal deficits. I felt then that the President and Congress had to regain control over the Federal fiscal policy.

We could have corrected our course without a constitutional amendment to balance the budget. But since I introduced that resolution, the national debt has grown by another $150 billion. Interest rates have been rising and exports have been falling. The budget problem has increased in severity, and will continue to do so until we act forcefully and responsibly.

BUDGET DEFICITS DRIVE TRADE DEFICITS

Much has been said about the seen and foreseen dangers of skyrocketing budget deficits, while too little has been said about mounting trade deficits—which may hit $130 billion this year. Let me talk about one clear and present danger which is driving family farmers and other exporters into bankruptcy: The danger of deficits fomenting an overvalued dollar, which makes our exports uncompetitive and unaffordable in world markets. In the words of Brookings fellow Robert Z. Lawrence, "There is . . . a direct link between the Government budget deficit and the trade deficit."

From 1980 to the end of 1983, the trade-weighted real exchange value of the dollar against major foreign currencies increased by 45 percent. The overvalued dollar has just hit a record-shattering level against the British pound, French franc, and West German mark.

Our family farmers have experienced the disasters of drought, flood, and tornado, but never before has an overvalued dollar wrought such havoc in farm communities. Farm exports, long the mainstay of U.S. trade, dropped from 164 million tons in 1980 to a projected 140 million tons in 1984. As exports fell, so did farm income—so much, in fact, that in 1983 total net farm income was negative before Government support. The farm economy and rural businesses and banks have been devastated by the double blow from high domestic interest rates and low export sales, two sides of the high deficit coin.

This situation feeds on itself; large budget deficits create an overvalued dollar, which causes even larger budget and trade deficits. In the past few years, over 1 million jobs have been lost, and billions in U.S. unemployment and social service dollars paid out. Loss of GNP in the same period is estimated at $100 billion. Farmers cannot pay back their loans; today, 45 percent of FmHA loans to farmers are delinquent. So we have paid the price of lower inflation with higher unemployment and lower exports and a ruinous form of economy.

Due to our overhanging national debt, the United States is becoming a debtor nation. We are increasingly using foreign dollars to finance current consumption, without any realistic prospects for retiring the debt. Within 3 years we could become a debtor nation for the first time since 1914, according to Dr. Richard N. Cooper, Boas professor of economics at Harvard University. In other words, it will take only 4 years to wipe out the "net claims which America built up on the rest of the world" in the prior 60 years.

STRONG BUDGET MEDICINE

The idea of a balanced budget is hardly new. Four years ago our current President focused public attention with his promise to have the budget balanced by 1984. The deficit then was almost $60 billion. Four years later, under the budgets submitted by the current administration, defense spending has doubled and the deficit has tripled. Election year promises are not the answer. Nor is the idea, sounded 4 years ago, and repeated every year since, that the deficit will cure itself. The deficit has gone too high, and accumulated too fast, to be self-liquidating. The disease has infected the very bones of the economy, and only strong medicine will effect a cure.

This balanced budget amendment is such medicine. It requires each of the responsible parties—the President and the Congress—to take responsible action. The President must submit a budget with outlays not exceeding revenues each fiscal year, and the Congress must enact such a budget each fiscal year. For too long we have been pointing our fingers in blame to gain some partisan advantage. The Nation has become too serious for a game. The President and the Congress must share equally in bringing the deficits under control.

This amendment is unique since it also makes clear that Social Security and medicare trust funds will be taken out of the unified budget as they were prior to 1969. These trust funds, which come from employee and employer contributions, are separated from the unified budget in order to remove the temptation from any future President or Congress to take from these trust funds to finance the deficit. The current President and Congress agreed with this approach when they passed

and signed into law my amendment last year to keep Social Security apart from the other budget items, starting in 1992. The provision in this amendment makes that point crystal clear, and would simply speed up the transition to independent, inviolate Social Security and hospital insurance trust funds.

This amendment, unlike some others, provides a measure of flexibility for future Presidents and Congresses to address times of national emergency. It does so by permitting a temporary waiver of budget balance, upon the majority vote of both Houses of Congress, and the President's signature, in case of a national emergency.

This amendment, if it becomes part of the Constitution, is only the first step. The more difficult steps come later, in deciding how the budget is to be balanced. If we are serious about a balanced budget, we cannot ignore spending on national defense, estimated to cost $2 trillion over the next 5 years in the administration's budget plan. We cannot ignore the proliferation of corporate income tax loopholes, which have decreased the share of revenues paid by corporations. We cannot ignore tax shelters used by the rich, which increase the tax burdens on the wage earner. we cannot ignore waste in any corner of the Federal bureaucracy.

Our Government has behaved like the public bucket has no bottom. We have been ordering everything on the menu, when we knew we didn't have the money to pay for it. This amendment is the first step in making us live within our means, in holding down interest rates, and in moving American exports. In fact, this kind of discipline would set us on a course of fiscal responsibility that will provide for long-term economic growth.●

ADDITIONAL FUNDS FOR FAMINE RELIEF TARGET AFRICA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. WEISS. Mr. Speaker, a human tragedy of monumental proportions continues to unfold on the African Continent. The savage drought that has gripped most of sub-Saharan Africa for many months is not diminishing. In an effort to increase the U.S. response to this tragedy, I am today, with HOWARD WOLPE, chairman of the Subcommittee on Africa, introducing a bill to provide supplemental appropriations for famine relief and recovery assistance for drought-stricken countries in Africa. This bill would provide an increase of $265 million for the Food-for-Peace Program and an increase of $185 million for other AID programs.

In southern Africa, 12 more months of severe food shortages are anticipated. In east Africa, Kenya is suffering the worst drought in at least 50 years, and the prospects for the main crop this season are extremely poor. In Ethiopia, the secondary harvest was almost a complete failure several months ago, and the number of people threatened by famine has increased to 6 million. Nomads in the Sahel continue to flock to the cities for food. The need for food assistance is expected to be 20 to 30 percent greater in the coming year.

The humanitarian response ought to be growing in proportion to the dimensions of this tragedy. The evidence is overwhelming that food shipments to date have been inadequate and subject to agonizing delays, often because of the lack of transportation. The U.N. Food and Agriculture Organization in August estimated that there is still a gap of some 418,000 metric tons of food between the total needs of African nations and the commitments that donor countries have made.

Yet, the fiscal 1985 agriculture appropriation that the House and the Senate passed contains only $650 million in the food-for-peace—Public Law 480, title II—account, the same as the fiscal 1984 level before it was supplemented with additional funds. And this level proved so inadequate that the House overwhelmingly passed a $150 million emergency supplemental before the fiscal year was half over. Unfortunately, the supplemental aid was delayed when the administration and its supporters in the Senate attached it to controversial covert aid for the Nicaraguan insurgents. It was enacted in two separate parts—$90 million that passed in March and $60 million that was finally enacted in June after being detached from the covert aid for Nicaragua.

Because of the severity of the crisis and because of the many months that always elapse between the approval and the delivery of food assistance, I believe that we must initiate action immediately to provide additional assistance to Africa. In the bill that I am introducing I am asking for an additional $130 million for the Public Law 480, title II emergency reserve, including $100 million designated specifically for Africa. Also under title II, I am seeking an additional $20 million for the World Food Program to use only in Africa and $115 million for private voluntary organizations. The total additional aid for Public Law 480, title II under this bill is $265 million.

In conjunction with this emergency food aid, I believe it is imperative that we step up the type of assistance that enables developing countries to address their longer term needs and to initiate a process of recovery. Therefore, as part of this legislation, I am also asking for fiscal year 1985 supplemental appropriations of $50 million for refugee projects, $50 million for health services, $60 million for the Office of Foreign Disaster Assistance and $25 million for Project Outreach grants that help private voluntary organizations to extend Public Law 480, title II programs to the poorest population groups. The total for these AID accounts is $185 million.

The refugee assistance is intended to strengthen services for areas including and surrounding refugee camps, through both bilateral and multilateral channels. The U.N. High Commission for Refugees [UNHCR] and the U.N. Development Program [UNDP] are both working on refugee projects in Africa, with UNDP recently having been assigned a coordinating role for the projects proposed at the Second International Conference on Assistance to Refugees in Africa [ICARA] held in July 1984.

Nearly one-half of the world's refugees are in Africa, placing an overwhelming burden on the countries of asylum. Host country hospitals and schools are often overcrowded with refugees. Roads have frequently been destroyed by the weight of relief supplies and landscapes stripped of trees and shrubs to provide fuel for refugee survival. The refugees weigh heavily on a very fragile infrastructure. The refugee funds in this legislation are intended to support projects of the type proposed at ICARA II—linking emergency humanitarian aid to development projects.

Additional funding for health services is probably the greatest need in Africa after food supplies. Eighty percent of Africans lack access to primary health care and their average life expectancy is only 43 years. Yet the United States spends relatively little on health services in Africa compared to other regions of the world where the need is actually less severe. The funds in this legislation are intended for health services provided in conjunction with title II food programs. People who are weakened by malnutrition are easy prey for many diseases and usually need health care as well as food assistance. Moreover, health clinics can provide channels through which food aid is distributed as well.

Additional funding for AID's Office of Foreign Disaster Assistance [OFDA] is important to the drought-stricken nations as a source for in-country transportation of food. Public Law 480, title II covers transport of supplies to a country's port of entry but getting the food to outlying areas is a monumental problem on a continent where road systems are rudimentary and spare parts often scarcer than the motor vehicles themselves. Repeatedly we hear that food is sit-

ting on docks or in warehouses because trucks are unavailable, or if there are trucks, they need repairs, or if they are in working order, there is no gas. Therefore, I feel it is imperative that we make additional funding available to OFDA, to provide for trucks, spare parts, and fuel, as well as other famine-related needs such as seeds, fertilizer, tools, cattle vaccines, blankets, and shelter materials.

I am also proposing an additional $25 million for Project Outreach, a program that helps private voluntary organizations [PVO's] extend title II programs to the poorest population groups, including those in less accessible regions. In extending food programs to these PVO's incur exceptionally high expenses for transportation, interim storage, fumigation, distribution, administration and logistics. Requests for these grants have far exceeded the available funds.

I recognize that determining the exact level of need for famine relief as well as the level that can be absorbed in each country is extremely difficult. But since we have no accurate means of determining how much food is needed nor how much can be absorbed, it is futile to argue over these figures. Another contention is that large shipments of emergency food create a dependency on aid and that we should concentrate instead on working with African governments to alter the domestic policies that have discouraged farmers from producing more food. This is a very important long-term goal, and it is vital that we provide the necessary support to help bring it about.

In the meantime, if the lack of food is stunting the development of African children, they cannot become the productive farmers of tomorrow. They cannot become the leaders who will help their nations become self sufficient agriculturally. If farmers and nomads are abandoning traditional lifestyles in their search for food, it will be difficult for these nations to restore former levels of food production, let alone progress toward self reliance. The effects of the drought have already undermined the economies and social structures of the affected nations. A continuation of this upheaval will have a devastating effect on the future of Africa.

For these reasons, I believe that immediate and major increases in aid levels are imperative to help Africa through the present crisis. The lag time in delivering food after Congress approves it can be up to 4 months. Politics can create further frustrating delays, as demonstrated earlier this year. I view this proposal as an early start on moving a supplemental bill through the lengthy legislative process. Let us not wait for forecasts of massive starvation before we take further action.

The World Food Council at its 10th anniversary session in June 1984 strongly recommended that the international donor community step up emergency and relief supplies to the highly affected African nations. The United States should maintain a leadership role in this effort, as it has in the past. The Council stated that hunger today is largely a natural and man-made phenomenon: human error or neglect creates it, human complacency perpetuates it and human resolve can eradicate it.

I believe that we have the resolve to overcome the complacency surrounding the current famine in Africa. I urge my colleagues to cosponsor this legislation.

H.R. 6203

A bill making supplemental appropriations for the fiscal year ending September 30, 1985, for famine relief and recovery in developing countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes, namely:

DEPARTMENT OF AGRICULTURE

PUBLIC LAW 480

For an additional amount for "Public Law 480", for agricultural commodities supplied in connection with dispositions abroad pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954, $265,000,000, of which $265,000,000 is hereby appropriated.

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

For an additional amount for "Agriculture, rural development and nutrition, Development Assistance", $25,000,000 which shall be for Project Outreach grants in support of programs under title II of Public Law 480.

For an additional amount for "Health", $50,000,000.

ENERGY AND SELECTED DEVELOPMENT ACTIVITIES

For an additional amount for "Energy and Selected Development Activities, Development Assistance", $50,000,000, which shall be for projects, such as those proposed at the second International Conference on Assistance to Refugees in Africa (ICARA II), to address the longer-term development needs created by refugees and displaced persons in Africa.

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for "International Disaster Assistance", $60,000,000.

GENERAL PROVISIONS

The funds appropriated by this Act for foreign assistance shall be available for obligation and expenditure notwithstanding section 10 of Public Law 91-672 (22 U.S.C 2412).●

LET'S FACE THE FACTS: HUMAN RIGHTS IS A JOKE IN CUBA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BROOMFIELD. Mr. Speaker, hats off to Elliott Abrams for telling the truth about human rights in Cuba. It is about time that Americans heard about the seamier side of life on that island.

Mr. Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs, lowered the guns on the many naive American citizens and groups who blame their own country for all of the problems in the world and ignore the reality of human rights abuses in Cuba. Some organizations go to great lengths to distort the truth about human rights violations in Cuba, and try to paint Cuba as a human rights paradise. In fact, it is a totalitarian state.

Let's look at Cuba's human rights record for a moment. Cuba is essentially a one-party Communist state based on the Soviet model. Real power is in the hands of one person, Fidel Castro. He dominates the center ring of the Cuban circus. Mr. Abrams correctly described Castro as a "vicious tyrant" who is known for his "ruthless repression of human rights." Political rights are basically nonexistent along with civil liberties. In general terms, the Cuban people are not free to do what they want to do.

The entire electoral system is largely a show. Political opponents are excluded from nominations by law while others are disqualified by law. Some are disqualified by the party first. No debate is allowed on major issues. The elected assemblies do not oppose party decisions.

Civil liberties are equally limited in Cuba. The media are state controlled and publish only as the state directs. Although thousands of political prisoners have been released in recent years, most of them have gone into exile.

On the subject of prisoners, Mr. Abrams said:

Everyone here, I know, is profoundly relieved that the dreadful ordeal of Andres Vargas Gomez and 26 other Cuban dissidents has now, finally, ended. Yet it would be a grave disserve to those Cubans who remain in Castro's prison—often in conditions of unspeakable brutality—to pretend that Castro's release of these courageous men was anything other than a propaganda gesture, aimed at misleading American and world public opinion about the true nature of conditions in Cuba.

Hundreds of dissidents who have refused to recant continue to be held in difficult conditions. There has been an increase in judicial executions for allegedly political crimes. Unfortunate-

ly, new arrests are frequent. Hundreds of thousands of opponents of the system are formally discriminated against. Writing or speaking against the system, even in private, is severely repressed. In addition, the freedom to choose work, education, or residence is greatly restricted. It is generally illegal to leave cuba and the practice of religion is discouraged by the Government.

In reference to the issue of religion in Cuba, Mr. Abrams said.

A proverbial visitor from Mars, coming to the U.S. for the first time, might well find the silence of some human rights groups about Cuba thoroughly puzzling. After all, he might ask, aren't many of these groups supported in part by American churches? And doesn't the Cuban Government severely persecute the Church in Cuba? How, then, can human rights organizations possibly refrain from criticizing the Cuban Government for its grave human rights violations.

Let's wake up America and see the other side of the coin. Cuba does have a serious human rights problem that we can't afford to ignore. I commend Mr. Abrams for his candor on this critical issue.

With these thoughts in mind, I strongly recommend the following article to my colleagues in the House.

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

U.S. OFFICIAL CHARGES "APOLOGISTS" ARE IGNORING CUBA'S RIGHTS ABUSES

(By Joanne Omang)

Assistant Secretary of State Elliott Abrams last night fired a broadside at Americans who speak well of Cuba as he attacked church figures, human-rights groups, politicians and journalists as "apologists" whose views are "distorted by a seemingly invincible anti-Americanism."

In a strongly worded speech that State Department officials said represents administration policy, Abrams said that human-rights abuses in Cuba are widely ignored by the media and by many others, who instead blame America for most world problems.

"These people will never take off their rose-colored glasses, because these glasses protect them from a harsh, glaring reality: that they have spent years defending tyrants, years demeaning their own great nation, years obfuscating the truth, years . . . on the wrong side of history and justice and liberty," said Abrams, who heads the department's bureau of human rights and humanitarian affairs.

He delivered the speech to a meeting in Palm Beach, Fla., of the Cuban-American National Foundation, which opposes Cuban President Fidel Castro.

It comes after the second round of talks between Cuban and U.S. officials on the problem of Cuban criminals and others jailed in the United States since the 1980 flood of refuges from the Cuban port of Mariel.

Kenneth N. Skoug Jr., director of the department's Office of Cuban Affairs, said the speech is consistent with U.S. policy and unrelated to the talks, which are "proceeding in a businesslike, serious way."

An official close to the policy issue noted that anti-Castro Cubans represent a substantial voting block in Florida.

Abrams said it is "shocking" that when author and prominent Democrat Frank F. Mankiewicz was named president of National Public Radio, "there was no great public outcry over the fact that he had previously served as a willing apologist for one of the most vicious tyrants of our time."

Mankiewicz and Kirby Jones authored a book on Cuba and Castro that included a passage saying Cubans are "proud of their accomplishments and sing songs about themselves and their country that reflect their self-pride."

Abrams said such a passage about blacks in South Africa or Chileans under the tight rule of Gen. Augusto Pinochet would have aroused "scorn and derision . . . evidently, however, praising the Castro dictatorship is not nearly so grave an offense."

Mankiewicz, now with the public relations firm Gray & Co., said he and Abrams "are both committed to human rights, and my commitment has never been selective."

Abrams said the Washington Office on Latin America, a human rights group, has made "virtually no efforts on behalf of Cuban political prisoners" but condemned abuses in Chile, Argentina, El Salvador and Uruguay.

"It is as though WOLA were deaf in its left ear and blind in its left eye," Abrams said.

Heather Foote of WOLA said the group has dealt with allegations regarding Cuba but focused on nations "where U.S. foreign policy has contributed to the pattern of abuses."

Abrams quoted William Wipfler of the National Council of Churches, Sister Helen G. Volkomener of Fort Wright College of the Holy Names, Corinne Johnson of the American Friends Service Committee and the Rev. Bryan J. Hehir, speaking for the U.S. Catholic Conference, as making statements he said were "grossly misleading" regarding human-rights violations in Cuba.

"Since many of today's journalists, human-rights activists and even clergymen are simply yesterday's peace activists in a somewhat more decorous garb, it is not surprising that their view of the world is distorted by a seemingly invincible anti-Americanism . . . and by a profound reluctance to criticize America's adversaries," Abrams said.●

UNION OIL, ROMEOVILLE, BEGIN BLAST CLEANUP

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. O'BRIEN. Mr. Speaker, on July 23, 1984, an explosion during a repair operation at the Union Oil Co. refinery in Romeoville, IL, caused a tragic loss of life and extensive damage to property.

Seventeen people, all employees of the company, died in the explosion and over 30 were injured, some seriously. The blast heavily damaged 7 adjacent businesses, 1 church and 22 nearby homes and overturned a 75-foot, high-tension electrical tower near the area. The explosion broke windows in Joliet, 15 miles away, and was heard as far away as the Illinois-Indiana border, 40 miles away.

Union Oil and its employee and labor organizations have responded to the mammoth responsibilty of rebuilding the ravaged plant. I have toured the facility since the explosion and have seen many of their efforts in action. None of the some 700 employees of the plant have been laid off as a result of the explosion; all are working in general maintenance and cleanup while the damage is assessed and steps toward recovery begin.

In a true showing of community spirit, other groups have also brought their resources to bear on the task of assisting the stricken refinery and its workers. The American Red Cross responded immediately after the incident by providing sanitation facilities and bottled water and conducting a detailed damage assessment. The Salvation Army provided food, as did a number of local restaurants. Other asssistance was provided by the Romeoville Jaycees and American Legion Post 1261.

The damage to the plant—the largest of five owned by Union Oil's parent company, Unocal, in the United States—is so vast that company officials have been unable to determine when the plant will reopen. And the effect on Romeoville has another dimension—the town will lose about $880,00 in utility tax payments over the next 12 months as a result of the damage to the refinery.

The efforts of the company, labor organization and community in the aftermath of one of the worst refinery explosions in American history will long be remembered.●

TRIBUTE TO NIKOLA TESLA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. GEKAS. Mr. Speaker, things that we seem to take for granted today, such as electricity and electric lights, were extraordinary discoveries that immensely changed our everyday lives. Almost all Americans automatically think of men like Franklin and Edison as being the great contributors to these changes, but one man who also made significant contributions and is rarely recognized is Nikola Tesla, the man who discovered the practical applications of alternating currents.

This year marks the 100th anniversary of Nikola Tesla's arrival in the United States as a penniless Serbian immigrant. Once in the United States, he worked at finding different and useful applications of electricity. He patented the equipment that formed the system for generating and using the power from Niagara Falls.

During his lifetime and thereafter, he was the recipient of numerous awards and honors in recognition of his findings. Among those awards are honorary degrees from Yale, Columbia, the High Technical School in Vienna, Universities of Belgrade and Zagreb, honorary fellowships from the American Association for the Advancement of Science, American Electro-Therapeutic Association, and the American Institute of Electrical Engineers, as well as a long list of other medals and awards.

Bernard Behrend once said of Tesla's work, "Were we to eliminate from our industrial world the results of Tesla's work, the wheels of industry would cease to turn, our electric trains and cars would stop, our towns would be dark, our mills and factories dead and idle. So far-reaching is his work that it has become the warp and woof of industry."

Nikola Tesla worked all his life but not for fame and fortune. He only wanted the freedom and opportunity to work in the field he loved best. he was truly a great American and a great scientist who should be remembered by all for all time.●

LOUD AND CLEAR

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Ms. OAKAR. Mr. Speaker, a woman who has created, and reported history is a credit to Cleveland and the Nation. At a time when she is rallying back to good health, I believe this article reminds us of her great genius and wishes her Godspeed in good health.

[From Savvy magazine, July 1984]

LOUD AND CLEAR

(By Patricia Burstein)

Dorothy Fuldheim has lived through the major technological innovations of the twentieth century—the invention of the telephone, the automobile, the airplane, the television, and the computer. She has seen medicine virtually eliminate smallpox, diphtheria, and polio. During her lifetime, scientists have plumbed the depths of the sea and men have walked on the moon. But the ultimate object of Fuldheim's fascination is the human brain. "I'm in awe of that instrument," she says. "It will let us understand what makes the universe tick, if, indeed, it does."

At ninety, Fuldheim's brain is not only ticking, but resounding with questions and opinions. She is Cleveland's premier newscaster and the oldest working broadcast journalist in the world. She first went on the air in 1947, which makes her the first woman ever to deliver television news.

Signed recently to a new three-year contract for more than $100,000 a year, Dorothy Fuldheim makes money the old-fashioned way. She tapes interviews with four celebrities each week for the noon show on Cleveland's top-rated ABC affilate, WEWS-TV, and writes and delivers commentaries for the early evening and 11:00 P.M. newscasts every day. On Wednesday, she hosts a call-in show in which viewers get to "Ask Dorothy" about everything from Lebanon to potholes.

In 1981 alone, she made three trips overseas for major stories. The first, in April, was to Belfast, Northern Ireland, where she interviewed the mother of IRA hunger-striker Bobby Sands. She covered the Royal Wedding in London that July, and Anwar Sadat's funeral in Cairo the following October. Back home, viewers were worried about her globe-trotting. "They were nervous because of my age," Fuldheim recalls. "It was the silliest thing. I go where I want."

She is five feet tall and slightly stooped from arthritis, for which she receives treatments each morning before work. Her knees hurt, but she keeps walking instead of talking about it. Though she tints her hair red, she makes no other attempts to camouflage her age. She wears no makeup, not even lipstick, and only grudgingly submits to a dusting of powder for the camera.

Fuldheim arrives at her ground-floor office by 9:30 a.m. every day. Though this particular morning is cold and damp, she wears a thin royal-blue cotton suit. She goes over her mail, wire copy, and local and national newspapers. Her neat beige-toned office also serves as the proverbial "green room" for guests. Spurning a talent coordinator, Fuldheim herself greets and talks with interviewees for fifteen minutes prior to taping. "I like to get the flowering of their minds and achievements," she explains. "I pretty much know how far I can go. I don't try to get in too deeply with everyone."

Maybe not, but according to the station's vice president and general manager, Ed Cervenak, Fuldheim has the admirable ability to "ask the questons people want to know, such as 'How much do you make?' "

One segment with a guest promoting "singing" Valentine's Day cards is more like a vivisection than an interview. "Why would anyone send such a silly card?" Fuldheim inquires of the greeting card company representative. "Why is it so expensive? In my day we paid five cents for a card. People can't spend this kind of money. For what? To throw the card away? If I get four or five cards, will they play the same song?"

Seemingly oblivious to the diatribe, the guest beams at Fuldheim. "Oh, no," she responds. "We have six songs. There are six hundred people in our creative department." To which Fuldheim replies, "You mean that's all they do, the six songs?" The woman cheerfully explains, "Actually, there are seventeen thousand people in all, with many varied and important functions." Fuldheim pounces again, this time to bring the interview to a fast close. "I'm awed," she deadpans, "that you're one of those seventeen thousand people . . . and a Happy Valentine's Day to you."

Back in her office, Fuldheim despairs over the interview, which she believes was a lost moment at a time when there are so many crucial issues to explore. "What that woman had to say was cheap and didn't mean a damn thing," she says, her voice quaking in anger. "A half-block from here is the unemployment office. I see people walking over there. They wear shoes with rundown heels. Could anything be worse? I can't be comfortable when I know there are people who are hungry and can't afford a doctor." She decides to delete the interview from the tape.

Fuldheim's interview subjects have run the gamut from greeting card salespeople to Albert Einstein, her favorite subject. "I was mesmerized by that man's knowledge," she says. Her most memorable interview: Helen Keller. "That woman never heard a human voice, never saw a smile, never heard music or the ripple of water, and yet she understood concepts," Fuldheim says in awe. "She represented an emancipation from the senses that I've never forgotten."

The most obnoxious subject, she claims, was former Yippie Jerry Rubin. When Rubin started talking about "eliminating pigs" and his support of the Black Panther party, Fuldheim ripped the microphone off him. "Out!" she shouted, pushing him off the seat during a live interview. "The interview is over!"

Fuldheim has appeared on *Tonight, Merv Griffin, Donahue,* and *Good Morning America,* among other talk shows, and does not always spare her hosts either. "David Hartman," she says, shrugging her shoulders disdainfully. "Now tell me how he got his job." When Hartman, host of ABC's *Good Morning America,* told her to be sure and come back real soon, Fuldheim told him if he wanted to see her, he would have to come to Cleveland.

Barbara Walters, who has both interviewed and been interviewed by Fuldheim, marvels at her skill. "She sits there, without notes, and everything she asks is to the point. Her drive, her intelligence, her audience appeal give us all hope that we can go on forever."

Fuldheim shrugs off such praise. "It gets my goat when people say it's remarkable how bright I am at my age," she says. "I was bright forty years ago. And the more I use my brain, the sharper it gets."

Dorothy Fuldheim was born in Passaic, New Jersey, in 1894, one of three children of an insurance salesman and a housewife. Because the family could not afford to buy books, Dorothy's father took her to the local courthouse, visits she credits with developing her devotion to words and to public speaking.

She received a teaching degree from Milwaukee Normal College in 1912, but after a short stint in the classroom switched to the stage. She appeared in plays in Milwaukee and Chicago, making her debut in *Romeo and Juliet.* She thinks she played Juliet but can't remember for certain. In any case, she says, "I must have been a lousy Juliet. When you're young, you can't feel that kind of tragedy."

After seeing her in one Chicago production, the social reformer Jane Addams, who knew of Fuldheim's ability as a public speaker, asked her to share a lecture platform on a world tour. In 1932, Fuldheim, then thirty-eight, traveled to Munich to get an interview with Adolph Hitler but was turned down. She staked him out near his office and confronted him on the street. Their lengthy conversation went unnoted: Fuldheim was not yet a journalist. "When I returned home, I warned that he was the Samson of Europe," she recalls. "I learned then—from the Germans response to Hitler—that a person's life is determined by economics."

Because of her speeches on social justice and world peace, Fuldheim earned a reputation as a "militant" in Cleveland, where she had moved at twenty-two to marry lawyer Milton Fuldheim, the first of two husbands. In public speaking engagements, she advocated birth control and opposed public utilities and railroads. By 1947 she was doing an ABC Radio Network commentary show, which came on right after arias by Metro-

politan Opera stars. That same year, WEWS-TV, the first television station in Ohio, offered her a job as a commentator at $150 a week.

Although skeptical of television's future, Fuldheim, then fifty-three, accepted, but continued lecturing and doing radio commentaries. When her first impression of the medium proved wrong, she signed on at the station full-time and has been there ever since. Competing stations have tried to lure her away, but Fuldheim vows she will never leave. The reason, she says, is that in 1970 she went on the air and said the killings at Kent State were murder, then cried over the dead students. The station was flooded with letters and calls protesting her show of emotion. "It got so bad that I called the station manager and offered to resign," she recalls. "And he said, 'Go to bed. I think you're nine feet tall.' Now do you think I could leave a guy like that?"

Such loyalty did not extend to husbands. "I've never known any man I wanted to be faithful to," Fuldheim says. Of her first marriage to Milton Fuldheim, with whom she had a daughter, she remarks, "It was a curious thing, but those years really didn't touch me much. I just didn't know any better." Several years after his death in 1952 she married again. Her second husband, also a lawyer, died in 1969. "I married the second time because he was my lover," Fuldheim says, "I don't particularly recommend marriage, but I do think every woman should have a lover." She pauses and then confesses, "I've never been with any man, except one, when I wasn't lonely—even in the sexual act. No matter if you're in love, you don't give yourself completely."

Her loneliness deepened when her daughter, Dorothy, her only child, died of a heart attack three years ago at the age of sixty. Fuldheim's only surviving relative now is her thirty-seven-year-old granddaughter, who is severly handicapped. Fuldheim arranges for her care in an apartment near the home she herself shares with a couple in suburban Shaker Heights. I've often thought that some people are porcelain and some pewter," she reflects sorrowfully. "My daughter was a fine piece of porcelain with an extraordinary mind and a noble nature. It seems an unworthy part of life that destroys the young and lets the old live. I wouldn't have minded if I had died. There would have been no sacrifice on my part. But nobody gave me the choice."

Fuldheim goes on, moving time forward, absorbing herself in the editorials she must write for two evening broadcasts. It is past noon. She orders a chicken salad sandwich and nibbles on it. Here longevity is clearly not attributable to diet. "I've got a real thing for chocolate," she admits. "I have it for breakfast. I tell you, I'm a different species." In the last two years, she has missed only two days of work—for a root canal appointment.

Agonizing over what to write, she considers Lebanon, but with news breaking about a possible troop withdrawal there, decides to wait a day or so. "I want to hear what Reagan has to say before I make up my mind," she says. "At least I should give him a chance."

The woman who has interviewed every president since Roosevelt knows exactly what she thinks of the present resident of the White House. "Reagan may be a nice guy," she remarks, "but he has no business being President in such a complicated period. He has no historical point of view." Whom would she put in his place? "Someone smart, like Kissinger," she answers. "But he's got an overwhelming ego."

Fuldheim has recounted her career in two books, *I Laughed, I Loved, I Cried,* and *One Thousand Friends,* about her interview subjects. She has also written a novel, *Three-and-a-Half Husbands,* recently adapted as a musical comedy. In fact, later this evening, she will attend a meeting on an $80 million theater complex that will be dedicated to her—and stage her musical as its first production.

But first there are the editorials. As Fuldheim labors over them, she answers a constantly ringing phone. A New York writer asks if he can do her biography. The Radio and Television Broadcasters' Association wants to know if she will be able to pick up a "Woman of the Year" award in Chicago. If Fuldheim can juggle this event with a speaking engagement in Cleveland the same day, she'll go. "Everyone is rushing to give me an award," she cracks. "I know perfectly well what happens when you get to a certain age." At eighty-seven she was voted the most influential woman in Cleveland; at ninety, the Cleveland Orchestra played "Happy Birthday" to her at a party for two thousand.

Fuldheim passes her handwritten commentaries to a secretary to type. Her eyes look tired. She lapses into a somnambulent monologue that straddles waking and sleeping. "My questions are unanswerable," she says. "They're the enigma of life itself. If life can torment me with these questions, it ought to be able to answer them. Is mankind an experiment that isn't working? By all odds it's a failure. Look at how we've killed ourselves in wars. I've walked through cemeteries in France . . . row after endless row of names—Jewish, Protestant, Catholic. In a cemetery they all lie together. Why don't they stand together in life? What I resent about dying is the knowledge that I'll never have about how the universe will end up."

The station's weatherman, Dan Dobrowolski, arrives to accompany her into the studio to deliver her commentaries, as he does every day just before six. "We make an odd pair," says Dobrowolski, twenty-five. "But she's no fuddy-duddy. I think her massive internal energy is what's kept her alive so long."

While her co-anchors fix their hair and apply makeup, Fuldheim practically cowers from a powder puff. On the air, she launches into her commentaries on nuclear disarmament, budget cutbacks affecting Social Security, and a new hormone that will enable short children to grow. She ends on that one. "Can you imagine what that means to those who are doomed to dwarf height?" she asks. "Perhaps we can make everyone beautiful and bright by finding the right substance in the brain."

Returning to her office, she goes over the rest of her mail and the late afternoon papers. She peers over a page and says, "It used to be that everyone was older than I. Now I'm older than everyone else. This is a completely new role. Whoever thought Dorothy would be old?"●

A TRIBUTE TO KNOGO CORP.: AN AMERICAN SUCCESS STORY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. LENT. Mr. Speaker, it's a pleasure to have the opportunity to pay tribute to the outstanding contributions of Arthur Minasy, chairman of Knogo Corp., to the retail industry. Knogo Corp. of Hicksville, NY, is a true American success story.

Arthur Minasy developed the EAS (electronic article surveillance) antishoplifting device in his garage over 18 years ago. And business has been booming every since. Each year, retailers worldwide save billions of dollars in shoplifting losses thanks to Knogo devices which prevent shoplifting efficiently and effectively. Knogo sales and services in the United States, Europe, Australia, and Japan accounted for over $25 million in revenues in 1983.

Small businesses thrive on challenges, and Knogo is no exception. With hard work and determination, Arthur Minasy took the small business in his garage and made made it into the thriving, profitable enterprise it is today.

As a Long Islander, I appreciate Knogo's significant contributions to Long Island's low unemployment and prospering economy by employing over 300 people at its Hicksville plant.

Arthur Minasy is an inspiration to millions of hard-working small business men and women across America. The remarkable success of Knogo Corp. is an outstanding achievement which deserves our wholehearted recognition and appreciation. I extend my most sincere congratulations and best wishes for continued success.●

THE YEAR OF THE TEACHER

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DYSON. Mr. Speaker, one of our colleagues, Hon. WILLIAM D. FORD, has introduced House Joint Resolution 613 designating 1985 as "the Year of the Teacher." I cannot think of a better profession to commemorate with a year of appreciation.

Everyone of us here today owes something to a teacher. Without the encouragement and patience of those teachers who gave us so much, many of us would not have been able to attain the goals we have set for ourselves. Designating 1985 as the "Year of the Teacher" is one small way to express this Nation's gratitude to its

teachers and to elevate them in the public's esteem.

Mr. Speaker, I would like to take this time to recognize a special teacher in Maryland's First District: Mr. Carvel LaCurtis. Mr. LaCurtis is a mathematics instructor at Pocomoke High School in Pocomoke, MD. He was named the "Maryland Mathematics Teacher of the Year for 1982-83" by the Maryland Mathematics Teachers Association and was appointed by Maryland State School Superintendent David Hornbeck to the Maryland Commission on Secondary Education's Instruction/Instructional Support Services Task Force.

Recently, a great honor was bestowed upon Mr. LaCurtis. He was selected as one of the State's two finalists for the Presidental Award for Excellence in Teaching Science and Mathematics. This program was established by the National Science Foundation to recognize outstanding secondary schoolteachers of science and mathematics who serve as models for their colleagues and to recognize the contributions they have made.

We in Maryland's First Congressional District are proud of Carvel LaCurtis and the contributions he has made to earn this award. To the teachers of this great country, I say, thank you for all your hard work and dedication to our Nation's youth.●

MILITARY CITES ALLIS-CHALMERS FOR PRODUCT EXCELLENCE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. O'BRIEN. Mr. Speaker, Allis-Chalmers Corp.'s Industrial Truck Division has joined a select group of Government contractors by receiving the new Defense Department Quality Excellence Award.

The Matteson, IL, facility is the first contractor in northern Illinois to qualify for the special commendation under the program, which recognizes companies for producing high quality material for the military services and defense agencies.

Maj. Gen. Joseph H. Connolly, USAF, Deputy Director (Acquisition Management), Defense Logistics Agency, made the award presentation to Owen R. Davis, general manager and vice president of Allis-Chalmers, in a ceremony August 15 at the Matteson plant.

The award was based on excellence in the quality of products and services provided by a Government contractor over a 12-month period. The program is implemented through the quality assurance representatives assigned to defense contractors' facilities.

The latest presentation marks the third consecutive year Allis-Chalmers has been recognized by the Department of Defense for excellence in quality assurance. The company received awards in a former program in March 1983 and March 1982.

The Allis-Chalmers facility in Matteson was established in 1971 and employs about 600. The division produces a broad range of electric- and internal combustion-powered lift trucks.

Several Allis-Chalmers officials and employees shared in the responsibility for the company's excellence, including Ed Siebrasse, plant general manager; Dan J. Tutaj, director of corporate quality assurance; Robert Rieke, president, Local 1094, United Steelworkers of America; and Anthony DeCola, Allis-Chalmers' manager of marketing.

I ask other Members of Congress to join with me in saluting Allis-Chalmers' Matteson plant employees for their achievement.●

KIM FRIDMAN'S 50TH BIRTHDAY

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BORSKI. Mr. Speaker, I rise to pay tribute to refusenik Kim Fridman in honor of his 50th birthday which is today.

Kim Fridman, a radio engineer living in Kiev, applied for permission to emigrate to Israel in 1972. He received his first refusal in January 1973 because of his alleged classified work in the Kiev radio plant where he had access to secret documents. He had left this plant in 1969 in anticipation of applying for permission to emigrate. A number of his colleagues who worked with him at the plant were given permission to emigrate some years ago.

Between the years 1974-76, a monthly seminar on Jewish culture was conducted in his apartment. He also taught Hebrew. Kim was arrested several times, interrogated by the KGB and harassed for his teaching.

In 1976, Kim's wife, Henrietta, and daughter, Victoria, were allowed to emigrate to Israel. Victoria married and has a young daughter. Kim received additional refusals to his applications for emigration in 1978 and 1979.

On March 18, 1981, he was arrested and charged with "parasitism." After a 2-month confinement in Kiev's Lukianovka Prison, he was brought to trial on May 19 and sentenced to 1 year in a labor camp.

According to the National Conference of Soviet Jewry, Kim, who suffers from heart disease and has not been able to hold a steady job since 1979, worked as a bookbinder whenever his health permitted. A coworker could have testified to this fact, but because of KGB threats, was afraid to appear as a witness at the trial. However, the prosecutor found it difficult to present evidence that Fridman was unemployed for as short a period as 2 months. He added that in all his wide experience as a lawyer, he had never encountered a similar case. The prosecutor reprimanded him harshly, saying that he did not comprehend "what kind of trial" was involved. Fridman's appeal against the sentence was rejected.

Kim was released following completion of his 1-year labor camp sentence on March 27, 1982. He returned immediately to his former Kiev residence and in June 1982 was again refused permission to leave. Courageously, Kim continues to work toward receiving an exit visa.

I would like Kim's birthday to serve as a reminder to my colleagues, and to the many people across this Nation, of the need to focus our attention on the plight of the Jewish community in the Soviet Union, and to demand that justice prevail. Only when he is allowed to be reunited with his family, will birthdays for Kim Fridman truly be a celebration.●

COMMUNITY HEALTH CARE CENTERS

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. DAVIS. Mr. Speaker, I rise in support of H.R. 5602, the Health Professions and Services Amendments of 1984.

Title IV of this bill is especially important because it provides for the health care needs of the rural and the poor. This legislation promotes high quality health care both efficiently and inexpensively through a network of community health centers.

Nationally, the 750 community health care centers serve 5 million people and save money by encouraging preventive medicine and by reducing inpatient costs as much as 50 percent. One study indicates that health centers saved the Medicaid Program $580 million in 1980 alone. This amounts to a medicaid savings of $1.62 for each dollar spent on health centers. Numerous studies have shown that these centers provide as efficient and effective care as other providers of medical care including private practitioners, group practices, and hospital-based settings—at equal or lower costs.

In my rural northern Michigan district, community health care centers serve tens of thousands of citizens with quality health care. They were instrumental in initiating regionwide

CPR and emergency medical training programs, stop smoking clinics, and home care programs for senior citizens. The centers are also credited with the significant decline of infant mortality rates. Such preventive measures reduce hospitalization and emergency care costs. Because my district has chronically high rates of unemployment and poverty, these health centers are an especially important component of the safety net that protects the less fortunate. Without these centers, where patients pay according to their ability, many rural Michigan residents—especially senior citizens—would be without basic health service.

Perhaps it is too rare of an occurrence when we have the opportunity to be both fiscally prudent and socially responsible. On behalf of the 5 million Americans now being served by community health care centers, and on behalf of the 51 million Americans who still do not have access to adequate health care, I urge your support on this bill.●

RELIGIOUS DISCRIMINATION AGAINST SOVIET JEWS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. SMITH of New Jersey. Mr. Speaker, as many of my colleagues are aware, religious discrimination against Jews in the Soviet Union has increased dramatically since 1979. Many of us in Congress have been working diligently to encourage an easing of the extremely tight restrictions on Jews in the Soviet Union, particularly regarding the right to emigrate. Unfortunately, Mr. Speaker, the radical decline in emigration begun during Brezhnev's final years has dropped to its lowest point since the late sixties. This policy shift has had a devastating impact on the lives of thousands of refuseniks who must suffer persecution on a daily basis for their beliefs.

Among these refuseniks, Mr. Speaker, is one of the most respected Soviet scientists, Dr. Aleksandr Lerner, whom I had the honor of meeting at his apartment in Moscow in 1981. September 7 marks Dr. Lerner's 71st birthday and I would like to take this special occasion to bring the plight of Dr. Lerner and his family to the attention of my colleagues as just one illustration of the brutal impact this shift in Soviet policy has had.

The author of 168 scientific works, including 12 books, Dr. Lerner submitted his visa application to emigrate to Israel 13 long years ago in 1971. He was immediately denied permission and has been repeatedly refused on grounds of state secrets, an accusation he vehemently denies. As is the experience of so many Soviet Jews, Mr. Speaker, after submitting his family's application he was dismissed from his academic, research, and editorial posts and has suffered repeated harassment by the KGB with house searches, arrests, and summonses for interrogation.

For example, in an open letter published in the newspaper, Isvestia, on March 4, 1977, Dr. Lerner was accused of espionage and treason and of instructing persons who had a single platform and leader at American secret services and foreign anti-Soviet organizations. He has also been accused of systematically receiving through unofficial channels instructions, hostile literature and financial means in order to aggravate tension between the United States and USSR.

In a reply sent to the West, Dr. Lerner said:

(1) I was never connected in any form with any secret service of any foreign state, including the United States, nor have I ever collected or instructed anyone to collect information constituting military or statistical secrets.

(2) I never received remuneration for my activities either from the CIA or any other foreign organizations, and I never needed or need such remunerations.

(3) During the period of waiting for an emigration permit, since the end of 1971, I met with many foreigners, tourists, correspondents, scientists, diplomats and statesmen, but not one of them ever offered me to collaborate with a foreign secret service or an anti-Soviet organization.

In conclusion, Dr. Lerner pointed out: "all the charges presented againt me and my friends are nothing more than deliberately malicious slander.

Mr. Speaker, Dr. Lerner has been an active and respective member of the Moscow refusenik community. Until the fall of 1981, he hosted a weekly scientific seminar for unemployed Jewish scientists waiting to emigrate. Despite his official scientific expulsion, Dr. Lerner continues his scientific studies on his own. He has developed a theoretical model for an artificial heart which is viewed by American medical scientists as a unique contribution to health science.

On a more personal level, the denial of permission to emigrate to Israel has had tragic consequences within Dr. Lerner's family. In 1973, the Lerner's daughter, Sonya, was permitted to leave for Israel, while Dr. Lerner, his wife, Judith, and son, Vladimir were refused. On July 7, 1981, after 8 long years of separation in which two grandchildren were born in Israel, Judith Lerner died, Mr. Speaker, her wish to see the family reunited in Israel unfulfilled. A visitor's visa was granted to Sonya to attend her mother's funeral. In late 1982, authorities stepped up their harassment of the prominent scientist by threatening his son with criminal prosecution and him with the loss of Moscow residency if he continued meeting with foreigners.

Last year, on Dr. Lerner's 70th birthday, Mr. Speaker, scientists on three continents marked the occasion by publicizing his plight and appealing to the Soviet Government to allow him and his son to join their relatives in Israel. This year Dr. Lerner's situation has not improved. I can only hope that by focusing attention on the plight of brave individuals such as Dr. Lerner, we will see an improvement in the treatment of Jews in the Soviet Union. The right to family reunification is explicitly provided for in the 1975 Helsinki accords, Mr. Speaker, and I fervently hope that the Soviet Government will begin to observe its commitment to these accords by allowing refuseniks such as Dr. Lerner to fulfill their lifelong dream of emigrating to Israel.●

CONGRESSIONAL CALL TO CONSCIENCE VIGIL 1984

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. LENT. Mr. Speaker, the Kremlin is waging a campaign of persecution and anti-Semitism against thousands of innocent men and women in the Soviet Union and throughout Communist-ruled countries. This serious threat to human rights and freedom has intensified to frightening levels. We in the U.S. Congress must strengthen our efforts to fight anti-Semitism wherever and whenever it raises its ugly head.

The Congressional Call to Conscience Vigil 1984 is our opportunity to let the Kremlin's leaders know we will not stand by in silence while the Soviet Government perpetrates hatred and inhumanity of the worst kind. It is our duty as elected Representatives of a nation which values freedom and individual rights above all else to reaffirm our commitment to restoring these same rights to the brave men and women who struggle under the tyranny and oppression of communism.

As a former chairman of the Call to Conscience Vigil, I cannot overemphasize the importance of the participation of each and every one of my colleagues in today's vigil. Strong, persistent efforts are our most powerful weapon in the battle against anti-Semitism.

In fact, the Kremlin has stepped up its efforts to harass and threaten its Soviet Jewish citizens. Recently I received a letter from Elena Fridman, sister of Ida Nudel, the Soviet Jew and my Fourth Congressional District's Prisoner of Conscience. Ida was released last year after serving 4 years of internal exile in the harsh Siberian wastelands. Her crime was seeking to

emigrate to Israel and assisting other Soviet Jews trying to emigrate there.

Elena wrote that the Soviet Secret Police [KGB] has been harassing Ida, attempting to prevent here from observing religious holidays and from associating with other Jewish refuseniks. As part of my continuing campaign to free Ida, I urged my colleagues in this Chamber to join in an effort to assist Ida through two protests. One was directed to President Reagan urging the administration to redouble is efforts for her freedom; the other to Soviet President Chernenko demanding the Soviet authorities—after 12 long years—permit Ida to emigrate to Israel. I am proud to report that more than 90 of my colleagues in the House of Representatives cosigned the two messages. This clearly demonstrates the strong support and growing momentum in the U.S. Congress for relieving the plight of Soviet Jews. Our efforts are of immeasurable value to the courageous individuals like Ida Nudel, and the thousands of other refuseniks and prisoners of conscience. Ida told Elena that the letters she received during her exile in Siberia from me and the other U.S. supporters helped sustain her spirit and gave her the hope to hold on to her dream of freedom.

I have today been notified by the Greater New York Conference for Soviet Jewry that four Soviet Jews—all Hebrew teachers—have been arrested by the Soviet secret police. They are being held for investigation of anti-Soviet activities. I immediately sent a telegram to Soviet President Chernenko to protest the Soviet Government's continued persecution and outrageous treatment of anyone who encourages belief and practice of the Jewish religion and culture.

Unfortunately, reports show that emigration of Soviet Jews has hit the lowest level in many years—fewer than 1,000 people may be permitted visas during 1984. But most disturbing are the reports of violence, persecution, and harassment against not only Soviet Jews, but American citizens in the Soviet Union attempting to help them. This is intolerable.

Recently, two Long Island women visiting Russia, leading members of Jewish organizations on Long Island, were arrested and interrogated by the Soviet KGB for their visits with Soviet Jews. Such incidents prove the Kremlin is so concerned about our protests over their persecution of Soviet Jews that it will go to almost any length to discourage outside contact with Soviet Jews to keep the world from learning the truth about their tragic situation.

Mr. Speaker, if we believe in human rights, if we value the freedom to worship without fear of persecution, if we cherish the right to work and raise our families in the land of our choice, then it is our duty as Members of Congress to speak out and vehemently protest the Kremlin's official policy of anti-Semitism and racism. Only by a united effort can we help those in the Soviet Union who suffer persecution and oppression. I encourage every Member present to join us today in the Call to Conscience Vigil and help us win the fight for freedom and human rights.●

GENERIC DRUG BILL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MARKEY. Mr. Speaker, there is a lot of talk these days about Social Security, medicare, and how we can help the elderly. I rise in strong support of this bill since it offers the elderly more than just talk. It saves them money. By making generic drugs more available to the public, senior citizens will save money without sacrificing quality. I strongly support this measure and urge my colleagues to vote for it.

Prescription drugs represent a significant cost to senior citizens. Medicare is a bare bones program at best, covering only 42 percent of the average senior's medical bills. Even with medicare, senior citizens still must use $1 out of every $6 they have for their medical costs. One of the principal expenses facing senior citizens is prescription drugs. This bill will reform the way generic drugs come to market and will benefit consumers.

This bill is the most important consumer legislation to be considered this year. Consumers will save over $1 billion since low-cost generic drugs will be available. By reforming the current FDA procedures that bar competition from generic drug companies, consumers will be able to receive quality drugs at a fraction of the costs of name-brand prescriptions.

The savings from this bill represents a great saving to consumers and a landmark change in our drug laws. I am confident that this careful compromise will benefit consumers both in the short run and in the long term.

The short-run benefit is clear: $1 billion will be saved by consumers. The long-term benefits are also important. This legislation provides the incentives necessary for our country to maintain its worldwide leadership in pharmaceutical research by restoring patent time lost due to Government review. These short- and long-term benefits are equally important and equally significant.

This bill is a good compromise that helps us contain health care costs and protect the investment of drug companies. I strongly support this bill as the No. 1 consumer issue and the No. 1 elderly issue facing this Congress.

Give the senior citizens of this Nation, those who have to pay the most for prescription drugs a break. Vote yes for this bill and give consumers a $1 billion break.●

OPEN HOUSE AT CORAM, NY, POST OFFICE

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to highlight the activities of some public servants in my congressional district whom we can all take pride in.

On September 9, Postmaster Lois F. Boddy and the Coram, NY, Post Office will be hosting an open house at the post office from 1 to 4 p.m. This is an effort undertaken by the post office to improve customer relations in the community.

Mr. Speaker, I know that I speak for a great many of us when I say that our postal system is the finest in the world. The Coram Office certainly typifies the excellence we have come to expect—and perhaps take for granted. Saturday's open house is a worthwhile event, and I applaud Postmaster Boddy and the employees of the Coram Post Office who are taking this extra step by inviting their customers to stop by their post office.

The Coram Post Office is very proud of one of its members in particular, Mr. Frank Barone. Apart from being an excellent employee at the facility, Mr. Barone is a hero in the true sense of the word. On April 2, 1984, without regard to his own personal safety, Frank Barone rescued a child from a burning automobile. Frank is an inspiration to all of us, a public servant and a man who really cares about people.

Mr. Speaker, I am proud of the Coram Post Office and Frank Barone. I am sure that my colleagues join me in saluting some very fine public servants on Long Island.●

TRIBUTE TO MOE HENRY HANKIN

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. KOSTMAYER. Mr. Speaker, I want to pay tribute to a distinguished resident of my congressional district and a friend, Moe Henry Hankin, who died on July 31, 1984, at the age of 71.

Moe Hankin was a native of Pennsylvania and a senior partner in the Willow Grove law firm of Hankin, Hankin & Hankin. He was not only a highly regarded attorney, but was also

a respected banker and real estate developer. His leadership in these fields coupled with his lifelong commitment to civic causes earned him a well-deserved reputation as one of southeastern Pennsylvania's leading citizens.

He played a critically important role in the commercial development of Montgomery County, PA, and particularly the commercial revitalization of Willow Grove. His belief in the potential of that community motivated his successful efforts to bring a new business climate to Willow Grove. The Willow Grove Shopping Center he built in the mid-1950's was one of the first suburban shopping centers in the Greater Philadelphia area.

His real estate development in the area also included motor lodges, golf clubs, and a former amusement park. He was one of the first supporters of building a shopping mall at the site of the old amusement park. This mall, now a reality, is one of the largest in the area. He cofounded the Bank and Trust Co. of Old York Road in Willow Grove, where he served as its director and vice president for more than 40 years.

Moe Hankin's community and business achievements were numerous and he continuously demonstrated his commitment to the causes in which he believed. He was a cofounder of Temple Beth Am in Abington, PA and was a member of the Prime Ministers Club of the Israel Bond Organization, as well as the International Society for Israel Bonds. Mr. Hankin was a charter member of the Rotary Club of Willow Grove and was a director of the Philadelphia Opera Co. He was an active member of the Montgomery County and American Bar Associations and served as a member of the Benjamin Franklin Associates of the University of Pennsylvania Law School, his alma mater.

Mr. Speaker, Moe Hankin was an invaluable asset to Pennsylvania's Eighth Congressional District. I was honored to represent him in the House of Representatives and I always eagerly received his advice on local and national issues. His commitment and his leadership was admired. Moe Hankin will be long remembered and sorely missed. He is survived by his wife of 44 years, Sabina; a son, Lowen; a daughter, Mina; four grandchildren; two brothers, Perch and Max; and a sister, Pauline Shanken.●

NOW IS THE TIME TO RATIFY THE CONVENTION AGAINST GENOCIDE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. BROOMFIELD. Mr. Speaker, our country has waited far too long to ratify the Convention on the Prevention and Punishment of the Crime of Genocide. This is the time to move ahead and ratify the important Genocide Convention. I urge my colleagues in the other body to approve this long-pending convention.

The Convention was adopted in 1948 in response to the killing of 6 million Jews by the German Nazis. It defines genocide as the commission of certain acts with intent to destroy, in whole or in part, a national, ethnic, racial or religious group and obliges countries that are parties to it to prevent and punish genocide. It calls for punishment of people committing genocide, whether they are the leaders of the country, public officials, or private individuals.

Obviously, our country has long been committed to prevent and punish acts of genocide. The treaty, however, has been pending before the Senate for 35 years. It has been supported by Presidents Truman, Kennedy, Johnson, Nixon, Ford, and Carter. Although our Government has signed the treaty, the delay in ratifying it opened the United States to unnecessary criticism in various international fora.

The Convention was adopted unanimously by the United Nations General Assembly in Paris in 1948. President Truman sent it to the Senate in 1949, asking for approval. The Convention has been reported favorably by the Senate Foreign Relations Committee on numerous occasions. Although our country is the world's spokesman for human rights issues, we have dragged our feet on this Convention.

Over 90 countries have ratified the treaty, including the other members of the North Atlantic Treaty Organization and Communist countries.

In August, the administration completed an extensive review of the Convention and the President concluded that it would be in the Nation's best interest to ratify the Genocide Convention.

By signing the Convention, we can utilize the document in our own efforts to expand freedom and fight human rights abuses around the globe.

I strongly believe that ratifying this Convention is a move in the right direction. It will signal America's timeless commitment to human rights. Let us seize the moment and take action now.●

FINANCIAL REPORT OF THE MAZZOLI FAMILY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. MAZZOLI. Mr. Speaker, it has been my custom to submit a statement of financial disclosure every year that I have served in the House of Representatives. While the law now dictates that Members of Congress submit financial statements in May of each year, I continue to file this more detailed family financial report. In this way, my constituents are kept fully and completely informed concerning my financial status.

The financial statement follows:

Financial Report of Romano L. and Helen D. Mazzoli

RECAPITULATION OF INCOME AND EXPENSES FOR CALENDAR YEAR 1983

Interest and dividends:	
U.S. Treasury Bills (CK8-2-400-40-3938-01; CV6-2-400-40-3938-01; DM3-2-400-40-3938-01; and DW1-2-400-40-3938-01)	$1,753.80
Liberty National Bank & Trust., IRA Acct. 01-527329 (Helen Mazzoli)	419.52
Lincoln Federal Savings & Loan Acct. 37339-5	201.89
Lincoln Federal Savings & Loan IRA Acct. 1-01-205323 (R.L. Mazzoli)	156.12
American United Life Insurance Co., Policy 1116312	20.00
American United Life Insurance Co., Policy 1011729	22.69
Northern Virginia Savings & Loan, Acct. 5-99-76	41.63
Northern Virginia Savings & Loan, Acct. L-6084	2.04
Northern Virginia Savings & Loan, Acct. 5-18-241	69.79
Northern Virginia Savings & Loan, Acct. 80507	17.86
Northern Virginia Savings & Loan, Acct. 05-23-00192	29.26
Government Services & Loan, Acct. 89-800336-2	508.44
Government Services & Loan, Acct. 01-112091-0	10.57
First Federal Savings Assoc. of Arlington Acct. 05-018470-4	.15
Total interest and dividends	3,253.76
Honorariums:	
American Council on International Personnel	1,500.00
Agricultural Producers, Inc	1,000.00
Frozen Foods Association	500.00
Motion Picture Association of America	2,000.00
Distilled Spirits Council of the United States	1,500.00
Sullivan College	200.00
Northern Kentucky Chamber of Commerce	250.00
National Cable T.V. Association	1,500.00
Brookings Institution	250.00
California Tree Fruit League	1,000.00
Spalding College	500.00
Total honorariums	10,200.00
Salary:	
U.S. House of Representatives (R.L. Mazzoli)	69,368.61
V.V.K.R., Inc. Architects (Helen Mazzoli)	20,692.27
Total salaries	90,060.88
Gross income	103,514.64

STATEMENT OF FINANCIAL WORTH AS OF DECEMBER 31, 1983

Cash on deposit:	
Liberty National Bank & Trust Co., IRA Acct. 01-527329	4,642.99
Lincoln Federal Savings & Loan, IRA Acct. 1-01-205323..	2,156.12
Lincoln Federal Savings & Loan, Acct. 10373390	3,710.17
Northern Virginia Savings & Loan, Acct. 5-99-76	814.30
Northern Virginia Savings & Loan, Acct. 05-18-00241	734.37
Government Services S & L, Acct. 01-112091-00	157.67
Government Services S & L, Money Fund Acct. 89-800336-2	4,726.88
United Bank of Virginia, Acct. 800-79-962	23.04
Total	16,965.54
Securities, stocks and bonds:	
U.S. Government Bonds, Series E	1,649.41
U.S. Treasury Bill, Acct. EY6-2-400-40-3938-01	10,000.00
U.S. Treasury Bill, Acct. EP5-2-400-40-3938-01	10,000.00
Total	21,649.41
Real property:	
Residential:	
939 Ardmore Drive, Louisville, KY:	
Assessed value	42,000.00
Less: Mortgage, The Cumberland Savings & Loan Association	−7,886.04
Total	34,113.96
1030 Anderson Street, Alexandria, VA:	
Assessed value	102,300.00
Less: Mortgage, Cowger & Miller Co	−45,885.62
Total	56,414.38
Household goods and miscellaneous personal property	7,500.00
Cash surrender value of life insurance policies:	
American United Life Insurance Co., Policy 1011729	3,887.08
American United Life Insurance Co., Policy 1116312	494.50
Total	4,371.58
Federal employees retirement system: Contributions to system	53,986.30
Automobiles:	
1965 Rambler—fair market value	200.00
1973 Chevrolet—fair market value	942.00
Total	1,142.00
Total assets	196,143.25
Less: Miscellaneous liabilities	1,000.00
Net assets	195,143.25

INCOME TAX RECAPITULATION (FEDERAL, STATE, LOCAL)

Federal:	
Gross income	103,597.00
Adjustments to income	8,813.00
Adjusted gross income	94,784.00
Deductions and exemptions	17,455.00
Taxable income	77,329.00
Tax withheld	24,866.00
Tax due	23,619.00
Refund	1,247.00
Kentucky:	
Tax withheld	3,237.00
Tax due	2,970.00
Refund	267.00
Virginia:	
Tax withheld	904.00
Tax due	488.00
Refund	416.00
Louisville and Jefferson County:	
Tax due	246.00 ●

1983 FINANCIAL STATEMENT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. STUDDS. Mr. Speaker, attached is a detailed copy of my financial statement for 1983. I request that it be placed in the CONGRESSIONAL RECORD as I do every year.

CONGRESSMAN GERRY E. STUDDS' 1983 FINANCIAL STATEMENT

Part I—Income 1983 (summary)

Salary	$69,368.61
Dividends—See part II for detailed explanation	1,172.80
Interest—See part III for detailed explanation	3,065.04
Newspaper fee—New York Times—For column written	150.00
Honoraria	1,000.00
Total income	74,656.45

Part II—Dividend income 1983

Securities and number of shares:	*Income derived 1983*
Burlington Industries (40)	$60.80
Exxon (347)	1,074.67
Tucker, Anthony Cash Management Fund ($447)	37.33
Total	1,172.80

Part III—Interest income 1983

Securities and bonds:	*Income derived 1983*
Loew's Theater 6⅞ debenture ($3,100	$213.13
U.S. Treasury 12 percent May 15, 1987 ($3,333)	400.00
Bank accounts:	
First National Bank of Boston (NOW)	$49.47
Capital City Federal Savings (CD)	49.48
American Security Bank (NOW)	155.42
American Security Bank (MMA)	1,850.10
Seamen's Savings Bank (NOW)	20.70
Seamen's Savings Bank (MMA)	326.24
Total	3,065.04

Part IV—Assets

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust.

Colin A. Studds, III, Trustee Beatrice Studds, Irrevocable Trust, Under Agreement Dated August 1, 1973

Securities and number of shares:	*Market value* [1]
U.S. Treasury 13.875 note, due November 15, 1986 (5,000)	$5,200
Cigna convertible debenture (3,333)	3,063
Common stocks:	
West Point Pepperell (133)	5,586
W.R. Grace (67)	2,747
Middle South Utilities (100)	1,200
General Motors (50)	3,300
IBM (33)	3,729
American Home Products (67)	3,685
Detroit Edison (67)	2,004
Eastman Kodak (50)	3,050
Munford (100)	2,000
Park Electro-Chemical (100)	3,000
Regency Electronics (233)	1,864
Rogers Corporation (67)	1,943

[1] As of Apr. 30, 1984.

2. I own the following securities:

Securities and number of shares:	
Bonds:	*Market value* [1]
Loew's Theater, 6⅞ debenture ($3,100)	$2,108
U.S. Treasury, 12 percent, May 15, 1987 ($3,333)	3,333
Common Stocks:	
Burlington Industries (40)	1,080
Exxon (347)	14,821
PBA (200)	2,000

[1] As of Apr. 30, 1984.

3. Our family home in Cohasset, MA, with an estimated market value of approximately $180,000 is owned jointly by my brother, my sister and me. My interest in the house, therefore, is roughly, $60,000.00

4. Bank Accounts:

a. NOW account, First National Bank of Boston, c. 900.00.

b. NOW account, American Security Bank, c. 1,500.00.

c. Money Market Account, American Security Bank, c. 1,000.00.

d. NOW account, Seamen's Saving Bank, c. 200.00.

5. Two bedroom house in Provincetown, MA, estimated market value, $275,000.00.

6. Two room condominium apartment, Provincetown MA, $135,000.00.

7. 1981 Chevrolet Caprice.

8. 1974 Saab.

9. IRA—Fidelity Magellan Fund, $6,000.00

Part V—Liabilities 1983

1. Mortgage, condominium apartment, Provincetown, MA, Cape Cod Five Cents Savings Bank, approximately, $45,500.00

2. Automobile Loan—American Security Bank, c. 3,000.00.

3. Mortgage, two bedroom house, Provincetown, MA, Seamen's Savings Bank, approximately, $150,000.00.

4. Personal loan, land purchase, Provincetown, MA, Russell Lukes, Boston, c. 37,500.00.

Part IV—1983 taxes paid

1. Federal income tax	$16,326
2. Massachusetts income tax	3,626
3. Local property tax	2,504
Total taxes	22,456 ●

NATIONAL ALOPECIA AREATA AWARENESS WEEK

HON. PETER H. KOSTMAYER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1984

● Mr. KOSTMAYER. Mr. Speaker, today, I am introducing a joint resolution to designate the week beginning April 14, 1985 as "National Alopecia Areata Awareness Week." Alopecia areata is a serious disease which affects approximately 2 million people, particularly children and young adults.

Alopecia areata means "bald spot" in Latin. Alopecia occurs when the hair follicles stop production, causing severe hair loss. It is common for alopecia victims to lose all of their hair, including eyelashes, eyebrows and body hair. The follicles remain below the surface of the skin, and they can resume hair production, but we do not know yet how to trigger growth. Researchers have found evidence that this "hibernation" of the follicles is caused by a problem with body's immune system, and they believe that a cure for alopecia is within reach.

Since alopecia areata has no physically debilitating effects, it is hard for most of us to understand just how devasting the disease can be. Most alopecia victims hide their condition from friends and even family members, living in fear that someone will discover their secret. In a society that places so much importance on appearance, where we are inundated with advertisements for hair care products which equate beauty with shining hair, alopecia victims do not easily find acceptance.

Alopecia is particularly hard on children and young people, who are its primary victims. Those of us who have children of our own know just how cruel children can be to someone who is "different." Children with alopecia learn to be ashamed of their condition very early because of the cruel teasing they receive from their peers. Sadly enough, this sense of shame is often reinforced by adults. In my own district in Pennsylvania a school recently refused to admit a child because he had alopecia. He was a bright little boy, perfectly capable of keeping up with his schoolwork, but school officials told his parents that he should be sent to a special school just because he was bald.

Most alopecia victims have no idea that so many others share their condition. Often they believe that they are the only ones afflicted with this strange disease. They hide their condition with wigs and makeup, and confide in no one. Fearing detection, they often give up swimming and other sports that might cause their wigs to fall off.

In the past, alopecia victims and their families suffered alone. Then in 1982 Ashley Siegel started an alopecia areata support group in California. Ms. Siegel had turned to alcohol and drugs after she contacted alopecia at the beginning of her freshman year in college, but she waged a successful battle against alcoholism and sought to promote public awareness of alopecia by sharing her story. Ms. Siegel has traveled throughout the country speaking about the disease, and she has appeared on national and local television. Her story has also appeared in several national magazines.

The first small group has grown into the National Alopecia Areata Foundation, a network of support groups in 42 States which has helped thousands of people cope with the physical and emotional problems caused by alopecia areata. The Philadelphia area chapter which serves my district of Pennsylvania is an active support group with over 300 members. They work to reach out to other alopecia victims, to promote public awareness of the disease, and to raise funds for alopecia research.

With sufficient research funding, it is possible that researchers could discover the cure for alopecia areata in this decade. But now alopecia victims need more than dollars—they need our understanding. Most of the trauma associated with alopecia is a direct result of the public ignorance of the disease, and our inability to accept alopecia victims as normal members of society. That is why I believe it is crucial to set aside a week to promote awareness of alopecia areata.

Mr. Speaker, I urge my colleagues to join me in this effort and to cosponsor my resolution designating "National Alopecia Areata Awareness Week."●