HOUSE OF REPRESENTATIVES—*Tuesday, February 26, 1985*

The House met at 12 o'clock noon.

The Reverend Hendrik Laur, Gull Harbor Lutheran Church, Olympia, WA, offered the following prayer:

Eternal God, with trust in You, we look to the future. May that trust be not only a motto on our coins. May it be impressed on our hearts as we order the affairs of our beloved Nation.

We thank You for the freedom to thank You—or to refrain from thanksgiving, if so we choose. We pray for those who do not have that right. We think especially of the Estonian people, who celebrate a brief flowering of freedom so quickly quenched by foreign aggression. Grant that freedom be not the privilege of a few, but the right of all.

As now each in our own way, we ask for Your blessing, grant us to be a blessing for each other and for all our people. 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.

Mr. COMBEST. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. COMBEST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 162, answered "present" 2, not voting 44, as follows:

[Roll No. 13]

YEAS—224

Addabbo
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chappell
Coelho
Coleman (MO)
Coleman (TX)
Collins
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Derrick
Dicks
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frost
Fuqua
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hawkins
Hayes
Hefner
Hertel
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
LaFalce
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mazzoli
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pease
Pepper
Perkins
Pickle
Price
Rahall
Rangel
Reid
Richardson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (IA)
Snyder
Solarz
Spratt
St Germain
Staggers
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—162

Armey
Badham
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Broomfield
Brown (CO)
Burton (IN)
Callahan
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Combest
Conte
Coughlin
Craig
Dannemeyer
Daub
Davis
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gekas
Gilman
Goodling
Green
Gregg
Grotberg
Gunderson
Hammerschmidt
Hansen
Hendon
Henry
Hiler
Hopkins
Huckaby
Hunter
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Luken
Lungren
Mack
Marlenee
Martin (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McKinney
Michel
Miller (OH)
Miller (WA)
Molinari
Moore
Moorhead
Morrison (WA)
Myers
Nielson
O'Brien
Oxley
Packard
Pashayan
Penny
Petri
Porter
Pursell
Quillen
Regula
Rinaldo
Ritter
Roberts
Roemer
Rogers
Roukema
Rowland (CT)
Rudd
Saxton
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—2

Conyers
Gingrich

NOT VOTING—44

Ackerman
Annunzio
Archer
Boehlert
Boulter
Courter
Crane
Dingell
Dymally
Fascell
Ford (MI)
Frenzel
Garcia
Gephardt
Gray (IL)
Gray (PA)
Guarini
Hartnett
Hatcher
Heftel
Hillis
Holt
Johnson
Kaptur
Kostmayer
Lantos
Lowry (WA)
Madigan
Martin (IL)
Mavroules
McMillan
Meyers
Monson
Ray
Ridge
Robinson
Roth
Smith (FL)
Stallings
Towns
Traficant
Vander Jagt
Waxman
Weaver

□ 1220

Messrs. MOORE and ECKERT of New York changed their votes from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

REV. HENDRIK LAUR

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

Mr. CHANDLER. Mr. Speaker, I am substituting this morning for my good friend and colleague, the Honorable DON BONKER, Congressman from Washington's Third District.

It is my honor to introduce Rev. Hendrik Laur. Reverend Laur was born in Estonia in 1937 in the face of the Russian invasion. He and his mother fled to Germany in the fall of

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

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

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1944. After the end of the war, they remained in DP camps until it was possible for them to come to the United States in May 1950, and they settled in Olympia, WA, at that time.

In 1968, Reverend Laur was asked by the Division for World Mission and Ecumenism of the Lutheran Church in America to serve in South America where there was a need for an Estonian-speaking pastor. He returned to the United States in 1973, and organized the Gull Harbor Lutheran Church as a new mission of the Pacific Northwest Synod of the Lutheran Church in America. He is currently serving as the pastor of that congregation.

I simply want to conclude by saying on behalf of my colleague, Congressman BONKER, it is a great pleasure to welcome Reverend Laur to the House Chamber today.

REQUEST TO DISPENSE WITH CALENDAR WEDNESDAY ON TOMORROW

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to dispense with the business in order under the Calendar Wednesday rule on tomorrow, February 27, 1985.

The SPEAKER pro tempore (Mr. DORGAN of North Dakota). Is there objection to the request of the gentleman from Arkansas?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

REQUEST FOR CONSIDERATION OF RESOLUTION PROVIDING FOR TAKING OF OFFICIAL PICTURES OF THE HOUSE WHILE IN ACTUAL SESSION

Mr. ALEXANDER. Mr. Speaker, I send to the desk a resolution (H. Res. 78) and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 78

Resolved, That at a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new editions of "We the People" and "The Capitol". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas that the House consider the resolution? The Chair hears none.

Without objection, the resolution is agreed to.

Mr. WALKER. Mr. Speaker, reserving the right to object, with the noise in the Chamber I could not hear the character of the resolution. Could the Chair at least inform me what the resolution is about?

I yield to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, the resolution is to authorize the taking of the annual picture.

Mr. WALKER. Mr. Speaker, further reserving the right to object, will Mr. McIntyre and Mr. McCloskey be included in that picture?

Mr. ALEXANDER. The picture is to include Members of Congress who are to be seated in the Chamber.

Mr. WALKER. Well, that does not answer my question. Would Mr. McIntyre be eligible for being included in the official picture?

Mr. ALEXANDER. Well, is Mr. McIntyre a Member of Congress?

Mr. WALKER. He was elected as a Member of Congress and has been certified as a Member of Congress. That is my question.

Mr. ALEXANDER. Mr. Speaker, the picture is to be taken of Members of Congress.

Mr. WALKER. Well, that still does not answer my question. Is Mr. McIntyre going to be included in that picture?

Mr. ALEXANDER. Mr. Speaker, I will write the gentleman a letter in great detail to explain it. Obviously, a simple explanation is insufficient.

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

Mr. WALKER. I yield to the gentleman from New York.

Mr. SOLOMON. Did I understand the gentleman to say that Mr. McIntyre would not be allowed to have his picture taken with the official picture of this House?

Mr. ALEXANDER. I will be pleased to respond further.

The SPEAKER pro tempore. Is the gentleman further reserving his right to object?

Mr. WALKER. Mr. Speaker, I further reserve the right to object. I yielded to the gentleman from New York, and I would say to the gentleman from New York that that is my understanding about what the gentleman from Arkansas is saying; he refuses to say so directly.

□ 1230

Mr. SOLOMON. Mr. Speaker, I have listened to this debate going on for days and days now. I can tell you here is one Republican who will refuse to come to the floor and have his picture taken unless Mr. McIntyre is here, and I would suggest that all Republicans stay off the floor and let us have it only one sided.

Mr. ALEXANDER. Mr. Speaker, that is the gentleman's right, to refuse to be in the picture, but it is not the right of any nonmember of Congress to be included in the picture.

Mr. WALKER. Mr. Speaker, further reserving the right to object, then I do assume that the gentleman is referring to Mr. McIntyre as a nonmember of Congress.

Mr. ALEXANDER. That is correct.

Mr. WALKER. That is correct. All right, I withdraw my reservation of objection.

Mr. Speaker, further reserving the right to object for just a moment, we are simply at this point talking about the reading. We have not at this point talked about consideration, have we?

The SPEAKER pro tempore. Is there objection to consideration of the resolution?

There was no objection.

The SPEAKER pro tempore. Is there objection to the resolution?

Mr. WALKER. Mr. Speaker, reserving the right to object, I would want the Chair to put the question on the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the resolution be withdrawn and the matter be considered at a later time.

Mr. WALKER. I object, Mr. Speaker.

The SPEAKER pro tempore. The gentleman has the right to withdraw the resolution at this stage of the proceedings.

Mr. ALEXANDER. Mr. Speaker, I withdraw the resolution.

The SPEAKER pro tempore. The resolution is withdrawn.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1035, FARM EMERGENCY CREDIT ACT OF 1935

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 99-7) on the resolution (H. Res. 79) providing for consideration of the bill (H.R. 1035) to provide emergency credit and debt adjustment relief to financially stressed farmers and ranchers, which was referred to the House Calendar and ordered to be printed.

KEITH FREDRICK MAINLAND

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

Mr. WHITTEN. Mr. Speaker, it is with regret that I call to the attention of the House the retirement of one of our finest public servants, Keith Mainland, as chief of staff of our Committee on Appropriations. We are proud of our committee staff. It is profes-

sional and objective in its work. It is thorough and does the impossible in bringing together the financial figures on all the Government, on short notice, frequently working all night to get the job done.

Keith Mainland in his years of service has truly represented the best of a fine staff.

As a man, and as a friend, I have truly enjoyed my association with Keith in the years he has been with the Committee on Appropriations.

As much as we regret his retirement, we must agree that he has earned it.

We wish for Keith and his fine family the best of everything in the years ahead.

I would like to read to the membership the resolution which was unanimously adopted by the Committee on Appropriations.

COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES—RESOLUTIONS IN TRIBUTE TO KEITH FREDRICK MAINLAND

Whereas, Keith Fredrick Mainland, after twenty-eight years of service to the Government and people of the United States, is retiring as the eighth Clerk and Staff Director of the Committee on Appropriations, and

Whereas, the service of Mr. Mainland to the Committee on Appropriations has been distinguished by unsurpassed loyalty, integrity, and capability, and

Whereas, the unflagging courtesy, devotion to duty, and dedication to the national interest demonstrated by Mr. Mainland have set a new standard difficult to emulate, and

Whereas, the sound judgment and wise counsel of Mr. Mainland is universally respected and will be greatly missed; therefore, be it now

Resolved, That the Committee on Appropriations expresses its utmost gratitude for his contributions, its sincere regret at his departure, and the best wishes of the Members to Keith Fredrick Mainland for a long and happy retirement, and be it now further

Resolved, That the Committee direct the Chairman to convey to Mr. Mainland the expression of good will and heartfelt gratitude of the Members and communicate to him a copy of these resolutions.

Adopted by the Committee on Appropriations, House of Representatives.

JAMIE L. WHITTEN, *Chairman.*

FEBRUARY 21, 1985.

TRIBUTE TO KEITH MAINLAND

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

Mr. CONTE. Mr. Speaker, I am pleased and honored to join my chairman and other members of the committee in a tribute to Keith Mainland, the eighth clerk of the Committee on Appropriations, who will retire at the end of this month after 28 years of distinguished service to his country.

Keith began that service as an enlisted man in the Marine Corps in 1951. He was commissioned in 1953, and served in Korea. Keith was a budget analyst at GSA from 1958 to 1962, and was detailed to the Committee on Appropriations in 1962, when he was appointed to the staff of the Independent Offices Subcommittee, chaired by Albert Thomas of Texas. He was appointed the clerk of the committee by George Mahon in October of 1972.

Keith is the eighth clerk to serve the members of this committee in the 120 years since the committee was established in 1865.

Throughout those years this committee has had—and has today—the most competent staff in the legislative branch.

With the support of George Mahon and Jamie Whitten, Keith has maintained the high standards that we have come to take for granted.

Keith and the staff have kept faith with the members of the committee, and the Members of the House, and that faith can be reduced to three words: professionalism, integrity, competence.

The most fitting tribute to Keith as a person is the words that Paul wrote to Timothy: "I have fought a good fight, I have finished my course, I have kept the faith."

I have treasured Keith's friendship, as well as his counsel, and I speak from my heart when I wish Keith and his family happiness and prosperity in the years ahead.

KEITH MAINLAND

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

Mr. BOLAND. Mr. Speaker, I join with other members of the Committee on Appropriations in this tribute to Keith Mainland. Keith Mainland, the chief clerk and staff director of the House Committee on Appropriations, is retiring after 23 years of service.

I suspect that there is virtually no Member of this body who doesn't know Keith. We often hear the expression that no one is indispensable and I expect that is also true of Keith. But in all my years of service here I can't think of any staff member who has contributed more to making this institution work.

Each year Members take the floor to complain about the passage of massive continuing resolutions. But without the enactment of those resolutions, the Government would come to a grinding halt. And without Keith Mainland's gentle but steady leadership of the staff of the Appropriations Committee, those massive pieces of legislation could never have been enacted.

During consideration of the continuing resolution, no matter if Keith had been here for 3 days without sleep—he was never too busy to talk to any member about any subject or any problem. It's true—no one is indispensable—but we will all miss Keith's capabilities and his sense of excellence. And in my mind, this institution is a lesser place with his departure.

I first met Keith when he showed up for work in the Independent Agencies Subcommittee 23 years ago. He trained for 4 years under the strong leadership of Albert Thomas of Texas, one of the giants of this body, a giant in intellect and a giant in physical stature. From there he went on to serve 6 years with Chairman Mahon until he was appointed clerk and staff director in October 1972. During all those years he was first, last, and always a true professional—and he never waivered in his loyalty to this House.

Keith will now have a chance to spend a little more time with his wife, Sandy, and his son, Kirk—and maybe do some fishing, and get out and watch his daughter, Marlene, play basketball for Georgia Tech. Let me assure you—he has earned it.

And so, Mr. Speaker, I want to wish Keith and Sandy and their family many years of happiness and good health.

Best of luck to him.

□ 1240

IN HONOR OF THE RETIREMENT OF KEITH MAINLAND

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

Mr. McDADE. Mr. Speaker, I am very privileged today to spend a few moments in joining in tribute to our good friend and clerk of the Appropriations Committee, Keith Mainland. After his long and distinguished career of providing service to the committee, Keith is getting his well-deserved chance to enjoy the beautiful Virginia countryside and to do battle with that illusive bass. We wish him well in this endeavor.

Keith is more than just a staff member who is retiring after good and faithful service to the Congress. Since the Appropriations Committee was established in 1865, only eight men have served as its chief clerk.

Keith came to Congress in 1962 when Clarence Cannon appointed him to the Deficiency Subcommittee on the Appropriations staff. That subcommittee, now known as the HUD and Independent Agencies Subcommittee, was the launching point for his term of service in Congress. In October of 1972, our good friend and former colleague, Chairman George Mahon, appointed Keith as clerk of the full Appropriations Committee.

Throughout his public service, Keith has served in an exemplary and distinguished manner. I join all of the members of the Appropriations Committee

in wishing Keith, his wife Sandy, his son Kirk, and his daughter Marlene, the very best as he takes this opportunity to carry on with his new ventures. He will be missed.

TRIBUTE TO KEITH MAINLAND ON HIS RETIREMENT

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

Mr. NATCHER. Mr. Speaker, in describing an outstanding staff member, you would use such words as loyal, dedicated, qualified and able, and this description would certainly describe our friend, Keith Mainland.

Keith Mainland's service as chief clerk of the Appropriations Committee in the House of Representatives will be one of the bright spots in the history of our committee. Under Keith Mainland's supervision, the entire staff of the Appropriations Committee functioned as it should and made this one of the best committees in the House of Representatives.

His concept of public trust has been without parallel and never has he hesitated to speak out against any proposal which he felt was not sound and in the best interests of the Appropriations Committee. Words are inadequate to fully apprise his tremendous capacity for loyalty and love of the Appropriations Committee.

I have served, Mr. Speaker, as a member of the Committee on Appropriations for 30 years and during this period of time, we have had a number of chief clerks. None were better qualified and none acquired more success with the other staff members than Keith Mainland.

We will miss him, Mr. Speaker. I want to wish for my friend, Keith Mainland, and the members of his family the best of everything in the future.

A TRIBUTE TO KEITH MAINLAND

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

Mr. COUGHLIN. Mr. Speaker, Voltaire said: "In general, the art of government consists in taking as much money as possible from one class of citizens to give to the other." The committee which does the "giving" is the Appropriations Committee. It has done its job so well in large part due to the assistance of Keith Mainland. I want to join with my colleagues here today in saluting Keith on his retirement as clerk and staff director.

Born in Illinois in 1932, Keith received his bachelor of science degree from Northwestern University and served in the Marine Corps in Korea.

Unlike some staff members who are impressed with what they think is their own importance, Keith has kept a low profile and an unassuming attitude. The fact that he has not sought the limelight is the key to his great effectiveness. Keith has extensive experience with the Federal budget and superb knowledge of parliamentary procedure.

All of us appreciate the wisdom of his counsel and his coolness under fire, especially during the marathon continuing resolution sessions at the end of the fiscal year. However, the work of appropriations goes on year round—hearings, supplementals, regular bills, oversite. Keith is constantly called on to assist Congress in fulfilling its constitutionally mandated duty of spending the taxpayers' money. He does a splended job.

While the members of the staff of the Appropriations Committee will miss Keith very much, we wish him the best in the future.

A TRIBUTE TO KEITH MAINLAND ON HIS RETIREMENT

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

Mr. SMITH of Iowa. Mr. Speaker, really almost nothing can be added to what has already been said, but I especially want to endorse every word in the resolution read by the chairman of our committee, the gentleman from Mississippi [Mr. WHITTEN].

Keith Mainland has been an excellent staff director, as good a staff director as any committee ever had. He has been a model for integrity, professionalism, and competence, and his contributions to the legislative accomplishments have been great.

Although we understand his desire to retire, we are sorry to see him leave. I wish him well and, Mr. Speaker, I add my accolades to those that have already been given.

A TRIBUTE TO KEITH MAINLAND—NATIONAL ASTHMA AND ALLERGY AWARENESS WEEK

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

Mr. O'BRIEN. Mr. Speaker, very briefly, I would like to add my words of praise to those that have been said about Keith Mainland, a highly intelligent, scholarly, and hard-working staff director and a man blessed with a great sense of fairness. He typifies what may be one of the great assets of this House, a top quality director of a top quality staff.

I wish him well, and, like others, I will truly miss his considerate and invaluable help.

Mr. Speaker, on an unrelated matter, today I have introduced a joint resolution designating the week beginning May 5, 1985, as "National Asthma and Allergy Awareness Week."

Asthma and allergic diseases result in physical, emotional, and economic burdens for more than 35 million American children and adults and their families. Thousands of Americans, many of them young, die each year from asthma despite the fact that knowledge and resources exist to prevent many of these deaths.

We know that allergic diseases, including most of the asthma experienced by youth and some forms of the adult asthma, are disorders of the immune system. Science has made remarkable gains in helping American health care providers improve diagnoses and treatment of asthma and allergic disease through increased knowledge in the field of immunology. Medications developed in recent years enable many asthmatic and allergic Americans to lead more normal lives with fewer disturbing side effects. The growth in understanding the human immune system results from the work of the National Institute of Allergy and Infectious Diseases, private sources, and volunteer health agencies such as the American Academy of Allergy and Immunology and the Asthma and Allergy Foundation of America.

We commend these dedicated volunteer groups and scientists that devote their efforts to conquering asthma and allergic diseases. We also admire the resourcefulness of patients and their families in overcoming these disorders and helping others in dealing with the effects of these widespread afflictions.

The speed of new scientific knowledge about asthma and allergic disorders often surpasses its understanding and application by many health care providers and patients. Unfortunately, there are still misconceptions concerning asthma and allergic disorders which create continued and undue hardships for millions of Americans.

To emphasize the importance of public education and awareness and to encourage the continued public and private support of research into these disorders, I urge my colleagues to join in supporting the resolution.

A TRIBUTE TO KEITH MAINLAND

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

Mr. ALEXANDER. Mr. Speaker, I join my colleagues in Congress and, more specifically, on the Appropriations Committee in today saluting Keith Mainland for his loyal, diligent service to the Appropriations Commit-

tee for all the years that I have served there.

Members of Congress in most cases are no better than the staffs that they associate with. In every instance Keith Mainland has served the Appropriations Committee, on every occasion, with competence, with diligence, with integrity, and with a sense of duty that is to be emulated by other staff assistants throughout the Congress of the United States.

Mr. Speaker, I wish him well. I am sorry he is leaving, but I applaud his departure with the fond memories of our association over the last number of years.

A TRIBUTE TO KEITH MAINLAND ON HIS RETIREMENT

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

Mr. REGULA. Mr. Speaker, let me add my "amen" to all of the accolades that have been stated here during this period of recognition for the yeoman service of Keith Mainland.

I would just make one further point, and that is this: That Keith Mainland provided counsel with intellectual integrity free from idelogy as he served all members of the Approriations Committee.

A TRIBUTE TO KEITH MAINLAND ON HIS RETIREMENT

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

Mr. OBEY. Mr. Speaker, I, too, would like to pay my tribute to Keith Mainland upon his retirement.

I have known Keith for 15 years, and in the over 15 years I have served on the committee, it has had only two chief clerks. Under his tenure the Appropriations Committee has produced approximately 200 major appropriation bills.

I think during that time Keith has seen many changes. Some he has liked and some he has disliked, but in all of it he has remained loyal, he has remained a fierce defender of this institution, and he is one of the reasons this institution works.

I think in many ways Keith reflects the nature of the Appropriations Committee and its process. There are many committees in this institution that are more glamorous and are more in the public eye, but in the end of the Appropriations Committee usually, after all of the politics is done, has to deal with the practicalities that are presented us at the time, and that is Keith's style. He has throughout his career continually tried to do what must be done in order to keep the Government functioning.

Mr. Speaker, I wish him well in his retirement.

A TRIBUTE TO KEITH MAINLAND UPON HIS RETIREMENT

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

Mr. EDWARDS of Oklahoma. Mr. Speaker, I join in the comments that have been made about Keith Mainland. One of the things that I have observed in the 9 years that I have been a Member of Congress is that none of us who are elected can do the job by ourselves. We need the help of very talented, competent professional staff assistants that we can depend upon.

Since I have been a member of the Appropriations Committee, I have found that that committee's staff under Mr. Mainland's direction has established a very high standard, not only for competence and professionalism but for bipartisanship. During the time I have been on the committee I have been very impressed by the fact that the staff under Mr. Mainland's direction has worked very well to serve Members of both parties in trying to do their work on that committee.

Mr. Speaker, I will miss him, as I am sure other members of the committee will.

□ 1250

A TRIBUTE TO KEITH MAINLAND

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

Mr. STOKES. Mr. Speaker, I join with the chairman and my colleagues on the Appropriations Committee in commemorating the retirement of Keith Mainland. All of us who serve on this committee will certainly miss the service which he rendered to this great committee and to each of us for so many years.

Keith Mainland is one of those highly competent and professional staff directors who made a significant impact and imprint upon the work of this congressional committee and the Congress. Keith's knowledge of the appropriations process and the rules and regulations applicable to the process, along with the individual attention and cooperation he gave each Member, was a keystone of his success. His efficiency will be long remembered by all of us.

As one who benefited from this loyal and dedicated public servant, I want to wish him all success in his retirement and the pursuit of any new endeavors which he may undertake.

A TRIBUTE TO KEITH MAINLAND

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

Mr. GREEN. Mr. Speaker, I want to join my colleagues on the Appropriations Committee in saluting Keith Mainland, chief of staff of our committee, on his retirement.

Longevity is a quality highly valued in congressional staff, but it is one that, because of the nature of our work, is rarely seen. Keith has served the committee since March 1962, and has served the committee excellently. All too often we overlook the many sacrifices that our staff members make and take for granted their contribution to making this body work. Keith, by any standard, has been an exemplary employee. He has expended every effort to assure the smooth working of the Appropriations Committee, and the reputation that the committee staff has for professionalism is testament to his leadership as staff director.

Mr. Speaker, as others have mentioned, the Appropriations Committee, since its inception in 1865, has had only eight chief clerks. This is a fine record that has given our committee great stability, an important asset to any committee in Congress. I know all Members join me in wishing Keith and his family the best of luck in the future. He will certainly be missed, but his contributions to the Appropriations Committee and the House will certainly endure.

A TRIBUTE TO KEITH MAINLAND

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

Mr. EARLY. Mr. Speaker, I want to join my Committee on Appropriation colleagues in this well deserved tribute to Keith Mainland, chief administrator of the appropriations staff, on his retirement.

Mr. Speaker, everyone is replaceable, just some are more difficult to replace. I think Keith Mainland will be one of the most difficult to replace. He is truly an outstanding, dedicated, and consistent man.

In my 10 years on this committee, Keith Mainland has been the only chief of staff I have known. I consider it an honor and a pleasure that I have had the opportunity to work with Keith Mainland and to know him as a friend.

KEITH MAINLAND

(Mr. LEHMAN of Florida asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN OF Florida. Mr. Speaker, in the history of the Committee on Appropriations, there have been only a few clerks—Keith Mainland, who is retiring at the end of this month, is the eighth.

Many other members, some of whom have served far longer on the committee than I have, have spoken of Keith's loyalty to the committee and the Congress, his integrity, and his competence in serving the Members, our staffs, the House, and the people.

What I will always remember about Keith's tenure is that however tense, controversial, or fatiguing our situation was, Keith never lost his cool, his perspective, or that twinkle in his eye. He made my job, and, I suspect, the jobs of all my committee colleagues, easier and a lot more enjoyable.

While Keith may not miss those late-night continuing resolution conferences, we will miss Keith.

I wish Keith Mainland all the best in his new endeavors, and hope we will continue to see him often.

KEITH MAINLAND

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

Mr. TRAXLER. Mr. Speaker, like my colleagues before me, I take this occasion to salute Keith Mainland, the clerk of the Appropriations Committee. I have served on that committee for some 10 years. It has been my pleasure to have worked very closely with Mr. Mainland. I wish to assure the Members of this body that he has led a very highly professional staff that has always acted in a bipartisan manner to develop appropriation bills that are in the best interest of this Congress and of the Nation.

He will be retiring at the end of this month, and his departure will be sorely missed by many of us who admire him not only for his professionalism but as an individual. I have been very pleased and proud over the last 10 years to call Keith a friend and to know him not only professionally but personally. He is an outstanding individual whose presence will be sorely missed. I wish him well in his future endeavors.

A TRIBUTE TO KEITH MAINLAND

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

Mr. AKAKA. Mr. Speaker, I want to thank the members of the House Appropriations Committee for taking this time to honor our able staff director, Keith Mainland. I rise today and join with my colleagues to praise and commend Keith, who will be retiring at the end of this month after 22 years of dedicated and professional service to our committee.

In my 4 years with the Appropriations Committee, I quickly learned how important our staff is to the work of our committee. Without question, being a member of the Appropriations Committee is one of the toughest assignments in Congress. The same is true for our staff. I never fail to be impressed with the knowledge, experience and dedication of our committee staff. Keith Mainland represents the best our staff has to offer. All the members of our committee know and appreciate the long hours of hard work, often into the early hours of the morning, as members and staff labored to report out our bills and complete action on continuing resolutions. He has served with distinction throughout these difficult budget years.

While we will all miss Keith's valuable service to the committee, we know from the praise he has received today that he is retiring secure in the knowledge that when the challenges came, he met them in the highest tradition of professionalism.

Keith, I wish you a fond aloha and mahalo for everything you have done for our committee, and for me as a member of the Appropriations Committee. Thanks for a job well done.

KEITH MAINLAND

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

Mr. COLEMAN of Texas. Mr. Speaker, it is with a great deal of regret that we witness the retirement of Keith Mainland, who has served on the staff of the Appropriations Committee since 1962, and as its clerk since 1972—only the eighth clerk that committee has had since it was established in 1865.

As a new member of the Appropriations Committee, I was very grateful for all of Keith's assistance, which was particularly invaluable to me in terms of learning the initial ropes of the committee and its procedures. In addition, as a freshman Member of Congress, Keith helped me learn the congressional budget and appropriations process, for which I am extremely grateful. I only wish that I could have received his counsel for the duration of my first term on this committee.

Mr. Speaker, this committee will surely miss Keith Mainland, who has set an example for all of us in dedication, professionalism, and service to this institution. I would only wish him and his family well and the best of success in his future endeavors, and the sincere congratulations for a job extremely well done.

A TRIBUTE TO KEITH MAINLAND

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

Mr. AUCOIN. Mr. Speaker, it is a pleasure to add my comments in honoring the recently retired clerk of the House Committee on Appropriations, Keith Mainland.

Keith has always embodied the best traits of the best committee staff in the House, the Appropriations staff. In fact, he has served as an example to the many staff who have worked with the committee.

Keith set standards for hard work, dedication to his job, and his colleagues, and cooperation with the several dozen members of the committee that many others would find hard to meet. If his patience ran short, as I am sure it often did, he never revealed it publicly. Similarly, he maintained his sense of professionalism in less trying situations.

In my 4 years on the Appropriations Committee, I have enjoyed and appreciated Keith's top-notch work as clerk and staff director. I wish him the best of luck in future endeavors, and wish his successor, Fred Mohrman, similar good fortune in his new position.

SENSE-OF-CONGRESS RESOLUTION TO CONTINUE FEDERAL ASSISTANCE TO AMTRAK

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

Mr. MARLENEE. Mr. Speaker, today I am introducing a sense-of-the-Congress resolution that strongly urges we continue Federal assistance to Amtrak.

Rail service provides a vital link for travel and industry in Montana and other rural States across the Nation. One of my constituents said it best by describing Amtrak as a vital "lifeline" for Montana.

Ridership has steadily increased while Amtrak's dependence on Federal assistance has decreased. We must consider that 47 percent of ridership are families with incomes under $20,000. We must consider that 36 percent are people 55 and older and 21 percent are 65 or older. Of the 500 cities and towns which Amtrak services, 161 have no air service and 52 have no bus service. Can we conceivably cut off the only form of public transportation available to the citizens whose tax dollars are supporting Amtrak?

I will not argue the need to reduce the deficit—it continues to be one of my highest priorities. But, I cannot justify elimination of our rail service. Let us keep in mind that the Federal

Government's contribution to Amtrak last year was the lowest it has been since 1977. If every Government agency or program were at its 1977 level, we would not have a deficit.

I urge my colleagues to support this resolution.

WASTEFUL SELECT COMMITTEE FUNDING

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

Mr. COBLE. Mr. Speaker, Members of this body have been called upon to approve millions of dollars to extend three select committees—Aging, Children and Youth, and Narcotics.

These committees are long on good intentions but are short on legislative authority. Their efforts duplicate those of the regular, standing committees which do have legislative authority.

We should not fund committees that are not producing results. We should not fund committees that detract resources and divert effort away from the committees with the actual authority to examine these problems in the regular course of legislative business.

The wasteful nature of the select committee funding was brought home to me last week when the Select Committee on Narcotics sent Members a leather, gold embossed notebook—complete with the Member's name stamped in gold. The material contained in the notebook could have easily been assembled with a stapler. These expensive notebooks symbolize the wasteful attitude of these committees and clearly demonstrate that these committees are not fulfilling the lofty goals claimed by their proponents.

There is nothing easier than spending other people's money. It is easy to vote to spend nearly $3 million when advocates tell us it will help children, older Americans, and help fight against drugs. But when we see tangible evidence that our money is being misspent, and when we realize that no legislative purpose is being served, we should exercise restraint. As we approach the difficult budget process, there is no better place to begin than right here with our own House committees.

AIDING THE CONTRA IS WRONG

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, I rise today to oppose aid to the Nicaraguan Contras.

Prime Minister Margaret Thatcher, in her recent address to this Congress, compared the European Alliance to the Soviet Union. She said, "Of course we are ready to fight the battle of ideas with the vigour at our command. But we do not try to impose our system on others. We do not believe that force should be the final arbiter in human affairs."

Seeking to overthrow the Government of Nicaragua undermines this noble vision.

Can an administration which refuses to wholeheartedly support the Contradora process, honestly describe itself as a warrior in the battle of ideas?

When the President admits publicly that he seeks to oust the Nicaraguan Government, can we really claim to believe that force is not the final arbiter in human affairs?

When the President says publicly that he would ease the pressure on the Sandinistas if only they would say uncle, can we really describe ourselves as a nation that does not impose our system on others? I think not.

This House, which has voted four times in 2 years to halt this aid, understands why aiding the Contras is wrong. It violates both our international treaty obligations and our domestic laws. And it is counterproductive, pushing Nicaragua closer to the Soviet Union and farther from democracy.

There is a more compelling reason: Attempting to overthrow a sovereign government with whom we are not at war violates our sense of ourselves as an honorable Nation which can win the battle of ideas because it is right, not just because it is strong. We must not allow ourselves to be so dishonored. We must call a halt to aiding the Contras.

BALANCED BUDGET AMENDMENT

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

Mr. COBEY. Mr. Speaker, April may be a crucial month for supporters of a constitutional amendment to require the Federal Government to live within its income.

To date, 32 States have passed legislation mandating a constitutional convention. Passage of the resolution in two more States will force Congress to act.

Three States—Michigan, Connecticut, and Montana are expected to take action on the convention call within the next 60 days. Backers in the States express confidence the measure will pass.

Mr. Speaker, I would like to see this Congress act in a responsible manner and enact legislation that would require the Federal Government to have a balanced budget.

It is a reasonable request. Let's make the right decision now before we are pushed into a corner and are forced to act.

□ 1300

TRIBUTE TO THE HONORABLE BOYD TACKETT

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

Mr. HAMMERSCHMIDT. Mr. Speaker, I was deeply saddened to learn of the passing last Saturday of Boyd Anderson Tackett, Sr., of Nashville, AR, who was a Member of the House of Representatives from 1949 to 1953.

Although he served only 4 years in Congress, Boyd had a long and distinguished career in public service. He was a member of the Arkansas State Legislature from 1937 to 1941, when he was elected prosecuting attorney of the Ninth Judicial Circuit of Arkansas. His law career was interrupted in 1943 by World War II, in which Boyd served in the Army Signal Corps.

Upon returning from military service, Boyd became State police commissioner from 1945 to 1948, and was then elected to the 81st and 82d Congresses. He did not seek reelection to Congress in 1952, but instead chose to run for Governor. It was the defeat in his illustrious career.

After the gubernatorial race, Boyd resumed his law practice in Texarkana, and became a noted defense attorney. He was also active in the Methodist Church and was a Mason.

Boyd's funeral was held Monday in Texarkana. I know that I join a number of Members of the House in extending our deepest sympathies to his widow, Norma; his son, Boyd Tackett, Jr., of Little Rock; his daughters, Terry Harrelson of Texarkana, and Becky Steel of Nashville, and his brother and sister in Nashville.

WHO'S RIGHT: THE ICC OR MRS. DOLE?

(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, in the near future, congressional committees will turn their attention to two important issues: A review of the Staggers Rail Act and the proposed sale of Conrail to the Norfolk Southern Railroad.

To address these issues adequately, however, we have to resolve a basic conflict. The question is whether or not the Norfolk Southern is revenue adequate.

Last December 17, the Interstate Commerce Commission, as part of its Staggers Act oversight responsibilities, determined that the Norfolk Southern—along with every other class I

railroad in the country—was still not revenue adequate.

On February 10—less than 2 months later—Transportation Secretary Elizabeth Dole formally recommended that the Norfolk Southern be allowed to purchase the Conrail system from the Federal Government because, in her view, the Norfolk Southern was a highly profitable railroad and would have no trouble covering the $1.2 billion purchase price for Conrail.

Mr. Speaker, somebody is wrong here. Either the Norfolk Southern is "revenue inadequate" or it is "highly profitable."

Who's right—the ICC or Mrs. Dole? The Congress needs to know—and needs to know quickly.

WE CAN NO LONGER AFFORD THE SBA

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

Mr. DREIER of California. Mr. Speaker, in typical knee-jerk fashion, Washington has reacted angrily to the administration's proposal to dismantle a "sacred cow," the Small Business Administration. But what does Main Street America think?

According to a recent survey by the 500,000 member National Federation of Independent Business, 80 percent of the respondents stated that the SBA had a neutral or negative effect on their business. The SBA is overpriced and underused. It only makes sense that it should be dismantled, and its noncredit programs be transferred to the Department of Commerce.

Mr. Speaker, my colleagues on both the House and Senate Small Business Committees have acknowledged that substantial cuts need to be made in SBA lending programs. But that is not enough. The administration's proposal takes a sensible approach, and will make Federal small business programs work for those they are meant to serve.

We can no longer afford the SBA. It's time we take a good hard look at Federal small business programs and arranged them in a way that will best serve the needs of small businesses. Eliminating the failed SBA loan program will save $3.5 billion in fiscal 1986. At the same time, retaining the SBA's noncredit programs in the Commerce Department will give the small business community a greater voice in the Federal Government. This more efficient and streamlined program can succeed. More important, it can succeed outside the framework of the SBA.

FAMILY FARMS ARE ESSENTIAL TO FUTURE OF AGRICULTURAL INDUSTRY

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

Mr. STAGGERS. Mr. Speaker, yesterday, I had the opportunity to meet with several farmers in West Virginia. This was one of several agriculture meetings held across the State with West Virginia Agriculture Commissioner Gus R. Douglas.

The thrust of our meetings with farmers is to learn their concerns and needs as the House works on the 1985 farm bill. The meetings held so far clearly demonstrate the hardships confronting family farms not only in West Virginia, but across the Nation.

During our meetings, I have been impressed with the dedication of West Virginia farmers to preserving a way of life. They represent the strength of our Nation's agriculture industry. They are not the inefficient, poor business managers that we often hear blamed for the failures of Federal farm policy. Instead, they represent the muscle of a farm economy that will feed America and the world.

The majority of farmers in my district are young men and women, many of them with college educations. They are not lacking knowledge or desire rather they are confronted by high interest rates that drives up their cost of doing business. They are penalized by an overvalued dollar that prices their products out of the international market and they must compete with foreign farmers who receive enormous subsidies from their governments. This is unfair.

These young men and women began farming when land values were inflated. Now they watch as the value of their land rapidly declines. In addition to these factors, they must contend with bad weather and other natural elements. Less than a year ago, they were plagued with the worst drought in 50 years.

Mr. Speaker, as we consider the direction of Federal farm policy we must recognize that our small farms—our family farms—are essential to the future of our agriculture industry. Incorporating their needs and concerns in the 1985 farm bill will demonstrate our support for this vital part of our communities. Moreover, it is in the best interest of the American people.

Thank you.

A HEALTHY LIFE FOR AFRICAN CHILDREN

(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, today in the Member's dining room they are serving high-lysine cornbread. The high-lysine corn meal was provided compliments of Dr. Cory SerVaas of Indianapolis, president of the Benjamin Franklin Literary & Medical Society.

Kwashiorkor, a protein deficiency common in African children causes malnutrition and can be prevented by a diet of high-lysine corn. If we sent high-lysine corn to the famine victims instead of the regular corn we now send, we would be doing a greater service to the children.

This afternoon Dr. Cory SerVaas will be presenting "the Indiana plan" to the full Foreign Affairs Committee. You are all welcome to attend this hearing to hear her idea for substituting high-lysine corn for the regular corn we are now sending the African famine victims.

I urge each of you to have a piece of cornbread today and decide—should we be providing the African children just with life or with a healthy life.

THE FARM CRISIS

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

Mr. DORGAN of North Dakota. Mr. Speaker, there are about 300 to 400 legislators from the Midwest in Washington, DC, talking about agriculture. We met with many of them this morning. They have been trying to get a meeting with President Reagan and I guess they are too busy down there at the White House to see these legislators.

The other day, I asked the Congressional Research Service to give me an example of the President's schedule so I could analyze how busy he really is down there. I notice that while he does not have time to see these 300 State legislators to talk about the crisis in agriculture which is more severe than any time between now and the last Great Depression, he has had time to visit with the Strawberry Festival Queen and Miss America and the Turkey Federation Directors and so on.

Now, I am not opposed to any of those groups. I think they are all fine. I do think, however, that the President needs to pay some serious attention to several hundred legislators who came to town to describe one of the most severe problems agriculture has faced in several decades.

I would urge the White House folks to rethink and reconsider, and ask those legislators to come down. Let us have them visit with this President. Let us have the President describe to them why he wants to abandon farm price supports and let's have the President listen to them about why his plan would be a disaster for the Farm Belt.

MR. McINTYRE SHOULD BE SEATED

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

Mr. STRANG. Mr. Speaker, it is sad to report that after 54 days the citizens of Indiana's Eighth Congressional District still have no Representative seated in this body. It is a fact, Mr. Speaker, that this exercise of raw power has disenfranchised some half million American citizens.

The rectification of this congressional apartheid lies within the abilities of this body. Let us seat the only certified Representative from Indiana's Eighth District, Mr. McIntyre, pending the deliberations of the House Administration Committee.

Justice and fairness demand nothing less.

ADMINISTRATION HAS FUNDAMENTAL MISUNDERSTANDING OF "NATIONAL SECURITY"

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

Mr. CROCKETT. Mr. Speaker, all of us by now are aware that the national deficit must be reduced substantially. The administration contends that any cutbacks in defense spending would imperil our national security, and that the budget for fiscal year 1986 must, therefore, make great sacrifices in domestic spending.

I submit, Mr. Speaker, that the administration has a fundamental misunderstanding of what "national security" actually means.

The people in my Detroit district do not believe that our national security is linked solely to our ability to deter military attack. For most Americans, national security means more than just providing "for the common defense"; it includes the other Constitution-ordained objectives of our Union: to "establish Justice, insure domestic tranquility * * * promote the general welfare * * * and secure the Blessings of Liberty * * *."

Mr. Reagan's budget stands to make us a weaker people with its proposals to terminate employment assistance and student loans; to drastically decrease farm subsidies; to eliminate sorely needed urban community developments; and to cut back on nutrition, housing and health care programs.

Mr. Speaker, these needed social programs undergird our free society and allow us to avoid the most serious threats to our national security—the twin evils of ignorance and want; both of which Mr. Reagan's budget would promote. Let us confront the world not with a greater nuclear destructive possibility, but with healthy bodies and better educated minds; our national security demands it.

□ 1310

A MAJOR PROBLEM WITH NOT SEATING RICK McINTYRE

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

Mr. GINGRICH. Mr. Speaker, I just want to take the well for a moment to say that it seemed to surprise some on the Democratic side that on the matter of taking a picture of the entire House there was a lack of comity on the side of the Republicans.

We keep trying to communicate again and again that in fact we on the Republican side think there is a major problem with not seating Rick McIntyre, that he has a certificate, he has won both the election and the recount, and I suspect that comity requires a two-way street, that so long as the Democratic leadership is unwilling to seat the winner who has certificated testimony from the secretary of state, it will become more and more difficult to sustain a sense of comity only on the part of those who are being mugged. There are some feelings that the muggers need to desist if in fact comity is to exist in this particular neighborhood called the House of Representatives.

LEGISLATION TO BE INTRODUCED ON CHILD SNATCHING, ABDUCTION AND ATTEMPTED KIDNAPING

(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 and Members of the House, many of us have experienced in our own districts a rising number of kidnaping or child snatching or abduction incidents. Although in looking over the Federal laws I find them to be adequate for the crime of kidnaping, I am concerned that perhaps some loopholes might exist with the kind of attempted kidnaping that does not wind up with an actual kidnaping but does scare a family to bits and also makes police officers who are investigating these particular incidents feel handcuffed in proceeding any further.

I would ask the Members of the House if they have any horror stories or any kind of incidents in their own districts concerning child snatching or abduction or attempted kidnaping or any of those serious kinds of crimes or attempted crimes to let me know, because I intend to introduce legislation to plug the loopholes that may exist on this serious crime.

THE ISSUE OF SEATING MR. McINTYRE

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

Mr. ARMEY. Mr. Speaker, for several weeks now we have been dealing with this issue of the seating of Mr. McIntyre. This morning we dealt with it again. And as I left the House Chamber earlier I heard somebody make reference to the fact that the freshman class continues to hammer away on this "rather frivolous" incident.

Mr. Speaker, I would like to make the point that this is not frivolous. Where I come from in Texas there are a great many people who love the Constitution of this great land, and they see this and I see this as a constitutional issue of great importance, an issue of the legitimate jurisdiction of the House and the responsibility of the House.

There are people who believe in taxation only with representation. And there are 500,000 people in Indiana who are not getting their representation because of what is viewed as the irresponsible action of this House.

Mr. Speaker, I ask the Members of this House to come forward and to cast a responsible vote to seat this Member who is duly elected and duly certified. This is necessary not only for Mr. McIntyre——

MR. REAGAN ELECTED TO BE PRESIDENT, NOT EMPEROR

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

Mr. WEISS. Mr. Speaker, of all the very many reasons to be distressed at Ronald Reagan's conduct of his office, the belligerence which he has hurled at the Government of Nicaragua must be near the top of the list. Not content with the illegal covert war he has waged against a nation with whom we have full diplomatic relations, he now threatens more direct military action to overthrow their Government unless the Nicaraguans cry "Uncle."

Is this the way that American democracy is to distinguish itself from the Soviet Union and its conduct in Afghanistan?

This is to remind the President that when he swore, barely a month ago, to preserve, protect and defend the Constitution of the United States, he swore to abide by the constitutional provision that gives Congress the sole power to declare war. Even if Mr. Reagan has forgotten, the American people remember quite clearly that they elected him in November to be President, not emperor of the United States.

TAXATION WITHOUT REPRESENTATION

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

Mr. WALKER. Mr. Speaker, the gentleman from Texas [Mr. ARMEY] raises a very, very good point on the floor this morning. The question is taxation without representation.

When this country was founded, it was founded on the idea that we should not have taxation without appropriate representation. One has to wonder if the people of Indiana would now be justified in withdrawing their taxes for that period of time that they have not been represented appropriately in the Congress. That one district has people who are being taxed daily for the operations of the Federal Government, a Federal Government in which they have no direct say at the present time. And one has to wonder whether or not it would not be an appropriate response on their behalf to suggest that without representation that they are thereby not entitled to have to pay taxes. I think one of the things we need to look at is whether or not that may be a problem for us in the future, one that would probably have to be resolved in the courts.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BUSTAMANTE). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on both motions to suspend the rules.

□ 1320

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

Mr. WOLPE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1096) to authorize appropriations for famine relief and recovery in Africa.

The Clerk read as follows:

H.R. 1096

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "African Famine Relief and Recovery Act of 1985".

SEC. 2. INTERNATIONAL DISASTER ASSISTANCE.

Chapter 9 of Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292-2292p) is amended by adding at the end thereof the following new section:

"SEC. 495K. AFRICAN FAMINE ASSISTANCE.

"(a) AUTHORIZATION OF ASSISTANCE.—The President is authorized to provide assistance for famine relief, rehabilitation, and recovery in Africa. Assistance under this section shall be provided for humanitarian purposes and shall be provided on a grant basis. Such assistance shall include—

"(1) relief, rehabilitation, and recovery projects to benefit the poorest people, including the furnishing of seeds for planting, fertilizer, pesticides, farm implements, farm animals and vaccine and veterinary services to protect livestock upon which people depend, blankets, clothing, and shelter, disease prevention and health care projects, water projects (including water purification and well-drilling), small-scale agricutlural projects, and food protection and preservation projects; and

"(2) projects to meet emergency health needs, including vaccinations.

"(b) USE OF FUNDS.—

"(1) USE OF PVO'S FOR REHABILITATION AND RECOVERY PROJECTS.—Not less than 80 percent of the amount appropriated pursuant to this section which is used for rehabilitation and recovery projects pursuant to subsection (a)(1) shall be used for grants to private and voluntary organizations and international organizations.

"(2) EMERGENCY HEALTH PROJECTS.—Not less than 18 percent of the amount appropriated purusant to this section shall be used for emergency health projects pursuant to subsection (a)(2).

"(3) MANAGEMENT SUPPORT ACTIVITIES.—Of the amount appropriated pursuant to this section, $2,500,000 shall be transferred to the 'Operating Expenses of the Agency for International Development' account and used for management support activities associated with the planning, monitoring, and supervision of emergency food assistance for Africa.

"(c) Authorization of Appropriations.—In addition to the amounts otherwise available for such purpose, there are authorized to be appropriated $137,500,000 for the fiscal year 1985 for use in providing assistance under this section.

"(d) POLICIES AND AUTHORITIES TO BE APPLIED.—Assistance under this section shall be furnished in accordance with the policies and general authorities contained in section 491.".

SEC. 3. MIGRATION AND REFUGEE ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the Department of State for "Migration and Refugee Assistance" for the fiscal year 1985, $37,500,000 for assisting refugees and displaced persons in Africa.

(b) USE OF FUNDS.—

(1) PROJECTS FOR IMMEDIATE DEVELOPMENT NEEDS.—Not less than 54 percent of the amount appropriated pursuant to this section shall be made available to the United Nations Development Program Trust Fund for ICARA II for projects such as those proposed at the second International Conference on Assistance to Refugees in Africa (ICARA II) to address the immediate development needs created by refugees and displaced persons in Africa.

(2) EMERGENCY RELIEF AND RECOVERY EFFORTS.—The remaining amount appropriated pursuant to this section shall be used by the Bureau for Refugee Programs of the Department of State for emergency relief and recovery efforts in Africa.

SEC. 4. GENERAL PROVISIONS.

(a) COUNTRIES TO BE ASSISTED.—Amounts appropriated pursuant to this Act shall be available only for assistance in those countries in Africa which have suffered during calendar years 1984 and 1985 from exceptional food supply problems due to drought and other calamities.

(b) NONAPPLICABILITY OF PROVISION.—Assistance may be provided with funds authorized to be appropriated by this Act without regard to section 620(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(e)(1).

(c) ENSURING THAT ASSISTANCE REACHES INTENDED RECIPIENTS.—The President shall ensure that adequate procedures have been established so that assistance pursuant to this Act is provided to the famine victims for whom it is intended.

(d) UNITED STATES CONTRIBUTION TO MEET EMERGENCY NEEDS.—

(1) REPORT TO THE CONGRESS.—Not later than June 30, 1985, the President shall report to the Congress—

(A) the emergency needs, including food needs, for African famine assistance that are identified by the President's Interagency Task Force on the African Food Emergency, private voluntary and organizations active in famine relief, the United Nations Office for Emergency Operations in Africa, the United Nations Food and Agriculture Organization, the World Food Program, and such other organizations as the President considers appropriate; and

(B) the projected fiscal year 1985 contribution by the United States Government to meet an appropriate share of those needs referred to in subparagraph (A).

(2) REQUEST FOR SUPPLEMENTAL FUNDING.—It is the sense of the Congress that the President should submit a request for supplemental funding for emergency African famine assistance if available funding is insufficient to meet the projected contribution determined under paragraph (1)(B).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. WOLPE] will be recognized for 20 mintues and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are now all aware that there is a tremendous crisis facing the African Continent. It is a crisis of famine, of starvation, of severe malnutrition of thousands of refugees fleeing drought and other calamities, and a crisis of widespread diseases compounded by an absence of sufficient medicines and health services.

This is not just an African crisis, it is a human crisis encompassing us all. We cannot and will not sit by and watch millions of our fellow human beings die from starvation and thousands more suffer from the general devastation brought on by this massive calamity.

More than 7 million people in Africa are threatened with imminent starvation. Another 30 million are severely malnourished and are immediately at risk. A total of 150 million people in over 20 African countries are facing grave famine conditions. This drought

is threatening the widest area in Africa in recent history. In the two countries of Ethiopia and Mozambique alone, more than 400,000 people have died over the past 2 years. Hundreds continue to die daily throughout the drought-affected countries.

This crisis involves much more than a shortage of food. Diseases are spreading; malnutrition among children and nursing mothers is incredibly high. Livestock herds, upon which large communities depend for their very survival, are being decimated. Water levels for irrigation and human consumption have either dropped or dried up altogether. There are no seeds to plant for the next harvest. Basic medicines are simply not available in many countries. Basic hand farm implements are in short supply threatening prospects for the next crop even if the rains do come.

It needs to be emphasized that effective assistance in this crisis will require much more than just the shipments of food if the people in these countries are to survive, and then to begin the immediate process of recovery and rehabilitation.

The African Famine Relief and Recovery Act of 1985, which is now before this body, represents a critically needed effort to begin addressing these serious nonfood needs. H.R. 1096 would authorize $175 million in fiscal 1985 including $137.5 million for relief, rehabilitation, and recovery purposes, and $37.5 million for assistance to refugees and displaced persons in Africa.

The bill would require that of the $137.5 million authorized for rehabilitation and recovery projects at least 80 percent be used for grants to private and voluntary organizations and international organizations; at least 18 percent be used for emergency health projects; and $2.5 million be used for operating expenses monitoring the distribution of emergency food aid.

The bill would require that of the $37.5 million authorized for refugee assistance, at least 54 percent would be for the United Nations Development Program Trust Fund [UNDP] for the second International Conference on Assistance to Refugees in Africa [ICARA II] for projects such as those proposed at that conference to meet immediate development needs, and the remaining amount would be used by the Department of State's Bureau for Refugee Programs for emergency relief and recovery efforts.

General provisions of the bill include a limitation of assistance to those countries which have suffered from exceptional food supply problems in 1984 and 1985 due to drought and other calamities; a waiver of the so-called Hickenlooper amendment prohibiting aid to countries which have expropriated U.S. property without adequate compensation; a provision for assurance that aid is reaching the famine victims for whom it is intended; and a reporting requirement under which the President is requested to ask Congress for further supplemental disaster assistance funding for fiscal 1985 if needed to meet an appropriate U.S. share of the aid required for African famine relief.

This bill will authorize only nonfood aid to the disaster-struck countries of Africa. Appropriations for food aid under Public Law 480 are contained in H.R. 1239, to be considered on the House floor on Thursday. The supplemental food aid funding for fiscal 1985 will not require an additional separate authorization because one already exists under Public Law 480 law.

Mr. Speaker, as Americans, we should be proud of our national reaction to this human catastrophe unfolding in Africa. We should also be proud of the administration's commendable efforts since October of last year to increase the American response to these drastic needs in Africa. We must continue to provide this level of assistance.

Finally, we should note with satisfaction the extremely swift manner in which the House of Representatives has acted on this urgent legislation. The expeditious treatment of this bill would not have been possible without the tremendous bipartisan cooperation in developing and moving through the responsible committees this important and reasoned approach to the African famine.

This legislation enjoys total bipartisan support and sponsorship. I want to pay particular tribute to Congresswoman ROUKEMA, the ranking Republican member on the Select Committee on Hunger; Congressman CONTE, the ranking Republican on the Appropriations Committee; Congressman LELAND, the chairman of the Select Committee on Hunger; and Congressman TED WEISS of New York, the initiator of this bipartisan effort, for the collective leadership they have provided to move this critical legislation so quickly to the House floor, we are all in their debt.

I would also like to make specific acknowledgement of the key contributions made during this process by Congressmen FASCELL and BROOMFIELD of the Foreign Affairs Committee, and by Congressman WHITTEN, Congressman OBEY, Congresswoman SMITH and Congressman KEMP on the Appropriations Committee.

There are so many other Members who also deserve recognition for their critical work on this issue, and I apologize for not mentioning them here as time does not permit a complete listing, but their contributions have not gone unnoticed.

Mr. Speaker, I reserve the balance of my time.

● Mr. FASCELL. Mr. Speaker, I strongly support H.R. 1096, the Africa Famine Relief and Recovery Act of 1985, and urge its prompt passage by the House so that we can get the bill enacted into law as soon as possible.

H.R. 1096 is a disaster assistance measure addressing one of the great tragedies of our time: the starvation which today faces millions of men, women, and children in sub-Saharan Africa.

The United States and other donors have acted generously so far in this catastrophe, but much remains to be done. We must keep the pipeline of emergency humanitarian aid open, or else people will die who could have been saved. The Agency for International Development is just about out of funds for the relief effort. That is why it is essential to send legislation to the President for signature quickly.

The bill authorizes $175 million in nonfood aid which is necessary for disaster assistance along with the food aid which will be funded in separate legislation. A total of $37.5 million in the bill is authorized for refugees and displaced persons who have been forced by calamity to flee their homes.

As the report on this bill correctly notes, food aid is essential but that alone is not enough. The nonfood disaster assistance authorized under this legislation is needed for a wide range of urgent relief for the famine sufferers, including transportation to bring in the relief supplies; provision of health care, medicines and vaccines; blankets, clothing and tents; food protection; seeds for the next harvest; and other assistance needed to prevent death and support rehabilitation and recovery. A variety of such items, such as seeds, health care, food protection, and many other items, are also eligible for rehabilitation and recovery efforts authorized under this bill. Citations are included in the section 495K(a)(1) of the bill.

A separate appropriations measure providing for supplemental Public Law 480 food aid and for disaster assistance authorized by H.R. 1096 is scheduled to come before the House later this week. I intend to support that measure also.

Additionally, Mr. Speaker, we will be needing to focus also on the longer term needs for development of these impoverished African countries so that the danger of famines will decrease in the future. The Foreign Affairs Committee is reviewing Africa's longer term needs. We will be presenting to the House in our fiscal year 1986-87 foreign assistance legislation further provisions for Africa which I hope will enlist your support.

In conclusion, I want to thank the distinguished sponsors of different emergency Africa relief measures for making this bill possible. I particularly wish to commend Mr. WEISS, who introduced H.R. 1096; Mr. WOLPE, who

has so ably managed the bill; Mr. BROOMFIELD, the ranking minority member of the Foreign Affairs Committee; Mr. CONTE, the ranking minority member of the Appropriations Committee; Mr. LELAND, the chairman of the Select Committee on Hunger; and Mrs. ROUKEMA, the ranking minority member of the select committee. It was their dedication and hard work, in a bipartisan spirit of cooperation, which produced the measure before us today. I urge its immediate passage.●

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. BROOMFIELD. Mr. Speaker, although I am a cosponsor of this compromise legislation, I have serious reservations about the levels of assistance it authorizes.

The amount of aid authorized in this bill for assistance to Africa far exceeds the authorization levels requested by the administration. While Congress is facing the complex problem of reducing our deficit, we must be careful about authorizing increases that exceed the President's budget.

While emergency food aid is needed for Africa in 1985, this is not the long-term solution to the food problems on that continent. We must help them help themselves.

Unfortunately, the Ethiopian Government has collectivized agriculture according to the Soviet model, and produced the same dismal result. Colonel Mengistu ignored early warnings for 2 years that his farm policy could contribute to famine. Yet, his regime now plans to extend collectivization so that, by 1990, more than half of its people will work on collectivized farms. Our country will then be asked to give more help.

We must also call upon our allies around the world to do more in this area. While America has been blessed with wealth and abundance, other countries must also share the burden of assisting the struggling countries of Africa. Although the Soviet Union volunteered to assist in the distribution of food in Ethiopia, one of its closest allies in Africa, it was the United States that provided the greatest amount of food and financial assistance for famine relief. While the Soviets have given Ethiopia millions of dollars in arms, they have done little to relieve the famine in that country.

While I will not oppose this legislation, I call upon my colleagues to reexamine future authorizations of this nature. Let us not go overboard. Let us also work with the governments in Africa to use the private sector to help them promote long-term solutions to their food crisis.

I call upon my colleagues to join me in this effort.

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

Mr. BROOMFIELD. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding to me.

Mr. Speaker, I appreciate the gentleman's statement on the problems in Ethiopia, There was an article or, I should say, an editorial in the Wall Street Journal recently that goes into that in some depth, and I would ask unanimous consent that that editorial be included in the RECORD at this point.

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

There was no objection.

DEATH IN ASOSA

The story behind the Ethiopian famine is beginning to reach the West, as in the report nearby from the Economist's Wayne Svoboda. But the regime is creating a lesser known second horror in the resettlement program it claims as a solution. Another "final solution" is more likely.

Ethiopia has tried to disguise this crime, duping some foreign visitors (including, from all indications, the famed Mother Teresa of Calcutta), but detailed reports reaching this page suggest that the situation is appalling. One source is Gayle Smith, an American free-lance journalist, who has interviewed, in their own language, refugees escaping to the Sudan from the Asosa resettlement camp in southwestern Wollega province.

At Asosa, say the refugees, 4,000 sick people died from late November to late December alone. At first they were allowed to bury the bodies, but then they were made to pile them outside the camps. One refugee reported seeing a heap of 168 dead bodies in mid-December.

Conditions were so bad, with little food, no medicine and makeshift shelter, that the camp dwellers constantly tried to escape and make their way to the border more than 60 miles away, even though government soldiers have killed hundreds of escapees and warned that relatives left behind would be executed.

The refugees are all from the northern Ethiopian province of Tigre, which is in open revolt against the Russian-backed military/communist central government. A number of sources state that the government has been forcibly seizing Tigreans, even from other regions, for its "resettlement program." The International Committee of the Red Cross reported two weeks ago that 200 victims had been taken at gunpoint from one of its feeding centers in Mekelle, the government-held capital of Tigre. As a result, the ICRC suspended its Mekelle feeding program.

Western diplomats have long been skeptical of the resettlement that the Ethiopian regime hopes to extend to 1.5 million Tigreans. Addis Ababa claims that it has to transfer people from eroded northern deserts to still fertile highlands. Yet farms in the drought region have been made productive in demonstrations by the Relief Society of Tigre, the efficient aid group for the rebel province, at one-third the cost of one family's "resettlement."

Even if the regime were sincere about its true aims, it completely lacks the resources to create a new agricultural province in the south. The Tigreans themselves fear the worst. They think Haile Mariam Megistu wants to wipe them out, and indeed it would not be the first time genocide has been disguised as resettlement. The West has never believed accounts of holocaust until well after the fact, but we've seen enough of Mr. Mengistu and his Soviet advisers to suspect something truly ghastly.

The regime has deliberately denied food to the rebel areas, even though Tigreans and Eritreans have called repeatedly for a food truce to allow in unarmed relief convoys. United Nations official Kurt Jansson tried to broach the idea in a recent meeting with the Ethiopians but Mr. Mengistu cut him short, saying in effect that aid would go only where his army could take it. Now the Addis Ababa regime has threatened to bomb the backdoor relief reaching rebel areas from the Sudan. Is it likely Mr. Mengistu cares how many die in Asosa?

The possibility of an Ethiopian holocaust can't be denied. Worse, it will be furthered if the West persists in fooling itself about the real nature of the Mengistu famine.

Mr. WOLPE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WEISS], the initiator of this legislation.

Mr. WEISS. Mr. Speaker, those of us who serve on the Africa Subcommittee of the Foreign Affairs Committee, and numerous other Members of this body who have occasion in the course of the past year and a half to visit the African Continent and to witness in person the suffering and the dying that is destroying hundreds of thousands, perhaps millions of human beings, know that the effort that we are undertaking today is well-warranted and absolutely essential in order to prevent the loss of additional lives.

In January of this year, we had occasion, with the Subcommittee on Africa, to visit Mozambique. We witnessed the consequences of the famine; we saw that people were walking around in barely sufficient clothing, many of them in rags and many nude. There were absolutely no medical supplies left in that country, and there were no consumer goods of any kind.

What the legislation that is before us tries to do for African countries affected by the famine is to provide assistance beyond the food itself in the form of medicine, blankets, seeds and other necessary items so that there can be preparation for the next harvest. This includes minimal shelter, storage, well drilling facilities, and similar relief and refugee help. It is clear that the American people have led the way in this effort. Their outpouring of support after they witnessed on their television screens at home what is happening in Africa, has been nothing short of magnificent.

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The various relief agencies estimate that during the last 3 months of 1984 and January 1985, some $60 million had been contributed by individual Americans, and that by April in excess of $100 million will have been contributed. That is an unparalleled achieve-

ment. So what we are doing in the Congress and in this House now is following the lead that has been set by the American people.

The distinguished chairman of the Subcommittee on Africa, the gentleman from Michigan [Mr. WOLPE], deserves a tremendous amount of credit for his leadership role over the years, in trying to get both congressional and administration attention focused on this problem. I will not repeat the names of all those to whom he has given credit for achieving the early consideration and adoption of this legislation on a bipartisan basis. Suffice it to say that this effort is also moving forward in the other body with a spirit of bipartisan cooperation, and it bodes well for the early enactment of this legislation.

Before closing, I want to give credit also to those Democratic and Republican staff who worked together so effectively behind the scenes for the achievement of this legislation.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. WEISS] has expired.

Mr. WOLPE. Mr. Speaker, I yield 30 additional seconds to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, I would like to mention specifically the staff of the Subcommittee on Africa, Dr. Ann Holloway, Steve Weissman, and Salih Booker; the staff of the Select Committee on Hunger, Mary Ruth Herbers and Doug Coots; the staff person of the gentleman from Massachusetts [Mr. CONTE], Robert Goudie; the staff of the Foreign Affairs Committee, Lew Gulick and Steve Nelson; and my own staff person, Patricia Fleming. Their work over these past couple of months has been absolutely indispensable to the legislation having reached this stage, and I want to express my appreciation to them as well as to the members mentioned by Chairman WOLPE.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN], who has been working on this subject for more than 3 years, even before it became fashionable.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from New York [Mr. WEISS] for his leadership on this measure, and I commend also our distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL], and the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD] for bringing this measure to the floor in such an expeditious manner.

Mr. Speaker, I rise to add my support to this important piece of legislation before this House today. H.R. 1096, the African Famine Relief and Recovery Act of 1985, represents a bipartisan compromise crafted over the course of these past months, which will result in alleviating some of the terrible suffering taking place in over 20 African countries that are experiencing food shortages resulting from 3 years of drought.

There is widespread death from starvation in Ethiopia, Sudan, Chad, Mali, and Mozambique. Severe hunger has also been reported in Niger, Kenya, and Mauritania. The total food deficit of the 20 drought-affected African countries for the 1984-85 crop year is estimated by the United Nations at 6.8 million metric tons of cereal grain.

Mr. Speaker, the precise number of people in Africa suffering from drought is not known, but estimates from international relief agencies, private voluntary agencies and U.S. Government sources indicate that as many as 150 million people are now affected.

In Ethiopia alone 2.5 million people are in life-threatening situations. The outlook for food supplies in Africa has deteriorated further following a poor 1984 harvest in a number of countries in southern and eastern Africa and with most of the Sahelian countries just completing the harvesting of seriously drought-reduced crops.

H.R. 1096 is urgently needed, as experts predict that the worst may be yet to come. The drought is spreading, not only in Ethiopia but 24 African countries in all are now confronting that circle of hell known as famine.

Ethiopia, the first to succumb on a massive scale, has been reduced to a wasteland. In early December it was estimated that at least 1.2 million tons of food will be needed to stave off a virtual annihilation of that nation between now and the next possible harvest, in December 1985.

As Ethiopia cries out in agony, the shadow of death from hunger falls across Africa:

In Mozambique, it is estimated that at least 100,000 people died in 1983 from hunger-related causes. The Government has a minimal stock of 1,300 tons of grain when the need is estimated at 3,450.

In Burkina Faso (formerly Upper Volta), which has the highest reported infant mortality rate in the world, the northern provinces have been the hardest hit. In Dori, crop losses are expected to exceed 95 percent for the second straight year.

In Cameroon, severe water shortages are plaguing both human beings and livestock. Refugees from Chad, pouring over the border in search of food, are futher stretching resources.

In Somalia, a country of only 4 million people, three-quarters of a million refugees are totally dependent on assistance for all basic needs. And they continue to cross the Ethiopian border, attempting to escape the desperate conditions of that country.

Traditional appeals to alleviate hunger have emphasized the long-recognized moral and humanitarian responsibility that our Nation has to the hungry and impoverished.

However, less attention has been focused on the fact that in an increasingly interdependent world, our national security and the security of the international community are linked directly to a resolution of the world hunger problem.

The deprivation experienced by the world's poor and hungry and those among them who can harness the anger and indignation borne of being without the means to purchase or produce enough food, points to an explosive instability which many fear will intensify during the coming decades.

Through the press and the media we are constantly bombarded with the facts of death—in wrecks, in riots, in robberies, in natural disaster—and while we flinch and groan at the daily spectacle of carnage and suffering, we simply cannot comprehend what it means when we are told that this year 15 million children in our world will die of malnutrition and related diseases.

If we were told that someone had invented a nuclear weapon that selectively slaughtered only children under the age of 5, and that one such Hiroshima-size weapon would be detonated somewhere in the world every 3 days, every week, every year, year after year—and that's what would be required to reach that annual total of 15 million—I think it's fair to say that the people of our Nation, and every nation on Earth, would be aroused to demand that something be done to stop the slaughter.

We must not continue to be blind to the fact that when more than 42,000 children under the age of 5 die each day from hunger and malnutrition, approximately 100,000 children go blind each year because of vitamin A deficiencies and in some poorer countries, as many as 40 percent of the children die each year before the age of 5 mostly from nutrition related causes, it does not happen in a vacuum.

The African Famine Relief and Recovery Act of 1985 is a step in the right direction. But let's not forget how these problems are tied to other crisis our Nation is facing and the importance of accepting and understanding the independent relationship the United States has with the devastation facing many lesser developed countries.

Accordingly, I urge my colleagues to support H.R. 1096.

Mr. WOLPE. Mr. Speaker, I want to say that I wish to express my personal appreciation to the gentleman from New York who has just spoken and who has been one of the most consistently effective advocates on behalf of the cause of world hunger for many, many years. As the gentleman from

Michigan [Mr. BROOMFIELD] noted earlier, his contributions should in fact be recognized by this body.

Mr. Speaker, I now yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, it is wonderful that we are able to come together today and continue the U.S. commitment to helping the drought-stricken countries of Africa. It is a tribute to this Congress that we have made this a priority early in the session.

I hope we can continue to make Africa a priority because no matter how much food aid we send today, without a commitment to long-term strategies, Africans will still be starving next year. Without seed and well-drilling equipment, there will be no grain and vegetables next year. During the budget process, I urge each of you to remember that seeds and tools sent today mean fewer bags of grain that we"ll need to send next year.

In July, the U.N. Decade for Women World Conference will take place in Nairobi, Kenya. Its outcome may be the key to any long-term solution to drought and famine. It will provide a forum for women in developing nations to tell us what we can do to help them solve their own problems. They don't want or need us to do it for them, but they do know that we can offer valuable assistance and tools if we will only hear what they need. Women perform nearly two-thirds of the world's work hours. Let's listen to them as we consider the long-term strategies we must consider to continue the commitment we are showing here today.

By listening to women in developing countries, we will be tapping new resources in Africa, resources that will enrich it.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON], a member of the Committee on Foreign Affairs.

Mr. SOLOMON. Mr. Speaker, at this point in the debate, I would like to take a moment to put things into their proper perspective.

The ongoing commitment by our Government, and by our people as well, to helping Africa in its need for food and agricultural stability is truly remarkable and is a vivid reminder of America's role as the preeminent champion of peace in the world.

I get more than a little upset when I hear suggestions made in some of our debates around here that the United States is the arms merchant of the world and that, somehow, the interest and desire for peace that has motivated our country's foreign policies over the years is open to question.

It is sometimes said that the United States pays insufficient attention to Africa and the problems there. But let us look at the record. In fiscal year 1983, we provided about 750,000 metric tons of food to sub-Saharan Africa through emergency humanitarian donations and our regular food assistance programs under Public Law 480. In fiscal year 1984, we provided about 1.1 million metric tons of food to sub-Saharan Africa. And now, in fiscal 1985, the projections point to a total American contribution of 2.5 million metrc tons of food toward meeting sub-Saharan Africa's needs.

Now let's contrast our record with that of the Soviet Union. Over the last 2 years, the Soviet bloc has provided less than 20,000 metric tons of food to all of sub-Saharan Africa. Moreover, the Soviet bloc has entered into a series of treaty arrangements with certain African countries that have had the net result of allowing the Soviets to plunder African fishing waters.

Mr. Speaker, I submit for printing in the RECORD an article that appeared in the February 7, 1985, edition of Newsday, which reports the astonishing fact that in 1983 alone the Soviet bloc caught nearly 1 million metric tons of fish in waters off the west coast of Africa. Entitled "Soviets Take Food Off Africa's Table," the article goes on to describe the efforts our Government is making in helping African countries regain control over their own fisheries. The text of the article is as follows:

SOVIETS TAKE FOOD OFF AFRICA'S TABLE

(By Daniel S. Mariaschin)

The waters off West Africa contain some of the world's richest fishing grounds: Ample harvests of sardines, herring, hake, squid and shrimp are recorded annually. On a continent that is ravaged by periodic famine, fish is a vital food source. In the West African region, consumption of fish provides upwards of 50 percent of daily protein requirements.

There are a few indigenous fishing fleets in the area, notably those from Morocco, the Ivory Coast and Senegal, but most West African fishing is artisanal—done by individual fishermen utilizing small launches or canoes relatively close to shore. The major catches are going to foreign fleets, with their sophisticated trawlers and research vessels able to find the stocks and capable in many instances of processing the fish on board. Since most countries now claim exclusive rights to waters as far as 200 miles from shore, foreign nations have concluded fishing agreements with host countries who invariably receive little in return for the rights to their valuable resource.

The USSR and the eastern bloc nations have been among the principal abusers of fishing privileges. According to recently published statistics, the foreign catch off West Africa has amounted to nearly 60 percent of the total harvest. The acknowledged catch of the Soviets and their client states for 1983 (the unreported figures are believed by western fisheries experts to be much higher) amounted to nearly one million metric tons. A number of other foreign fleets, the largest of which are from Japan, Spain and South Korea, also engage in fishing off West Africa.

In exchange for the right to fish these waters, the Soviets have entered into a number of bilateral agreements over the past decade with a group of West African countries including Angola, Guinea, Guinea-Bissau, Gambia, Mauritania and Sierra Leone. On the surface of the agreement, which vary somewhat from country to country, look like a good deal for the host nations: the sharing of stock assessments and other data, the establishment of fisheries management and maritime training schools as well as a portion of the catch, sometimes amounting to 10 percent to 12 percent of the total.

A closer look reveals these fisheries pacts are decidedly in the USSR's favor. Moscow has not developed an interest in the West African coastal region only for its value as a food source. It has been able to obtain port and anchorage rights, supply arrangements, the right to fly in fresh crews and the permanent stationing of "fishing ministry representatives" in host ports. Along with the well-known intelligence gathering activities of the Russian trawlers, each of these benefits gives the USSR a potential military advantage in the strategic central-eastern Atlantic region. Though the basic purpose of the Soviet fleet is to fish, that would not preclude its taking on additional assignments, including the testing of currents and gathering data for Russian submarines plying the Atlantic.

U.S. experts in marine fisheries and African affairs believe some West African governments are beginning to realize their arrangements with Moscow are a one-way affair. In some cases, promises to construct processing and research facilities have not been kept. In Mauritania, the research facility was built but part of it is off limits to all but Soviet personnel.

A fuller appreciation of the fisheries' value has led some West African officials to look more closely at foreign fleets, particularly the USSR's with its factory ships. There is serious concern that overfishing will lead to an irreversible alteration of the biological balance in West African waters. Even artisanal fishermen are beginning to voice complaints about the Soviet and eastern bloc catch, which has begun to have an impact on local economies.

In response to growing dissatisfaction with the USSR and what is seen as its increasing exploitation of one of West Africa's few abundant natural resources, several federal department and agencies including the Pentagon, Department of State, the Agency for International Development, the National Marine Fisheries Service, and the Coast Guard, are proposing two programs to assist host countries in managing and protecting their maritime fisheries.

The Pentagon's West African Coastal Surveillance Initiative would provide U.S. Coast Guard training to West African navies and coastal patrols. The objective is to improve their capability to monitor the fishing activities of foreign fleets in their economic zones.

While rights to on-board inspection and surveillance are claimed by all West African countries, in practice this activity is spotty and ineffective. Coast Guard training in surveillance methods and in halting violations can help re-establish an equilibrium in host nation-foreign fleet relations.

A companion initiative, to improve West African fisheries management and development, will be undertaken by AID. A program of high-level seminars and training sessions in such areas as data collection, stock assessments and monitoring, and the establishment of effective policies and regu-

lations would contribute to a professionalization of host nation fisheries. Advice on increasing the local harvest, how to limit spoilage in the artisanal market, assessing changes in the biological balance and trade and marketing ought enable the West Africans to better control and benefit from their own fish stocks.

Noel C. Koch, principal deputy assistant secretary of defense for international security affairs, is very optimistic about the potential of the proposals: "We're not feeding people, we're teaching people how to feed themselves. This is a capacity-building effort." He said that "if we can get the fish inland, we can begin to attack the nutrition problem."

The initial investment for the two initiatives is in the bare-bones category—about $4.5 million for the first year. Individuals involved in the program are confident that this modest start can begin a process of winning back friends in a region where the USSR has made important inroads—but has also engaged in bullying—in recent years. The proposals don't involve massive industrial projects or weapons deals, but do speak directly to the questions of economic independence and a bolstering of national pride, much needed commodities in the developing world.

The Pentagon has requested $2 million for the surveillance project, but the AID management initiative, which originally was to receive $2.5 million has been pared back to $1 million. Any further cutbacks would render that project ineffective.

For the West Africans, tightening fisheries management and surveillance should over the long term increase exports and foreign exchange, add to local employment, contribute significantly to local food supplies, improve nutrition and correct the biological imbalances that result from overfishing by foreign fleets. In turn, this ought to promote internal political stability which serves not only West Africa, but western interest as well.

Here at home, we take fish for granted. In West Africa, fisheries are literally an economic lifeline on which people's survival depends. Policymakers in Washington have proposed two plans that make eminent strategic and humanitarian sense. They deserve the support of the Congress and of those who feel that West Africa's food supply should not depend on the good graces of foreign, particularly eastern bloc, fishing fleets.

Mr. Speaker, Africa's problem has become the world's problem. The sad fact is that the present food crisis is not going to be solved anytime soon. And I want to take this opportunity to again declare my support for a meeting of donor countries to develop a coordinated and concerted strategy for dealing with this problem.

And, in conclusion, I also renew my call for our Government to place the crisis in Ethiopia on the agenda of United States-Soviet discussions. If the Soviet Union is as truly interested in peace as their propaganda so loudly proclaims, they can demonstrate that interest by bringing peace to one of the very countries in their own empire: By offering humanitarian aid, instead of foisting billions of dollars worth of arms on a bankrupt country; by offering trucks and planes to speed food to people in need, instead of using such equipment to forcibly uproot people and move them around the country; and, finally, to offer a hand of respect and friendship to those suffering people of Ethiopia, instead of subjugating them under the heel of a tyrant like Colonel Mengistu.

□ 1340

Mr. WOLPE. Mr. Speaker, I want to say before introducing the next speaker that the gentleman from New York [Mr. SOLOMON] has served this past term as the ranking minority member of the Subcommittee on Africa and I just want to express publicly my appreciation for his assistance in moving a number of bipartisan initiatives through our committee, both in the last term and more immediately as we are dealing with this legislation.

Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. LELAND], the chairman of the Select Committee on Hunger, which has played an absolutely critical role in moving this legislation.

Mr. LELAND. Mr. Speaker, I thank the gentleman and I would like to thank the chairman of the Subcommittee on Africa of the Foreign Affairs Committee for his great leadership. It was he who invited me to Ethiopia in 1983 where he led a delegation to one of the most critical situations I have ever seen in my lifetime. When we returned, we tried, through his leadership, to get more funds for emergency aid. Some supported us, Mr. Speaker, but few really listened. We in Congress were not willing to act until television brought into our living rooms and dens the horror of starvation in Ethiopia. Now we are trying to rectify our slowness in responding. We are finally reacting to the cry of the people in Africa, but it is still not enough.

I think this bill represents the kind of compromise needed to provide the kind of support needed not only in Ethiopia, but in other parts of Africa. Over 150 million people are at risk of starvation today in Africa. They need our help. This legislation will not solve all the problems, but goes a long way to ameliorate the short-term problem of famine.

We hope to come back to this House and ask the Congress to do more for those suffering so badly on the continent of Africa.

Again, I am very pleased at the leadership provided by my good friend, the gentleman from Michigan [Mr. WOLPE]; also the gentleman from New York [Mr. WEISS]. I would like to thank also the gentleman from Massachusetts [Mr. CONTE] and the gentlewoman from New Jersey [Mrs. ROUKEMA], who serves as the ranking minority member of the Select Committee on Hunger.

As chairman of the Select Committee on Hunger, I headed a delegation, sponsored by the Speaker of the House, to Ethiopia. We saw incredible human misery, people literally dying before our eyes. With the help of Congress we have been able to assist in saving some of those lives, and now we can do more.

Mr. Speaker, I hope we will have no problem in passing this compromise measure. I know that the Members of this body support our continued involvement in alleviating hunger and suffering in Africa.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON], a member of the Foreign Affairs Committee.

Mr. BURTON of Indiana. Mr. Speaker, recently, Congressman SCHEUER and I were in Rome and had an opportunity to talk to the World Food Program people. They brought out some startling facts. I am sure the gentleman from New York [Mr. SCHEUER] will talk to us about those in a few minutes; but one of the things that startled me was that the population of the sub-Sahara is growing at a rate of about 3 percent a year, while their food production is growing at about 1 percent a year, which means that the problems they face today are astronomical, but the ones they are going to face in the future are even more horrible.

There has to be a direct correlation between food production and population growth in that continent. If not, the starvation that we see today will be nothing compared to what we are going to see in the future.

It is very important that education along with this food be sent to Africa to make sure those people know how important it is that their food production be increased, as well as their population controlled, because the United States of America and the free world cannot continue to feed these people throughout the rest of this century and the next century. Our resources are limited. We want to help all that we can, but with that population growth, it will be impossible unless they get that under control.

One other thing that bothers me, Mr. Speaker, is that Ethiopia receives approximately half the food aid that has been going to Africa and that country has not been doing with that food what they should. They have been diverting their food resources, the ones that we have been giving to them, away from lands that they do not control to lands that they do control, so in effect, the United States of America has been in part responsible for subsidizing and supporting a Communist dictatorship over there. We cannot do much about that, but we should be putting pressure on them to spend these resources in the way that we want them to be spent, to give food to all the starving people of Ethiopia

and not just in the areas that they control.

I would like to point out a few things they have been spending their money on in Ethiopia, instead of feeding the starving people in their land. They spent $22½ million to host the Organization of African Unity in June 1983.

They spent $2½ million for Mercedes Benz cars and $2½ million to build a villa for Mu'ammar Qadhafi. The money should not be spent for that. It should be spent for the people that they pretend to protect.

Mr. WOLPE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Speaker, I want to congratulate the gentleman from Indiana, Mr. DAN BURTON, for his outstandingly fine remarks. He really hit the nail on the head. If we cannot do more than give constant, repetitive, predictable emergency programs and emergency food aid to the Africans, we are going to be calling upon American taxpayers to do this until the memory of man runneth not.

Would it not be kinder to all taxpayers and infinitely kinder to the starving people of Africa if we put together a comprehensive development program that would help them increase the production of food and perhaps decrease the production of new human mouths to feed? That is their problem. As Congressman BURTON indicated, they have over a 3-percent population growth, about a 1-percent increase in food production, so they have a 2-percent decrease per capita in the availability of food. That is a pitiful, tragic fact of life, that we have to help them find some fundamental cures for.

Mr. Speaker, I rise in support of the humanitarian bill before us today which would provide badly needed famine relief to an estimated 20 million Africans who face starvation and death.

Going beyond this emergency, Mr. Speaker, we, in Congress, have a responsibility to look beyond the short-term, quick-fix approach to this continuing and tragic scenario. We must develop a long-range plan that attacks the cause of the illness, rather than just treat the symptoms. We must help the nations of sub-Saharan Africa achieve the food self-sufficiency that is within their grasp—if only they will it, and if only we stay the course with the other donor countries.

Although it is easy to attribute the current crisis in Africa to the region's lack of rain over the last 3 years and the ensuing drought and reduced food production, the fact of the matter is that food production in sub-Saharan Africa has declined on a per capita basis by 20 percent in the last 15 years. Even though food production is going up gradually, population in the region has grown by a stunning 45 percent over this period. That's the highest population growth rate in the world, over 3 percent per annum for the Africa south of the Sahara.

Unless we take steps to provide the African farmers with appropriate technology and training which will help them increase food production, and unless we help these nations get their explosive rates of population increase under some kind of rational control, I fear we will never see the day when Africa will be able to feed itself. We will sentence millions of sub-Saharan Africans to the constant specter of starvation and death.

A long-term program to solve Africa's food production problems would be a far more intelligent use of American taxpayers' dollars, and a far more caring and compassionate approach to the human misery and suffering that is now endemic to the region.

Without a major effort to promote a balanced program of development aimed at generally improving the status of women in Africa, estimates show that the population of sub-Saharan Africa, currently at 434 million, will virtually double in about two decades.

Such an effort to provide women with equal access to the world of education, work, and credit is already happening at a rapid pace in Latin America and Asia, but has yet to begin in Africa. When faced with opportunities and challenges, women quickly change their goals concerning family size.

Most African farmers manage small subsistence farms. Unless an effort is made to provide these farmers with low-resource technology that they can apply effectively to raising food, we cannot expect to see the increase in food production needed to help the region attain food self-sufficiency.

It will be difficult to develop an appropriate program to provide African farmers with the necessary tools and expertise to increase food production. What has worked in the past in India and other parts of Asia has produced disappointing results in the very parts of Africa that are faced with famine today.

The "Green Revolution," which dramatically raised food production in other developing regions, has to date bypassed sub-Saharan Africa. Because of the region's political instability, the almost total absence of government infrastructure, its low and erratic rainfall, its short growing seasons, its continuing soil degradation and deforestation due to human activities, and too few skilled people, experience shows that increasing agricultural productivity is more difficult in sub-Saharan Africa than in most developing regions.

For these reasons and others much of our Nation's capital and energy-intensive "high tech" agricultural technology, involving complex and expensive machinery and great inputs of irrigation and fertilizer, is just not applicable in rural Africa for the low-resource, small-scale farmers who account for the vast preponderance of agricultural production.

In terms of reducing population growth, long-held traditions must be refashioned. African women must be educated and shown that appropriate technology can take the place of additional children in handling the farming chores. At the same time, they must be taught that improved health care and nutrition will reduce the infant mortality rate and assure that their children will survive to maturity so that they can care for them in their old age.

I recently led a delegation, which included Mr. ROE of New Jersey, Mr. LUJAN of New Mexico, and Mr. BURTON of Indiana, to Israel to assess Israeli agricultural technology aimed at developing arid lands. We also traveled to Rome and met with officials of the U.N. Food and Agricultural Organization to discuss the most effective methods to end the constant, repetitive waves of famine which have swept over sub-Saharan Africa over past decades.

The Israelis have made great strides in developing agricultural techniques for desert farming. Our delegation believes many of those techniques could be adapted to the needs of small African farms—technologies that would be consistent with traditional African agricultural methods, reflect local conditions, be affordable, utilizing locally produced and repairable equipment and machinery, and involving low risks and minimal capital.

As the Congress looks to long-term solutions to the African agricultural problems, we would be wise to consider joining United States-Israeli research and development programs to study advances in Israeli technology as it pertains to agriculture in arid zones with an eye toward adapting it to Africa's unique environment.

During our meetings with U.N. officials, including FAO Director General Edauard Saouma and our splendid Ambassador to FAO, our former distinguished colleague from New Jersey, Millicent Fenwick, we were encouraged to learn that the FAO recognizes the direct link between exploding rates of population growth and the severe food shortages in Africa. FAO officials also realize that the introduction of appropriate agricultural technology can be used as a natural starting point to convince African women that such farming aids can be adequate substitutes for additional children.

The FAO will play an important role in integrating population growth reduction programs with increased availability of appropriate agricultural technology on the African Continent,

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thanks to its ability to coordinate its programs with other pertinent agencies such as the UNFPA and the WHO. In addition, FAO is expected to issue in the near future a position paper which will detail its prospective plans for dealing with population growth in Africa.

Mr. Speaker, I commend my colleagues for their work on the African famine relief bill and I hope the House will see fit to pass this important piece of legislation.

But we cannot stop there.

We must strive to consider the comprehensive, long-term measures I have outlined here today as a means of permanently ending the long suffering and misery that is plaguing the people of sub-Saharan Africa.

Mr. BROOMFIELD. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I want to thank my colleagues who have worked so hard and diligently to put together a very effective and worthwhile bipartisan package, and I think we will get strong support from this House.

Mr. Speaker, I rise today as an original cosponsor of H.R. 1096, the "Africa Relief and Recovery Act of 1985." Africa's compelling need and America's deep humanitarian tradition cried out for this bill and it was born in the true spirit of bipartisanship.

I would like to commend the other main architects of this legislation for their efforts in building this compromise. Without the leadership of Mr. CONTE, Mr. WEISS, Mr. WOLPE, Mr. LELAND, Mr. BROOMFIELD, and Mr. FASCELL this bill certainly would not be in position for final floor vote today. This is crucial. Relief officials on the ground in Africa, grappling with the worst famine of this century, warn of serious disruptions in the delivery of life-saving emergency food aid if new resources are not available in the next weeks.

Today, I ask this House to approve H.R. 1096, providing authorization to spend $175 million for nonfood assistance in 18 African nations. Of this total, $137.5 million is earmarked for disaster assistance to provide seeds, farm implements, emergency health care, and so forth. The balance of $37.5 million will be used for refugee assistance on the continent of Africa where drought and famine have turned millions of residents into unwilling economic nomads.

This nonfood aid will assist in medium-term recovery efforts, linking emergency needs with agriculture development, in order to help avoid conditions which could lead to future famines.

It is absolutely imperative that we strive to maintain the link between emergency food aid and development assistance. We must take care to foster an atmosphere in which the recipient nation can begin to provide for its own basic needs. Continued dependency on such short-term relief promotes a degradation of a nation's economic and agricultural ability to sustain itself, creating a nation that, in the long-term, cannot survive without such hand-to-mouth emergency food aid.

This bill complements legislation that is now being considered by the Committee on Rules to provide over $480 million in food aid to the affected nations. Let there be no doubt. These two bills are all that stands between the people of sub-Saharan Africa and a human catastrophe of epic proportions.

As we prepare to vote on these two measures, allow me to address myself of those in the House who, like me, are naturally very cautious about supporting this or other supplemental appropriations requests. Given this Nation's budget situation, your caution is well advised. However, in the case of this bill, there simply is no choice. The fate of an entire generation hangs in the balance.

As ranking Republican of the House Select Committee on Hunger, I had the unparalleled opportunity to visit Ethiopia late last year. Despite intensive personal preparation for the trip, I found myself unready for the experience. The sounds, the smells, and sights of the mass starvation, deprivation and disease I encountered in the Korem and Makelle refugee camps jolted my sensibilities. I stood helpless in the face of the pleadings of the famished and the emaciated.

It was a soul-searing experience which, for me, gave new meaning to the 17th century words of John Donne "no man is an island * * * any man's death diminishes me because I am involved in mankind; and therefore never send to know for whom the bell tolls, it tolls for thee."

America's deep humanitarian tradition seems to spring from Donne's words. Accordingly, at the President's personal insistence, the U.S. contribution to the African food relief effort has been second to none. However, as we continue to supply at least 50 percent of all humanitarian aid to Africa, significant policy concerns are emerging.

Disturbing reports of food aid diversion continue to reach us. In the specific case of Ethiopia, a long-running secessionist civil war is hampering relief efforts in the areas hardest hit drought and famine; the Provinces of Eritrea and Tigray in the north. In addition to reports of government attacks on food convoys and refugees, we are especially concerned about the recent Ethiopian Government seizure of food shipments bound for contested areas.

We do not seek to intervene in the domestic affairs of a sovereign nation, but we must ensure that our food aid is not used as a political weapon. This legislation contains $2.5 million to provide additional U.S. Government monitoring of food and nonfood assistance distribution.

Further, we must again call on the Government of Ethiopia and opposition groups to ensure safe passage of food aid delivery vehicles and personel. To this end, all the necessary avenues have not been explored to bring pressure upon the various parties to ensure safe passage. Clearly, the Soviet Union is in the best position to exert influence over the Ethiopian Government to accept this humanitarian proposal. Thus far, the Soviet have been completely recalcitrant and have refused to discuss this important issue with us. I intend to continue working toward this goal with the Department of State and AID. However, these continuing problems with Ethiopians should in no way diminish our humanitarian efforts and moral leadership. This African catastrophe is testing our moral fiber. I am proud that we are not turning our backs, nor are we slow in responding. Consideration of this bill today indicates a clear understanding and sensitivity to the need for immediate action.

I urge my colleagues to join with me and bipartisan sponsors of this bill in strong support of it. Survival of a generation of Africans is within our reach.

□ 1350

Mr. WOLPE. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, I seldom support foreign aid. I am very much against a lot of the military foreign aid. But this is the kind of foreign aid bill that we should have. This is the thing that goes to the heart of the benevolence of the American people toward people everywhere.

Mr. Speaker, I sincerely hope it will work out where we do not waste money and that this is properly monitored and does go to help to relieve the actual anguish and relieve the starving people throughout the world.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. SWINDALL].

Mr. SWINDALL. Mr. Speaker, considering H.R. 1096, I am reminded of one of our distinguished former Members of Congress, Davy Crockett, who, one day in the spring of 1830, when the House hastily took up a proposal to appropriate Federal funds for the widow of a distinguished naval officer, after hearing several eloquent speeches urging support of the proposal, at a point when an overwhelming vote in favor appeared imminent, made the following remarks which are equally germane to our debate today.

I quote:

Mr. Speaker, I have as much respect for the memory of the deceased naval officer as any man in this House of Representatives. But we must not permit our respect for the dead or our sympathy for a part of the living to lead us into an act of injustice to the balance of the living.

I will not—

Davy Crockett continued—

go into an argument to prove that Congress has no power to appropriate this money as an act of charity. Every Member of this body knows that we do not. We have the right, as individuals, to give away as much of our own money as we please to charity, but as Members of Congress we have no right to appropriate even one dollar of the public money for such a purpose. Some eloquent and beautiful appeals have been made to us on the ground that this is a debt due the deceased.

Mr. Speaker I have said we have the right to give as much of our own money as we please. I am the poorest man on this floor. I cannot vote for this bill but I will give one week's pay to the object, and if every Member of the Congress will do the same, it will amount to more money than this bill.

Mr. Speaker, I suggest that the same argument is equally appropriate here today.

There are over 25 charitable organizations making direct appeals to the American people, and I for one have made my contribution.

Mr. Speaker, I suggest that if each Member of this House, rather than spending money which we clearly do not have, which we would clearly have to go and borrow, which would clearly cost us more in terms of adding to the deficit, would simply do the same and urge their various constituents concerned about this issue to do the same, that would be the appropriate measure.

I thank the Speaker.

Mr. WOLPE. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. I thank the Chair and I thank the gentleman from Michigan.

Mr. Speaker, under the leadership of my wife, we chartered a stretched DC-8 provided by funds donated by the people of Florida. We filled it with 40 tons of food and medicine and we flew it to Ethiopia in early January.

Now, out of that experience it has changed my life. When my wife held a starving child, along with five other congressional wives last summer, in the northwest of Africa, it changed her life.

So I stand here to support this legislation.

I tell you, it is very interesting that out of the $175 million, $110 million is reserved for the grants to the private voluntary organizations. I know that those PVO's all are getting that food into those feeding centers; it is getting to the people that it is intended for.

Mr. BROOMFIELD. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I commend my House colleagues on the quick and effective action this body is taking to provide relief to drug stricken Africa. Unfortunately, my endorsement has its reservations.

The administration has stated that it will provide one-half of the world's total aid to Africa and to do so we do not need to spend the full amount authorized in this bill. I find it objectionable that in this time of fiscal restraint we have no opportunity to discuss and set the appropriate dollar amount for this relief effort.

I do understand that this bill is a result of the efforts of the committee and the authors of earlier legislation, and I commend them all for their compassionate attention to this need. However, in this era, the House as a whole must reserve the right to debate and establish and to understand the expenditure levels of all of our worthy endeavors.

While recognizing the service provided by the suspension procedures, I do hope for some bipartisan method of handling the truly noncontroversial measures and those narrow issues of controversy in an otherwise acceptable bill.

But, I do, as a Representative of the half a million people, wish to be able to express their concerns and mine for all the needy, including the homeless and hungry outside our very doors, our very own doors.

I also wish to express the concern for future Americans who, because of the deficit, will have to pay for the actions we now take.

I thank the Speaker.

Mr. WOLPE. Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentleman.

Mr. Speaker, I want to congratulate my Michigan colleagues for being the floor managers on this outstanding piece of legislation.

I have been to Africa as well as many of my colleagues. Mr. Speaker, I suggest we ought to be taking a more long-term solution to this problem. I understand the crisis is immediate, but I would like to suggest that some of us who would be working on a remote sensing, high tech proposal to look at the water tables and water contamination there and look at the problem solving in light of what the Congressman from New York [Mr. SCHEUER] outlined, that is, a really self-sustaining program which is important and good public policy for this Nation to be looking at the ultimate solution to this problem rather than looking at appropriations in which we have a major national deficit.

So I would suggest that those of us who are working on the Appropriations Committee will be presenting testimony to the Appropriations Subcommittee and the authorization committee in respect to some high tech projects that will look at the long-term solution for Africa and other nations in the underdeveloped world.

Mr. WOLPE. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, I do want to commend all of those who have made this legislation possible, bringing it to the floor.

Mr. WEISS, who was in the room, Mr. WOLPE, who is here, and I was with them and Congressman LELAND when we went up to the feeding station north of Gandar in Ethiopia, a large plain where we saw children starving and older Africans almost resigning themselves to their fate of death. Those starving people did not recognize any ideology, they only recognized the fact that death was facing them because of the lack of food.

I want to make one point with reference to the response of the American people: It has been magnificent, but I say a government has just as much a responsibility as does its people to meet a need and to speak to a need and to try to ameliorate human suffering.

This is one of the reasons why I am totally in support of this bill.

□ 1400

I fully concur that we are facing a long-term problem and we need a long-term solution and that long-term solution obviously is in the development of an infrastructure in those countries facing starvation.

Mr. Speaker, today I rise in support of H.R. 1096, the African Famine Relief and Recovery Act of 1985, because I firmly believe in the relief, rehabilitation, and recovery projects that are provided in this bill.

The world is again witnessing massive hunger and even starvation in Africa—a mere decade after it saw similar human tragedy in Ethiopia, Mali, and other parts of the Sahel. Again people are responding with compassion to the victims of starvation in food aid, but in order to facilitate the recovery process, a fundamental method to support the distribution of food and medical supplies, and to assist the thousands of displaced refugees must be established.

H.R. 1096 would require that of the $137.5 million authorized for rehabilitation and recovery projects, at least 80 percent be used for grants to private and voluntary organizations and international organizations; at least 18 percent be used for emergency health projects; and $2.5 million be used for operating expenses monitoring the distribution of emergency food.

Quick action from outside relief is needed in situations of severe famine. However, such aid must be provided wisely. The U.S. Government is playing a leading role in response to famine in Africa today, as it has in other parts of the world at other times. Such governmental response at increased levels is essential and in the best tradition of American humanitarianism, for the needs are beyond the capacities of local governments and voluntary relief agencies. Yet many components of the U.S. Government's response to Africa are designed primarily to meet the actual food need and support services usually go unnoticed. Aid should be given, when possible, in ways which strengthen peoples capacities to be self-sufficient.

For the above stated reasons is why I firmly believe in this bill and I urge my colleagues to demonstrate their commitment to addressing this issue forthrightly and cast an affirmative vote for H.R. 1096.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in support of this bill. I had the opportunity to visit Ethiopia and spend several nights in the refugee camps. I agree with what the gentleman from Florida had to say.

I want to ask the gentleman from Michigan [Mr. WOLPE], if I may, just a question. I am very concerned though that in tne northern provinces of Eritrea and Tigre that food is not getting in and wanted to know what is the committee prepared to do about that. Second, if the chairman has contacted the Secretary General of the United Nations to put pressure so that the Secretary General acts. And what can this Congress do to make sure that the Ethiopian Government does not freeze out the people in the northern provinces from getting the food.

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

Mr. WOLF. I yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentlemen for yielding.

I thank the gentleman for raising that critical question. I and members of my subcommittee have shared fully in the frustrations expressed by a number of Members with the response of the Ethiopian Government to the question of delivery of food into those northern provinces.

The SPEAKER pro tempore. The time of the gentleman from Virginia [Mr. WOLF] has expired.

Mr. WOLPE. Mr. Speaker, I yield myself 1 minute.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. WOLPE] is recognized for 1 minute.

Mr. WOLPE. In response to the gentleman, in fact there is actually right now some food transiting through the northern provinces through the backdoor essentially, via the Sudan. Our Government is working with the international agencies and with other governments of this world to try to see to it that the Ethiopian Government will grant safe passage to international vehicles so that they can safely transit through that war zone.

I think it also needs to be noted, if I might respond further to the gentleman, that Ethiopia is only 1 of over 20 nations that are experiencing famine and are in urgent need of assistance that this legislation attempts to address.

Finally, even with respect to Ethiopia nearly all of the assistance that is being directed to that country is flowing through the private voluntary agencies, American private voluntary agencies, most notably the Catholic Relief Services.

I share the concern the gentleman has raised. I and my colleagues have been in conversation with Ethiopian Government officials doing everything we can to encourage safe passage and to try to see to it that the northern territories receive the food allocations that are so desperately required.

Mr. WOLF. Has the gentleman thought of contacting the Secretary General of the United Nations about this matter?

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. WOLPE] has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. CONTE], who has been a real advocate of this legislation.

Mr. CONTE. Mr. Speaker, I want to thank the chairman, Mr. FASCELL, and the ranking minority member, Mr. BROOMFIELD, for their swift attention to this critical issue, and for the truly bipartisan authorization that has been reported from the Foreign Affairs Committee under their leadership. Deciding on an appropriate level of nonfood aid as a component of an African relief bill was a difficult task, and not one without controversy. But through their leadership in committee, the package that comes before us today is a responsible bill that meets the African nonfood need, and I am happy to lend my support to passage of H.R. 1096.

The dimensions of the African tragedy boggle the mind—18 countries in sub-Sharan Africa in desperate need of food, 150 million people touched in some way by the drought, and some 10 million people in direct danger of starvation. The U.S. response to this crisis—both in government aid and private contributions—has been a high compliment to the capacity for "man's humanity to man." But it is clear that more aid is required. In fashioning a relief package, the primary focus must be the provision of adequate amounts of food aid, but an appropriate measure of disaster and refugee assistance is also critically needed. In addition, beyond the particulars of any bill, Congress must act swiftly if the emergency aid we decide to provide is to be effective. Mr. Peter McPherson, Director of AID, has advised that he needs a supplemental by March 1 if there is not to be a disruption in African assistance.

Recognizing the need for fast-track consideration of an African relief bill, Congresswoman ROUKEMA, and Congressmen WEISS, WOLPE, and LELAND, and I—the five principal sponsors of the Africa supplementals before the House—met over the February recess in an effort to reach agreement amongst ourselves on this pressing issue. Those discussions included the chairman, Mr. FASCELL, and the ranking member, Mr. BROOMFIELD, of the Foreign Affairs Committee, and H.R. 1096 represents the product of those efforts with respect to nonfood aid. It is a responsible package that is sensitive to the deficit pressures we face here at home, but recognizes that an African relief bill must also provide an appropriate measure of nonfood aid if lives are to be saved—and new lives started.

H.R. 1096 contains two major components. First, it provides $137.5 million in disaster assistance that is broken down into three categories. Of the total, $110 million is made available for relief, rehabilitation, and recovery projects such as providing seeds, farm implements, blankets clothing, water projects, and other emergency-related disaster projects. Approximately $25 million is earmarked for emergency health care projects, in recognition of the fact that famine and disease are partners in any drought. In addition, in response to recent reports that the Ethiopian Government has sought to block shipments of food to rebel-controlled regions of that country, $2.5 million is allocated to increase AID monitoring to help ensure that U.S. aid goes to those starving people, regardless of political affiliation. Our aid is not for governments, but for starving people who often have little or no influence on the political realities that now threaten to consume them.

Second, H.R. 1096 contains $37.5 million in refugee assistance. Many African countries are doing what they can in providing assistance to the ever-growing refugee population. Yet, one need only consider the crisis situation in the Sudan to appreciate the tremendous burden being assumed by host countries in responding to the massive migration taking place on the African Continent. Of the $37.5 million total, $20 million is made available for ICARA II projects and $17.5 million is authorized for the State De-

partment's Bureau of Refugee Programs.

Finally, H.R. 1096 recognizes that determining an appropriate amount of relief is a numbers game, and the numbers are constantly changing. Therefore, the bill directs the President to submit to the Congress a midyear needs assessment not later than June 30. This report would assess the projected African food and nonfood needs for the remainder of the fiscal year, together with a projection of the total funding required to provide an appropriate U.S. contribution toward meeting those needs. If current funding levels are insufficient to meet the desired U.S. commitment, the President is urged to request additional supplemental funding sufficient to meet that purpose.

H.R. 1096 meets the emergency, nonfood needs of Africa, and is a critical component of the overall relief package that this House will be considering this week. I urge my colleagues to approve its passage.

Mr. Speaker, I might say for those who are worried that this is on a suspension, on Thursday, my committee, Appropriations Committee, will bring out a bill which is almost 99 percent of this bill which will be in the appropriation bill. That was the part of the thing that we hammered out with the gentleman from New York [Mr. WEISS] and the gentleman from Michigan [Mr. WOLPE] and others.

I am going up to the Rules Committee in a few minutes. We will ask for an open rule and if Members want to offer amendments at that time, they can offer all the amendments they would like to the appropriations bill.

Mr. WOLPE. Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield the remaining time to the gentleman from Michigan [Mr. SILJANDER], the new ranking member on the Subcommittee on Africa.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. SILJANDER] is recognized for 30 seconds.

Mr. SILJANDER. Mr. Speaker, I think it is very important that all of us as we deliberate this very timely issue realize with a heart of compassion and a vision for long-term needs for Africa that while this bill may not be perfect in all of our eyes and there may be some philosophical flaws in many points of view, this is in all political reference a good positive compromise.

So I would urge the Members to support this bill as it has come from the right to the left to something around in the center to address the needs of those in desperate situations on the African Continent.

Mr. WOLPE. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I want to simply state once again to my colleagues how much I appreciate the extraordinary bipartisan effort.

Let me express my appreciation to my distinguished colleague from Michigan and now the ranking member of the full committee and to my other distinguished colleague from Michigan, who is now the ranking member of the Subcommittee on Africa for their assistance in this effort and also to the gentleman from Massachusetts [Mr. CONTE] who has played an absolutely key role in the appropriations process.

Two points have really been made in the course of this debate that really bear repeating. There is a short-term crisis and there is a long-term problem to be solved. In the short-term, literally hundreds upon hundreds of thousands of lives—the estimates actually range in the millions—are at risk if there is not an immediate infusion of food and nonfood assistance from not only the United States, but from the international community as well.

It needs to be emphasized, the United States cannot do it alone. We must call upon the rest of the world to respond and it is the generosity of this response contained in this legislation and the generosity that has been manifest in the response of the American people individually and to the private voluntary agencies that has set an absolutely extraordinary standard and it is my hope will really inspire similar levels of contribution assistance from the rest of the world.

We then must tackle the second problem which is that of developing a long-term development effort. This is much more difficult. It does not have always the crisis appeal. And my fear, very frankly, is, what will happen when the cameras are turned off.

I think that maybe the dimensions of the crisis that is now facing the continent has helped all of us within the United States and hopefully within other industrial nations to understand the importance of working with African governments and societies to turn around the agricultural situation within that continent.

In India some years ago the same kind of crisis was being experienced. But in cooperation with international communities India today has become much more self-sufficient in food production. We can be just as successful working with the African governments in order to see that that continent likewise experiences greater self-sufficiency in food production. That will be the continuing challenge facing this body and facing our own governmental response.

Mr. PENNY. Mr. Speaker, I rise in support of H.R. 1096 which provides disaster assistance to those suffering from famine in Africa. The committees involved in this legislation are to be commended for their prompt response to a continuing crisis situation.

We are all aware of the problem. We have all been moved by television pictures of those in Africa who are on the brink of starvation. The stories of suffering and death in Africa brought on by drought and inadequate policy measures have continued almost daily. The African tragedy has produced staggering statistics that, while giving some idea of the scope of the problem, fail to communicate the individual pain of losing a loved one, the breakup of families, the arrested mental development of children who survive the crisis. Indeed it is the children who are most affected by the food shortage—children who will form the next generation of Africans and represent some semblance of hope in a bleak situation.

There are a number of good reasons to suppport this measure and an increased appropriation of Public Law 480 food assistance. Chief among them is the moral responsibility we have as Americans to offer assistance.

The famine in Africa tests us as individuals and a nation. How we respond speaks volumes about the kind of people we are and about our principles as a nation. We have the resources to respond. This legislation indicates our will to respond. The generosity and caring of the American people have been apparent in an outpouring of contributions to private organizations and support for previous legislation to address this problem. The crisis continues in Africa. It asks of us, on the basis of our respective religious convictions and our decency as fellow human beings, to respond as a nation as well.

Concern for fellow human beings in need is a sufficient justification for this measure, but there are reasons beyond humanitarian appeals as well. We stand ready to alleviate the poverty and inequality that provide fertile ground for those promoting communism. It is also in our interest to promote and support viable economies around the world that can serve as valuable trading partners and provide markets for our goods.

The legislation we are considering continues a tradition of generous response to crisis on the part of the United States. The food assistance levels to be appropriated as a supplement to present Public Law 480 assistance should provide approximately half of the food requirements for Africa this year. Private contributions and the actions of other donor countries will help to meet the overall needs of the continent but the U.S. role is crucial. We hold, in our hands, resources which give us the opportunity to give life or withhold it. Recent estimates indicate that as many as 150 million people, a number that represents more than half the population of the United States, may be in danger of starvation in Africa. In a very real sense, we are responsible for those

lives for we hold the means to provide life—this legislation gives us an opportunity to vote prolife in an international context.

Moreover, this legislation goes beyond mere food assistance to alleviate a short-term crisis. Disaster assistance funds can be used to purchase seeds, agricultural implements, and fertilizer which are crucial, not only to alleviation of present shortages, but to long-term development progress in Africa. Funds for resettlement of refugees fleeing famine are also important for moving Africa from dependency on this kind of aid to self-sufficiency in food production. Our overriding goal is to prevent future crisis of this nature.

This disaster assistance will be funneled, in large part, through private voluntary organizations and international institutions. These organizations have a proven track record of effective action in meeting the needs of the world's hungry and poor. They represent the most effective channels for the kind of response we as Americans hope to make.

In urging support for these measures, I refer again to our responsibility—as a nation and as representatives charged with the formation of foreign policy—to show concern for those in need. As the respected former Senator from my home State of Minnesota, Hubert H. Humphrey, stated in support of the Food-for-Peace Program he was so instrumental in passing some 20 years ago:

> We urgently need to design and launch a broad-gauged and affirmative foreign policy on the natural strengths of our nation—yes, to harness to the plow of foreign policy our tremendous industrial capacity, our abundant capital, our technical knowledge, our agricultural abundance, our wealth of trained educators, agriculturalists, administrators, doctors, and students.
>
> I believe one of the most powerful weapons for peace is our food power. . . In the long run, our food power—far more than military power—can be the critical factor in the achievement both of democratic institutions and of safety in the world. Food power is our secret weapon. Food is life. Food is strength. Food is hope and compassion. Food is the giver of health and vigor to children. Food is the vital ingredient of social stability and peaceful change. Let us use that power wisely and well.

Mr. Speaker, I second the sentiments of Hubert Humphrey for they are applicable in the present context. I urge prompt passage of this legislation and the supplemental appropriations to Public Law 480 for African famine relief.

● Mr. MONSON. Mr. Speaker, as Members of this great body, we face many difficult decisions during the coming months. We have the prospect of ever increasing Government deficits if we do not change the way we make decisions on how we spend the taxpayers' money. We must begin to consider the efficiency of the programs we authorize. In almost every Government agency we can find waste and in many programs we find that they have been overfunded at the start and expenditures have risen to meet those funds rather than having funding to meet the real needs of the program. In most cases these are good and necessary programs which simply are not managed economically.

The African famine relief bill is just such a program. The Reagan administration has detailed a plan to provide $1 billion in food and other aid to Africa. These funds will come from a combination of funds already appropriated for food aid, redirected funds, and from $25 million in supplemental appropriations. Instead of providing these funds the President has requested, H.R. 1096 provides a great deal more than is necessary. The administration believes that this additional amount cannot be effectively administered and is therefore not prudent. The President's plan will be more effective at dealing with the crisis in Africa without spending excessive amounts of money which will do little if anything to help the people of Ethiopia. For this reason I oppose the passage of H.R. 1096.●

● Mr. ADDABBO. Mr. Speaker, when disaster strikes any nation in the world, a measure of our stature as world citizens is reflected in our response to help those in need. The continuing situation in Africa demands that we take additional action now. Two dozen African countries are suffering from the consequences of a decade-long drought which has left their countries devastated, and their people starving. We have provided some assistance in the past, but this is clearly not enough. We are embarked now upon a course which will provide additional food and medical assistance that is critical to those struggling to stay alive in their own countries and to those who have been forced to flee their country of origin. Time is of essence and we must lose not a moment more.

Today we have before us the first of these measures. Hopefully, by the end of the week the next stage of our relief effort will be complete. The bill we are considering now will authorize $175 million for medical supplies, clothing, shelter, and related disaster assistance for African countries to help them take care of their own and for refugees. These moneys will be funneled to those countries which have been particularly hard hit during 1984 and 1985. With passage we will also ensure that the aid will reach those for whom it was intended, and that we will receive a full reporting from the President by June 30 of this year concerning what must still be done in fiscal year 1985.

I strongly urge my colleagues toward swift passage of H.R. 1096.●

● Mr. ACKERMAN. Mr. Speaker, I rise in strong support of H.R. 1096, the African Famine Relief and Recovery Act of 1985. As an original cosponsor of this legislation, and as a Member of Congress who has had the opportunity to view the horror in Ethiopia on two occasions, I cannot express in strong enough terms the imperative for expediting passage of both the authorization measure before us today, and the appropriation bill that we will consider on Thursday.

The tragedy in Africa has spurred an overwhelming and uniquely American response from our Government, and from the citizens of this country. Sadly, it will take a sustained effort over several years to provide a subsistence level of food for many of the starving people on the African Continent. One of the most disturbing facts that we should not overlook, however, is that, despite the outpouring of efforts by the donor countries and private voluntary agencies, this year will still find a dramatic shortage of food supplies in many African countries. Millions of people will remain unfed and will perish, despite the best efforts of the relief workers, who seek to alleviate the suffering in Africa.

Mr. Speaker, I would like to take just 1 minute to express my thoughts on some of the specific provisions of this bill. Today, the Congress is taking an important step toward securing a comprehensive legislative response to the crisis. In addition to providing food and transportation—which do not require additional authorization at this time—the House is acting in a number of other areas that must be addressed if the relief efforts are to be effective. Of particular importance are funds for rehabilitation and recovery. This money will go toward furnishing such items as seeds for planting, fertilizer, pesticides, farm animals, blankets, clothing, shelter, disease-prevention efforts, health care, water and small-scale agriculture projects, and food-protection and preservation programs.

In addition, the bill provides funds for refugee assistance. The problem of displaced persons has intensified in recent weeks, as thousands of Africans have fled their homes and crossed international boundaries in search of food. It is imperative that the relief organizations have funds for both immediate relief and short-term development assistance projects, to increase the chances that those seeking refuge from this devastating famine will survive. Finally, the legislation provides a waiver of the Hickenlooper amendment, in the case of funds that might be restricted by an overly narrow interpretation of this law, where outstanding claims against American property have interfered with the pursuit of certain relief efforts. This will

help ensure both the expedited delivery of food, and the drilling of wells that will provide a source of fresh water at feeding centers in Ethiopia.

Mr. Speaker, the African Famine Relief and Recovery Act is a clear statement of the humanitarian nature of the American people. It is a gesture of our desire to assist those who cannot help themselves now. After my two recent trips of the famine-stricken African Continent, one particular aspect of this tragedy remains firmly in mind. It is the children, both those on the verge of death, and those who remained bouyant and determined to preserve life, who must motivate all of us in this House to pass the legislation before us today.

The human toll of this disaster cannot be fully described here, but we must stop to contemplate the ramifications of this famine: Families destroyed; children left brain-damaged; the anguish of a slow, tortuous death for thousands of innocent men, women, and children. Mr. Speaker, the adoption of this legislation will be a significant step in saving precious lives, but even with the most dedicated relief effort humanly possible, lives will be lost. That sobering thought should motivate speedy adoption of these supplemental efforts.●

● Ms. OAKAR. Mr. Speaker, I rise in support of the emergency famine relief and recovery in Africa bill. Today, some 14 to 20 million people in 20 African countries face a desperate situation. A combination of events, including drought and misguided political policies, have created a situation where entire populations are threatened with death from starvation. This crisis has been building for years, but as nearly every American knows by now, it must be addressed now. Every day that we wait, countless individuals face death or permanent physical and mental disability due to malnutrition.

This bill will facilitate the distribution of emergency food assistance to the famine victims. It will get food to people who need it. The bill will also provide seeds for planting, fertilizer, pesticides, farm equipment, livestock and other necessary items to help restore food production in famine afflicted areas.

Those famine victims who suffer from associated health problems will be helped by this legislation, as well. Emergency health projects will provide vaccinations and other treatment. Disease prevention programs will also be implemented.

Most of the assistance provided by this bill will be used for grants to private and voluntary organizations that have already demonstrated their ability to provide aid to the victims. In all, $137.5 million will be provided. Additional legislation providing $1 billion in emergency food assistance will be considered later this week.

The United States should not be expected to permanently provide for the food needs of Africa. This is something the African people can do for themselves. International relief and development agencies, along with our own Agency for International Development and private voluntary organizations are working with African governments to enhance farming techniques and food distribution to eventually eliminate food shortages and famine. In a number of cases, more effective and reasonable government policies are necessary, as well. And, of course, the rains have to return. In parts of southern Africa currently gripped by famine, that has already happened.

Recent history records other cases where concerted efforts led to self-sufficiency for countries that once experienced chronic hunger, even starvation. I am confident that the African countries that are now wracked by famine will be able to provide for all the food needs of their people. Until favorable circumstances are established, however, we have an obligation to help. This legislation is a serious response to a serious problem. Immediate aid must be provided and I urge my colleagues to join me in voting for emergency African relief.●

● Ms. SNOWE. Mr. Speaker, I want to express my appreciation that this measure is being brought up today in such a timely manner. As we are well aware, scores of individuals are perishing in Africa while awaiting food and other assistance; I am pleased that we have given H.R. 1096 the priority that such legislation deserves.

As an original cosponsor of H.R. 1096, the compromise African famine relief bill developed by members of the Foreign Affairs Committee and the select committee on Hunger, I would like to direct special recognition to Congresswoman ROUKEMA, ranking Republican member of the select committee, and her staff for their efforts on this relief package.

I would like to commend and acknowledge as well the diligent and fine work of Congessmen WEISS, WOLPE, LELAND, and CONTE. Their interest and efforts have assured that an effective, compassionate bill is before us today, one which reflects their desire to work for the common good.

The legislation before us, and its companion bill in the Senate, provides not only much-needed food for starving people, but also includes funds for recovery and rehabilitation of parched agricultural lands. Such assistance is as important as the emergency aid if we are to respond to the long-term problem of many African countries. Unless we make extra efforts now to assist drought-stricken farmers in such undertakings as the rehabilitation of water and sanitation facilities and the resumption of agricultural production, the crisis will not abate.

Our aid program must be two-tracked: Feed today's hungry, while at the same time assist in various agricultural and technical programs that will enable these people to feed themselves in the months and years ahead.

Recent reports from private voluntary agencies in Africa, as well as from the United Nations, indicate that the food crisis appears to be worsening daily in a number of African countries. Twenty-nine nations have been seriously affected by the drought. As a result, hundreds of thousands of Africans from many nations have starved to death, and millions more are in imminent danger of a similar fate.

At the same time, our Nation faces serious problems, from the ballooning budget deficit to the crisis on our farms. These problems deserve, and will receive, our persistent attention and hardest labors. I do not believe, however, that this effort will be undertaken to the exclusion of assisting those who, by simple virtue of their birthplace, will die from a lack of food. America's commitment to those in need is ingrained in our national character; we honor that character to an even greater degree by responding to others despite our own difficulties.

Mr. Speaker, I urge my colleagues to support the emergency funding measure before us today so that the aid relief can be dispatched quickly to those looking to us for help.●

● Mr. GEJDENSON. Mr. Speaker, today I join with my colleagues in support of a desperately needed supplemental authorization bill for the people of Africa. I congratulate the authors of this legislation for preparing an aid package that not only authorizes emergency food but complements this assistance with needed long-term, disaster and refugee problems.

As my colleagues know, the situation in 28 nations on the African Continent is dismal. One hundred fifty million peoples' lives are at stake from the effects of a 3 year drought that shows no signs of subsiding. It is imperative that we act now in a bipartisan manner to provide these nations with essential and lifesaving humanitarian aid.

We have all seen the horrifying pictures of small children dying from starvation. Some of my colleagues have traveled to Africa to see firsthand the tragic effect of this famine. As one of the world's wealthiest nations, we have a responsibility to come to the aid of these people in the face of this crisis. Traditionally, America has provided 50 percent of needed emergency relief. The bill that we have before us today maintains this tradition.

Mr. Speaker both the Foreign Affairs Committee and the Appropriations Committee have acted expeditiously to move this legislation to the House floor. The American people have demonstrated their support for continued and adequate aid to Africa through their generous donations to private organizations. This total has already reached an estimated $60 million. I urge my colleagues to follow both the lead of these two committees and that of the American people and vote unanimously for this supplemental authorization bill.●

● Mr. MORRISON of Washington. Mr. Speaker, I rise in support of H.R. 1096, the African Disaster Assistance Act as overwhelmingly passed by this body today.

American farmers have the know-how and skill to feed the world. That's no secret. America's also got the most generous folks in the world, living within her borders. Just look at the outpouring of food, money and other help given freely by churches, schools, other groups and individuals themselves, in response to the famine in Africa. What America doesn't have is a money tree—our farmers perform miracles but growing this variety of green stuff isn't one of them.

Those of us gathered here today are no different, no less generous than our fellow Americans, and of course we want to give more than we rightly can. But we know about the deficit and, what's more, we're expected to do something about it. For this reason, I support H.R. 1096, the African Famine Relief and Recovery Act of 1985.

This bill was created in an atmosphere of compromise which is only attained after everybody presents their first and best idea. The package we have before us today is the result of this fine-tuning process, and now it's time to move on and support this worthwhile measure. To spend more time verbally jousting would be to waste time, and perhaps waste innocent lives.

Sometimes, no matter how hard you work on what you believe is a worthy and important project, you don't feel much satisfaction, only fatigue. We've all been there, I'm sure. But, you know, being a member of the Select Committee on Hunger has added a new dimension to my job here, and a new perspective to my life, and how I view the world around me. It has made me grateful for all that those aspects of my life that I took for granted. More importantly, though, it forces you to become an optimist, for you truly realize that for some folks, things can only get better. And with the passage of the African Famine Relief and Recovery Act of 1985, they will.

Thank you, Mr. Speaker.●

● Mr. HYDE. Mr. Speaker, as a cosponsor of H.R. 1096, the authorization for additional appropriations for African famine relief, I take a few moments of my colleagues to discuss some aspects of this tragic situation that deserve our careful consideration.

Africa, once a net exporter of food, has suffered progressive deterioration in agricultural capacity in the postcolonial period. There are multiple causes for this situation. The Congress cannot afford to overlook all of them, while providing generous assistance to those at risk.

Clearly, as one publication has stated—

> (t)he food crisis in Africa is the worst since the early 1970's when about a quarter of a million people starved to death * * * Even mammoth amounts of aid would afford Africa only a brief respite. The reason for this is that when favorable climatic conditions return African food output will not be able to keep pace with demand, but, in fact, will decline if recent trends continue.

We will hear much during this debate, and that on the subsequent appropriations bill, about the pressing need for food. How "need" is defined and measured has been one of the reasons why this legislation has been so long delayed since the Congress convened on January 3. I appreciate the complexity of this question, and its importance, and would suggest to my colleagues that there are those in Congress who see almost a bottomless vortex of food need for Africa. The United States and other Western humanitarian donors, governmental and private, simply lack the capacity to feed all the needy people in Africa, no matter how one defined "need." Our policy goal must be to move with dispatch and singleness of purpose toward major policy changes that will assist Africans to feed themselves. We can only do this if we begin by adding an extremely effective policy component to our emergency food programs for that continent.

Like most Members of this House, Mr. Chairman, I wish we could solve the food shortages and end the starvation throughout Africa. But this will never be accomplished so long as local government agricultural marketing and planting policies repress the production. I note with great interest that a number of African leaders who have, at least in the past, favored Marxist rhetoric, are now showing more support for nationalism. Faced with the potential starvation of their people, they are taking the hard steps to radically reform food-production and marketing policies. One of these leaders is Didier Ratsiraka, President of Madagascar. In his country, an island the size of Texas, the staple food is rice. Since the end of French colonial rule, Madagascar has experimented with Marxist economics and has discovered, as is universally the case, that this model fails miserably.

President Ratsiraka could have chosen the ideological route of Colonel Mengistu in Ethiopia, but his concern for the prosperity of his own people impelled him to decontrol the price to rice farmers and to allow the price of commercial rice to float with the market. In this, the United States, through its Ambassador, Robert B. Keating, and Deputy Chief of Mission, David Rawson, had a positive influence in providing examples of how the free market could produce more food.

I might add, Mr. Speaker, that these dramatic policy shifts which were undertaken in 1984, were done in the light of devastation by two cyclones to the island's agriculture. Progress can continue there, now extending to the spice trade, the country's major source of foreign exchange, with this continued enlightened leadership. I might add, that the Government of Madagascar is not my ideal for Africa. But the United States and other Western donors have done more by showing a nationalistic leader examples of the possibility of an improved life for his people than by merely supplying emergency food shipments into a situation which continues to decline.

It would be most useful to overlay the food-short countries of Africa with a map of the ideological leanings of their regimes. When Cuban occupation armies are not present, Mr. Speaker, I would suspect that drought might only be a precipitant to disaster—the major cause being the policies of the regime. Adoption of Marxist-Leninist economic models is, of course, the choice of the particular African regime under question. But for these same governments to expect Western donors to bail them out absent policy shifts doesn't make much sense.

I know these changes are hard. Some Western food donors believe that a centralized economic system is ideal. Some Western private groups believe that the form of economic organization is unrelated to the need of the people to be fed. In suggesting linkage, I in no way suggest we use a litmus test on countries. Merely, we as Americans should do all in our power to assure that internal economic policies assist rather than hamper food production.

Some governments deny access to food as a routine matter to those seeking to unseat the regime; nonmembers of the armed forces; and people who do not live in cities. Some of these same regimes forcibly move their people, increasing the chances of starvation, or actually sell donated Western food on the international market. There is no worse African situation than Ethiopia in this regard.

Should the United States deny food assistance? Of course not, Mr. Speaker. Should the United States collaborate with the Cuban army of occupa-

tion which props up the regime? Also, the answer is of course not.

Over the long term however, there does come a point when U.S. policy ought to look to the legitimacy of a government before allowing it to process U.S. assistance. In Angola, for example, the Dos Santos regime in Luanda is probably supported by far fewer Angolans than the UNITA resistance movement under Jonas Savimbi. If we are to provide humanitarian assistance to Dos Santos and his Cuban backers, we ought to at least do the same to the followers of Savimbi. To do otherwise would be to allow an illegitimate regime to choose whom to benefit. There's a lesson in this for the people in Tigray and Eritrea.

Ultimately, Mr. Speaker, the food shortage In Africa can only be overcome by Africans themselves. Even with the encroachment of the Sahara on the Sahelian countries, even with occasional droughts or storms, the key must be to assist in construction of regional arrangements. One excellent example exists between various nations of southern Africa. Since the signing of the important Nkomati accords in 1984, and followup agreements with other countries of the region, cooperation for development has occurred between the Republic of South Africa and her neighbors.

How can the United States encourage this approach? Certainly, the provision of Public Law 480 as appropriate to all countries of a region is important. agricultural development projects aimed at export trade rather than self-sufficiency and based on the comparative advantage of countries are essential. Mozambique cannot hope to increase her seafood exports unless overfishing by Soviet-bloc ships ceases. Landlocked Botswana and Zimbabwe need port access. Opportunities exist for cooperation and cooperative engagement should be pursued in regional development wherever possible.

Mr. Speaker, Americans are and continue to be motivated by a generosity characteristic of the West. Our hearts and hands go out to the starving in Africa, even if their right to eat has been reduced by agricultural policies of their own governments or even if they are victims of selective starvation from the same source.

We must underpin our efforts as embodied in H.R. 1096 with a clear program to move toward the institution of market forces in African agriculture, encourage regional cooperation, and provide assistance on an absolutely nonpolitical basis.●

● Mr. LEVINE of California. Mr. Speaker, I rise to join my colleagues in strong support of H.R. 1096, the African disaster assistance bill.

Mr. Speaker, there is a tragedy unfolding on the continent of Africa. Due to a number of factors, including a combination of a drop in food productivity and rapidly rising population, and adverse political factors, Africa is now in the grips of a famine of astounding proportions. We have all seen the photographs of the sick, malnourished, and starving African men, women, and children. We have all seen the photographs of the mothers holding their babies, helplessly watching them die for lack of food. We have all seen photographs of the swollen bellies and vacant faces of our fellow human beings too weak even to eat. We have all seen the suffering so great that one cannot help but be profoundly moved.

The unrelenting famine on the continent of Africa has seriously affected 29 nations and over 20 million people. Its scope is difficult to fathom. The United States has mounted an unprecedented campaign to provide assistance to Africa in its hour of great need. We are the largest donor to the emergency there, and H.R. 1096 is our latest effort.

The bill before us, which I am pleased to coauthor and which was reported unanimously by the Committee on Foreign Affairs, on which I sit, authorizes $175 million for medical supplies, clothing, shelter, and related disaster assistance for people in Africa suffering from severe drought conditions. Although these funds are intended for nonfood items, there is no prohibition in the bill on using the funds for food aid. Of the $175 million, $137.5 million is for disaster assistance, including relief, rehabilitation, and recovery projects. $37.5 million is for refugee assistance programs. In addition, the bill requires the President to ensure that the food aid reaches those for whom it is intended, and requires the President to report to Congress not later than June 30, 1985 on what African food and disaster assistance needs will be for the remainder of fiscal 1986.

H.R. 1096 is part of a larger, bipartisan compromise that includes a second bill, H.R. 1239, appropriating additional funds in fiscal year 1985 for acquisition and shipment of 1.1 million metric tons of food through the Food for Peace title II program to be voted on in this body on Thursday.

I will vote for H.R. 1096, the African disaster assistance bill today, and for H.R. 1239, the supplemental appropriations for Africa relief, on Thursday and I urge my colleagues to do so as well.

The direct response of the American people and the private sector to the suffering in Africa has been impressive and has resulted in the saving of many lives and the easing of suffering. As representatives of the American people, let us join them in their desire to help those in need. We are so very fortunate to live in this land of bounty and freedom. We have a moral responsibility to help those less fortunate. It is true that this is a time of budgetary constraint, but we must be generous when we can ease the suffering and save the lives of those in such great need.

I want to commend my colleagues on both the Committee on Foreign Affairs and the Committee on Appropriations for acting quickly to bring these bills to the floor. I urge my colleagues to join me in supporting these measures to help the suffering in Africa.

Thank you.●

● Mr. CONYERS. Mr. Speaker, I rise in support of H.R. 1096, the African Famine Relief and Recovery Act of 1985. Sub-Saharan Africa is suffering from the most severe, chronic hunger problem in the world today. For the 150 to 200 million people in this region, severe food shortage has become a fact of life. Nearly 20 million people are at risk today of outright starvation. Hundreds of thousands have already died. The response of the American public to this problem has been great, but thus far the response of our Government has not. Unless the Congress acts now to provide adequate food and disaster relief assistance to the 30 countries in Africa that are affected, this already tragic situation will only grow worse.

I recently traveled to Africa with my distinguished colleague from Michigan, and chairman of the Subcommittee on Africa, HOWARD WOLPE. We visited some of the areas in Mozambique where people have been among those most affected by the drought. What we saw and learned left no doubt that the level of need is great. The measure before us takes a step in the direction of reducing the famine, but by no stretch of the imagination will this be adequate given the magnitude of the problem. Because of America's wealth and agricultural productivity, we can respond to this crisis by providing 50 percent of the total estimated food requirements that must be supplied by the donor countries. But food alone is only a short-term, stopgap answer to the problem.

For the past two decades, per capita agricultural production in Africa has been declining. This has in part been the result of a lack of rain over the past 3 years. However, other factors such as rapid population growth, poor farming techniques, and soil degradation have played a role in the development of this crisis. Long term community focused agricultural assistance is essential if sub-Saharan Africa is to overcome the effects of this disaster. We can contribute the agricultural research and education necessary to expand food production, but we must be careful to provide this aid in a manner which fosters self-sufficiency and not dependency.

I realize that Africa cannot be restored to health in a single congressional term. It will take several years to accomplish that. What is necessary now, however, is to commit ourselves to the task of helping Africans stabilize their food supplies so that refugees can return to their villages, and farmers return to the task of growing food. We have got a big job to do in a short period of time and I am certain that the rest of the nations of the world are determined to do their share in this humanitarian campaign to end hunger. Failure condemns millions to a horrible death. That is a price too costly for anyone to pay.●

● Mrs. COLLINS. Mr. Speaker, I rise to join my colleagues in support of legislation to provide desperately needed emergency relief funds. As death, starvation and severe malnutrition continue to plague African countries, it is incumbent upon nations like the United States to act swiftly and generously to overcome these famine conditions.

The measure before us is certainly a viable attempt on the part of our country to respond both effectively and efficiently to this crisis. According to Government reports, up to 20 million people in Africa face possible disability and death over the next year if food is not provided. And unless we show compassion and vote for H.R. 1096 millions of people will die as a result of hunger.

Mr. Speaker, the starving, dying faces of millions of Africans continue to receive front page coverage in newspapers, magazines and are the topic of much debate on television. My heart pours out to the mothers of dying children, the homeless refugees and the proud but suffering people of Ethiopia, Sudan, Mozambique, Tanzania, and other nations in Africa. The United States must continue its commitment to provide relief, save lives, and avert mass starvation.

I hope my colleagues will join me in answering the calls for assistance. We cannot sit by in comfort while devastation and drought conditions aggravate famine conditions and condemn millions to death. Vote for the passage of H.R. 1096.●

Mr. WOLPE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. WOLPE] that the House suspend the rules and pass the bill, H.R. 1096.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WOLPE. 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 considered.

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

There was no objection.

COST SAVINGS DISCLOSURE AWARDS EXTENSION

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 607) to provide for a continuation of the authority to pay cash awards to Federal employees for certain cost savings disclosures, and to clarify the authority to provide cash awards to members of the Armed Forces for such disclosures.

□ 1410

The Clerk read as follows:

H.R. 607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) Section 4514 of title 5, United States Code, is amended to read as follows:

"§ 4514. Expiration of authority; reporting requirement

"(a) No award may be made under this subchapter after September 30, 1988.

"(b)(1) The Comptroller General shall submit to each House of Congress, before March 16, 1988, a report on the effectiveness of the awards program under this subchapter.

"(2) The report shall include the views of the Comptroller General as to whether the authority to make awards under this subchapter should be continued after September 30, 1988, and, if so, whether any modification in such authority would be appropriate.".

(2) The table of sections for chapter 45 of title 5, United States Code, is amended by striking out the item relating to section 4514 and inserting in lieu thereof the following:

"4514. Expiration of authority; reporting requirement.".

(b) Section 4512 of title 5, United States Code, is amended by striking out subsection (c) thereof.

SEC. 2. (a) Section 1124 of title 10, United States Code, is amended by inserting "disclosure," in subsections (a), (b), (c), and (f) before "suggestion".

(b)(1) The heading of such section is amended to read as follows:

"§ 1124. Cash awards for disclosures, suggestions, inventions, or scientific achievements".

(2) The item relating to such section in the table of sections at the beginning of chapter 57 of such title is amended to read as follows:

"1124. Cash awards for disclosures, suggestions, inventions, or scientific achievements.".

(c) The amendment made by subsection (a) applies only with respect to disclosures made after September 30, 1984.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 20 minutes and the gentleman from California [Mr. PASHAYAN] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado [Mrs. SCHROEDER].

Mr. Speaker, on January 22, 1985, I introduced H.R. 607, a bill to revitalize and extend the authority for agency inspectors general and the President to pay cash awards to employees whose disclosures for fraud, waste, or mismanagement result in cost savings to the Government. H.R. 607 contains a simple extention of the authority of agency inspectors general and the President to make cash awards to Federal employees who disclose waste.

Specifically, this measure amends section 4514 of title 5, United States Code, to extend until September 30, 1988, the authority of agency inspectors general—or other officials designated to exercise the authority where the agency has no inspector general—and the President to grant awards for cost-savings disclosures. This awards authority was established in the Omnibus Budget Reconciliation Act of 1981 to encourage and reward Federal employees for pursuing improvements in Government.

H.R. 607 is similar to H.R. 5646, a bill reported by the Committee on Post Office and Civil Service on September 24, 1984, passed by the House on September 24, 1984, and passed by the Senate, as amended, on October 11, 1984. Objection was heard in the House to considering the House bill with Senate amendments on October 11, 1984. The objection was prompted by an amendment added by the Senate which was vigorously opposed by the administration. That controversial amendment is not contained in H.R. 607.

H.R. 607 also does not contain any dependent care provisions, any postal provisions, or any dual compensation provisions. All were added onto H.R. 5646 last year in the dying days of the session. The report to accompany H.R. 5646 (H. Rept. 98-1053) should be considered as the legislative history for H.R. 607 insofar as the language in H.R. 607 is the same as the language in H.R. 5646.

Since very few awards were given by agency inspectors general and none by the President during the 3 years of the program, it was felt by the committee and the agencies that the program could not be fully evaluated. For that reason, the committee decided to authorize it for an additional test period so as to provide needed time to more fully assess its value and effectiveness. The bill requires the General Account-

ing Office [GAO] to issue a report prior to March 16, 1988, containing recommendations on whether the awards program should be made permanent.

The 1981 act required the GAO to examine each and every award given and determine whether the cost-savings were verified. GAO feels that the case-by-case review requirement is duplicative since agency inspectors general are already doing the same thing. H.R. 607 relieves GAO of this burden. Still, we expect that GAO will review and report on the numbers and amounts of awards given, the amounts and types of cost savings, as well as the effectiveness of the program.

In addition, the bill responds to a request of the Department of Defense that the inspector general of DOD be permitted the authority to grant cash awards to members of the military services who make cost-savings disclosures. H.R. 607 includes language recommended by the Committee on Armed Services to amend section 1124 of title 10, United States Code, to allow the DOD IG such authority. On February 19, 1985, Chairman ASPIN of the Committee on Armed Services wrote Chairman FORD of the Committee on Post Office and Civil Service to state that he had no objection to taking H.R. 607 to the House floor under suspension of the rules. I will include a copy of Chairman ASPIN's letter in the RECORD at the end of my statement.

Although the awards program did, in fact, expire on September 30, 1984, it is the committee's intention that any cost-savings disclosure made after this time should still be eligible for consideration of award.

The administration has said that it supports a 3-year extension of the cost-savings awards program. I, therefore, urge adoption of this legislation.

COMMITTEE ON ARMED SERVICES,
Washington, DC, February 19, 1985.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, DC.

DEAR BILL: Your committee has before it H.R. 607, a bill to extend the authority to pay cash awards to Federal employees who make cost-saving disclosures. Because the bill would also amplify the authority to pay cash awards to members of the armed forces who make such disclosures, it was jointly referred to the Committee on Armed Services.

I am told that you intend to move the bill under suspension of the rules. I would have no objection to your doing so. Of course, I note the jurisdiction of the Committee on Armed Services over legislation affecting the authority to pay awards to members of the armed forces.

The provision of H.R. 607 that falls within the jurisdiction of the Committee on Armed Services would clarify section 1124 of title 10, United States Code. That section provides for awards of as much as $25,000 to members of the armed forces for suggestions, inventions, or scientific achievements that contribute to efficiency, economy, or other improvements in the operation of the armed forces. H.R. 607 would amend section 1124 to clarify that a "disclosure" by a member of the armed forces could confer eligibility for an award just as a "suggestion, invention, or scientific achievement" could. I would expect the Secretary of Defense to regulate the award for disclosure in conformity with its Federal civilian counterpart.

I would appreciate your using this letter to help explain and record the jurisdictional circumstances involved in your moving this bill. I look forward to our working together on other matters that affect our respective jurisdictions.

Sincerely,

LES ASPIN,
Chairman.

Mrs. SCHROEDER. Mr. Speaker, I reserve the balance of my time.

Mr. PASHAYAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 607, a bill that would extend the Inspector General Awards Programs for disclosure by Federal employees of fraud, waste, and mismanagement, among other purposes. A similar bill, H.R. 5646, was considered by the House during the 98th Congress. H.R. 607 continues the authority of the inspectors general to make cash awards for disclosures of fraud, waste, and mismanagement until fiscal year 1989. The administration supports this 3-year extension. The Comptroller General of the General Accounting Office is required to report to Congress 6 months before the program expires, on the effectiveness of the awards program and whether it should be continued. GAO is relieved of the responsibility to verify the cost savings at their request. In the past, GAO has found the agencies' documentation of the savings has been accurate. The bill also will allow the Secretary of Defense to make similar awards to military employees for cost-savings disclosures.

Before this program expired last fall, Federal agencies were just beginning to carry out their Inspector General Awards Programs. Thus far, four agencies have made eight awards which have saved over $1 million. Not a bad start, but I look forward to the inspectors general expanding their programs and giving as many awards as are documentable in the next 3 years. Including military and naval employees of the Department of Defense into the IG program is an equitable solution to a problem unique to the DOD: two employees working side by side, one civilian and one military or naval, seeing the same waste, but only one person eligible to receive a cash award. The Committee on Armed Services concurs with us that this change is necessary. The people in the Federal work force are in the best position to discover fraud, abuse, waste, and mismanagement. Congress and every administration must encourage its employees to operate as efficiently and economically as possible. This program is an excellant way to do this.

Mr. Speaker, I urge my colleagues to support H.R. 607 because it contributes to the efficiency of the Federal Government, rewards employees for saving taxpayers' money, and will help us keep the Federal budget under control.

Mr. Speaker, I reserve the balance of my time.

● Mr. WORTLEY. Mr. Speaker, I rise in enthusiastic support of H.R. 607, the Cash Savings Disclosure Awards Act.

Some of my colleagues might think it a bit odd that I speak in favor of reauthorizing the cash awards program for whistleblowers. After midnight in the final hours of the 98th Congress, I objected to an amended version of similar legislation.

Our brothers and sisters in the other body had taken a good bill, one that continued the awards program begun in 1981, and added an amendment that would have resulted in an expensive and chaotic mess if it had survived.

For those of you who might not remember, and for those who were not yet here, I will explain what happened.

The House bill was amended by adding language under the guise of protecting whistleblowers whose cases were turned down by the special counsel. Although laudable in intent, the proposed solution was a nightmare. The 1984 amendments would have given the whistleblower, who had been turned down by the special counsel, the right to appeal in a Federal district court.

What's wrong with that?

By itself, nothing. Except the would-be whistleblower would be represented by a Government attorney. At this stage, the Justice Department would have to represent the person against whom the allegations were made, the Merit System Protection Board would have to be there to defend the original decision, and a special counsel would have to be used to defend the employee.

Any way you look at it, that's three Federal entities at odds with each other, each purporting to represent the United States in a Federal district court.

I am delighted, Mr. Speaker, that the House Post Office and Civil Service Committee has chosen to extend the cash awards program for the brave men and women who have called attention to dubious practices throughout the Federal bureaucracy.

There is no way we could adequately compensate them for their willingness to go out on a limb, in some instances, to make their findings public. However, cash awards show that their deeds

have not gone unrecognized save for a few paragraphs in a news story.

I urge all my colleagues to support this bill.●

● Mr. FEIGHAN. Mr. Speaker, I rise in support of H.R. 607, the Cost Savings Disclosure Awards Extension Act. This important measure would continue the policy of rewarding Government employees who expose fraud and waste. These whistleblowers, sometimes harassed by their superiors because of their often embarrassing disclosures, deserve our full support. They are the often unsung heros in the war for greater Government efficiency.

First instituted in 1979, the policy of providing small monetary incentives to encourage cost-saving disclosures lapsed at the end of 1984. But it has already proven its worth. The inspectors general of the Veterans' Administration, the Interior Department, and the Labor Department have provided $6,100 in awards to employees whose disclosures have saved the Government—and thus the taxpayer—nearly $1 million.

The inspectors general of these agencies, as well as that of the Defense Department, have responded favorably to this policy and have supported its extension as a valuable cost-saving tool.

A great deal of rhetoric is heard in this Chamber and across the country about cutting the fat out of the Federal bureaucracy. Here is one piece of legislation that can give some concrete meaning to that tough talk. I, for one, wholeheartedly support it.●

● Mr. ACKERMAN. Mr. Speaker, I rise in strong support of H.R. 607, the Cost-Savings Disclosure Awards Extension Act. This important measure would once again grant authority to agencies to present awards to Federal employees who disclose waste, fraud, or mismanagement in the Government. Since this power expired in September of last year, the Government has been unable to give cash bonuses to those diligent Federal workers whose sharp eyes have helped reduce the national deficit.

I commend Representative SCHROEDER for reintroducing this bill. The Cost-Savings Disclosure Program, by all accounts, is a cost-effective Federal initiative. According to the House Post Office and Civil Service Subcommittee on Civil Service, through October 1984, seven Federal employees had received awards totaling $6,100 for disclosures that have saved over $960,000. That's a rate of return of which we can all be proud.

This legislation should be quickly passed by the Congress, and signed into law. All Federal agencies should strive to make greater use of the program. But it is important to note that the bill before us today extends the disclosure awards to members of our armed services—an extremely timely move, given the concern we all have for extracting greater efficiency from our defense spending.

Mr. Speaker, in this time of soaring Federal deficits, it is essential that we get maximum value for every dollar we spend. This legislation will help us achieve that critical goal. I strongly urge my colleagues to support this vital measure.●

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time.

Mr. PASHAYAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. TRAFICANT). The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 607.

The question was taken.

Mr. WALKER. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on both motions to suspend the rules.

Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 1096, by the yeas and nays, and H.R. 607, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote.

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1096.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. WOLPE] that the House suspend the rules and pass the bill, H.R. 1096, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 391, nays 25, not voting 16, as follows:

[Roll No. 14]

YEAS—391

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Biliraki
Bliley
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daschle
Daub
Davis
de la Garza
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fawell
Fazio
Feighan
Fiedler
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Sam
Hamilton
Hammerschmidt
Hartnett
Hawkins
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schaefer

Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—25

Archer
Armey
Badham
Barton
Brown (CO)
Cheney
Cobey
Coble
Combest
Craig
Dannemeyer
DeLay
Fields
Hall, Ralph
Hansen
Kindness
Monson
Nielson
Rudd
Smith (NH)
Smith, Denny
Stump
Sweeney
Swindall
Weber

NOT VOTING—16

Ackerman
Boehlert
Boulter
Brooks
Crane
Eckart (OH)
Fascell
Frenzel
Gray (IL)
Hatcher
Holt
Kolter
Lantos
Madigan
Martin (IL)
Stark

□ 1430

The Clerk announced the following pair:

On this vote:

Mr. ECKART of Ohio and Mr. LANTOS for, with Mr. Crane against.

Mr. WEBER and Mr. RALPH M. HALL changed their votes from "yea" to "nay."

Mr. HEFNER and Mr. HEFTEL of Hawaii changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

COST SAVINGS DISCLOSURE AWARDS EXTENSION

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 607.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 607, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 413, nays 1, not voting 18, as follows:

[Roll No. 15]

YEAS—413

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Badham
Barnard
Barnes
Bartlett
Barton
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Billirakis
Bliley
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Franklin
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen
Hartnett
Hayes
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
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Kennelly
Kildee
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Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
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Lewis (CA)
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Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lowery (CA)
Lowry (WA)
Lujan
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Mack
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
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Monson
Montgomery
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Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
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Murtha
Myers
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Neal
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Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—1

Armey

NOT VOTING—18

Ackerman
Boehlert
Bosco
Boulter
Crane
Fascell
Ford (MI)
Frenzel
Gray (IL)
Hatcher
Hawkins
Holt
Lantos
Leland
Madigan
Martin (IL)
Rangel
Scheuer

□ 1440

Mr. COBEY changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. STARK. Mr. Speaker, I was unavoidably detained on the way to the floor and was here too late to be recorded on the bill, H.R. 1096.

I wish to have the RECORD show that had I been present, I would have voted aye on H.R. 1096.

□ 1450

WREATH-LAYING CEREMONY AT THE WASHINGTON MONUMENT ON FRIDAY, FEBRUARY 22, 1985

Mr. PENNY. Mr. Speaker, I ask unanimous consent that the program of the wreath-laying ceremony at the Washington Monument on Friday, February 22, the birthday of George Washington, and the remarks of the two Members representing the House of Representatives, the gentleman from Virginia [Mr. SLAUGHTER], and the gentleman from Arkansas [Mr. ROBINSON], be inserted in today's CONGRESSIONAL RECORD.

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

There was no objection.

WREATH-LAYING CEREMONY: FEBRUARY 22, 1985

PRESIDENT GEORGE WASHINGTON 253RD BIRTHDAY ANNIVERSARY AND WASHINGTON MONUMENT 100TH ANNIVERSARY OF DEDICATION, WASHINGTON MONUMENT, WASHINGTON, D.C.

10:30 a.m.—Participants and Members of the Washington National Monument Society assemble in Monument waiting room.

11:00 a.m.—Presentation of Colors: Joint Armed Services Color Guard.

Welcome: Master of Ceremonies—Mr. Lowell V. Sturgill, Assistant Secretary, Washington National Monument Society.

Remarks: Mr. Russell E. Train, First Vice President, Washington National Monument Society.

Remarks: Mr. Manus J. Fish, Regional Director, National Capital Region, National Park Service, U.S. Department of the Interior.

Remarks: The Honorable D. French Slaughter, Jr., U.S. House of Representatives, Seventh District, Virginia.

Remarks: The Honorable Tommy Robinson, U.S. House of Representatives, Second District, Arkansas.

The wreath of the U.S. House of Representatives: Hon. D. French Slaughter, Jr., and Hon. Tommy Robinson.

The wreath of the Washington National Monument Society: Mr. Russell E. Train.

The wreath of the National Park Service: Mr. Manus J. Fish.

11:30 a.m.—Taps and retiring of colors.

TRIBUTE TO GEORGE WASHINGTON

Mr. SLAUGHTER. Mr. Speaker, I was honored to be among participants at ceremonies at the Washington Monument on February 22d, to pay tribute to the 253rd birthday of our country's first President, George Washington, as well as to mark the 100th anniversary of the Monument's dedication.

As I pointed out in informal remarks on that occasion, Washington's greatness made a great deal of difference to the future of our young country. It's hard to visualize what would have happened without his strength, wisdom, experience and good judgment.

George Washington had numerous ties to Virginia's Seventh Congressional District that I am privileged to represent in the Congress. Part of his childhood was spent on a farm near Fredericksburg in Stafford County. He served as the first County Surveyor for Culpeper County. In a military capacity before and during the French and Indian War, he served western Virginia in the Shenandoah Valley around Winchester, and in western Pennsylvania. He served in the colonial legislature of Virginia, representing Frederick County.

His broad travel and his knowledge of the people in all sections of the Colonies provided him with more varied experience than virtually any other citizen of his time. No one knew the people of the Colonies so well as Washington did, and that knowledge, allied with his experence and his good judgment, helped to preserve our young country through a time when its independence was precarious.

In all of his great services to our country, Washington, to note his own words in other circumstances, raised a standard to which the "wise and honest can repair."

REMARKS BY CONGRESSMAN TOMMY F. ROBINSON AT GEORGE WASHINGTON'S WREATH-LAYING CEREMONY, FEBRUARY 22, 1985

It is with great pleasure that I join my distinguished colleague, Mr. Slaughter, and our distinguished guests to pay tribute and show again our respect for the man and the monument whose birthday and anniversary we celebrate today.

This monument whose 100th anniversary we acknowledge today, soars above the skyline of our nation's capital, drawing the eye of visitor and native alike, to focus our attention on George Washington. This nation has never been short on greatness. Whether we consider the contributions of those immigrants who brought their courage and strength to this land or we look to the accomplishments of our own native sons we find standing tall among the giants of our country's history—George Washington. As gentleman farmer, businessman, soldier and President, George Washington sought to serve an emerging nation. His high standards are the yardstick by which we measure public service and his deep love of country strikes a responsive cord within each American.

I understand that when the idea of a monument to George Washington was first proposed, the plans and drawings that were submitted for review ranged from the simple tribute we see today to opulent structures replete with columns and curlicues. Those intricate, overdone edifices were rejected for the clean, lean lines that serve as this city's focal point. I find this obelisk—whose color changes as the Maryland marble from which it is constructed plays with and reflects the day's light—a fitting monument for a man of simple, enduring ideals.

I am privileged to stand at the base of the monument to a great man which serves as both a physical landmark for this city and a spiritual landmark for this nation.

TRIBUTE TO KEITH F. MAINLAND

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania [Mr. MURTHA] is recognized for 5 minutes.

Mr. MURTHA. Mr. Speaker, Members of Congress, it is indeed an extreme pleasure to take time to honor one of the finest persons I have met in my lifetime, and a man whose record of public service is in the highest tradition of American patriotism.

I am referring to Keith Mainland, who serving in his role as the eighth clerk of the House Appropriations Committee, made the job of the members of the committee much easier to accomplish and less tedious.

There was never a time that Keith was not available to answer any and all questions for all members of this committee covering issues from agriculture to defense and with a very high degree of professionalism.

As you may know, Keith served as a first lieutenant in the USMC on active duty from September 1953 to July 1955, and I am proud to say as a colonel in the USMCR, he is a person with whom I would have been proud to serve.

Keith came to the Committee from the GSA, and learned much from a person who was a giant both physically and mentally, the Honorable Al Thomas of Texas.

Besides being a tremendous help to all of the members of the Committee, Keith is also a devoted husband to his wife, Sandra, and devoted father to his two children, Kirk, who attends George Mason University, and Marlene, his daughter, who is attending Georgia Tech on a basketball scholarship.

Keith will always be missed for his cheerful disposition, intelligence, and assistance. His devotion to the members of the Appropriations Committee, to the House of Representatives, and to our Nation, will be treasured and remembered always.

Members of Congress, I am proud to call as my friend, a great American and an individual I am proud to join in honoring, Keith Mainland.

Mr. Speaker, at this point I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman for taking this special order on behalf of Keith Mainland, the retiring chief clerk of the House Committee on Appropriations.

Keith is one of the unsung heroes of Government service. His efforts on behalf of the committee and hence the taxpayers of this country have saved billions of dollars, have contributed to the betterment of our country, and we all wish him well in his retirement.

Mr. MURTHA. I thank the gentleman from Michigan.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding and commend him for having this special order in order

to recognize one of the outstanding leaders of this Congress who has been chief counsel for the Appropriations Committee for lo these many years.

Mr. Speaker, Keith has done an outstanding job, is a perceptive and intelligent man. He deserves the highest accolades of this body, that of the Appropriations Committee and that of the people of this country for his dedication, hard work honesty, and decency.

Mr. Speaker, I commend Keith and wish him a happy, happy another 50 years.

Mr. MURTHA. Mr. Speaker, I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, I thank the gentleman for yielding to me and for taking this time in order to give us an opportunity to pay tribute to the outstanding work of Keith F. Mainland.

Mr. Speaker, I take this opportunity to join with my colleagues in paying a well-deserved tribute to Mr. Keith F. Mainland on his departure as the chief clerk and staff director of the House Committee on Appropriations. Mr. Mainland served proudly in the U.S. Marine Corps for 2 years on active duty and first entered civilian Government service in 1959. He was first appointed to the Appropriations Committee staff on March 1, 1962, and served on the committee staff in various positions until being selected to take the position of chief clerk and staff director in 1972. His retirement marks the conclusion of 28 years of honorable Government service with 23 of those years being served as a distinguished member of the staff of the Committee on Appropriations.

Keith is only the eighth person to serve as chief clerk of the Committee on Appropriations during its 120-year history.

Mr. Speaker, Keith has served the U.S. Government and the American people with distinction and is well deserving of the praise he is receiving here today. One of Keith's outstanding qualities is the capacity for just plain hard work. Keith has spent many long days, nights, and weekends at the Capitol under high pressure situations to complete the important budget work of the Congress. He has always displayed a high degree of professionalism under conditions that were frequently hectic.

He has exercised sound judgment in all situations and he exemplifies the ideal of a professional staff member, serving Members of both political parties with complete impartiality.

As a member of the Committee on Appropriations and chairman of the Defense Appropriations Subcommittee, I want to thank Keith for his invaluable service to the Congress and to the United States and I wish him every happiness in the coming years.

Mr. MURTHA. Mr. Speaker, I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I thank the gentleman for yielding and thank him for taking this special order.

Mr. Speaker, I would like to join with my colleagues in paying tribute to Keith Mainland for his long and loyal service to the Appropriations Committee, to this House, and to the people of the United States. I have two special observations about the quality of his service.

First, the Committee on Appropriations has the finest staff in either body. I can say this without fear of contradiction or qualification. This fine support staff is due to Keith and several others on the committee who have, over the years, made a concerted and conscientious effort to recruit capable and highly motivated individuals to work for the committee and to ensure that they were trained to meet its needs. The public does not see the dedicated work of these individuals but the product of their efforts is the effective management of Federal programs with cost savings to the American taxpayer.

Second, Keith has been a cooperative and caring individual with whom to work for Members and our personal staff members. He is always attentive to our needs and eager to work with us to resolve our concerns.

Keith will be missed, but he deserves the thanks and appreciation of this House and his fellow countrymen for making the institutions of American democracy work to serve the people.

I wish Keith and his wife, Sandy, much happiness for many years to come and many pleasant and relaxing times fishing at their lakehouse.

Mr. MURTHA. I thank the gentlewoman from Louisiana.

Mr. Speaker, I yield to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Speaker, I rise to join this special order in honor of our friend, Keith Mainland. Keith has been chief clerk and staff director of the Committee on Appropriations since 1972, and is now retiring from Government service.

Keith has served his country well—first as a marine, who spent many months in the field in Korea, and then many years in civilian service to the Government at the General Services Administration and, for the last 23 years, with the committee.

Here is a man who exemplifies the best notion of what we call "public servant." He has been a tireless performer, and one who has been looked up to and respected by the professional staffs all over the Hill.

The members of the committee, the leadership, and many others throughout the House and Senate regularly consulted with Keith for his advice and his perspective on appropriations matters.

His advice was always sincerely given—his perspective sound and objective. His leadership of an outstanding staff of peers is well known and highly praised.

Keith has always shown pride in his service to the House of Representatives—and he has somehow been able to balance that service with his love and concern for his lovely family: his wife, Sandy; and his two children, Kirk and Marlene.

We shall miss Keith. But we wish him much continued luck, success, and good health. And a nice, big bass every now and then.

□ 1500

KEITH F. MAINLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, I learned early on in my career as a legislator that a good staffer could be worth his weight in gold. And Keith Mainland, the recently retired clerk of the Committee on Appropriations, represented a good 170 punds of pure gold.

I feel somewhat sorry for myself, Mr. Speaker, in that I am losing, in one sense, Keith's good counsel. When I joined the Appropriations Committee I spent a good bit of time with Keith. It was Keith and his staff as much as any Member of Congress who taught me the traditions, the rules, the nuances, and process of the Appropriations committee. I hope that Keith enjoyed educating me as much as I enjoyed learning. He has an incredible love for and appreciation of the appropriations process. He has a grasp of the history of the committee that is rivaled by only the chairman and some of the committee's senior members. He tolerated political posturing because he had to but he drove his staff and, in fact, influenced the members to regard the budgeting process as an extremely serious effort requiring hard work, close examination, healthy skepticism, and timely action.

Mr. Speaker, I don't think that Keith Mainland completely left the Marine Corps in 1955 because he certainly brought a lot of it with him into the Appropriations Committee. While the Appropriations Committee markups are not exactly armed conflicts, Keith's Korean conflict experience had prepared him well for the rhetorical enemy, the jurisdictional disputes, and the jealous generals. It had also prepared him well to deal with green scouts such as myself.

First Lieutenant Mainland gave good counsel from the appropriations war room off the House floor. Keith worked at a large conference table in

the room which, at times, resembles the chapter room of a college fraternity. And if the Appropriations Committee has some fraternal and sororal aspects to it, then Keith was the staff equivalent of the fraternity president.

Keith, like a good marine, had little tolerance for those who did not attend to their duty. Consequently, he was constantly urging all of us to focus on the overall picture and I tough on the committee's associate staff whose concerns were sometimes not the more parochial. He once explained to one of my associate staffers that the associate staff was solely responsible for the Nation's deficit. While that comment can be written off as tounge-in-cheek exaggeration, it tells a lot about a man who dedicated his public life to his country—first to defend it, and later to help manage it in a fiscally responsible fashion. Keith Mainland is tough, he is a professional, he is fair, and hs is everything that any chairman on this Hill would want in a staff director.

Keith also has an excellent capacity for putting things into perspective. While he was clearly one of the most powerful staffers on the Hill, few would even recognize him walking down the street. Despite his importance as a staffer, Keith handled himself with humility, respect, and a high degree of professionalism. I only had 3 years to benefit from Keith Mainland's good counsel. I envy those who have known him longer and regret that many of my colleagues did not get to know him. Most of all, I thank him for his unselfish and dedicated service to this country and the American people.

Mr. Speaker, at this time I yield to the gentleman from California [Mr. DIXON].

Mr. DIXON. I thank the gentleman for yielding.

Mr. Speaker, I am happy to join my colleagues to express my sincere thanks to Keith Mainland on his retirement. Keith has served the Committee on Appropriations for 22 years and has been the clerk and staff director since October 1972.

During my first term as a Member of Congress, I had the good fortune of being elected to the Committee on Appropriations, and I found Keith to be very helpful. He knows the rules and parliamentary procedures of the House probably better than any other staff person on the Hill, and he was always available to offer counsel and advice. There is no question that during his tenure with the committee he has demonstrated his valuable reservoir of competence and experience. I'm sure that many of his finest qualities were learned during his service with the Marine Corps where he was a first lieutenant at the time of his discharge.

If there are two words to describe Keith, they are "service" and "loyalty." This truly applies to Keith who is known for his unquestioned loyalty to the chairman and the committee.

Keith, I want to wish you happiness, success and good health in your retirement. You can be proud of your career with the committee, and we share that pride with you.

BIOGRAPHY OF KEITH F. MAINLAND

Eighth Clerk of the Committee since its establishment in 1865.

Born Elgin, Illinois, January 14, 1932.

Part-time work for A&P from July 1948 to August 1949.

Graduated from Washington-Lee High School in Arlington, VA—1949.

Graduated from Northwestern University with BA in Business Administration—June 1953.

Marine Corps—enlisted in reserves in March 1951.

Commissioned 2nd Lieutenant in July 1953—discharged as 1st Lieutenant in July 1955.

Sales representative for Proctor and Gamble, Jan. 1956-1958.

GSA budget analyst Oct. 1958 to 1962 when he was detailed to Committee on January 22, 1962.

Appointed to Committee staff March 1, 1962 by Chairman Clarence Cannon of Missouri, and served with what is now the HUD-Independent Agencies Subcommittee under Chairman Al Thomas of Texas.

Appointed Clerk of the Committee by Chairman George Mahon of Texas in October 1972.

Married to the former Sandra (Sandy) Wadlow; has two children: Kirk, who attends George Mason University; Marlene, who attends Georgia Tech on a basketball scholarship.

Has maintained a vacation home on Lake Louisa in Central Virginia, where he may be expected to be found with increasing regularity fishing and enjoying life.

Mr. HOYER. I thank the gentleman for his remarks.

Mr. Speaker, I yield to the gentleman from Texas [Mr. LOEFFLER].

Mr. LOEFFLER. I thank the gentleman for yielding.

Mr. Speaker, it is with great honor—and some regret—that I rise today to pay tribute to Keith Mainland, chief clerk of the House Committee on Appropriations, on the occasion of his retirement.

Keith is truly one of our own—and one of the finest public servants in the history of the House Appropriations Committee and of this body. He was appointed to the committee staff in 1962 by Chairman Cannon and elevated to the position of chief clerk by my Texas colleague, George Mahon, in October 1972. We are sorry to see Keith retire, but take some comfort that his position is being filled by Fred Mohrman, a veteran of the Appropriations Committee and a man cut from the Mainland cloth.

I have known and worked with Keith Mainland since 1972 in a slightly different context than most of the other members of the Appropriations Committee—first as a member of a legislative team in the other body, as Deputy for Congressional Affairs at the Federal Energy Administration and as Special Assistant for Legislative Affairs under President Gerald Ford. While Keith and I did not always see eye to eye on the issues, I can personally attest to the fact that he is a top-notch professional, an honorable man, and a noble adversary.

Keith will sorely be missed by the members of the Appropriations Committee and by the Members of the House. We wish him well as he retires to his home and family in rural Virginia. He is a man who has served this House well and a man who I am proud to call colleague and friend.

Mr. HOYER. Mr. Speaker, at this time I yield to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I would like to join the gentleman in accolades for Keith Mainland as he retires from the Congress. He has done a great job across-the-board, across partisan lines in serving the committee, serving this Congress. His wisdom has been appreciated by all who have been connected with the committee or with him. I personally appreciate his willingness to respond to requests on an even-handed scale and weight.

I wish him every good fortune in his future.

Mr. HOYER. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. WATKINS].

Mr. WATKINS. Mr. Speaker, I want to say I did not have the opportunity to know Keith Mainland for too many years since I was able to serve on the Appropriations Committee for the last 4. But I have always been impressed with his untiring effort to do a job for the committee.

I think my friend from Maryland stated it correctly. Many of us cannot do the job here without adequate and very qualified professional staff. Keith Mainland is a true example of being a professional. He has dedicated his life basically trying to be of service here in the Congress. On many occasions, on late hours, all night long, Keith Mainland and members of his staff were working trying to meet deadlines, trying to meet the concerns and the needs of Members of the Congress in order to try to provide what most of us felt like were the demands and concerns of our constituents across America.

This is truly a day that we can salute and pay tribute to Keith Mainland for his outstanding contribution not only to this Congress, but to the citizens across the United States.

● Mr. ROGERS. Mr. Speaker, I rise today to join with my colleagues in congratulating Mr. Keith Mainland on his retirement, and in lamenting the loss of the outstanding staff director of the Appropriations Committee.

I have known Mr. Mainland for just 2 years. But this has been more than enough time to see firsthand his dedication, his profound depth of knowledge, and his astute good sense—all of which have made him invaluable to the committee over the years.

Mr. Mainland has represented the finest qualities in a staff member, lending his rare expertise and dedication to the service of his country.

I congratulate him on his retirement and would like to join with my colleagues in thanking him for his years of invaluable service.●

● Mr. MILLER of Ohio. Mr. Speaker, I join my colleagues on the Appropriations Committee in honoring Keith Mainland on the occasion of his retirement as clerk of our committee.

There is no doubt that Keith will be sorely missed by all of us on both sides of the aisle. He was always fair, courteous, and helpful. He never sought the limelight, but worked diligently behind the scenes to facilitate the work of our committee. In times of pressure and stress, in late-night sessions and weekend conferences, throughout the turmoil, Keith remained calm, collected, competent, friendly, and reliable.

Keith first joined the Appropriations Committee staff in March 1962, and served for approximately 10½ years on the HUD-Independent Agencies Subcommittee before being appointed clerk of the committee by Chairman George Mahon in October 1972. Therefore his total service on our committee totals 23 years.

It is perhaps understandable that, after this period of time, Keith is now interested in moving on to something else. But this does not alter the fact that we regret his departure. Keith has been a true public servant in the highest sense of that term. Representative government simply cannot work without the dedicated services of staffers like Keith Mainland. We thank him for his contribution to our committee, to the House of Representatives as a whole, and to the Nation. We wish him well for the future.●

● Mr. BEVILL. Mr. Speaker, it is my privilege to join with my colleagues in the House to honor our good friend, Keith Mainland, upon his retirement from a most successful career of government service.

As clerk of the Appropriations Committee since 1972, Keith has managed this committee during its most difficult times. Yet, through his insight into the budget process, his skill at management, and his many significant contributions to the institution of the House of Representatives, Keith has provided most able leadership to this important committee.

Keith has earned the respect of the Members and staff of the entire House. His reputation for excellence and his dedication to our Nation place him at the forefront of those who serve the citizens of America.

I personally want to thank Keith Mainland for his untiring and unfailing assistance. As a subcommittee chairman, I have often called on Keith and he has been a continual source of sage advice and counsel. I shall always be grateful to him.

I wish Keith happiness and good health in his well deserved retirement.●

● Mr. YATES. Mr. Speaker, Keith Mainland has one of the most difficult and demanding jobs in this city. He is about to retire and I am delighted that we are taking a moment today to honor him.

Keith has many, many friends from both parties on both sides of the Capitol Building and I am proud to say that I am one of them. I remember Keith Mainland from his earliest days when he joined the Appropriations Committee as a staff member of the Housing Subcommittee. In all those years he had been the very personification of professionalism and excellence. As a clerk of the full committee for the past 12 years, Keith has handled the complexities and enormous responsibilities that the job involves with a grace and efficiency that are nothing less than remarkable. His contributions to the legislative process are as solid and genuine as anything can be and I can tell you that every Member of this House is in his debt.

I will miss him, the committee will miss him, and the Congress will miss him, and I want him to know that I wish him a happy, successful, and productive retirement.●

● Mr. MYERS. Mr. Speaker, I am pleased to join my colleagues in saluting Keith Mainland as he retires as the eighth clerk of the Committee on Appropriations. As a member of that committee, I have known Keith and worked with him for his entire tenure as clerk and it has been a very special honor and privilege to be associated with him.

Keith was a student of and a product of this institution. He knows and loves the Hill. Its people. More than most. Sure, he knew the Speaker, the minority leader, the leaders of both parties. But, he also knew the elevator operators and the officers on duty in the wee hours of the morning. Somehow, for example, Keith knew that a certain Rayburn Building policemen would appreciate reading an obscure book, written in Italian, which I had received as a gift.

Although Keith had more seniority on Capitol Hill than most of us, he always rose out of respect when any Member of Congress entered his office and he always referred to Members as "Mr." or "Mrs." and this was not an affectation. It was the result of many years of training and belief in the old school ways.

Although the power brokers in our Nation's Capital frequently sought his advice, Keith was even more flattered when his fishing buddies would ask for directions to the best fishing hole in Lake Louisa.

Keith, once and always a marine, worked behind the lines. He was always uncomfortable to find himself quoted or his name in print. Keith never had his own agenda. He only wanted to ensure that Members' decisions were implemented as quickly and as effectively as possible.

Keith wanted the trains to run on time. But, he also wanted them to arrive with the cargo intact. At the same time, he thrived on what the rest of us might call chaos and made sense of it.

Aufwiedersehen, Keith. Thanks to you—our trains are still on track.●

● Mrs. SMITH of Nebraska. Mr. Speaker, it is with regret that I and my colleagues say farewell to the public service of Keith Mainland, who is retiring from his position as the eighth clerk of the House Committee on Appropriations.

Keith was always on call from both sides of the aisle. He never seemed to be quite finished with committee business. He was never too busy to listen and respond to every request—trivial or substantive.

I remember well in the last few years when the budget process was under such siege working with Keith Mainland, gaunt and red-eyed with fatigue. He could always hear us over the hubbub of full committee. He always had time to guide me and my staff through the thickets of the appropriations legislative process. He never failed to appropriately communicate my wishes and concerns, faithfully, swiftly, and accurately, to the chairman and to my colleagues. In fact, he often anticipated my requests and addressed them adequately and with consideration, always, for the feelings of others.

On Capitol Hill, it is often said that congressional staff should not even be seen—let alone heard. Keith Mainland was capable of almost total invisibility. The important thing was that he made himself known through his service to the committee, the committee, and the committee—regardless of rank or seniority of individual members who sought his advice and guidance.

Mr. Speaker, I find it astonishing that Keith Mainland survived in his demanding position as clerk for more than 12 years, rising to that rank after 11 previous years on the committee staff.

I suspect that, with the pace in Congress accelerating, his worthy, astute, and knowledgeable successor, Frederick G. Mohrman, will be under increasing burn-out pressure. I note, however, that Mr. Mohrman has been on the

committee staff for more than 10 years already, and so perhaps he too has learned to cope with the personalities and foibles of the committee's able and distinguished members.

So to Fred Mohrman, I also extend my best wishes as he embarks upon his new responsibilities—or perhaps, it should be condolences as he faces the inevitable firestorms of controversies certain to sweep our committee.

Keith Mainland met such turmoil with patience, imperturbable calm, competence, conscientiousness, meticulousness, and good humor. His was an example of giant proportions, testimony to the fact that excellence is attainable under even often the most difficult circumstances.

Keith Mainland, a native of Illinois, reportedly will be found with increasingly regularity at his home on Lake Louisa in central Virginia. I sincerely hope that with his long, long, often irregular hours, his family will realize how much his committee will miss him as he takes up this opportunity for fuller participation as a more private person. Truly, Illinois' loss was the committee's gain—until now.

I extend all best wishes to Keith, to his wife, Sandra, and their two college-student offspring, Kirk and Marlene.●

● Mr. BONER. Mr. Speaker, I am pleased to join my colleagues on the House Appropriations Committee in commemorating the retirement of Keith Mainland, our committee clerk.

Though I have been a member of the committee for only a brief time, I have come to appreciate the fine work that Keith performed for the committee. His guidance, as well as patience, helped me become familiar with the committee's procedures and the budget's intricacies.

Keith's counsel and expertise will be missed by the committee. Based on my own observations, as well as the stories I have heard from other members of the committee, it is clear that Keith demonstrated the dedication and professionalism that was characteristic of the clerks who preceded him. Keith filled the large shoes left by his predecessors. He leaves even larger shoes behind for all those who succeed him.

Mr. Speaker, I join my colleagues on the House Appropriations Committee in bidding Keith farewell. I join them in wishing Keith and his family the very best upon his retirement from the committee.●

● Mr. LIVINGSTON. Mr. Speaker, Keith Mainland, only the eighth clerk of the House Appropriations Committee since it was established in 1865, is retiring and moving on to a new career.

As a minority member of the committee, I can say with all sincerity Keith dealt with minority members fairly, and he responded to our concerns and needs on every occasion. An historically bipartisan committee, the House Appropriations Committee over the years has always had a thoroughly professional staff that serves both the majority and minority in excellent fashion. Since joining the committee in 1980, it has been a pleasure for me to work with good people like Keith and the staff people on the various subcommittees. Keith and his colleagues have always made my work here in Congress much easier, and they have been an integral part in helping me fulfill my duties to the citizens of the First Congressional District and the entire State of Louisiana.

Keith, thank you. We will miss you, but we know that you have left us in good hands. Good luck.●

● Mr. DWYER of New Jersey. Mr. Speaker, I would like to join with my colleagues on the House Appropriations Committee in saluting the committee's retiring clerk and staff director, Keith Mainland. Keith is retiring after serving the committee—and this Congress—for 23 years.

Those of us who have had an opportunity to work with Keith have come to value his experience and judgment. As the committee's eighth clerk since its establishment in 1865, Keith has labored over details and technicalities that few others understand. During the 5 years that I have been privileged to serve on the Committee on Appropriations I have come to respect Keith's mastery of the rules of the House and his loyalty to the committee.

Keith has been clerk since 1972, during a watershed period of the committee's history. As the Members are aware, the Budget Impoundment and Control Act of 1974 altered the committee's responsibilities and the entire appropriations process. Keith has provided leadership in defining the committee's new responsibilities and fulfilling the mandate of the 1974 act.

It should also be noted that the committee is unique among others in this House because the staff functions as a professional staff—in a bipartisan manner. As clerk, Keith has maintained this enviable tradition.

Mr. Speaker, it is my understanding that Keith intends to spend his newfound time with his family at their home on Lake Louisa in Virginia. I want to thank Keith for his service to the committee, and to wish him every happiness in retirement.●

● Mr. CHAPPELL. Mr. Speaker, I join my colleagues of the House Appropriations Committee in paying special tribute to Keith Mainland, who is retiring after many years of dedicated service as chief clerk and staff director of the Appropriations Committee. I extend my personal appreciation to Keith for his kind assistance to me, and to congratulate him for his outstanding contributions to the work of the committee. We shall miss him and his wealth of knowledge and expertise.

Prior to his career with the committee, the 1953 Northwestern University graduate served as a 1st lieutenant with the Marines, worked in private industry and for the General Services Administration. Keith came to this committee in 1962, working for the late Albert Thomas of the HUD Subcommittee. He then worked 6 years for Chairman George Mahon, and in 1972 was appointed to his present position. Wherever he goes, Keith exhibits a special talent for organization and excellence—always striving to achieve these goals before moving to his next challenge.

While those of us who have had the privilege and pleasure of knowing Keith and working with him for the past several years regret his leaving, nevertheless, we extend to him and his wife Sandra best wishes for all future endeavors. We hope they will have many years of excellent health, great happiness, and good fortune, combined with a full measure of leisure-time activities.●

GENERAL LEAVE

Mr. HOYER. 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.

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

There was no objection.

DEBATE SHOULD BE LIMITED TO ISSUES ONLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, I noticed something rather interesting in the last several days here in the House of Representatives. It appears as though when Members of the minority side attempt to raise issues from time to time that they are then immediately subjected to personal attack of some sort with regard to the issues that they raise.

It happened the other day when I raised the issue of whether or not we were going to count calendar days or legislative days with regard to the 45-day limit on Mr. McIntyre that the House Administrative Committee is supposed to have.

At that point the issue was turned by the majority leader to the issue of whether or not the minority attempting to schedule additional legislative days whether or not that would not cost the taxpayers additional money.

Therefore, it then became an issue of whether or not by raising this question whether or not I was not trying to cost the taxpayers money.

I think the American people need to know the facts, which of course I did not have the facts and figures before me.

The fact is that the minority has yet to schedule a pro forma session in this session of Congress. I have figured that the majority, particularly the majority leader, has thus far scheduled 11 pro forma sessions in this session of Congress.

Now, therefore, if it is correct that those are costing the taxpayers large amounts of money, it is the majority that is at this point costing the taxpayers thousands upon thousands of dollars with these pro forma sessions.

I also was interested to try to find out exactly where they came up with the figures that the majority leader was talking about on the floor. Much to my dismay after I requested those figures I still have not received them. That was last week. It has almost been 1 week. They had a piece of paper out on the floor that he was referring to on the figures, and yet, the Clerk of the House cannot supply those figures to this gentleman.

My suggestion is that those may be partisanly derived figures rather than real figures that were being used.

Nevertheless, it is an interesting technique that raise an issue and be subjected to personal attack.

Then, yesterday, I must admit I was not here yesterday. I missed the Journal vote. It was a definite difference in my career not to be here for a Journal vote, but I was at home and I watched the proceeding on C-Span and I found another very interesting personal attack launched on my colleague from Georgia [Mr. GINGRICH]. At that point he was told that if you do not vote on an issue at some point you therefore have no business speaking on that issue.

Well, I find that a very interesting standard that we are going to exact. I went and I got a printout of the Member who made that accusation of how many votes that particular Member missed in the last session of Congress. This is a printout of all of those votes missed in the last session of Congress.

I would suggest that if that Member is going to hold that standard that there were an awful lot of issues that that Member was not able to speak on in the last session of Congress.

So, I would think that perhaps that is a personal attack we would want to be a little careful about in the future.

Mr. Speaker, I hope that we will get around this idea when issues are raised launching personal attacks on Members on Congress. It might be better to just discuss the issues.

□ 1510

THE PROBLEMS WITH IMPORT SURCHARGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 5 minutes.

● Mr. FRENZEL. Mr. Speaker, there has been some interest in the private sector, and here in the Congress, in a temporary import surcharge to help bring our trade deficit down. Supposedly, this would eliminate some of the advantages imports are receiving in the U.S. market caused by the strength of the U.S. dollar.

An import surcharge sounds tempting—an easy way to solve the trade deficit. However, easy solutions are not always good solutions. While an import surcharge may have a short-term effect on the trade deficit, all evidence indicates that there would be more harm to U.S. exports than assistance.

While an import surcharge may not be GATT illegal, it is true that most countries have been reluctant to impose them due to possible adverse GATT implications.

Many economists believe that the dollar will simply readjust itself upward thus leaving the surcharge meaningless. In addition, we face similar retaliation surcharges imposed by our trading partners. Then EC has already indicated that it is ready to impose a surcharge equal to ours.

As Trade Ambassador Bill Brock said recently in an interview, "The problem with surcharge is that it doesn't deal with the underlying causes of our difficulties * * *. It may alleviate the pain, but it doesn't eliminate the illness * * * the fact is that a surcharge * * * would do great harm to our exports."

The import surcharge imposed by President Nixon in 1971 lasted about 3 months. There is no evidence that this one would be more successful. Let's follow the advice of the experts and look for more positive ways to reduce the trade deficit.●

TAXING VETERANS' DISABILITY COMPENSATION WOULD BE UNJUST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, today I am introducing a House concurrent resolution to express the sense of the Congress that Veterans' Administration service-connected disability compensation payments should remain exempt from Federal income taxation.

I am greatly concerned, as are all veterans, about a proposal now being seriously considered by the administration which would require veterans who receive compensation for service-connected injuries to pay Federal income tax on those benefits.

This proposal is part of the tax simplification plan submitted to the President by former Treasury Secretary Donald Regan. The taxing of compensation benefits has nothing to do with tax simplification.

Mr. Speaker, I want to voice my opposition to such a proposal, and I know I speak for many of my collegues when I do so.

These disabled veterans earned their benefits by serving honorably in our military and by suffering wounds and injuries during that service. It would be unjust to ask our veterans with service-connected disabilities to give up any portion of their current benefits. During a joint hearing before the House and Senate Committees on Veterans' Affairs this morning this issue was thoroughly discussed and it is obvious to me the taxing of compensation is absolutely unacceptable and the President had might as well forget it.

There follows a copy of my letter to the President regarding this matter and a copy of the letter Mr. HAMMERSCHMIDT and I recently sent to the Secretary of the Treasury, Mr. James Baker:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, January 9, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I have read with great interest and considerable misgivings Secretary Regan's proposal to tax service-connected veterans' compensation. These benefits have from their inception been exempted from taxation, and I cannot imagine any justification that would warrant a departure from this long-standing policy.

Veterans compensation is designed to replace lost earning capacity attributable to disability. Since the benefit has traditionally been tax exempt, the rates reflect this status. For example, the rate for a single veteran who is totally disabled is only $15,540 per year. The difference between this rate and the average earnings of wage earners today reflects the tax exempt status of compensation benefits. To use the language of Treasury policy analysts, the present rates are calculated on a "net replace" basis. If the benefit were to be taxed, we in the Congress would have to raise the rates to their average earning loss equivalent. This action would probably more than offset the increased taxes to be realized.

Consider also that in addition to a proposed tax on the benefit, it has been proposed to deny a COLA in FY 1986. Taken together, the effect of these two policies is a double penalty imposed on some of our most deserving citizens, those who suffered grievous loss in the service of our country. It is indeed ironic that some of our most deserving citizens should have to bear an unjustly heavy tax burden.

The Congress has long recognized that changes in the structure of the labor market also change the effects that various

disability levels have on earning capacity. We have adjusted to this by making the compensation rates incremental rather than straight line. For example, the rate for a 10% disability ($66 per month) is only 5% of the rate for total disability and the rate for 90% ($779 per month) is only 60% of the total rate. The proposed tax credit of 15% on up to $6,000 of compensation for an individual is much more beneficial to the less disabled veteran than to those with more profound disability. Not only is this grossly unfair, but it also flies in the face of what we have been trying to do with the rate structure.

Armed services retirees who also have service-connected disabilities are precluded by law from drawing retirement and compensation concurrently. Instead, they must waive so much of their retirement pay as equals compensation. They do this only because compensation is not taxable and retirement based on length of service is. These retirees have continued to pressure this Committee for costly legislation that removes the prohibition against dual payments. With your proposal vitiating the benefit they receive by waiving retirement pay to receive compensation, the pressure on this Committee to permit receipt of both compensation and retired pay would be greatly increased.

I have tentatively scheduled a full Committtee hearing on February 20, 1985 to hear from the Administrator of Veterans' Affairs on the VA budget. In view of the adverse impact the taxing of compensation would have on service-connected disabled veterans, we must hear Secretary Regan's justification for his recommendation to you, and I will insist that he or his spokesman appear before the Committee on that date to present the Administration's views and to answer questions relating to the proposal.

In order to prepare for that hearing, please have Secretary Regan provide answers to the following questions:

1. Would all Federal payments based on disability be taxed; e.g. disability benefits from social security, military retirement, Federal employees compensation, damage awards that are paid as compensation for civilian injury or death, etc.? If there are any exclusions, what is the rationale for the exclusion?

2. What is the estimated revenue to be realized from taxing compensation?

3. Please provide me with examples of how Secretary Regan's proposal and his tax credit would apply to veterans receiving each of the rates for the disabilities specified in title 38, U.S.C. 314 (a) through (s)?

4. VA compensation is based on "average impairments of earning capacity resulting from such injuries in civil occupations" so there is no penalty for overcoming the handicap of a disability. Thus, many totally disabled veterans have overcome their handicaps, returned to productive employment and pay taxes on their earnings. Have any efforts been made to calculate the tax loss attributable to the disincentive effect of your proposal on such veterans?

5. In addition to the basic percentage of disability rates, the law also provides special rates for veterans with special needs. For example, title 38, U.S.C. 314 (l) and (r) pay special rates based on disabilities so profound they require the aid and attendance of another person. Does Secretary Regan's proposal contemplate a deduction for the amounts actually expended for this purpose?

Mr. President, I trust you will not favorably consider this recommendation when you submit your budget to the Congress early next month.

Sincerely,

G.V. (SONNY) MONTGOMERY,
Chairman.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 7, 1985.

Hon. JAMES A. BAKER III,
Secretary of the Treasury,
Washington, DC.

DEAR MR. SECRETARY: Enclosed are copies of letters recently sent to the President expressing our views on a provision of the tax reform measure proposed by former Secretary Regan concerning taxation of compensation paid to service-connected veterans. Following your confirmation by the Senate, we were informed by your staff that you would be reviewing the tax reform proposal. It has been suggested that pending such review and your recommendations to the President, it would be premature to hear from the Treasury Department during our hearings on February 20 and 21. We agree.

We understand your desire to review in detail the tax reform package submitted by the former Secretary and, in that regard, will not insist that Treasury officials testify at our hearings; however, all of our members are anxious to know your views in reference to whether the compensation received by service-connected disabled veterans should be subject to Federal taxation. You can appreciate the many calls being received by members of both the House and Senate on this issue since it has been highly publicized by all the national veterans service organizations.

It would be most helpful to those of us who serve on the Veterans' Affairs Committee to know your views on this aspect of the tax reform package. During his State of the Union address Wednesday evening, the President said: "One thing that tax reform will not be is a tax increase in disguise. We will not jeopardize the mortgage-interest deduction that families need." Mr. Secretary, the taxing of compensation is a tax increase for the most deserving of our citizens and surely you and the President would not want to jeopardize the income provided them for their loss of earning capacity due to disabilities incurred in military service.

We are advised by the Ways and Means Committee that the Chairman has scheduled a hearing on February 27 to hear from you in reference to tax reform. We would like to have your views on the veterans tax issue by such date.

Sincerely,

G.V. (SONNY) MONTGOMERY,
Chairman.

JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member.●

REAGAN BUDGET PROPOSAL FOR EDUCATION

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, I rise to join with my colleagues in discussing the impact of the Reagan administration's budget proposals and policies on the American commitment to education.

Mr. Speaker, it is indeed unfortunate that we must take time today to counterattacks on one of America's most prized commitments—its commitment to education. Two hundred years ago our Nation established the principle that a basic education for every person is both a public good and an individual right. Since that time, the Federal role in education has been significant and successful in meeting the needs of our young people, particularly the disadvantaged.

Now, in 1985, the Reagan administration is out to change that success and commitment. The President's recommended budget cuts in the various elementary and secondary programs, as well as the higher education programs, not only show a lack of vision and foresight, they also show a callous disregard for the dreams and aspirations of millions of poor and disadvantaged children and young adults.

For example, between fiscal year 1980 and fiscal year 1984, the elementary and secondary education budget suffered an after-inflation cut of 22 percent. Now that those elementary and secondary programs have been gutted, the administration proposes to freeze them at current levels which is in fact, another reduction when inflation is added in. Postsecondary education is under a similar attack. Current administration budget proposals, if they were to be accepted, would result in 1 million fewer students receiving Federal financial aid.

I find it very ironic that the administration, on the one hand, can speak so highly of the benefits of a good education, and on the other hand, make every attempt to deny that benefit to those who need it most—the poor and disadvantaged.

There is no denying that the direction of Government policy is also an important determinant of who gains and who loses in our society. The Reagan agenda on this point is quite clear to many Members of this body—it should be a clear message to the American public as well—if you are economically sound, don't worry—if you are poor or just making ends meet, forget a quality education. It's an agenda that clearly benefits the rich, while penalizing the less fortunate.

Mr. Speaker, I urge my colleagues to reject this misguided thinking. More than 35 million people in this country live in poverty. They lack sufficient income and resources to provide adequate food, shelter, and health care for themselves and their families. Without a concerted effort to oppose the disproportionate Reagan budget reductions in education, those Americans who have fallen through the so-called safety net into the depths of poverty, will not even have a chance to climb back into the mainstream of society.

THE RADIATION RESEARCH REORGANIZATION ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. WIRTH] is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, since the beginning of this century, government has recognized that one of its most important functions is ensuring the safety of our Nation's workers. Substantial progress has been made since the days of Upton Sinclair's "The Jungle" in providing a safer and healthier work environment. No longer are manufacturing plants dens of torture. No longer do we turn our backs on the black lung and brown lung plight facing our miners. Our Nation can be proud of the progress that has been made in providing a healthy work environment, although further efforts are necessary in many industries.

The nuclear industry faces a different situation. There are approximately 80,000 men and women employed in nuclear facilities across the country. Since the early tests of nuclear weapons, there has been disagreement and controversy over the health hazards posed by heavy radiation exposure. Because of this uncertainty, efforts have been made to ensure the safety of workers through regulation and safety precautions. At the same time, research has been encouraged to determine the magnitude of the health hazards facing workers. It is imperative that this research be done in the most objective and unbiased manner possible. Yet, the Federal agency performing the bulk of this research is the same agency which has responsibility for operating and promoting nuclear weapons facilities: the Department of Energy. This is akin to allowing the plant manager in the meatpacking plant in "The Jungle" to determine what is safest for the plant's workers.

The Department of Energy is currently responsible for approximately 60 percent of the Federal research into the health effects of radiation. At the same time, this agency operates and maintains our nuclear production facilities. This conflict of interest casts doubt upon the objectivity of the Department's research and on its interest in worker safety and health.

Research into the health effects of radiation must be continued. We must not relent in the search for answers. However, it is critical that this research be conducted objectively, in a manner in which workers and the public can place the highest confidence. Some in the scientific community have questioned the conclusions of DOE's research; others have supported them. This legislation does not pass judgment on the validity of the Department's work. Instead, the issue is whether the workers and the industry can have confidence in this research. No Federal agency which manages the facilities it studies can meet this concern.

For this reason, I am introducing legislation to transfer the authority for these studies from the Department of Energy to the Department of Health and Human Services [HHS]. There are several reasons why HHS makes a better choice. It makes more sense to have health research conducted by an agency responsible for health issues, not one responsible for operating energy and defense programs. Moreover, HHS and several agencies within the Department have already been involved in research into the health effects of radiation. These include the National Cancer Institute, the Center for Devices and Radiological Health in the Food and Drug Administration, the National Institute for Occupational Safety and Health, the National Institute for Environmental Health Sciences, and the Centers for Disease Control. The Secretary of HHS, under this legislation, would consult with the heads of all of these agencies in conducting this research. Finally, an advisory panel would be established to provide advice and assistance in conducting this research.

Mr. Speaker, this legislation is long overdue. There have been numerous attempts in recent years to shift research responsibility from DOE to public health agencies, but we always seem to end up where we started, with DOE performing most of the work and public health agencies performing very little. Task forces and advisory panels have been created, but they are short lived. Congress must enact legislation specifically mandating the transfer of this function. It is my hope that it will not take a disaster like one which occurred at the Sunshine Silver mine before this action is taken. Prior to that tragedy, responsibility for miners' safety and health lay with the Department of the Interior, the same agency responsible for promoting coal production. Only after more than 90 people were killed did Congress realize that you can't have both worker safety and production under the same leadership and transferred mine safety and health out of the Department of the Interior. Let us act now before a similar disaster occurs in the nuclear weapons industry.

TULSA, OK: STILL NO. 1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. JONES] is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, I rise briefly to clear up for my colleagues a false report about my home city which, unfortunately, received national attention. Due to a keypunch error, as well as possible factual mistakes in compiling air quality statistics, a Cleveland State University study on the livability of American cities ranked Tulsa last in two categories: Economic welfare of minorities and quality of community life.

The study could not have been farther from the truth, in those areas or any others. In fact, according to a study by the Joint Economic Committee, Tulsa is the most financially sound city in the Nation. That study, entitled "Urban America 1984: A Report Card," measures the economic opportunity of Americans living in cities over 250,000. It concludes that all Tulsans, including minorities, live in the best economic atmosphere in America.

The Joint Economic Committee findings come as no surprise. In August 1979, the Futurist magazine rated Tulsa as the city where urban distress is the lowest in the United States. Harper's magazine's survey of livability ranked Tulsa second in the United States, and a subsequent update by the University of Nebraska showed Tulsa to be America's most livable city.

I ask my colleagues how America's most livable city could be the worst for minorities or those people looking for high quality community life. The answer is, of course, that Tulsa is not the worst. While Cleveland State University has acknowledged its mistake, indignant Tulsans from the business and political communities have joined together as plaintiffs in a lawsuit to recover damages from the university and the study's author. At a time when we were pursuing every possible economic development angle to continue the economic diversification of Tulsa, a front-page story in the daily paper USA Today had a very negative impact on those efforts. That story, of course, reprinted the inaccuracies of the study, and was distributed throughout the country.

What I have found, Mr. Speaker, is that these studies do have a profound impact on the outside perception of a city. We Tulsans are most fortunate that other studies, from unimpeachable sources, have showed Tulsa to be the No. 1 American city, and America's most livable city, and that we have business and political leaders in our city who will defend its good name against false studies such as that by Cleveland State University.

EDUCATION IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana [Mr. WILLIAMS] is recognized for 60 minutes.

Mr. WILLIAMS. Mr. Speaker, my colleagues and I have asked for this special order because we wish to dis-

cuss for an hour this afternoon the importance of education in America and the effect of the President's proposed budget on our American system of education and on our children and adults who are so reliant upon excellence in the schools.

Two thousand years ago, Aristotle said the neglect of education ruins the constitution of the nation.

Twenty centuries later, Thomas Jefferson, writing to a friend, wrote this:

> To believe that a people can be both ignorant and free is to expect what never was or never will be.

And in writing to another friend on a different day, he said, in discussing important legislation to come before the National Legislature:

> I know of no bill more important than that for the diffusion of knowledge among our people.

And so it was that the importance of education was present at the birth of democracy and present again 2,000 years later at the birth of our democratic Republic.

The budget process affects education, and because it affects education, particularly that portion of the budget that is used to properly fund our schools and to properly level the playing fields, as it were, so that all Americans have access on an equal basis to those schools, the importance of the budget to that process is vital, and it is vital, in my opinion, for this reason: If this experiment of ours in this Nation is to work, that is, if we are to rule ourselves and do it better than any king or any prince that ever ruled, then we must be the best educated people not of this time but of all time.

The American people have had a visceral understanding for more than 200 years now of the importance of that, and so it is that we wish to discuss some, among ourselves and with you, about how the President's budget would affect education in this country.

To put it in proper perspective, let me refer to the chart that is here to my right. The top green spot is a replication, of sorts, of a dollar, and it is broken down into various expenditures of that Federal dollar for the year 1980. The bottom is a replica of a dollar, broken into the way the President would have us spend money under this year's proposed budget, that is, for the coming fiscal year.

Let me quickly go through how a dollar is divided. What do we do with your tax dollars; how do we divide them? Well, we spend 29 cents of each dollar for defense; 15 cents of each dollar is spent just to pay the interest on the money that we borrow, 28 cents of each dollar is spent for Social Security, including Medicare; 1 cent of each dollar is spent for our farmers—1 cent. You have heard a lot about it in the news. It is 1 cent out of each dollar. One cent is spent for community development programs; 2 cents out of each dollar is spent for foreign aid; 4 cents out of each dollar for health, that is, each dollar spent by the Federal Government, 5 cents for retirement and disability, and, my friends, for education the Federal Government out of each dollar spends 2 cents—2 cents—2 cents not to lift the quality of education in America, for your National Legislature has always left, with very few exceptions, the lifting of the quality of our schools to the State and local governments. This Congress, both House and Senate, and each President has only been involved in education to the extent that we provide equity and access to the Nation's schools. The Federal Government does not spend this 2 cents out of each dollar to lift the quality of the teaching of our people, only to assure that those people, be they handicapped or not, be they rich or poor, be they black or brown or red or yellow or white, all have an equal opportunity, young and old, to share in this great system of education.

□ 1520

Now, in my judgment, and the judgment of many of my colleagues, the President's budget moves toward shattering, moves toward disassembling this long tradition of partnership between the State governments, the local governments, the local school board and the Federal Government.

Let me deal quickly with just three of them. Sometimes we do not think of child abuse as a matter of education, but it is. An abused child does not do very well in the classrooms, as we all know. We consider it education spending. The President recommends a cut in funding for the efforts to stop abuse of children by $4 million for this coming year. Yet, we all know that child abuse is on the increase, and if the abuse is not contained, the cost to our society will soar throughout the coming decades.

Domestic violence is a matter of education because a child from a home in which there is a great deal of domestic violence has great difficulty; the Federal Government has seen that; the Federal Government has been asked to enter into that area, and we have, and we have shown success. Yet, the President would have us eliminate very single dollar of Federal spending in an effort to try and do what we can as Federal legislators in a Federal Government to slow down, if not help prevent, some day, domestic violence.

Education for the Handicapped Act. The President would freeze, at the current levels, the two major formula grant programs; State grants and preschool incentive grants. He would reduce by 20 percent the support for deaf and blind centers. He would reduce by almost 15 percent the grants for special education personnel development. That is the personnel that helps to teach our handicapped youngsters; they need special training. The President would cut the money for their training, their assistance, by 15 percent.

I have many colleagues here today with me who wish to also enter their statements in the record. Before I call on the first one, however, I want to note that Mr. NELSON and Mr. FAZIO have a vital interest, in proper funding of education, but are not able to be here with us today.

First, let me call on my good colleague on the House Education Committee, the gentleman from New York [Mr. BIAGGI].

Mr. BIAGGI. I want to thank the gentleman from Montana [Mr. WILLIAMS] for yielding to me.

Mr. Speaker, I rise today as he has and some of my other colleagues, to focus attention on the President's budget proposal for education this year. We are here today to let the American people know the truth about the education budget. We are here to disavow, as we have over the past 4 years the administration's attempt to dismantle our Federal education priorities which have historically worked to assure equal educational opportunity for all Americans, regardless of race, creed, handicap, or national origin. I want to commend our colleagues, BILL ALEXANDER and PAT WILLIAMS, for spearheading this important opportunity to bring our case before the American people.

We once again see our priorities terribly distorted. we see an unabashed effort to trade educational opportunities for an expansion of an already bloated defense budget. We do not quarrel with defense; clearly the defense posture of this Nation should be maintained in strong fashion.

We are looking at a budget that proposes a 12-percent hike in spending for defense, and at the same time emasculating many of the programs that have proven to be so successful over the years. We are looking at a budget that will OK $600 for toilet seats and spend only 60 cents for a child's lunch. We are looking at a budget that talks in terms of military readiness; at the same time, we are essentially declaring war on the very system that assures civilian readiness.

In my 15 years in Congress and in my capacity as a member of the Education and Labor Committee, I am proud of what our committee has stood for. I am proud of the programs that we have put into place. I am especially proud of the educational opportunity that we have afforded millions of Americans who otherwise would have been left outside the mainstream of society.

Yes, it was not too long ago that we put into place the final tile in the mosaic that assures every aspiring stu-

dent in our Nation the opportunity to go on to college and postgraduate schools through the guaranteed student loan. It was not too long ago we developed the Pell grant, which is so essential to those poor and disadvantaged to go on to school. So critical for the educational institutions of our Nation to be maintained and to elevate the whole quality of education. These two fundamental programs are the heartbeat of the educational system.

Yet, we are looking at a proposal that, if enacted, would decimate these programs. It would require schools to close; it would turn away from the educational process hundreds of thousands of individuals. It would see us regress to the point of a time when I recall only the well-to-do or the very exceptional students could go on to college. In the city of New York, there was only the city university; all the others had to forgo their college education. We thought we left those days with the progress and the legislation that we put forward. Now, if we enact the President's proposal in his budget, we will see ourselves regress to that point when we could look with shame upon the lack of opportunity this country provided.

Happily, there was an enlightened attitude; the people of the Nation understood that our national resource was the mind of the young man and the young woman who so desperately wanted to be educated; who desperately wanted to go on into the institutions as an opportunity to escape from the poverty, to escape from the ignorance. That was their legacy in those days. No longer does that exist; now there is opportunity for all. That is the way it should be.

However, in the past, the Congress, in its wisdom, rejected efforts to dismantle or dispose of many of the programs that were put forward. It has been said about this program that it was "DOA" or "dead on arrival." Hopefully, that is true. It has been properly said that the "President proposes and the Congress disposes." We have been able to deal with that in the past.

If we are to be successful on this occasion, it is important that we have the student population that are currently attending the educational institutions of our country as well as those prospective students and their parents and the educational community throughout the Nation to once again rise in unity and reject these proposals.

The consequence of them would be so devastating it would take decades to rehabilitate a facility, a process, a mechanism that we have put together, proudly put together. It was not too long ago that under Chairman HAWKINS we had hearings in the Education and Labor Committee in New York talking about the budget. The impact on New York would be fierce. The impact on the Nation would be just as bad.

□ 1530

To my colleague, the gentleman from Montana [Mr. WILLIAMS], I can only say that what we are doing here today should be the opening gun of a nationwide campaign. To those who are critically involved, those who are deeply interested, let me urge that they take heart because there is the possibility of preserving these programs. We have done it before, and we can do it again, but only if we talk in terms of a unified effort.

And to my colleagues in the House, let me suggest that they ponder deeply and long over any prospective action they take or may take with relation to cutting any of these programs. We know we put them in place, we know they have survived the test of time, we know they work, and we know what impact these programs have on our Nation. To do other than preserve them and enhance them would be performing a disservice.

I am confident, I say to my colleague, the gentleman from Montana [Mr. WILLIAMS], and others that we can prevail. We can prevail. I am certain we must. In the good name of this Nation and its attention to education, the nature of which is admired by nations and peoples throughout the world, if this Congress does nothing else in this session in the enactment of the budget, it should preserve the educational programs that we have so proudly put together over the years.

In paying my respect to those who have been leaders in that regard, let me say that I served my 14 years on this Education and Labor Committee under the chairmanship of the late Carl Perkins, and I recall him fighting so well and so long and so hard, overcoming seemingly insurmountable odds, revealing new initiatives. At first it sounded like heresy, but upon study there was acceptance, and upon acceptance there was a very substantial product.

Mr. Speaker, I am proud of those years. I am proud that I served under that illustrious chairman. I would be terribly saddened to have to participate in a session that would see the dismantling of the gem and jewel of our Nation's effort, the educational system.

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman from New York [Mr. BIAGGI] for his good words and, of course, for his work to improve and enhance America's education excellence through the years.

I now yield, Mr. Speaker, to the gentleman from Pennsylvania [Mr. MURPHY], the chairman of the Subcommittee on Labor Standards under the full Committee on Education and Labor.

Mr. MURPHY. Mr. Speaker, I thank the gentleman from Montana for yielding.

Mr. Speaker, let me say to my colleagues that we are all very mindful of the economic policies of the President and his administration, supported by a majority of the Members of this Congress, that have produced the tremendous national debt that we face today. It forces us to reestablish our national priorities to prevent this debt from rising any further.

The President has suggested that the education of young Americans is not one of these priorities. The proposals put forth by the administration in the education budget amount to a monumental step backward in the progress of our Nation.

It long ago became a national objective to provide basic education for all of our young people and to enable those who wished to further their education to have the opportunity to do so. These policies have worked. They have not only allowed the children from all economic and income levels to attend our colleges and schools of higher education, but they have truly created America's superiority and strength in the world of nations.

If the administration's proposals are put into effect, the Federal Government will be relegating many young Americans to a second-class status in our Nation's higher education system. But worse than that, the restrictions on aid and the requirements for increased student contributions will preclude many young people from attending any school beyond high school. These are individuals whose contributions to society will be far less than what they are capable of.

As we strive to become the world's leader in new technologies, we are told not to provide educational opportunity to millions of young Americans. How can we hope to compete with a dozen other nations—China, the Soviet Union, Korea, Taiwan, Germany, Japan, and many more—who will be preparing their young people and their young leaders in math, the sciences, the military, languages, diplomacy, and advanced technologies while we step backwards?

In the same message, the President tells us we must increase our military forces, our missiles, sophisticated planes, sophisticated engines, ships, weapons, and space weaponry.

Mr. President, we ask you here in Congress, who will operate these instruments successfully? Will only the few who can pay their own way be enough to do the job?

The Greek philosopher Thucydides said:

> A nation that draws too broad a difference between its scholars and its warriors will have its thinking being done by cowards and its fighting by fools.

The task of bringing the budget into balance, we know, will be a long one. We must make many decisions, but we must not lose sight of the future needs of this country. The future lies in the young, those who are learning to use their abilities.

Mr. Speaker, this Nation needs the full contributions of all of its citizens in order to meet the challenges that we will face. To deny access to higher education to anyone in our society threatens our very ability to overcome those challenges. As we advise our colleagues on the Budget Committee, let us remind them that an enlightened and intelligent youth will be our country's real and lasting strength.

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. MURPHY] for that fine statement.

There are those—and, tragically, in my opinion, the President is among them—who say that American education has declined significantly in the past 20 years while Federal funds for education have increased significantly in the past 20 years, and, therefore, the increase in Federal involvement must be responsible for the decline in educational achievement. I do not know that the two are connected at all, but I do know that the American people are justly proud that they have literally wrought an educational miracle in this country in the past quarter of a century, indeed in the past 100 years.

In 1870, 2 percent of America's people graduated from high school; today, 80 percent graduate from high school. In 1960, when Jack Kennedy took the oath of office, only 40 percent of black youngsters would graduate from high school; today, more than 80 percent are high school graduates. When Harry Truman was President, only 55 percent of the American people were literate; today, 98 percent of the American people are literate.

Are we doing as well as the other industrialized nations of the world? Far better. Generally our high school graduates and college graduates have higher achievement test scores than the graduates of any other nation. A higher percentage of American youngsters graduate from high school than any other nation. More Americans receive a college degree than do the citizens of any other nation.

Those who believe that the Federal Government has a role to play like to believe that the legislation which has passed this Congress is at least in part responsible for the education miracle which the American people have wrought, particularly during this past quarter of a century.

Mr. Speaker, I now yield to the gentleman from California [Mr. MARTINEZ], who is chairman of the Subcommittee on Employment Opportunities of the Committee on Education and Labor.

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

Mr. Speaker, as we head into a time of budget debate, rise to address what seems to be a perennial debate between those who favor an ever increasing military budget and those who believe that much of this money could be better spent if it were redirected toward education of the people of this Nation. I am reminded of the occasion in the 98th Congress when the honorable chairman of the Education and Labor Committee spoke out, quite eloquently, on the floor of this Chamber, in support of the Defense Education Act. During his presentation he mentioned one of our California colleagues who sits on the other side of the aisle. The honorable chairman made the point that, while it is the conservatives who espouse the virtues of furgality and the need for a balanced budget, in actuality they are the Members who continue to vote for the big military buildup items.

He did that by referring to the total dollars of the appropriations that were voted on by that Member that were primarily military items, and then comparing that to the appropriations voted on by one of the big spenders on our side of the aisle who is another colleague from California. The difference was dramatic. The disproportionate dollars for the military versus the dollars spent for social programs.

My Republican colleagues responded in his defense by stating, and I quote, "When you read the Constitution, you find the principal responsibility of the Federal Government is to provide for the common defense." He rationalizes his support for runaway defense spending by voting against responsible and thrifty education assistance legislation, which costs a miniscule amount in comparison to what is spent on the escalation of several of the individual military programs, not to mention the military budget in its entirety.

I believe that the gentleman is referring to the Preamble of the Constitution, and for the moment, I would like to equate this passage to the report language that we use to clearly spell out the intent of the legislation we enact. Just to be clear as to what is stated therein allow me to read these familiar and revered lines. "We the people of the United States of America, in order to form a more perfect Union," and I want to stress, "a more perfect Union, establish justice," now listen carefully, "establish justice, insure domestic tranquility," I repeat, "insure domestic tranquility," oh yes, and by the way, "provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our prosperity, do ordain and establish this Constitution for the United States of America." Now I want to repeat again the last part, the most relevant and culminating passage: "Secure the blessings of liberty to ourselves and our prosperity."

I would submit that we not so narrowly define "common defense" to mean a military buildup against foreign intrusion, but that our "common defense" also means providing for security of our families and properties in the establishment of a law enforcement and justice system.

Now how do we do that? By just providing for the common defense as interpreted by my colleague from the other side of the aisle? Now, in my opinion, my colleague has misinterpreted the substance of what I have just read. Nowhere in that statement of intent are we provided with a sequential listing of priorities for legislative action. The establishment of justice, the promotion of the general welfare and so forth, are all meant to be equally considered in our efforts to provide effective government based on democratic and pluralistic goals.

Here is the major stumbling block between the administration and its supporters and those legislators, both Democrat and Republican who believe in a balanced approach to government. The authors of the Constitution, in their wisdom, declared that the purposes of Federal Government are manifold. They knew the worth of an educated citizenry and the value in providing a sense of security to its seniors and disadvantaged. I would recommend to all my colleagues they not forget this important fact. While my colleagues who support this incredible military buildup may take a shortsighted view of this Nation's common defense, voting only for repeated increases in the mammouth military budget, and initiating exorbitant military systems that only escalate the deadly race for military superiority, providing a false sense of security to the people of this Nation, they must never forget, and I am here to remind them, that it is our people that are the greatest deterrant to war. Our people, educated and active, provide the most effective and responsible guarantee of peace and strenght.

□ 1540

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman from California.

I yield to the chief deputy whip of the House, the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding and I applaud the initiative and leadership of the gentleman from Montana in taking this time today to address this national concern. I applaud the gentleman for displaying the kind of leadership over the years that has prevented

a disaster from occurring in the field of education in the United States.

Few people in our Nation have the patience for the detail that is presented in a budget document submitted by the President to the Congress. However, if the President had had his way over the last 4 years, the amounts of funds available to educate the youth of America would have been drastically reduced in such a way that States like Arkansas, poor States that depend upon Federal programs for the education of our children, would have been severely damaged by those proposals. It is the diligence of strong and courageous Members of Congress that have prevented that from happening.

While America today appears to be consumed with what many people consider the preeminent issue to be reducing Federal spending, we can do our part in reducing waste, fraud, and duplicitous actions of the Federal Government without taking the lifeblood of Federal education programs away from the youth of America.

Mr. Speaker, the most precious resource of any nation is the youth of that nation. It has been said that the greatest investment one can make is in young people, because it is they who are the future.

The Federal Government has made such an investment through support for education. We reap the benefits of that Government investment every time we get into our automobile, and not onto our horse. We reap those benefits when we adjust our thermostat, instead of going outside to chop wood.

Educating our people has made America the world's leader in inventiveness. We helped spur the industrial revolution but that was nothing compared to the technological and computer revolution which we started. New advances in medicine have made us healthier and able to live longer lives. Advances in learning how to use land more effectively has made it possible for us to feed more people than we were able to ever before.

Education has brought the world closer to home by teaching us to understand the languages and customs of peoples about whom we once knew nothing. Consequently, education has broadened our horizons as Americans, and strengthened America as a world leader.

I attended a one-room schoolhouse in Carson Lake, AR, when I was a young man. While a single light bulb illuminated the room, the education I received illuminated my mind. But my attendance at Carson Lake was possible only because of Government investment in education. Without Government support, the doors of that little schoolhouse may never have opened; a mind possibly closed forever to the wonders of life. I learned what a progressive, compassionate government could do to educate its people and lead them to discover for themselves a new and better life.

Mr. Speaker, we are now being presented with a budget from the President which would reduce the Federal commitment for education. Instead of an evenhanded budget policy, Mr. Reagan proposes to increase defense spending by more than 12 percent while cutting investments to education by 4 percent. Mr. Reagan does not realize that the United States hasn't maintained its military superiority over the Soviets by outspending them, but by outsmarting them.

A 4-percent decrease in educational investment doesn't sound too bad on the surface. But a study by the Congressional Research Service shows that Federal funds to 21 educational programs has decreased an average of 21.23 percent in real terms between the year 1980 and fiscal year 1985. If an average of 10 percent of Federal investment in each of these 21 programs is withdrawn, it is estimated that more than 3 million students would be affected.

That same study reports that when Federal funding for education has been reduced in the past, jurisdictions faced with these cuts have—

First, served fewer students and maintained the same services per student;

Second, served the same number of students but provided fewer services; or

Third, eliminated certain programs altogether.

But the most striking aspect of this study is that most jurisdictions generally reduced the number of students served in roughly the same proportion that Federal funds were reduced. It was also reported that few funding reductions were replaced with State and local funds.

This administration takes an aloof position when it comes to commenting on the proposed cuts in the education budget to higher education. Secretary of Education, William Bennett, commenting on the proposed cuts at a February 11 press conference, said:

> It may require of some students divestiture of certain sorts—stereo, automobile, three weeks at the beach divestiture. I do not mean to suggest that this will be the case in all circumstances; but it will, like the rain, fall on the just and the unjust alike.

For some reason Mr. Bennett assumes students take the Government aid granted to them and spend it wildly. Mr. Bennett seems to be unaware of the procedures involved in dispensing money to the students. All tuition, fees and other charges for attending schools of higher education are first deducted from Federal aid. If there is anything left over the students may have enough to buy their books. I think it is absurd for Mr. Bennett to insinuate that most students are buying vacations, cars, and stereos with their financial aid. I have had too many college interns working in my office to know that this is not the case.

Mr. Speaker, it is the dream of all parents in America that their children be successful and have a better life than they had. Education is the road to success in our modern age. If this administration doesn't want to improve that road, the least we could ask for is that it not be made worse.

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman from Arkansas for those kind words.

I yield to a new and valued colleague, the gentleman from Texas [Mr. BUSTAMANTE].

Mr. BUSTAMANTE. Mr. Speaker, I thank the gentleman from Montana for yielding.

Mr. Speaker, not 2 years have elapsed since the National Commission on Excellence in Education issued its report: "A Nation at Risk." The report was the object of much fanfare by President Reagan as a demonstration of his commitment to improving America's classrooms and student performance. Former Secretary of Education Bell made public appearances, heralding the President's dedication to academic excellence. The report spawned much-needed reforms in educational standards. The President rightfully brought this important issue to public awareness; but, the administration's pomp and circumstance over education has become noticeably muffled. The report now collects dust on a shelf; its contents forgotten by the individual who commissioned it.

Since publication of "A Nation at Risk," our country's educational systems have been working more closely than ever to improve academic standards. Implementation of these reforms will be a futile gesture if the Congress approves the budget cuts for education proposed by President Reagan.

If we cut back Government's role in assisting students to afford the costs of higher learning—if we reduce program funding for language—minority students—if we shrink State grants for migrant education—do we not impede America's ability to meet our leadership challenges? We have sacrificed enough by freezing most programs for elementary, secondary, and vocational education. To carry forward the administration's proposals will reverse the progress of education and subsequently the progress of this Nation.

Government's role in education has been: First, to maintain excellence in scholastic standards; and second, to educate all who desire an education and are able to pursue it. Proposed administration cuts renege on our responsibilities in meeting these objectives. Costs of higher education continue to escalate. They require finan-

cial sacrifices on the part of students and the families, middle class, and poor alike. America's interest in encouraging students to continue with higher scholastic achievement cannot be means tested. America's needs for talented under- and post-graduates cannot be limited to those with family incomes under 130 percent of the median. America's requirements for a trainable, skilled labor force in this complex society cannot be subdivided along working class lines.

Isn't it ironic? An administration that creates corporate tax expenditures for an expanded economy reduces its investment in the human capital that will manage it.

Isn't it ironic? An administration that instigated reforms for educational excellence now restricts accessibility to higher leaning.

It is beyond irony, Mr. Speaker. It is contradictory.

The comfortable technological superiority America once enjoyed is becoming vulnerable. Other industrial countries, friends as well as foes, are on the dawn of achieving technological parity with us. To approve proposed cuts is tantamount to abrogating our global leadership position.

All of us understand the critical need to hold down Government spending. Our educational institutions and students should not be exempt from sharing in the sacrifice we all must make to reduce the deficit.

Yet, in moving toward the goal of lower budget deficits, the sacrifices must be spread evenly, shared equally by all.

I, therefore, urge my colleagues to resist the administration's proposed reductions and give careful consideration and support to a freeze in spending for education. A freeze would, no doubt, decelerate the momentum in educating our human resources; but it would not retard the progress of that undertaking. Either we freeze the hands on the clock of educational advancement; or we rip years off the calendar of progress.

The choice is ours to make.

□ 1550

Mr. WILLIAMS. I thank the gentleman from Texas and appreciate his remarks.

I now yield time to our valued colleague from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from Montana for his initiative in taking out this special order. It is something for which we owe him a great debt of gratitude.

The administration's budget is such a multiple assault on education that it is hard to know where to begin. We ought to be very clear that the dispute that many of us have with the President, and those who support him in this body, is not over the level of Federal spending. I do not think the President has sent us a budget which has an inappropriately high level of spending.

What the President has sent us is a budget which has the level of spending very much out of whack as to where it goes. The increase in the military, the increases in the other parts of the budget highlights the attacks that are being made on education.

I want to talk a little bit about money. One of the favorite metaphors that gets used in political debates is that you cannot solve a problem by throwing money at it. Let us concede one thing. Given the problems that we deal with in Government, you cannot solve problems. We are not in the problem solving business. The Federal budget is not Rubik's cube. What we do is to alleviate problems and we make improvements. We try and provide some incremental advance.

Money is a very important part, although only a part of that. You almost never hear people denegrating the importance of money for a program they care about.

When is the last time Ronald Reagan or Caspar Weinberger, or John Lehman, or any of the others told you that you cannot provide a strong defense by throwing money at it. When have we been told that you cannot solve the problem of social injustice in Central America by throwing money at the Central America military?

These are the people who were the original money throwers when it is for something that they think is valuable. So the pretense that there are really ways to deal with these things without money, only people who have more than enough money think that money is not important.

There are obviously other factors that have to come into play. There are questions of proper discipline. There are questions of proper incentives.

But you cannot simultaneously cut back on the resources society provides for education and improve education.

Yes, you can do some things that will make other things better, and there ought to be a coordinated program. But it will not work when you are shrinking the resources, and for a couple of reasons.

One thing that is very ironic is we have an administration and a group of supporters who are very much impressed with the importance of incentives, and they tell us that the economy runs on incentives. And if you want more of something, you have to weigh more, you have to reward people. Apparently they believe we have discovered a race of people who are prepared to educate our children who are immune from this incentive business. Somehow they have found somewhere people for whom financial incentives do not apply.

Now there are some incentives. They tell us, therefore, give 1 out of every 20 teachers a couple of bucks in some kind of a master teacher program. That is nice if you happen to be the 1 in the 20 of those teachers, and I happen to think that some kind of an incentive for superior teachers is a good idea. But if you are going to continue to underpay everybody else as we have, then you will have the situation where the American people who have children in the public schools will be asked to entrust their children for most of their children's waking hours, for most of the year, to people that we pay so little that they would not even entrust their cars to them, or their rugs, or their houses. but they will give them their kids all day because somehow money does not count for them.

That is nonsense. Money is becoming of more importance for two reasons.

First of all, we are making some progress in this society, fortunately in discrimination, and there is a diminishing of sex discrimination. A young woman graduating from college today—things are not perfect for her, there is still discriminatory aspects—but I am glad that we were recently reminded of how serious a problem sex discrimination now is even in this administration by the noted feminist Jeanne Kirkpatrick, and I admire her for disagreeing with those in the administration who would poo-poo the notion that there is still sex discrimination, and she made the point that it is still there. But it is less.

Thirty years ago a bright young woman who was graduating from college was overwhelmingly being pushed into teaching. The law schools would not allow her in, to their shame. Now we have more opportunities for young women, not as many as we should have, but more.

We had for many years a kind of unearned increment of teachers because of sex discrimination. The supply of teachers was artificially inflated by the fact that a young woman did not have the options that she would have elsewhere. That has been diminishing and that supply is going down some. And if we do not compensate economically we will have problems.

In other words, we are no longer going to have first-rate teachers solely because some young woman could not go elsewhere. There are still going to be people who want to teach and there still will be people who will have that sense of vocation. But it will not be as many as it was in the sense that some people were involuntarily put into teaching.

I talked recently with a woman who is a very good chemistry teacher in the State of Massachusetts. She is a very good high school chemistry teacher

and she is in her fifties, and she is there because she was not allowed when she graduated from college 35 years ago to be a research chemist. Now, fortunately, young women can be a research chemists.

Second, we have a problem with high tech. It is becoming very, very difficult to get people with technical skills to be able to compete with the kinds of job offers elsewhere. So there are restructurings that are important.

But to pretend that you need a lot of money for Central America if you care about it, and a lot of money for the Pentagon, and a lot of money for space, and money for water projects, money for the Japan-United States Friendship Commission and Mr. Wick and his friends so that they can fly all over and write impressive speeches, but that you do not need money for people to be adequately paid who have children's lives under their control, then do not be surprised when the education system continues to falter and does not produce what it should.

I thank the gentleman from Montana.

Mr. WILLIAMS. I thank the gentleman from Massachusetts for his remarks and it was a good point that he brings up about priorities when he talks about defense spending versus spending for education.

It is instructive to me that the President's proposal seeks to draw 2,800,000 college-bound students, the vast majority of the middle-income students, more than 90 percent of them. He proposes to drop them from assistance so that they can find their way into college. All of these savings that will be gathered from cutting those 2,800,000 students out of college assistance will be spent by the Pentagon in 23 hours, because the Pentagon, under the President's budget, spends at the rate of $786,000 a minute. And we have to ask ourselves if that is a correct priority.

Mr. RUSSO. Will the gentleman yield?

Mr. WILLIAMS. I now yield to our distinguished colleague from Illinois [Mr. RUSSO] such time he may consume.

□ 1600

Mr. RUSSO. Mr. Speaker, President Reagan's fiscal year 1986 budget proposal reflects his belief that a strong defense system is needed for our national security. I agree with the President, but we part ways on what makes up a "strong defense." It's not just MX missiles and stealth bombers—our strongest asset which will ensure our continued dominance into the future is an educated citizenry. What use are sophisticated weapons systems if we lack the qualified personnel to operate and direct them? When we are dealing with technology which can literally destroy the world, wouldn't you feel more secure knowing that our military force had the educational background necessary to operate these systems safely and effectively? This is a defense we know will work.

President Reagan does not agree with this. Although he claims that the fiscal year 1986 budget proposal is a "freeze" on social programs, this is just another attempt to mislead the American public. Would a "freeze" force 800,000 students out of the Pell Grant Program? Would a freeze reduce bilingual education by 17 percent? Would a freeze mean that 8,000 to 10,000 schools would have to leave the school lunch program? This list can go on and on.

What this reveals is an attitude of neglect, and in fact of indifference, to what is the cornerstone of a strong democracy—an informed and educated citizenry. Somehow this administration seems to feel that people are out there free-loading, that the educational assistance is unnecessary. Former Acting Secretary of Education, Gary Jones, when asked where a student would turn for aid said, "They've always had the money at home. Their parents have chosen to buy a car or make some other kind of investment." He added, "to presume that students can't go to college because of these budget proposals is a little bit presumptuous."

I think this would come as a surprise to parents and working teenagers facing thousands and thousands of dollars in costs to get an education. Are we to believe that it is not the role of the Federal Government to invest in what ultimately is to its own best advantage? Isn't it interesting that President Reagan himself said 3 short years ago, "as a nation, we are dedicated to excellence in education. It makes a better life for our children as individuals and it further secures the liberty which we cherish." Apparently his support for this concept extends only to words, to rhetoric, not to the bare bones structuring of a decent education for our young people.

And my concern is for the younger children also. What are we saying about our future when we remove as a national priority our support for education and for the health and welfare of children? President John Kennedy said it well when he commented, "When the youngest child alive today has grown to the cares of manhood, our position in the world will be determined first of all by what provisions we make today—for his education, his health and his opportunities for a good home and a good job and a good life." What does President Reagan's budget call for in this area? We are, for example, asked to drastically reduce the child care food program. Can a savings of $50 million nationwide truly justify the potential demise of a system which provides meals for 76,700 family day care homes feeding 272,000 children?

What it comes down to is that this administration does not have its priorities straight. Since 1981, there has been a 21-percent reduction in education funding while there has been a 77-percent increase in defense. If we reduced our B-1 bomber force by one-half, we could pay for our entire Federal budget for education. Which will be more productive? Which will lead to a more healthy and strong society? I can't see any benefit which would result from the B-1 bomber that can compare to an educated populace.

Must we keep pouring money into defense systems that don't work. Shouldn't we invest in our youth's intelligence, ingenuity and drive. These assets aren't developed by defense dollars but by a strong educational system. I agree with Edmund Burke who said "that it is on the sound education of the people that the security and destiny of every nation chiefly rest."

I thank my colleague.

Mr. WILLIAMS of Montana. Mr. Speaker, at this time I yield to our honorable colleague, the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. I thank the gentleman very much for this opportunity.

Mr. Speaker, certainly as we look at our Constitution we realize that education is not one of the things given specifically to the Federal Government in that Constitution, but through the years it has been tremendously important that the Federal Government has done things in this field.

When the State of Florida became a State in 1821, at the first meeting of their State legislature they asked for assistance from the Federal Government to establish a university.

It took them until the Morrill Act came in and in the late 1800's we had a land grant college bill, for this action to be accomplished. Certainly it was very important to the State of Florida, and there have been other places where we have had a marriage of the military, you might say, because the military had a lot to do with the land grant colleges. They required military training.

Mr. Speaker, as our Armed Forces become more and more dependent on advanced technology, we will need even greater numbers of personnel to fill many technical positions. As it stands now, this is a problem, for there is shortage of trained technicians, the very people we need to work with the technology.

The answer lies in the American education system. Senator THURMOND and I therefore, introduced the Skilled Enlisted Reserve Training Act in this past Congress. The House bill is H.R.

40. This act would provide technical training to high school graduates who, in return for Government provided financial assistance, would agree to serve in the military at a pay scale commensurate with their training.

As the sophistication of modern weaponry increases, so does the need for individuals with specialized technical training. How critical is this need? The Navy has reported that it has been able to fill only 53 percent of its needs for entry-level engineers. The Army reports that in Army Reserve units alone 250,000 technically skilled personnel are needed. The Marines report that pilots fly only half their scheduled training flights simply because the corps does not have enough skilled technicians. We cannot afford to continue our present policies.

The Skilled Enlisted Reserve Training Act requires the Defense Department to establish an alternate program to recruit and provide technical training to high school graduates in return for a commitment for future active or selective reserve duty. The Defense Department would pay for up to 2 years of full-time schooling. And upon completion of training, the enrollee could be promoted to a military pay grade between E-3 and E-8. The advantages of such a program are numerous.

By allowing participants to choose how they will meet their military commitment, the program would attract more personnel into the services. And individuals would be allowed to pursue their training in their home community, thus enabling the enrollee to serve our country without leaving home for more than basic training and the annual 2-week Reserve duty.

Further, this legislation would dramatically reduce costs. It would not require the creation of any additional Government schools but would make effective use of proven, high quality training system: the Nation's community, technical and junior colleges. By shifting the technician training from Defense Department schools to local schools, a large number of DOD instructors would be able to return back to areas where they are critically needed. A defense consultant has stated that this act would save a minimum of $12 billion over 5 years.

Further, this program would give the military a much better return on its investment. In many skill categories in the services, training alone takes up more than half of the initial 4-year enlistment. Under this legislation, investment in an E-5 level technical specialist would be paid back within 20 weeks of entry into the service instead of the 50 weeks it takes under the current system.

In addition, these trained individuals will eventually become available to the private sector and will greatly increase our Nation's base of skilled technicians—this will benefit our economy as our Nation seeks to further improve its international competitiveness.

In closing, let me say this: it is clear we are facing an acute shortage of military technicians and the present system is incapable of addressing the problem.

With a recovering economy, the present problems will only be made worse. The continuation of our strong defense posture is dependent upon the development of a highly trained technical force through the American education system. Our national security has rested upon our technical superiority and we can no longer afford to ignore this growing problem. I believe that the Skilled Enlisted Reserve Training Act represents a positive step in alleviating a potential Achilles heel in our national defense.

Mr. WILLIAMS. I thank the gentleman from Florida for his many years of commitment to assure excellence in American education, and I thank him for his patience in waiting for time.

Mr. Speaker, I now yield to the gentleman from Kentucky who shares with his father a great name in education in this House, the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I thank the distinguished gentleman from Montana for allowing me to take this time today to address an issue that is very dear to my heart, as it has been very dear to that of my family for a number of years.

Indeed, I am talking about the matter of education.

You know, education is something by which we are allowed to tailor our thought processes for the future. Our children, our grandchildren are allowed in their own manner through the medium of education to have an idea how they are going to deal with generalized processes, in the way they are going to run their lives and how they are going to deal with the specific problems of their encounters as they go through life.

In the past 4 years we have seen an increase in the Federal deficit from $900 billion to $1.8 trillion today.

What we have done in effect is to borrow financial capital from our country's future and transfer that capital to today.

What we have done is take that capital in an attempt to solve today's problems with the future's resources.

What we are also doing at the same time with the President's budget proposal, coupled with that deficit that we are running and the capital that we are borrowing from the future, is an attempt to limit the intellectual capital that we have in our country today.

Mr. Speaker, distinguished colleagues, what we are talking about is, in effect, to try to limit the number of people who have an opportunity to solve tomorrow's problems. I ask you is that not something like taking a double-barreled shotgun, like we have back in Kentucky, pointing it at the future and blasting holes in it, on the one hand where we are borrowing money from the future, and, on the other hand, we are restricting our Nation's access and ability for the children of tomorrow, the leaders of tomorrow, to have the intellectual capital to deal with those problems?

I submit to you that what we have been given as a Congress and what this budget proposal is, is that very exact thing; we are doing something about the future, and what we are doing is not paying attention to it. We are being nearsighted, we are not looking at the importance of education, we are not looking at the importance that the deficit is having upon us today for the future.

□ 1610

I would submit my distinguished colleagues that what has got to be done is we cannot limit the access to people who want to go to college. If you wanted to go where I went to school today and you have two students who go to that school, if you are going to be living at home you would be having to survive on less than $12,000 a year. That, I submit to my colleagues, is not good public policy. That, I submit to my colleagues, is in fact an aberration in thinking. That, in fact, is doing something about our Nation's future that we cannot afford today.

I urge this session of Congress to take strong action not merely to hold the line on these advances in education because we have seen real cuts there, but to deal with the problems of the future, to deal with the things that are important to this country long term we must have aid for education in the United States today. We must move toward education in the United States today. No backward steps. We must advance. We must go on.

I thank the gentleman from Montana.

Mr. WILLIAMS. I thank the gentleman from Kentucky.

Mr. Speaker, I yield to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Speaker, President Reagan has recently submitted his budget to Congress. Consistent with previous years he significantly increases funds for military expenditures, and again reduces funds for education. In particular, higher education has been selected to bear the brunt of his proposed cuts in this area.

I am well aware of the size of the budget deficit and urge the President to work with Congress to close the gap between outlays and revenues as quickly as possible—Preferably with an across-the-board spending freeze.

However, I feel we can live within budget constraints and still maintain a commitment to programs that are vital to many American families, particularly those wanting a better life for their children through a college education.

Let me share the effects of the administrations proposed student financial aid cut on the First District in Minnesota which I represent:

First, 3,000 students who qualified for aid this year, will be excluded from receiving any grants, work study funds or direct student loans, because family income exceeds $25,000. The administration makes no allowance for family size, or the number of children currently attending college.

Second, an additional 3,000 southeastern Minnesota students will not qualify for guaranteed student loans, because family income exceeds $32,500. Again no allowance is made for family size or the number currently attending college.

Third, rates for those who still qualify for guaranteed student loans would be the Treasury bill rate plus 3 percent. Currently, this would result in an interest rate of about 11 percent contrasted with the current GSL rate of 8 percent. This increase in interest will cause financial hardship for many recipients. Further, as interest rates rise, the interest cost to students would be overwhelming, and would place students at great financial risk.

Fourth, the $4,000 cap for total Federal aid is of concern to both private and public colleges and universities. Private colleges are concerned that without higher funding levels, many students will be foreclosed from attending the institution. Minnesota State universities are concerned that the cap would limit educational opportunities for married students and single parents.

Fifth, the definition of independent student status is too narrow. I would urge my colleagues to carefully consider exceptions such as students who are orphans, married, or single parents.

The effect of the Reagan budget on education is far-reaching. It affects hundreds of thousands of students and their families, restricting, for many, the possibility of a college education. I urge my colleagues to join me in reordering our budget priorities so that necessary aid for college students remains available to those who need it.

Mr. WILLIAMS. I thank the gentleman.

I understand that our time has expired. I say to the two or three gentlemen who are waiting that additional time will be yielded for their statements in just a few minutes.

I thank my colleagues.

Mr. OWENS. Mr. Speaker, several Members have already spoken about education. I do not want to be repetitious, but I think it is important to realize that the dialog that we had today is a part of an ongoing dialog. The full Education and Labor Committee commenced today a series of hearings on the education budget. Last week the Committee on Elementary Secondary Education had a series of hearings throughout the country.

It is important that all Americans understand the importance of this dialog on education. We do not realize that whereas in other areas such as defense the complexities of today's world readily recognize the necessity for increased cost, but our educational apparatus has been allowed to deteriorate to the point where it is a Neanderthal apparatus.

We are not spending nearly enough money for education, and yet we are proposing cuts. We are also proposing cuts for programs that are as basic as the school lunch programs. The school lunch programs get poor youngsters off to a good start on the school day. This dialog involving every aspect of education must go on, the American people must be awakened to the point of understanding that their leaders are taking a Neanderthal approach to education when we need to join the 20th century and have the kind of educational apparatus that can compete in today's world.

The Soviet Union is graduating far more graduates than we are, and yet we are proposing to cut back on the aid for college students. We are locked in a battle which might be compared to the battle between ancient Sparta and ancient Athens. We, of course, could be compared to Athens. We have freedom, we have the opportunity for people to grow, we have the opportunity for free discourse and dialog, and we want to defend that way of life. But unless we buckle down and spend the kind of money necessary to train the kind of gladiators, intellectual and scientific gladiators, that can maintain our own in that world, we are going to find the security of this Nation is jeopardized.

Education is vital to our national security, and our leaders must be made to recognize this.

I thank the gentleman for yielding.

● Mr. LEVINE of California. Mr. Speaker, I appreciate the opportunity to participate in today's special order concerning the Federal Government's commitment to education. Regrettably, as far as this administration is concerned, the Government's commitment to improving equal and affordable educational opportunity continues to wane with each passing year.

President Reagan has once again proposed drastic reductions in student aid programs which will significantly limit the higher education options for many of our children. While the President has called for a freeze on overall Federal spending, he has proposed a 27 percent reduction in student aid programs. This disproportionate reduction will reduce the number of student aid awards by 1.75 million and reduce the number of students receiving Federal assistance by 1 million.

In analyzing the President's budget recommendations, one finds that the President has targeted his cuts selectively. The budget calls for limiting grants and direct loans to students whose family income is more than $25,000, restricting all students to $4,000 in annual loans and grants, and limiting guaranteed student loans to students whose family income is $32,500 or less. As the average cost of attending a private college is more than $9,000 a year, these unfair and unrealistic proposals will discourage many lower and middle income students from appyling to and attending the school of their choice.

Just as I am opposed to the President's higher education budget recommendation, I will not support the President's proposed requirement that students earn a high school diploma before qualifying for financial assistance. Not only is this administration intent upon limiting the education options of all but the affluent, but it also refuses to acknowledge the legitimacy of alternative education avenues pursued by millions of committed student. While current law permits non-high-school graduates to receive Federal financial assistance to attend community colleges and trade schools, this administration does not recognize the utility of such training and such support. To those whose educational opportunities and choices are few, the administration would limit those options even further.

One could best summarize the administration's commitment to education as promoting a doctrine of survival of the financially fit. In spite of all the proposed budget cuts which will prevent students from attending the college and university of their choice, the administration has once again proposed a tuition tax credit measure which provides families with tax incentives to send their children to private elementary and secondary schools. I support every family's right to send a child to private school, but not at the expense of our Federal Government's commitment to public education.

Just as the Federal Government has spent years promoting equal access for all citizens to public and private institutions, it should continue to do so in educational institutions by ensuring their affordability. Rather than solely concern itself with the cost of Federal education programs, the administration would do well to consider their value. Unfortunately, this year's budget request does not reflect such thoughtful consideration.●

● Mr. SKELTON. Mr. Speaker, in the fall of 1982, I asked the Congressional Research Service to investigate and report on the status of science and engineering education in the United States and the effect predicted deficiencies could have on the Armed Forces and the Department of Defense. The report raised a serious problem in that we were facing a technology gap between the United States and other countries. A gap which could effect our technological edge for both our economic security and national defense. In fact this gap could be much more serious than the Sputnik gap of the 1950's.

This year, CRS updated the status of science and engineering education and, despite the fact that there has been a small increase in the number of degrees awarded, we continue to lag behind Japan and the Soviet Union due to the fact that there is a faculty shortage in these areas. With results in education such as this, it is difficult to imagine why this administration is continuing to put education on the chopping block.●

● Mr. FORD of Michigan. Mr. Speaker, the President's budget proposes a 33 percent or $2.51 billion reduction in programs for higher education. All of this reduction, except for $100 million, is centered on the programs of student financial assistance.

Included in the President's budget is a proposal to eliminate from eligibility for all Federal grants, loans, and work opportunities, except for the guaranteed student loan and the PLUS/ALAS loan programs, all students from families with an income above $25,000. This limit would apply regardless of the number of children in the family, the number of children in the family attending higher education, heavy medical expenses, or any other mitigating circumstance.

All students, including poor and minority youth, who have an unemployment rate near 50 percent, would be required to put up an ante of $800 of their own money before they could qualify for other Federal aid.

No one under the age of 22 could be an independent student unless they were an orphan or a ward of the court. The assumption being made is that everyone under age 22 has a family who can and will help support them in college. We all know that this rosy and idyllic view of happy families all made up of Dad, Mom, Dick, Jane, and Spot is far from the reality of American society today. In fact, only 11 percent of American families are made up of two parents, two children, and the father as the sole breadwinner. The Secretary of Education and the Director of OMB have obviously never met any of the large and increasing number of women under age 22 with children and no spouse.

The impact of this combination of proposals would be to eliminate over 625,000 students from eligibility for student financial aid.

A $4,000 cap would be imposed on the total aid any student could receive from all Federal programs. Estimates are that this would reduce awards an average of $1,200 for some 430,000 undergraduates, half of whose family incomes are below $12,000; 60 percent of those affected would be needy students attending private colleges; their average loss would approach $1,400. An estimated 200,000 graduate students would be affected by the cap—about one-third of all federally aided graduate students and two-thirds of those attending private universities.

The budget proposes to eliminate from eligibility from the Guaranteed Student Loan Program all students from families with incomes above $32,500. This would result in removing about one-third of those currently eligible, nearly 1 million students.

The administration further suggests the elimination of the State Student Incentive Grant [SSIG] Program and any new Federal capital contribution for the National Direct Student Loan [NDSL] Program. As a result, 448,000 fewer awards will be available.

Finally, there is the proposal to eliminate the Supplemental Educational Opportunity Grant [SEOG] Program which has an appropriation for fiscal year 1985 of $413 million. The College Work Study Program would be increased by $257 million and up to 50 percent of the funds could be used for grants. Thus, there would be a net decrease of $156 million for the combined grant/work student program and 378,000 fewer awards would be available for students.

In commenting on the administration's budget proposals for student aid, the new Secretary of Education remarked that some families "are going to have to tighten the belt even further to send their children to college." Under the administration's proposals, students' bellybuttons will be meeting their backbones when they get done tightening their belts as much as the Secretary of Education advocates.

The Secretary of Education believes that students can adjust to these cuts but that "it may require of some students divestiture of certain sorts—stereo divestiture, automobile divestiture, 3-weeks-at-the-beach divestiture." The Secretary's quip is a classic example of knocking down a strawman. Some student financial aid recipients may have an old stereo and beat up car to commute to school and to work, but they are not driving sports cars, listening to music on the latest component systems, and living a life of luxury. The Secretary's characterization of student financial aid recipients as indolent youth is not only untrue, but it also seeks to divert attention from the pain that will be inflicted on students and their families if this budget were adopted. He is trying to draw a happy face over the dashed dreams and the frustrated aspirations of a generation of students.

Another area of the administration's budget for higher education deserving comment is some of the so-called reforms of the Guaranteed Student Loan Program. It is proposed to raise the interest rate to students from the current fixed rate of 8 percent to the rate of 3-month Treasury bills. This will have the effect of greatly increasing the burden of debt on students who borrow under the Guaranteed Student Loan Program. We have already seen a dramatic shift from grants to loans in student financial aid as a result of the policies of this administration for the last 4 years. In 1975-1976, grants made up 80 percent of Federal aid provided to students and loans made up 17 percent. Last year, grants and loans were each providing about 48 percent of the aid available to students, and the imbalance will increase this year. Since 1975-76, the actual buying power of grants has decreased by over 50 percent leading to a 123-percent increase in the average amount of loan aid received by students since that time. The administration's proposed increase in the GSL interest rate will continue us on the misguided road of creating a new debtor class in America; our former students.

In the GSL Program the administration also proposes to dramatically decrease the special allowance paid to lenders. The special allowance is currently fixed at 3.5 percent above the rate for 3-month Treasury bills. This means that a lender is guaranteed a total yield on guaranteed student loans of the Treasury bill rate plus 3.5 percent. The administration would reduce the special allowance component of the lender's return from 3.5 percent to 1.5 percent while a student is in school and to 3 percent while a student is in repayment on the loan. There was, of course, no consultation with the private lenders who make most of the guaranteed student loans to determine if they will continue to participate in the program at this reduced rate of return. The GSL Program is providing about $7 billion to students this year to help them pay for their education. The administration is putting at risk this entire $7 billion amount by reducing the return to lenders without any idea of the impact of doing so.

When you look behind the administration's budget for higher education and ask yourself what are they really trying to tell the American people, it is apparent that there are three messages in this budget. First, the admin-

istration is abandoning middle-income Americans. The $25,000 family income cap for eligibility for all student aid programs other than GSL and PLUS/ALAS loans and the $32,500 family income cap for eligibility for the Guaranteed Student Loan Program effectively exclude students from middle-income families from the programs.

Second, the administration is retreating from the goal of providing choice to students in selecting postsecondary educational opportunities. The Federal policy for the last two and a half decades has been not only to enable students to have access to an education beyond high school but to have the choice of the education best suited to each student's interests and talents. This is a goal that we have only imperfectly achieved. But we clearly have been attempting to move in the direction of providing increasing measures of choice to low-income students since the inception of these programs.

The Secretary of Education recently said: "I have some problems with that as an axiom—that is, the notion that the Federal Government has a responsibility to assure that every student can go to the school of his or her choice." The $4,000 cap on aid that any student may receive effectively denies to low-income students, eligible for the largest amounts of aid, the choice of many public institutions and particularly of most private colleges and universities. The Secretary seems to be advocating a return to the economic segregation of American higher education—when the poor could only go to low-cost public institutions and the affluent could attend the higher priced and frequently more prestigious private institutions. I find it particularly ironic that an administration that advocates tuition tax credits and educational vouchers to increase the choices available to families in sending their children to elementary and secondary school would turn around and explicitly reject the goal of choice for students and families at the postsecondary level.

Third, the administration is seeking to exclude the most disadvantaged students from educational opportunities despite their rhetoric about helping the truly needy. This aspect of the administration's budget may be less apparent than the previous two. But when you exclude from student aid all independent students under the age of 22, when you exclude all students without a high school diploma or a GED even if they have the ability to benefit from a postsecondary educational program, when you require all students to ante up $800 out of pocket before being eligible for Federal aid, and when you seek to shift students increasingly toward larger loans with higher interest rates you are hitting hardest the most disadvantaged in our society. Each of these changes would disproportionately exclude low-income and disadvantaged students from the Federal student aid programs.

The administration's budget proposal for higher education is arbitrary, callous, and stupid. I trust that the Congress will resoundingly reject it.●

● Mr. MATSUI. Mr. Speaker, I am grateful to my colleague, PAT WILLIAMS, for this opportunity to address the important matter of our national commitment to education. Recent statements and actions by the administration have raised some doubt as to the importance the administration attaches to education.

Most troubling is the way in which the administration budget proposals seek to affect our elementary and secondary public school students.

In my State of California alone, the administration seeks to cut $56.4 million in child nutrition programs. That is approximately a 14-percent reduction in the total program.

California, which shoulders the burden of assimilating between 30 and 40 percent of all the Nation's immigrants and refugees, would have the Emergency Immigrant Education Assistance Program reduced by $13 million and the Transition Program for Refugee Children entirely eliminated.

Under proposed changes in migrant education eligibility requirements California would lose $10.9 million—15 percent of current funding—for migrant education.

Impact aid, which compensates a school district for losses in local property tax revenue due to the existence of a Federal military installation, would be terminated. The loss to California would be $9 million.

The Federal Government cannot shirk itself from its role in the education of our citizens. If we are going to continue to meet the challenge of maintaining excellence in our schools we cannot permit the administration to make such draconian cuts in public education.

I am also deeply concerned about proposed cuts in programs that affect our citizens who seek to attend an institution of higher education. Measures in effect at this time have weeded out much of the problems encountered in the management of the Student Loan Program. Administration proposals that would require students to front the first $800 of college expenses or to pay for their loans while they are attending class would deprive the poorer among us from receiving the education they need to lift themselves out of the cycle of poverty.

I believe that education is a high national priority. It is our first line of defense against the forces of ignorance and failure. We must all share in the burdens caused by our huge Federal budget deficit, but we cannot ask our children to pay for their share before they reach the age of majority.●

● Mr. GOODLING. Mr. Speaker, last June I came before this body to make a plea for a bipartisan approach in dealing with the critical education problems facing our Nation. During recent hearings held by the Education and Labor Committee in various regions of the Nation I was distressed to find that more people are willing to make partisan attacks against the President of the United States than they are to offer creative suggestions on how the Congress can "get about the business" of improving the Federal Government's efforts in education.

Mr. Speaker, while many members on the Republican side of the aisle do not support every initiative of the Reagan administration in the field of education, it is clear that the other side of the aisle is unwilling to admit that largely as a result of President Reagan's decision to use the Presidency as a bully pulpit, education reform is underway at the grass roots level at an unprecedented pace. Not since President Johnson's attempts to address educational deficiencies through Federal involvement has our Nation placed education at the top of its agenda.

The critical difference is that the Reagan emphasis has been on grassroots reform. Whether we consider the adoption of local bond issues for education or the significant increase in State reform and funding of education, it is clear that the President has stimulated State and local activity where the major responsibility for education rests. Throughout the Nation we have witnessed new initiatives for excellence in teaching and learning, new teacher salary schedules and career ladder programs, new standards, and increases in parental involvement—just to give a few examples.

It does no good for Republicans and Democrats to hurl accusations at one another. Rather we have a responsibility to make a critical assessment of where and how the Federal Government can have the greatest impact in improving the process of education in this country. We must remember that access and excellence are not mutually exclusive and that spending money is not necessarily the panacea for educational reform. The President is to be given credit for focusing the Nation's attention on education. While I do not agree with every one of his proposals, it is the Congress of the United States that will ultimately decide how much Federal money will be spent and how it will be utilized.

We must make sure that local and State educators are free to do the kinds of things that they have been trained to do, including providing educational leadership. While we must

keep our eye focused on the issue of access for those who are traditionally underserved, we must recognize that we do not have the expertise to provide the educational leadership for this Nation solely from the Congress of the United States.

I would like to remind my colleagues that the roots of the current concern over education in our Nation goes back many years. I think that it is important that we understand that this issue is not one that has come about in the recent months or years. We should also remember that the problems we face are complex. There have been economic, demographic, social, and political developments that have contributed directly and indirectly to our current situation. Partisan wrangling and name-calling will only add to the confusion.●

● Mr. GAYDOS. Mr. Speaker, for the past few years, we have been hearing a constant refrain from this administration about the importance of maintaining and improving our national economic picture as the way to beat back the immense Federal deficit with which we are being burdened.

As most of us are aware, one of the key elements is the expansion of existing growth industries and the development of new ones. Quite frankly, this will require a pool, nationwide, of young, qualified, college-trained professionals.

Therefore, it is alarming to me that, given this Nation's need for these trained persons—and this administration's insistence on them, we find this administration overturning the cart by suggesting such deep cuts in college aid programs.

Let's face it, shortchanging our young people's education, as this administration seeks to do, will shortchange both their lives as well as the administration's announced aim.

Our industrial base is changing. All of us recognize that. The major industries on which this country depended 20 years ago—steel, railroads, automobiles—are being replaced today with high-tech industries in computers, electronics, and so on. And those new industries need a new kind of work force.

In my own congressional district, I am working with several responsible organizations to rebuild our area, attract new industries, create new jobs. But to attract those new businesses, we need a pool of highly trained people—men and women who have been through our higher education system and who can adapt those learned skills for the jobs of the future.

This administration's proposed cuts in higher education, particularly, will defeat that effort. Almost 1 million current borrowers would be removed from the Guaranteed Student Loan Program by applying the proposed eligibility cap of $32,500 for adjusted gross family income.

Some 800,000 middle-income students would be dropped from the Pell Grant Program. And seven other aid programs, which provide for another 2 million undergraduate and graduate students, would be abolished.

It has been suggested by some in this administration that many of the students receiving Guaranteed Student Loans or Pell Grants or other forms of higher education assistance are not really in need.

My experience with any program is that there are some who are undeserving, but that those numbers are small. It seems to me that we have here a classic case of throwing out the baby with the bath water in an attempt to eliminate a small number of problems.

Just this Saturday, Colman McCarthy, writing in the Washington Post, told of the responses he received from 90 students at American University when they were asked to comment on the student aid cut proposals. Because of its importance to all of us, I am including this article among my remarks.

[From the Washington Post, Feb. 23, 1985]

WHEN STUDENTS GRADE BENNETT

(By Colman McCarthy)

They had taken a direct hit the day before. To find out how it felt, I asked the 90 college students in my course on peace studies at American University to write their reactions to the Reagan administration's proposals to reduce student aid.

William Bennett, the new secretary of education, had supported cutting off loans and grants for more than 1 million students. The limit would be $4,000 a student yearly and $32,500 family income. For the victims, Bennett socked them with sarcasm: It is time for "divestiture" of stereos, cars and beach vacations.

I have a diverse class—undergraduates from 18 to 22, a retired coal miner, a native Alaskan, a neighborhood mother, foreign students (Kuwait, India, Bahrain, Nepal), the president of the campus chapter of Young Americans for Freedom and a left-of-left 20-year-old woman who has twice been to Nicaragua on school breaks to serve the poor.

The diversity is refreshing to me, but the differences among the students constrict like bolts tightening into place when the subject is William Bennett's thinking. Except for five or six students who supported the secretary, everyone else found the Reagan administration's crabbed ideas about college students and their finances either grossly biased or absurdly unworkable.

The picture that emerges from these 90 papers counters the one offered by Bennett of many students—of private-school rich kids scamming the government for grants and loans. American University is private, but well over half of the kids in my class—a representative group—are working. Many have two jobs. One student has three. A fair number work full-time, and then scratch around for night courses that fit into their degree program.

One senior told of the doubling of costs since her first semester in college. The rise is due to regular increases in tuition and the decreases in Social Security survivor benefits. She writes: "I am making it because I have worked part-time all through school and full-time in the summers [while] taking night classes. My family cannot afford to help me substantially since I also have a brother in college and a sister beginning next year. I have benefitted from university scholarships because of my grades but I still have to take out a guaranteed student loan from the bank and other loans from the government to cover tuition and expenses."

The student has loans out for more than $15,000. A classmate, in her late twenties, was once in a similar fix. She was forced to leave school to earn enough money to come back. Another student is working 30 hours a week, which is a rest from her summer schedule of 70 hours in "two jobs day and night to save for the next school year." She argues that under Bennett's place "the poor and the rich will get an education and the middle class will get the shaft as usual. . . . How are parents supposed to squeeze their wallets any tighter when they have others in school, several loans out and barely making ends meet?"

This student has a three-year-old $100 stereo, no car and "can't afford a trip anywhere—even home to New York."

From the papers, I sensed that only about one in five students was at the university under ideal conditions: no financial aid, no jobs, and parents paying in full. Several students said they knew of campus leeches who didn't seen to need aid but wrangled some anyway. Another told of a friend who ran up debts but has found a dodge to avoid paying them.

These offenses against fairness came up in a number of papers, but they were few compared with what most others saw as the unfairness of the Reagan administration.

American education is in vibrant condition when a student can write, as one of mine did, that "Bennett's words came straight from his heart, which is hollow. How can you possibly want to cut student aid? That money goes to a good cause . . . There are many families that earn more than $32,500 that have many children close in age. They can't possibly afford to send, let's say four kids at one time to school. It's also a cop-out saying the kids spend the aid on cars and stereos. It's just an excuse, and a lousy one at that."

In addition to these in-class essays, I asked the students to pick one word to describe their feelings about Bennett's thinking. The YAF president, a quick-witted and likable lad, said "justifiable." That was the minority view. These were typical of the majority: confused, irrational, horrifying, idiotic, spaced-out, addle-minded, unbelievable, barbaric.

A peace-studies class is a fit scene for students to discuss the politics of tuition. Economic war has been declared on the 90 kids in my class, and millions more across the country. They are fighting back with surefire weapons: sound ideas and stories of personal sacrifice. It is hard to imagine that Congress will abandon the students.

I would suggest all of us read this piece because it bears out the points we are making: that our students need this aid and that it is in the best interest of this country to provide this kind of assistance.

Depriving our young people of a college education deprives them of the opportunity to seek jobs in our new in-

dustries and deprives us all of the chance for a better life. Education seems expensive, but there are few things more expensive in today's world than the lack of one. Besides, the investment we make in our youth today will be repaid severalfold in the years after they complete their education.●

● Mr. FAZIO. Mr. Speaker, it is a privilege to rise today to express my support for the Vocation Education Act and to urge the full funding of programs that operate under this act.

These programs pay for themselves over and over again. They take untrained workers and give them highly competitive skills. They take low wage earners who have trouble holding down a job, and turn them into more highly paid workers with highly competitive and sought after skills. They take low and sporadic taxpayers and turn them into individuals who over time contribute far more to the Treasury than they ever receive from the Federal Government under these programs.

Despite the value of vocational education, Mr. Speaker, the President has once again submitted a budget request that is far below that which is needed. The President has ignored the intent of the Congress in passing the Carl Perkins Vocational Education Act. He has submitted a request that is more than $200 million short of what the Perkins Act authorized and a budget that fails to fund several key programs, including the high-tech partnerships program.

Mr. Speaker, it is time that we fully fund vocational education. It is time that we recognize the advantages of a more skilled work force and reap the benefits of a program that will strengthen the economy and lead to a healthier Nation.●

● Mr. BROWN of California. Mr. Speaker, fulfillment of the American dream has traditionally been based on upward mobility through education. Even the first colonists, facing enormous challenges, made the establishment of a local school a high priority. Until now, each generation has surpassed its parents' education in terms of breadth, depth, and quality. Today's education system faces crises at two levels: in the quality of education and in the changing role and expectations of education in an increasingly technological society.

The means to address both these problems are at our disposal. Through working together, we can set goals for our schools, support the work of schools and educators, and determine what role education will play in a changing world. Advanced technology will continue making vast changes in the marketplace, leisure activities, and the home. The achievements of the last fifty years in medicine, space science, and electronics will pale in comparison to the next century's quantum leaps in these and other fields. Education will provide the springboard and the bridge to these developments.

The Federal Government plays an important role in supporting education. But Federal funding is limited: Contrary to popular belief, the Federal Government is the smallest funder of education. The Federal Government's funding for education is only about 10 percent of about $230 billion which is spent on education in each school year. Of the rest of this funding, about 39 percent comes from the State, about 24 percent from local governments, and about 28 percent from other sources, including tuition, endowments, and private gifts and grants.

I believe the Federal Government should maintain its relatively small but vital role in supporting education. I believe that the Department of Education can be a guiding influence in this effort. The Department can fund research into improved teaching methods, can support programs of high Federal priority—like supporting civil rights—and can help fund programs for special groups of students—like the handicapped and the disadvantaged.

There is an old Chinese proverb which should characterize our approach to education. It says:

If you are planning for a year, sow rice;
if you are planning for a decade, plant a tree;
if you are planning for a lifetime, educate a person.

Mr. Speaker, this is sound philosophy we should all live by.●

● Mrs. BURTON of California. Mr. Speaker, I would like to applaud my colleague PAT WILLIAMS from Montana for arranging this special order although I am greatly distressed by the events that have induced it. Mr. Speaker, the administration's proposed budget for education will hurt the American people. I am amazed by the cynical precepts it is based on. In the last few years, this administration hailed efforts to reform education in America and indeed claimed credit for that reformation. This year's rejoinder seems to be: "Do as I say, not as I do." This is a cruel game the administration is playing and the stakes they are betting are the youth of this nation.

For the sixth consecutive budget from this administration, the President's proposals would accelerate the decline of Federal expenditures on education. We have heard time and time again that the ultimate responsibility for education funding lies with the States, not the Federal Government. We all know what the President's budget message is for the States: "You're on your own." Under this budget proposal the States will be hard pressed to find alternative funding sources for crucial services such as police, fire and mass transit. The unalterable fact is that the States will not be able to make up for shortfalls in education funding.

It is obvious to me that this administration is relinquishing its responsibility for education in America. We have heard the cavalier comments made by David Stockman and William Bennett, the new Secretary of Education: If students sell their cars and stereos and skip vacations they will be able to afford a college education.

These proposals will deny 1 million young people that dream. We owe it to the students and parents throughout this Nation to oppose these shortsighted and cynical proposals. I thank the gentleman for his time.●

● Mr. BOUCHER. Mr. Speaker, when I talk with young people throughout my southwest Virginia district, I am impressed not only by their depth and breadth of knowledge, but also by their recognition of the need to expand their educational horizons to meet the challenges of the 21st century. They are eager to develop the insights and skills they will need to compete successfully in the emerging high-technology workplace and to contribute to the wealth of knowledge that will guide our Nation's journey beyond the year 2000.

The administration's fiscal year 1986 budget proposal responds to this yearning for knowledge and excellence, by slashing postsecondary education programs 36 percent. In my view, the administration's proposal is shortsighted, achieving short-term budget savings by robbing many of our young people of the opportunity to contribute to our future and by weakening our college and university system.

In the past, this Nation has responded to the challenges of the international arena with a call to arms to our young people and to our educators. In the post-World War II and post-Sputnik eras, when we were confronted with a revolution in technology, the response to our call to arms was unparalleled. Our response to that challenge enabled us to reclaim our international leadership and stature.

Today the international arena in no less threatening. We face new international competition in the areas of trade, technology and the ideas that guide the evolution of new governments and nations. Yet the administration has chosen to respond to these challenges by significantly reducing assistance to young people who aspire to a higher education and to colleges and universities that are the breeding grounds of the minds and ideas that will chart our Nation's future.

In Virginia alone, 26 percent of the students now receiving guaranteed loans may become ineligible for that aid under the administration's proposal to eliminate from the guaranteed loan program students whose family

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annual income exceeds $32,500. Others will be affected by the $4,000 per year cap that the administration hopes to place on total college student aid including guaranteed student loans, Pell grants, and work study grants.

At Virginia Tech 2,900 students will be affected by the administration's proposal. The university will lose at least $2.6 million in assistance. At Radford University, 40 percent of those now receiving guaranteed student loans will be ineligible under the administration's plan, and hundreds more will see their total aid package reduced. Community college administrators project that the cuts proposed by the administration will substantially alter their institutions' educational mission.

Those students most effected by the cuts will not be the sons and daughters of the very rich who can afford the costs of a college education. Those who will be hurt are the sons and daughters of low and middle income families. The administration's proposal will dash the educational dreams of many students who depend on the Pell grant, guaranteed student loan, supplemental opportunity grant and work-study programs. These programs are not unqualified give-aways. They are programs designed to provide means-tested assistance to families who cannot fully absorb the financial shock of today's higher education costs.

Mr. Speaker, many of those dropped from the student aid rolls will be forced to leave school, and the increased competition for both students and charitable aid will debase the value of a college education and erode the quality of our Nation's institutions of higher learning. We will lose the immeasureable value and contributions of probing minds, and we will be less prepared to meet both the current challenges and future demands of an increasingly competitive international environment.

If today's students, colleges and universities lose, we all lose. We will lose our hope for a future of educational and institutional excellence, a future that once lost can not be quickly or cheaply regained.●

● Mr. MORRISON of Connecticut. Mr. Speaker, the future of this Nation is dependent on the investment it is willing to make in its youth. For many years the Federal Government has taken steps to ensure that all students receive the educational services they need, and that promising students, no matter what their background, are afforded the opportunity to pursue their educational goals. The President's recent education proposals would put an end to this trend and reverse our Nation's commitment to fully educate our children.

The President proposes to attack education at every level. Among other things, funding for Head Start would be frozen, as would the Education for the Disadvantaged Program; two programs aimed at improving educational opportunities, the Magnet School Program and Women's Educational Equity Program, would be totally eliminated. Financial aid for college students would be seriously curtailed by allowing aid only to students whose family income is below $32,500 and capping the total financial aid package any student can receive at $4,000.

If enacted, the President's proposal would severely impact my home State of Connecticut. Remedial instruction would be cut to about 650 students in the State. Of the 20 school districts that receive impact aid because of the presence of a Federal facility in the district, 19 would become ineligible. Three hundred severely economically and educationally disadvantaged youth, 1,100 adults with training and retraining needs, and 900 students who would be trained in high technology skills, would lose vocational training opportunities.

Even more severe is the impact of the President's proposals on students currently enrolled in the State's institutions of higher education. About 24,000 students would become ineligible for student loans; 3,500 would lose Pell grants; 1,200 would lose State student incentive grants; and 1,200 would lose work-study grants.

While clearly the Congress must consider alternatives to the way education is currently financed in this country, it must be done in the context of rationalizing and restructuring our approach. It should not be done in the arbitrary way proposed by the President, which will make education unattainable for some and even more inadequate than it currently is to meet the needs of others.●

● Mr. NELSON of Florida. Mr. Speaker, I join my colleagues today to express my concern about the President's cuts in our Nation's higher education budget.

America's educational system is surely among the finest in the world and one of its strengths is in its access by students of all economic ranges. This opportunity for a college-level education is the direct result of Federal loans and grants to those who would otherwise not be able to meet the rising costs of a higher education. In my home State of Florida, it is estimated that over 47 percent of students enrolled in higher education institutions—universities, colleges, and community colleges—received some form of financial assistance.

In next year's budget, President Reagan has proposed a restructuring of student aid programs. Financial assistance to students would decrease by 23 percent in fiscal year 1986—from approximately $4.6 billion last year to $3.5 billion.

Two programs, the supplemental education opportunity grant [SEOG] and the State student incentive grant [SSIG] would be eliminated altogether. In Florida, over 64 institutions participated in the SEOG Program. Eighty-one institutions participated in the SSIG Program last year—benefiting over 14,000 recipients.

Under the President's proposal, guaranteed student loans would be limited. In Florida, the average loan amount per calendar year was approximately $2,500 to over 88,000 students—students who otherwise may not have been able to pursue an education after high school. Based on those figures, almost 10,500 students in Florida would be excluded from the GSL Program should President Reagan's income cap be imposed.

Recent news accounts have described renewed collection efforts for defaulted student loans. I encourage the Department of Education to equitably and efficiently collect loans debts from students who have abused the aid system. But the fact remains, we should not take away the means for a higher education for future students—who may responsibly repay their debts—because of mistakes of former borrowers.

Education is no exception to the rising cost of living. The cost of a college education today is over $6,000 per year. At a public institution, this figure is nearly $5,000 and for a private institution, close to $9,500. I emphasize that although these amounts represent tuition, board and other expenses, this accounts for only 9 months of a calendar year, not the total living expenses of a college student. The tremendous financial impact of higher educational expenses on a middle-income family with a child in college is obvious.

America's educational opportunities should be available to all. We need to insure that educational freedom of choice continues to exist for all students regardless of financial status, desiring a higher education. By reducing the Federal guarantees and grants to lower and middle income families, we restrict the opportunity for higher education to many deserving and ambitious students.

The future of our country depends on the quality of the individuals in our society. Undisputedly, higher education is an important factor in the progress of national economic and social well-being.

Therefore, the question is not whether we can afford to continue funding student aid programs, but whether we can afford not to.●

● Mr. FEIGHAN. Mr. Speaker, the administration's proposed cuts in student financial assistance amount to a devastating attack on middle-class families. Unable to justify these cuts directly,

our new Secretary of Education has stooped to creating caricatures of stereo-laden students marrily ripping the Government off through these programs. Like most stereotypes, this one proves to be accurate in a few instances, but maliciously misleading in the vast majority of cases. Secretary Bennett's caustic remarks reveal not only a hostility to the traditional role of the Federal Government in assuring equal educational opportunity, but also an imprudent willingness to denigrate those who would defend that role.

Widespread access to quality education is essential to the well-being of our democratic society. Without an educated citizenry, the political freedoms of our democracy would become hollow. Without an educated citizenry, our commerce and military strength would soon stagnate. Without an educated citizenry, our cultural and spiritual vitality as a nation would be greatly diminished.

In our society free of hereditary distinctions, where merit provides the only rank, education has always served, at least in principle, as the great equalizer, the principal channel of social mobility. Universal access to education has long figured prominently in the canon of our democratic values. Since the Second World War, the Federal Government, supported by an overwhelming public consensus, has moved to make that value a reality. Through a variety of loan and grant programs, the Federal Government has largely succeeded in making good on its commitment to assure equal access to higher education. In an era when the value of higher education is ever increasing, the Federal Government would be unwise to retreat from that commitment.

The President's budget proposal, supported so vociferously be Secretary Bennett, would, simply put, make it impossible for many middle- and low-income families to send their children to college, let alone to the college of their choice. The budget would slash student financial aid for higher education by 25 percent, from the fiscal 1985 budget authority level of $8.6 billion to $6.3 billion. Secretary Bennett justifies this $2.3 billion cut as a means of better targeting aid to poorer families. But the specifics of the budget proposal amply refute that claim.

Secretary Bennett would do away with supplemental educational opportunity grants [SEOG], awards based solely on need. More than 700,000 young people most deserving of support would lose grants if this program were eliminated. Under the administration's proposals, Federal matching funds for State student incentive grants [SSIG], would be terminated, depriving another 300,000 students of aid. Secretary Bennett would also stop Federal capital contributions to the National Direct Student Loan [NDSL] Program, thereby reducing the number of students able to benefit from the program by more than 150,000.

The administration's budget proposal combines these outright eliminations with a number of new eligibility requirements on all forms of aid. A cap of $4,000 per year would be placed on total Federal aid per student, and all students receiving aid would be required to contribute at least $800 per year to their education. The administration would impose its most drastic restrictions on the two largest programs of Federal aid—Pell grants and guaranteed student loans [GSL]. The budget proposes absolute limits on allowable family income of $25,000 for Pell grants and of $32,500 for GSL's. These income limits would allow no distinctions based on family size or on the number of children in college. Clearly then, their intent is not to target aid to those most in need, but simply to provide arbitrary means of reducing overall funding. Families with more than one child in college would be the most hard hit. All together, these tighter eligibility requirements would deprive more than 800,000 students of Pell grants and more than 325,000 students of GSL's.

As a result of the proposed cuts, more than 1 million students would, by the administration's own figures, lose support for their higher education. The American Council on Education estimates that the figure might well approach 2 million. From figures provided by the administration and the American Council on Education, I have compiled a summary of the consequences of the administration's proposals:

NATIONWIDE EFFECTS, BY PROGRAM

Program	Funding (millions)			Student awards (thousands)		
	Fiscal year 1985	Fiscal year 1986	Change	Fiscal year 1985	Fiscal year 1986	Change
Pell grants	$3,371	$2,880	−$491	2,827	2,019	−808
SEOG	414	0	−414	720	0	−720
Work/study	959	850	+255	788	1,130	+342
NDSL	192	0	−192	956	812	−144
SSIG	76	0	−76	304	0	−304
GSL	3,744	2,715	−1,029	3,226	2,900	−326
Total				8,821	6,861	−1,960
Unduplicated				5,280	4,252	−1,027

The effects of the administration's proposals on my home State of Ohio would be devastating. Pell grant funding would be cut by more than $28 million. Ohio students would lose another $18 million in SEOG and SSIG funds. Direct student loans would be slashed by $7.4 million. And most important of all, GSL's would be reduced by $76 million, a cut of nearly 30 percent. Approximately 28,000 students would lose their loans.

All together, the administration's cuts would cost Ohio students more than $130 million in aid. From figures provided by the American Council on Education, the Department of Education, the Education Commission of the States and the Ohio State Student Loan Commission, I have compiled the following summary of the effects of the administration's proposed cuts on Ohio families:

EFFECTS ON OHIO, BY PROGRAM

Program	Funding (millions)			Student awards (thousands)		
	Fiscal year 1985	Fiscal year 1986	Change	Fiscal year 1985	Fiscal year 1986	Change
Pell grants	$148.9	$120.6	−$28.3			
SEOG	15.6	0	−15.6			
Work/study	22.3	31.8	+9.5			
NDSL	7.4	0	−7.4			
SSIG	3.0	0	−3.0			
GSL	266.9	(190.5)	(−76.4)	108.2	(80.0)	(−28.2)
Total			−130.7			

The administration's proposed cuts in financial aid for students would force our Nation to take a giant step back toward the days when only the rich could afford to send their children to college. A number of the best private universities in the country have already announced that financial pressures have forced them to abandon longstanding policies of disregarding financial well-being in making admissions decisions. We must work to reverse this trend and to assure that equal educational opportunity is not compromised. If there are abuses, let us have genuine reforms. But let us not use these as excuses for the wholesale gutting of programs that serve millions of deserving students.●

● Mr. ROYBAL. Mr. Speaker, I would like to express my deep concerns about the President's proposed budget regarding education. I believe the Federal Government's commitment to ensuring access to quality education for all out Nation's youngsters must be maintained and strengthened. Yet, many of the educational proposals in the fiscal year 1986 budget do not reflect such a commitment.

Similarly, the Federal role in vocational education is critical. The Perkins Act passed in the last Congress authorizes a strengthening of that Federal role. For the benefit of the Members of the House, I would like to submit for the RECORD an analysis by the American Vocational Association of the adverse impacts the proposed budget would have on vocational education in America. Let us not allow the intent of the Perkins Act to be ignored for the sake of temporary reductions in the Federal budget.

Following is the American Vocational Association analysis:

VOCATIONAL EDUCATION

The Congress reauthorized the vocational education act in October of 1984 and set in

place a new initiative to sharpen the federal role for vocational education. Under the new law, federal funds will be utilized to assist the states to provide vocational education programs and services for those traditionally underserved individuals and groups, to assist the state and local education agencies to modernize the programs of vocational education, and upgrade existing programs which address the labor market problems facing the communities.

The new law recognizes that vocational education is a unique component of the American education system, that it bridges schools and the work place, and provides alternative learning for thousands of youths, who without such an option, would become dropouts from school and society. In addition, the law provides a new focus on training and retraining adults and emphasizes the need to increase vocational education for homemakers and single parents along with other targeted groups. The record shows that federal involvement in vocational education has caused these programs to expand. Federal policy has set the direction for vocational education changes and improvements and provided the catalytic action required to keep it in tune with work force needs for more than a half century.

Funding history

Fiscal year:	*Millions*
1980	$779.2
1981	681.6
1982	655.8
1983	728.7
1984	738.5
1985	742.1

NOTE.—Presidents proposed budget fiscal year 1986, 742.1 (including Smith Hughes).

IMPACT

The administration's budget for FY 86 would freeze the overall authorization for vocational education programs at appropriated fiscal year 1985 levels. However, the administration is proposing to eliminate the line item authorization for consumer and homemaking education based upon the assumption that this is not a federal priority. This action, if agreed to by Congress, would severely damage the state and local programs of consumer and homemaking education and send a signal to the states that these programs should be phased out. In addition, the administration's budget ignores provisions of the new vocational education act and the intent of Congress through the budgetary process.

Specifically, the President's budget ignores:

1. The mandated set-aside for national programs: The Perkins Act stipulated that 2 percent of the basic state grant will go towards national programs. If the basic state grant is $716 million, then the funding for national programs should be $14.32 million, not the $8 million requested by the administration.

2. Several critical authorizations under the Perkins Act: The budget does not provide funding for community based organizations, high-tech partnerships, adult training and retraining, guidance and counseling, and bilingual education. Those line item authorizations were mandated to meet a pressing need in vocational education—those needs still exist and will be difficult, if not impossible, to meet under the new budget.

3. The unique and necessary Federal role in supporting Consumer and Homemaker Education: The Administration states, "Consumer and Homemaker Education is not a Federal priority, it can be funded under the Basic Grant program...[giving] state officials greater flexibility to target funds on the areas of greatest need." This is inaccurate.

4. Funding needs of vocational education: New federal initiatives contained in the Perkins Act will not be adequately funded by the administration proposal. The new law assumes new initiatives, new direction and in fact using set-asides, mandates new programs. It was crafted upon the assumption of funding levels of $950 million. A funding level of $741 million violates the intent of Congress. The new law will not adequately serve the needs if only $741 million is appropriated.●

Mr. WILLIAMS. 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 gentleman from Montana?

There was no objection.

□ 1620

THE ANZUS TREATY ALLIANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. MOLINARI] is recognized for 60 minutes.

Mr. MOLINARI. Mr. Speaker and my colleagues, I have requested this special order today to underscore a matter of deep importance, the breach of the spirit of the ANZUS Treaty alliance by New Zealand through their denial of port access to U.S. ships that are nuclear powered or armed and the worldwide implication that this incident may have on our country's efforts to provide an umbrella of protection for our allies.

Indeed, should this ban be a denial which others follow, we will not be able to fulfill our worldwide commitments. We cannot have our other allies around the world following the same practice of expecting our protection while at the same time not fulfilling their own obligations so that we can provide that very protection.

This is why New Zealand's actions are so disturbing and so very serious and why we must respond clearly and effectively.

When the ANZUS Treaty was signed by Australia, New Zealand and the United States in 1951, it was agreed that an attack on any one of the three parties in the Pacific area would be considered a common danger to all. Our ability to carry out our own obligations depends critically on port access. Port access is particularly consistent with article 2 of the treaty, which mandates continuous effective self-help and mutual aid to maintain and develop our individual and collective capacity to resist armed attack.

How can ANZUS continue to play an effective role in the region if one partner denies port access to another partner? The importance of port access has been reaffirmed repeatedly by ANZUS councils and most recently in July of 1984. The Labour government of Prime Minister Lange rejected this when they announced on February 4 that New Zealand would not accept a visit by the U.S.S. *Buchanan* during an ANZUS sea exercise.

To understand the seriousness of this situation, consider the ripple effect that this decision could have for our country around the world. if New Zealand, the first nation in the world to enforce such a ban on nuclear powered or armed ships could take such a position without a strong reaction on our part, it could reasonable be expected that other nations might follow suit. After all, New Zealand is not the only nation that has political and other groups that are advocates of nuclear free zones.

Fortunately, other allies have been able to recognize the importance of cooperation and have withstood various political pressures in this regard.

For example, our European allies face strong opposition over the deployment of nuclear missiles, Pershing missiles. This was not just a visit by a ship which might have nuclear weapons on board but rather it was the actual placement of nuclear missiles on their own soil.

Yet realizing the strategic importance of these missiles, European leaders were willing to take on their responsibility and go forward with the deployment. Other nations, such as Japan, which is understandably sensitive over the nuclear issue, and Scandinavian nations, which seek to maintain their neutral status, have never denied access to any U.S. ship.

To a certain extent, the political pressure in New Zealand is similar to what is now occurring in New York City. Last year the Navy announced that Staten Island, part of my congressional district, was selected as the preferred site for the Northeast Surface Action Group. Some local political leaders, citizens groups and, yes, even Members of Congress, have demanded to know whether or not the seven vessels involved will be carrying nuclear missiles.

Following their policy, the Navy refuses to confirm or deny the presence of nuclear weapons. Some members of the New York City Council have even introduced a resolution to declare New York City a nuclear free harbor.

Unlike New Zealand, however, the people involved represent a very small percentage of the population, and the vast majority of my constituents—and I say better than 95 percent of them—are anxiously awaiting and will welcome the arrival of the Navy to our shores.

Now, our surface action group is just one of many which are located in ports around these United States. Our

citizens have shown that they are willing to be responsible and do their part in the defense of their Nation. We have not asked New Zealand to bear any risk that we ourselves do not bear in order to enjoy the protection of U.S. forces.

It should be noted that the third partner of the ANZUS Treaty, Australia, has remained strong in support of the alliance, despite political pressures, and has not taken a position similar to that of New Zealand.

It should also be noted that Prime Minister Margaret Thatcher, during her visit last week to this country, was severely critical of the actions of the New Zealand Government.

New Zealand's defense policy for the past 30 years has been built upon the ANZUS alliance, a mutual security treaty. The very nature of such a treaty demands shared risks and responsibilities. However, New Zealand seems to want all the benefits of the alliance without sharing in any of the risks. This is an irresponsible position and disregards the principle of mutual responsibility of allied nations.

The United States carries a tremendous burden protecting freedom around the world, and we certainly do not need those who ask for such protection banning U.S. ships from their ports.

In response to the ban, the United States has canceled a number of military exercises and meetings. Perhaps we as Members of Congress would want to take further action, including the possibility of economic measures, in order to send a clear signal to our allies around the world as to how seriously we view the actions of New Zealand.

Prime Minister Lange has said that if we impose such sanctions we will find New Zealand to be less cooperative militarily.

It is hard for me to envision how New Zealand could be any less cooperative militarily than it is now.

The implications of their action can be so farreaching that we must take a firm position. Perhaps an end to preferential treatment for New Zealand in the export of wool, meat, and dairy products would send a message to New Zealand and our other allies just how serious we view this action. The stakes are too great and we must let the world know that this body will not stand idly by when a treaty nation disregards its mutual responsibilities of alliance and greatly hampers our ability to be the protector of freedom around the world.

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

Mr. MOLINARI. I yield to the gentleman from California [Mr. HUNTER].

□ 1630

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for making this very important statement about the necessity of the Western democracies hanging together, hanging tough like we did during the Euromissile crises, as result of which was we finally did bring the Russians back to the table at Geneva, not because we were divided and weak, but because we were united and strong.

I think that Prime Minister Thatcher was greatly distrubed by the fracturing of this solidarity, and I think she expressed it very clearly to us. I can recall, and I think the gentleman was here at the same time when she addressed a joint session of Congress, when she mentioned that with our strategic programs under America's nuclear umbrella, we have maintained for the free world peace for 40 years. She went on to quote Winston Churchill when he addressed a joint session of Congress. He said to America bascially this: He said, "Don't give up your strategic weapons until you are very, very sure that you can live without them." Basically, Churchill acknowledged that it was under this strategic umbrella that democracies in fact were seeing a long period of peace that had not existed in the early part of this century.

I applaud the gentleman for his straightforward statement and I hope that New Zealand will come back to the fold of solidarity and hang tough with the rest of the West and will get off this high horse and I hope that no sanctions will be necessary.

I thank the gentleman.

Mr. MOLINARI. I thank the gentleman for his contribution; I agree with his remarks.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding and for bringing this issue to the floor.

Mr. Speaker, I commend my colleague, the gentleman from New York [Mr. MOLINARI], for arranging this special order to focus our attention on New Zealand's breach of trust in its friendship with the United States as an ANZUS ally.

New Zealand's decision to ban U.S. ships which might be carrying nuclear weapons seriously undermines our Nation's ability to fulfill its obligations to the ANZUS Mutual Defense Treaty of 1951.

The United States has a firm policy of not confirming or denying the presence of nuclear weapons on any ship. This is done to insure adequate security. There can be no exceptions to this policy without seriously endangering our forces. Therefore, New Zealand's action extends to all U.S. ships.

New Zealand's policy, although not a violation of the 1951 treaty, does constitute a break in the spirit of the alliance. As partners in the arrangement, we are obligated to maintain and develop our individual and collective capacity to resist armed attack. However, our Nation cannot do this if our Nation's ships are not permitted access to New Zealand ports and waterways.

We have, unfortunately, been forced to cancel six defense training exercises since New Zealand's policy was first enforced in early February of this year.

In the absence of such peaceful naval cooperation between our two countries, it is difficult to perceive how the ANZUS Treaty could be depended upon to deter invasion of the Pacific area by a potential aggressor.

The irresponsible policy being implemented by New Zealand thus poses a major question to the future of ANZUS, because the need for deterrence is the central thrust of the agreement.

I strongly agree with President Reagan's remarks stating that "We deeply regret the decision by the New Zealand Government to deny port access to our ships. We consider New Zealand a friend. It is our deepest hope that New Zealand will restore the traditional cooperation that has existed between our two countries. Allies must work together as partners to meet their shared responsibilities."

Other countries, including some of our NATO allies, have also expressed their disapproval of New Zealand's decision. The Prime Minister of Great Britain, Margaret Thatcher, recently expressed her disapproval, by joining our country in its policy of not identifying whether or not ships are carrying nuclear weapons.

The Speaker, I submit that New Zealand is not fulfilling its obligation as an alliance partner. A good partner should continually demonstrate a readiness to cooperate. New Zealand apparently, is not willing to do this.

Due to this breach of partnership and trust, the future of the ANZUS alliance is now in question. I support my colleague, the distinguished chairman of the Foreign Affairs Subcommittee on Asian Affairs, Mr. SOLARZ, in calling for hearings this month to review ANZUS.

I do not feel the United States should tolerate this sort of treatment from a nation which we have regareded as a friend and ally. As a nation, we can continue to consider New Zealand as a friend. However, it is dangerous to allow such behavior from our allies.

If the United States tolerates irresponsible actions such as this from one ally, other important nations might be encouraged to follow suit. Other countries might view this as an opportunity to adopt a policy of selectively fulfilling their treaty obligations and to assert more forcefully their positions on nonalignment of nuclear weapons.

Such policy can only serve to weaken the security of their nation and ours.

Accordingly I urge my colleagues to support our call for a thorough review of New Zealand's action and the implications it has for future relations between that nation and the United States.

Mr. MOLINARI. I thank the gentleman for his very fine contribution.

Mr. Speaker, at this time I yield to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. I thank the gentleman from New York for yielding, and I just want to rise for a very brief moment to commend the gentleman for taking this special order to discuss this very important issue, and especially to commend the gentleman because, as he pointed out, he comes from an area of the country where there has been some political support for the concept of a nuclear-free zone. I know what that is like; my State of Minnesota is another such area of the country where we have political movements that are always generating opposition to our strategic policies where the concept of a nuclear-free zone has gained some currency. I doubly commend the gentleman because I know it is a position that is difficult to defend in his region of the country as it is in mine.

The only point I would add to that is that I really think the important point the gentleman made, the most important point, and the point that I hope is understood in New Zealand is that we are fully justified, and in my judgment, obliged, to make some kind of a strong reaction in this country. The argument that we should soft-peddle this issue for fear of offending the New Zealanders in my judgment is basically false. The people in New Zealand need to understand why.

The reason is fundamental and elemental. That is because ultimately the strength of the defense of the free world is far more dependent on our ability to hold the alliance together than it is on anything that goes on in the Eastern bloc. We have managed to respond fairly successfully to the threat from the Eastern bloc ever since the end of World War II. We have shown our capacity to defend freedom against the Soviet bloc. What we are unaware of and unsure of is how we would fare if the unraveling process began that the gentleman from New York referred to. That is why it is important for the people of New Zealand to understand that although we respect their integrity and their sovereignty and their national pride, this is a threat to the entire defense of the Western World and a very strong reaction from our country is not only justified but obliged in my judgment.

Mr. MOLINARI. I thank the gentleman for his comments.

Mr. Speaker, I yield to the gentleman from American Samoa [Mr. SUNIA].

Mr. SUNIA. I thank the gentleman for yielding to me and I commend the gentleman for this special order so that we might address this very important subject.

Mr. Speaker, in my mind, New Zealand has behaved very badly. There is no question but that it has failed to live up to its commitments for the joint defense of the area. To set conditions for receiving into its port our naval vessels is most irresponsible. The spirit of ANZUS was to jointly share the burdens of common defense.

Should not New Zealanders be glad that the taxpayers of this country are paying for their defense? While they spend their tax dollars perfecting a cradle-to-grave welfare society, we in the United States are having to give up a lot of living essentials so that we can pay for defense—ours as well as New Zealand's.

Our State Department is quite correct in its attitude. We are not interfering with New Zealand's internal politics. Our concern is its policies toward its friends and allies.

For American Samoa, our lone territory in the middle of the South Pacific, closer to New Zealand than to the United States, the New Zealand refusal is of real concern. Of course, our own Pago Pago Harbor is opened to our own ships at any and all times, and Prime Minister Tofilau Eti Alesana of Western Samoa has kindly offered the facilities of Apia Harbor to our U.S. Navy. We appreciate all that, but it does not solve the problem.

The problem now is that there now exists a question: Is New Zealand truly and honestly serious about defense? Do the antinuclear and pacifist groups in New Zealand seriously believe that the Soviets will leave them out of an all-out nuclear conflict in honor of their antinuclear beliefs? Is New Zealand, reputed to be more British than the Britishers, and more educated than most Pacific residents, really that far away from the rest of the world that realities have escaped them?

In a real conflict, can one count on defense partners like New Zealand? That to me is now the real question.

I am aware also of the concern at the State Department about the effect of this New Zealand rejection on our other allies with whom we also have defense arrangements. Supposing our friends in Europe pick up from the New Zealanders, we will really have a mounmental problem.

And I do not put too much credit on Prime Minister Lange's preferences of continued friendship and cooperation. He cannot come to us with clean hands and blame certain factors in his country. We have our own antinuclear groups. They too are vocal and powerful. But that is all internal. We do not go around the world complaining about them and blaming them for dictating policies. Mr. Lange is the Prime Minister and the show is entirely his.

Should we retaliate? I think not. We regret the actions of our friends, but lets not be retaliatory. It will serve no useful purpose. I am aware of how easy it is to get up on this floor and sermonize about merits of patience and tolerance. Out there in the real world, the forces at work may only respect responses that are packed with force and thinly veiled threats of economic disasters.

But I still believe there is time to work on our friends. We dare not allow them to dictate to us, but we should not be without the patience of the older and bigger partner.

Then there is also the rest of the area to consider. The New Zealand problem may not be the lone problem for Uncle Sam in the area. I suspect others will begin to surface in the near future. The blame belongs to us. Like a yard you neglect, you soon find all kinds of bad weeds growing with abandon. The Soviets now roam the south seas at will and make the small Pacific island nations all kinds of offers. The Cubans are in Vanuaatu, and the French problem in New Caledonia may broaden into a messy one for the area—and there could be a spill over into other parts of the Pacific.

My point is, Mr. Speaker, I believe the time has come for us to seriously review our Pacific situation. In our concerns for the peoples of Southeast Asia, our trade with the Orient, and the oil routes into the Pacific, we may be overlooking little troubles brewing in our own backyard.

We share the Pacific Ocean with New Zealand. We also share the Pacific with all the newly created island nations. But we are still the big brother. Again, Mr. Speaker, I do not believe retaliation alone is the proper form of response. I believe we should work a little harder on our difficult friend. After all we are working very hard with our adversaries.

□ 1640

Mr. MOLINARI. Mr. Speaker, I thank the gentleman for a very profound statement. I think he highlighted the very serious problem that exists in that section of the world.

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I want to thank the gentleman from New York [Mr. MOLINARI] for taking this special order on a very important subject, which applies not only to our Nation's foreign policy, but also applies, as he well knows, directly in the State of New York.

The fact is that I spent a little more than a year in the course of serving in the MacArthur command in Australia. I never visited New Zealand, but I know that the spirit of the Australian soldiers and the spirit of the New Zealand troops was outstanding. Certainly in the early days of World War II New Zealand opened its arms to the marines who had borne the brunt of the first assaults in the Solomon Islands and Australia also opened its arms to the American forces who mobilized in Australia and then gradually moved through New Guinea and the Philippines and finally settled the end of World War II in Tokyo Bay.

I think one of the interesting things is that this particular syndrome which has been enshrined by the new Prime Minister of New Zealand and by some of our colleagues in New York originally was born through the three so-called nuclear principles set up by the Japanese. The Japanese, of course, having been the only country to feel the effects of the atomic bomb were certainly determined not to bear any of those attacks in the future. They set up three nuclear principles.

The first was that there would be no atomic bombs produced, no nuclear weapons produced in Japan.

The second was that no nuclear weapons should be stored on Japanese soil.

The third principle was that no nuclear weapons should be carried anywhere near the shores of Japan; but these nuclear principles, while you can recognize their application and you can recognize where they came from out of Japanese history, it turned out that Japan in the United States-Japanese security treaty recognized that they were protected by the nuclear umbrella of the United States. They had seen that the Soviet Union had developed nuclear weapons and that other countries were trying to achieve nuclear weapons, so the Japanese, although they did not want any nuclear weapons stored in their own territory or even to build them, they recognized the need of a nuclear umbrella and that nuclear umbrella was provided by the United States-Japanese security treaty, but in recent years the more knowledgeable and progressive members of the Japanese Diet recognized that the third nuclear principle; namely, that there should not be any ships coming within the shores of Japan carrying nuclear weapons was hardly in keeping with the idea of having an American nuclear umbrella. If you are going to have an umbrella, you obviously have got to carry the umbrella around when you need it.

The only place where American nuclear weapons were available in the Pacific was on naval ships. In fact, that third principle, although it has never been officially repudiated by the Japanese, was certainly worked over and roughed up considerably a few years ago when Admiral Laroche, the head of the so-called Center for Defense Information—I think more often it is the Center for Defense Misinformation—announced to the Japanese on his own responsibility that actually all of the ships, virtually all the Navy ships that went through the waters of the Pacific and came within the area of Japan were carrying nuclear weapons.

□ 1650

This was subsequently backed up by Ambassador Reischauer who said yes, we have had nuclear weapons carried aboard some of the ships that came into Japan. They never actually tied up with them, but they had gone along the shorelines. And finally the Japanese realized that it did not make sense for them to benefit by the nuclear protection of the United States and at the same time prevent us from bringing the nuclear umbrella that they were counting on into areas where it would be able to provide that particular protection.

This is something that the New Zealanders I think have picked up now because antinuclear sentiments, antinuclear pacifism has become rather trendy and apparently the Socialist government that has been installed in New Zealand thinks that this is going to win it a good deal of congratulatory messages from other parts of the world.

Actually, the ANZUS treaty is certainly not any one of the major treaties on which we rely. We were closely allied with the Australians not only in World War II but also in the Vietnam war, and they have done an outstanding job. But if the New Zealanders do not feel they want to be participants in this kind of a treaty or this kind of an alliance I do not think it is going to upset things too much.

Although as the distinguished delegate from Samoa pointed out a moment ago, the Soviet Union is looking around for possible areas where they can pick up friends or scare people to join their undertaking.

We certainly need to continue to operate our ships in these waters and I think as the gentleman from New York has already indicated, if somebody wants to break up that kind of a treaty I think we have to make it clear that there is a price for doing that.

If they do not want the nuclear umbrella, OK.

But one of the things that the gentleman has referred to has to do with economic measures. I got a telephone call this morning from a farm group in upstate New York concerned about the fact that casein, which is imported from New Zealand in very substantial numbers, is undermining the dairy industry in upstate New York, and there is a bill that has been introduced in the House that would designate casein, which is now designated as a chemical product, redesignate it as a dairy product and then it would not come in. And I think if the Prime Minister of New Zealand who, as I understand it, is in the country at the present time, I think he might be interested in that particular movement that is going on.

Mr. MOLINARI. If I could interrupt the gentleman a moment, I am running short of time and have three other speakers.

Mr. STRATTON. Let me just say one other thing, and that is that those who have been opposing the ships of the surface action group in New York State are upset that nuclear weapons might have an accident in the gentleman's congressional district.

Actually, we have had no accidents of that kind, and in fact if we were really concerned about accidents we ought to ban propane from New York Harbor and from New York City streets rather than insist that no nuclear weapons should come in.

I think the gentleman is correct and I would like to just close with one comment: You may remember a few years ago, in the 1960's, there used to be a bumper sign that said, "Support Your Local Police." And then underneath it said, "If not, when you get into trouble, call on a hippie."

Mr. MOLINARI. I thank the gentleman for his very kind and supportive remarks.

I now yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman from New York [Mr. MOLINARI] for taking this time. I also want to commend the gentleman from New York [Mr. STRATTON] for his statement, and want to point out to them that, SAM, we have not only hurt our casein industry in America, we have essentially destroyed it because of New Zealand imports. And you better believe that there is an economic tie to this military arrangement that we have with the ANZUS treaty.

In fact, TOBY ROTH has a bill in the Congress, a resolution in the Congress right now that calls for a limit of 50 percent of the imports that we have had over the past 3 years, because in 1980 a report indicates that America spent about $300 million buying surplus, nonfat dry milk from American farmers that could be used in many instances to produce the products that casein is being used to produce, which we are importing from New Zealand.

And, by the way, we import over 50 percent of all of the casein that is produced from New Zealand that comes into the United States, and we all know about the problems that we are having in agriculture today with surpluses, and at the same time, because of this defense arrangement. And

thus, because of the economic ties that we have, we ran in 1980 a $300 million bill in order to help our friends in New Zealand.

Now I am going to get to what I think the point is, and I have talked to some of my constituents about this issue. People say, and I know that the chairman, the Speaker up here right now, comes from an area in Youngstown, OH, where people say "Why should we have foreign aid? Why should we go out there and help other countries?"

I view foreign aid as really not just a help to them but also a help to America. It is a mutual relationship that is supposedly beneficial to both sides, that we enter into agreements and treaties and alliances because it is in those countries' best interests, and it is in America's best interests. And by working together we all gain something. And we hope in the long run that it is the most successful arrangement that we can have to promote stability and peace in various regions.

I will tell my constituents that yes, it is important to have allies and alliances. But you know, what gets frustrating is when you have to go home and you tell your constituents that we have entered into an agreement, an arrangement, an alliance, but it just seems as though it is a one-way street.

We are doing all of the giving and they are doing all of the taking. And that is exactly the situation we have with New Zealand right now.

We enter into a treaty. They are supposed to live up to their side of the treaty; we are supposed to live up to our side of the treaty. They decide for one reason or another, and perhaps in what could be considered a momentary political consideration that one particular part of that treaty is not acceptable to them. And so then the Prime Minister gets nervous and scared and responds to people out of what is I think clearly political considerations and tells the United States, "Your ships cannot come in." And then a couple of days later on the front page of the Washington Post it says to the United States, "You better not take any trade concessions away from us; you better live up to your end of the bargain, even though we do not want to live up to our end of the bargain. You had better not have any second thoughts about living up to your end."

Then I cannot go home and tell my constituents that we are going to be in agreement and that it is supposed to be a two-way street, and New Zealand has decided to change the street sign, and instead of it being a two-way street it is now a one-way street. We give everything up and they take everything.

I do not think we can continue to conduct foreign policy that way. That is why my constituents and people all over this country applauded the actions by Jeane Kirkpatrick, because she stood up and she said we are not going to take it anymore, that our relationships and our alliances ought to be two-way streets.

America ought not to be walked on, we ought not be slapped in the face, and we ought not to continue to give, give, give.

I am glad that this administration is finally starting to say, or this administration is saying now we are going to do some things. We are going to respond because we cannot let you get away with this. You get away with this, and then we are going to have other countries in the world that are going to try to take advantage of their relationship with the United States.

□ 1700

And that does not work to anybody's best interests because the people of this country are going to get frustrated with this. They are tired of one-way streets. I am going to tell you, yesterday in the Wall Street Journal there is a quote here which I will read:

TASKING TASS

New Zealand's Prime Minister David Lange initially was quite confident that New Zealand's ban on U.S. nuclear warships would have no effect on his country's strategic position—but now he seems not so sure. The Soviet news agency was having so much fun chortling about the decision that Mr. Lange finally called in the Soviet ambassador, Vladimir Bykov, and complained. "New Zealand is not to be used as some sort of ammunition in an anti-Reagan administration campaign," fumed Mr. Lange to the emissary of the big nuclear power. Mr. Bykov responded that he would pass along that warning to Moscow.

Now even the Prime Minister of New Zealand is recognizing that there are greater implications than bowing to political pressure as it relates to this country and what has been, I think, up to this point a very good treaty, a very good alliance and a two-way street.

Americans are tired of one-way streets with our allies; I am tired of it; my constituents are and, boy, I will tell you I think we have got to do something now to send some clear signals and messages to the world that we are not going to be patsies anymore.

Mr. MOLINARI. Mr. Speaker, I yield to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. I thank the gentleman for yielding.

Mr. Speaker, I will be very brief. I associate myself with the remarks of everyone of the speakers on this subject. The gentleman from Guam was especially trenchant; the gentleman from New York as usual hit the nail on the head. Mr. MOLINARI, I commend you for helping us to focus on a rather important issue. I am not angry at New Zealand. I am more saddened than anything else because I was brought up in the era of World War II. I fought in that war. I was over in New Guinea, I have been in New Zealand a couple of times. It is a beautiful country, they are beautiful people, but I believe in collective security. I believe that if the free world will stay together, will band together, and will share the burdens and the challenges of preserving the peace, we can indeed preserve the peace.

It is not just for us, it is for them, for all freedom-loving people everywhere.

We should be expanding the number of people who are within the circle of freedom, not narrowing it.

When a country that has so long been a beneficiary of collective security, when a country that—when Japan was the aggressor in that part of the world—was happy to share the burdens and challenges of defending the Pacific, suddenly because nuclear weapons have been made into a fearsome subject due to the successful propaganda efforts both in our country and worldwide, they want to opt out of the burdens and challenges of preserving the peace.

I hope it is a temporary aberration. I do not know that we need to retaliate and further drive wedges between ourselves and the people of New Zealand, but I would appeal to their common sense. Surely if war breaks out between the Soviet Union or other nuclear powers, and there are others besides the Soviet Union who have nuclear weapons, they want somebody somewhere on their side with a nuclear deterrence that is credible. Would it not be lovely if we could opt out like they have just done, say that we are tired of modernizing our intercontinental ballistic missiles and building Trident submarines? It costs us a lot of money that we could spend in other more productive ways.

So, you want to opt out? We will opt out. What contribution would that make to freedom, to the peace? It would be a terrible setback.

So is it fair, is it honorable for the United States to carry the burden of the cost and the manpower and the stigma of a nuclear superpower and to have, one by one, those people who will benefit from this strength that we have, this peace through strength, to step back from us and to opt out? That is really not, I hesitate to use the word, but it really is not honorable. We should share these things and we Americans share the responsibility, the economic burden of having those weapons.

God knows we wish we did not have to have these weapons but they are a fact. The Soviet Union has massive nuclear weaponry. What shall we have to counterpoise that? What would deter an aggressive revolutionary system

that has all of these weapons from looking around the world to see where it can expand? The United States and its nuclear arsenal.

We need gratitude and support of those countries who wish to be protected by that arsenal.

So I appeal to the good common sense of the people of New Zealand. I would like to have a debate over there on this issue as to whether they want to be a full partner in the burden as well as the benefits of collective security and if they do, put it on a referendum and let us not have a few activists who have a Xerox machine and maybe access to a few editorial writers, dominate the foreign policy of an important country that has always been a part of the defense of the Pacific and the free world.

So I hope they will think long and hard about it. You cannot have peace on the cheap. Everybody has to share the burdens.

It is little enough to let a ship dock at your port, a ship that you would be sending out the SOS's for if the rockets were ever launched against your country.

I thank you for giving us all a chance to think about this and hope that the people of New Zealand will regain their perspective and welcome our ships. We are allies. We hope that they will welcome our ships to dock at their great country and their great ports.

I thank the gentleman.

Mr. MOLINARI. I thank the gentleman for his usually fine statement. There are so many important points that he illustrated to us.

Mr. Speaker, I yield to the gentleman from New York [Mr. CARNEY].

Mr. CARNEY. Mr. Speaker, allow me to express my deep disappointment and concern over the recent decision of the Government of New Zealand to deny access to U.S. Navy ships because they may be nuclear powered or carrying nuclear weapons. This is a shortsighted decision and one that could have long-term repercussions that weaken the foundations of Western security.

Signals and perceptions are strong forces in international affairs and New Zealand's current policy may be received in the Soviet Union as an indication that Western public opinion can be manipulated successfully enough to force some governments to hedge on their commitments to mutual defense agreements. Prime Minister Lange of New Zealand has maintained that his Government's policy of seeking a nuclear-free zone does not indicate a weakening of New Zealand's commitment to the ANZUS Alliance, nor is it anti-American. However, no matter what verbal reassurances the Prime Minister is now providing, his actions speak louder than his words.

New Zealand's decision is a disturbing example of a growing tendency in the Western democracies to take for granted the existence of American-led defense alliances. They assume they will always be protected without taking the responsibility to contribute to the common defense. The Washington Post editorial of February 1, correctly labeled New Zealand's action as "freeloading." It flouts the political and moral requirements of alliance. The American people cannot be expected to bear the entire burden for the protection of the free world. All democratic nations must stand together or they face the prospect of falling alone.

I support the administration's reponse to New Zealand's decision. In addition, I would hope that the State Department will continue to engage in discussions with New Zealand on these issues.

Our friends "down under" must accept the fact that their security does not come for free, nor does it come from a part-time effort based on their convenience.

They must also recognize history, too, that for the past 40 years we have lived in a peaceful world, we have not had any major war. Yet during that past 40 years the United States and the U.S. Navy has maintained a policy of not exposing whether their ships do or do not carry nuclear weapons—those same ships that for the past 40 years have been going into the Pacific, patrolling the Pacific, going into ports, including the Ports of New Zealand. The policy is a proven policy, one that has protected and preserved the freedom of the world and I think we have to look to history to recognize that.

They must also recognize the increased threat that the Soviet Union now has in the Pacific. They now have quite a naval force located at Camranh Bay. They have quite a large aviation capacity also now located in Vietnam.

□ 1710

The threat is there. The threat is real and if we are to counter that threat, we must do it with the proper material and without disclosing the various strengths of our vessels in the Pacific Fleet.

I would like to compliment my colleague, the gentleman from New York [Mr. MOLINARI], from the Empire State, for taking time today to bring this to our attention.

Mr. MOLINARI's congressional district is one that hopefully soon will be the home port for a surface action battle group let by the USS *Iowa* and Mr. MOLINARI is faced with the problem similar to this and he, I think, has shown the type of leadership necessary in this Congress to ensure that our Navy is received well in its ports and that our Navy can carry out its tasks to meet the mission that it is designed to do.

I again commend the gentleman for his leadership in this issue.

Mr. MOLINARI. I thank the gentleman from New York.

Mr. Speaker, at this point I yield to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. I thank the gentleman.

Mr. Speaker, let me say first of all representing a district that has the largest body of water which is Deep Creek Lake in western Maryland I am not a player in the scenario of a basing mode for our naval fleet.

At the same time, as a member of the Armed Services Committee, I am very much aware of the global nature of our naval forces and the importance of that global nature.

It has disturbed me greatly looking at the alliance that we have had between Australia and New Zealand and our country over many years. Nothing has changed. We still have ships that are necessary to make port calls in New Zealand. Nothing has changed there.

One of the scenarios that I think no one has brought out in this entire dialog and it is one that concerns me very greatly and that is the enormous amount of dollars that are spent in New Zealand by the American Government. Because, as my colleagues well know, it is the jumping off place for the tremendous amount of work that we have at the South Pole. The facilities that we have at Christ Church are vital to our research and development programs that go on in Antarctica. That is a program that comes under science and tech, but it is a program that is completely necessitated and funded and tied to our naval involvement there, because without the naval involvement we would not be able to have the logistical support that is necessary for those scientific research projects that are going on at the South Pole. This is an involvement within our Government, the New Zealand Government, one that has worked for such a long period of time.

What concerns me now is having the new doctrine of the Government of New Zealand on the basing and the port calls by our naval ships, are we then going to have to go one step farther and have a problem with our aircraft flying in and out of that Government? I think it is something that we should all be very much concerned about and very concerned about the long term because our expenditure at the South Pole and in Antartica is a very large one, a very necessary one and one from which we are going to gain a tremendous amount of research and development information.

So, I think this has been just the tip of the iceberg, so to speak, and some-

thing that we should all be extremely concerned about with the New Zealand Government.

I want to once again compliment the gentleman from New York and I appreciate the opportunity to join with him on this issue that I think is extremely important.

Mr. MOLINARI. I thank the gentlewoman for her contribution. I think the gentlewoman raised some very good points.

In the remaining time, Mr. Speaker, let me just say that today Prime Minister Lange was in this country. As a matter of fact, he was on "NBC Today" this morning. His position, as he articulated, was very inflexible on the issue.

We have been friends of the people of New Zealand for a good many years. I hope that we can get back to that type of friendship and the spirit of cooperation that has existed for so very long.

He did say one thing today that bothered me, however. He said, in reference to New Zealand, "We have paid our dues. We have fought with the U.S. in four major wars."

Well, we certainly appreciate that support. But I think this country has paid its dues, too, and we do not look at the past as saying, "That's enough. We are not going to make any further contributions to the free nations of the world."

I hope, Mr. Speaker, as Mr. Lange spends his last few hours in this country that he receives this message from Congress, that he understands that we are concerned, that he understands also that we want to resume our true friendship. We want them back as allies as they have been since the ANZUS Treaty started in 1951.

● Mr. SOLOMON. Mr. Speaker, I want to first of all commend my good friend from New York for his initiative in calling this special order today about a subject that is of great concern to us all. For whenever an alliance of free countries is threatened, the interests of free people throughout the world are likewise imperiled.

And that is the issue before us: The continuity and solidarity of the ANZUS alliance is jeopardized by the unilateral and ill-advised actions taken by the Government of New Zealand. Those actions are particularly distressing because of the long and friendly relations between our two countries, a relationship that began in the 1790's when New Zealand was one of the first Pacific Ocean countries with which the newly-independent United States began trading.

Ironically, given the present problem, it was the Prime Minister of New Zealand in 1942 who initiated the idea of a "Pacific Pact" that would serve to bring the United States into a closer relationship with our friends and allies in the South Pacific. That pact became a reality in 1951 when representatives of the United States, Australia, and New Zealand signed the ANZUS Security Treaty in San Francisco.

The treaty binds its three signatories to consult together "whenever in the opinion of any of them the territorial integrity, political independence, or security of any of the parties is threatened in the Pacific." Since 1951, the United States, Australia, and New Zealand have conducted combined military exercises, shared intelligence data, and developed other political and military exchanges.

Until the recent statements and actions by Prime Minister Lange in New Zealand, the United States had every reason to believe that the ANZUS alliance was satisfactory to all concerned. Indeed, only last June, Assistant Secretary of State Paul Wolfowitz restated the long-established policy of the United States that "Australians and New Zealanders should rest assured that if an emergency confronts them, the American system is capable of decisive action—and willing to render it."

But such is the internal factionalism of the Labour Party in New Zealand that its leader, David Lange, felt obliged to cast his lot with the antinuclear zealots. Not placated by success in the national elections last July and seemingly oblivious to the larger imperatives placed upon the party by the responsibilities of governing, the Labour Party Conference passed a resolution in September calling for the outright withdrawal of New Zealand from ANZUS. A further raft of resolutions called for the virtual dismantling of New Zealand's strategic relationships with Singapore, the Philippines, and Indonesia.

These resolutions do not bind the party to any one course of action or policy, but they do offer significant indications of where the governing party in New Zealand is heading—a direction that prompted one opposition leader to question whether the Labour government was actually in favor of turning New Zealand into a Third World country.

And now we come to the decision enforced this month: a denial of port access to the U.S.S. *Buchanan*, a conventionally powered U.S. destroyer. In response, the United States has canceled several joint military exercises planned with New Zealand.

Let there be no mistake: New Zealand is our friend. And our Government rejects any punitive sanctions or other such pressures as a retaliation for New Zealand's decisions. But let us also be clear: a friend and ally, such as New Zealand, cannot continue to abuse its relationship with us and not expect a natural course of events to issue in serious and perhaps lasting damage to the political and economic links that bind our two countries together.

I hope that the Government of New Zealand will reconsider the ill-conceived and shortsighted policy toward the United States and the ANZUS alliance that has thus far been implemented. I can summarize my concerns this way:

First, a denial of port access stikes at the heart of ANZUS. The South Pacific is a maritime region. Free passage on the high seas is the lifeblood of all the countries there. A disruption of the normal relationship that New Zealand has heretofore enjoyed with the United States can only result in an adverse effect on the long-range interests of New Zealand itself. No matter how politicians may like to posture in front of domestic constituencies, the fact cannot be changed that New Zealand is free because America keeps the sealanes open. And for New Zealand to close its ports to those very ships that are guaranteeing its own security is as shortsighted as it is stupid. And it is an action wholely unkeeping with the behavior that is expected of allies.

Second, unilateral actions, no matter how well-intentioned, are never the answer. Every one of us can sympathize with the concerns that New Zealanders have about nuclear weapons—and, with or without ANZUS, we devote a far greater proportion of our resources to defense than does New Zealand.

But, let's get the thing straight: Collective security arrangements, of which ANZUS is one, have kept the peace for nearly 40 years. No country can opt out of such a responsibility without ultimately paying the price. Unilateralism is tempting—but ultimately self-defeating. We share New Zealand's concern about nuclear weapons—and that is exactly why President Reagan is trying to negotiate arms control agreements that will actually reduce the number of such weapons in the world. For too long, we have had arms control agreements that did nothing more than have the effect of intensifying and expanding the arms race. We cannot go that way any longer—and nobody understands that better than Ronald Reagan.

So this is the time for all of us allies, as free men and women, to be standing together. We must reject the quick-fixes that are the false promise of unilateralism.

Mr. Speaker, I trust that our concerns, the expressions being voiced in this special order today, will not fall on deaf ears. We value and respect New Zealand as a friend and ally. We want nothing more than to continue the fruitful relationship that both sides have enjoyed for nearly 200 years. And so I am confident that our voices today will help serve to restore the good relations between our two

countries and will help to uphold the ANZUS alliance and all that it represents.●

● Mrs. HOLT. Mr. Speaker, Prime Minister Lange of New Zealand recently swung a wrecking ball at the ANZUS alliance by refusing to allow American warships to use New Zealand ports.

Specifically, he will not allow American Navy vessels carrying nuclear weapons to visit New Zealand ports, and he insists on knowing which ships carry such arms so he can apply the ban. Since we do not announce what weapons are carried on our ships, the ban applies to all of our warships.

The right honorable gentleman says he still wants to be part of the ANZUS alliance. On the record of his recent deeds, that is hard to believe.

I would remind Mr. Lange that the free nations of the world remain free because of association with the United States in defensive alliances that deter aggression. Does Mr. Lange want security for New Zealand in the ANZUS alliance? If he bars our Navy ships from visiting his ports, then the question arises as to why our Navy should be committed to the defense of his island nation.

If his actions are those of an ally, then there must be some new and unprecedented confusion about the definition of the term "ally." I wonder why he doesn't declare New Zealand to be neutral in the struggle between freedom and totalitarianism.

If he no longer considers New Zealand to be part of the regional defense alliance and the defensive structure of the free world, then he should say so directly, because that is the effect of what he is doing.

It is fatuous for him to say he wants to be part of the alliance while he refuses to allow U.S. Navy ships to use his ports.●

GENERAL LEAVE

Mr. MOLINARI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order tonight.

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

There was no objection.

A POLITICAL TIME BOMB COULD THREATEN THE ARMS TALKS IN GENEVA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 60 minutes.

Mr. STRATTON. Mr. Speaker, I do not intend to take the full 60 minutes and I am sure that both the staff and any colleagues in the Chamber will breathe a sigh of relief.

But what I would like to talk on for a few minutes again this evening, as I did on yesterday, is what I would refer to as a political time bomb that could threaten the arms limitation talks that are scheduled for Geneva on March 12.

This time bomb is one that I do not believe many people are aware of, but when the Congress concluded its action on the Defense authorization bill and the Defense appropriation bill for fiscal year 1985, they devised a rather unusual procedure with respect to the MX missile which has seen a somewhat checkered history being supported on several votes one year and being knocked down by one or two votes on subsequent years.

That decision was that $1.5 billion would be allocated for the production of 21 MX missiles in fiscal year 1985 provided that that money was fenced in unable to be used until early in March. There were taken in the House and in the Senate some four affirmative votes in connection with the MX. Two votes in the House, first of all, to authorize this money. And, second, to appropriate the money. Two votes in the Senate to authorize the money and to appropriate the money. Only if those four votes all came out in favor of the MX would the money then be unfenced and the production of that missile could proceed.

What this means, of course, with the rather checkered history of MX support in this body and in the other body that a single negative vote in either this House or the other body could wipe out the MX missile and leave us without any comparable missile in our inventory.

The Soviet Union with its SS-18 and its SS-19 has, as President Reagan has already pointed out, some 800 MX-type of missiles which are available and which are extremely accurate and which have, in fact, far more explosive power than anything that we have in our arsenal today.

The date for these votes is expected to come probably in the middle of next week because this is not only the schedule that has been outlined in this rather complicated arrangement legislatively approved last year, but the votes will be also occurring just on the eve of what has appeared to be the most encouraging opportunity that we have had for a meaningful and effective and verifiable arms negotiations.

□ 1720

So if the MX missile were to be defeated either in the House or in the Senate, we might as well call off the negotiations in Geneva, because what we will be doing, in the event that Congress has rejected the MX missile in spite of the appeal of the President of the United States that we would be giving away a major part of an American defense capability without the Soviet Union having to make any single concession at all, and clearly if they recognize that even before the American delegates have sat down around the table in Geneva to negotiate that we have given up one of the strongest cards in our playing hand, there is no real need to worry about negotiations because the Americans apparently do not really want to enter into serious negotiations or hard negotiations, they are willing to give up even without a fight.

I want to yield to my distinguished colleague, the gentlewoman from Maryland, who is the chairman of the panel in the Armed Services Procurement Subcommittee on Arms Negotiations, and she has, in fact, been not only a strong supporter of arms negotiations but has also recognized the importance of these positive votes on the MX in connection with what would hopefully emerge from Geneva.

Mrs. BYRON. I thank the gentleman for yielding.

Mr. Speaker, let me say that I join with my colleague in concern about where we are going right now with the critical vote that is going to be coming up next month, and I think to look at that vote we have to look back in history a little bit, and we do not have to go very far back in history, but we must go back and look at the strength of our NATO allies. We must go back and look at the decision that was made just 7 short years ago when we had a commitment to deploy the GLCM and the Pershing missiles which were American weapon systems, but both of those are deployed on our NATO allies. And at the same time we are looking to a modernization of our own missile systems, as we have done with the development, as we have gone through the development of the MX.

We have had some shaky times in that development stage, but we also are now at the brink, and I have to say that I was not a great proponent of the MX just 3 or 4 short years ago, when I had a great deal of personal trouble with the fact that we had no basing mode. We now have come up with a basing mode.

There are questions about the hardening aspect of the silos, but I think, having looked at all of the other options, this is the only option that we currently have. And going a little bit farther than that, how can we ask our NATO allies to deploy our new weapons systems on their land when we are not willing on our own time to modernize our weapons systems. I think this plays very strongly into the scenario.

Looking once again to those individuals who have had the responsibility over the last several years in Geneva to debate and to negotiate with the Russians, just a year ago in October, when negotiations broke off with the

initial deployment of the GLCM's and the Pershings, we thought that it would be the end of negotiations. As it turned out, the Russians did not leave the negotiating table until December. Those negotiations were supposed to almost wind down in December, but it was within a 2-week timeframe when the Russians, so to speak, walked out.

We have had a tremendous breakthrough back in this January when a new team being led by the Secretary of State went to Geneva to open up some new brand of negotiations. Once again we are getting back to the table.

I have felt you cannot resolve problems unless you speak to one another, and unless we speak to one another we cannot begin to resolve these serious problems that we are undertaking. And for us now, when we are just getting back to the bargaining table, when we are just getting back to a dialog, to once again eliminate or fence off or cut out a program on which we have had several of our initial test shots and they have all been absolutely superior shots, they have all done exactly as they were designed to do, we have moved forward in that factor, so I think now is not the time to eliminate a program on which we have spend a great deal of time in the development stage.

I want to commend my colleague for taking this special order to begin to address the issue that is one on which this body is going to have only 10 hours of debate, an up or down vote on a program that has been fenced since last fall.

Mr. STRATTON. Is it not the case that earlier, a year or so ago, we emphasized that a vote for the MX missile would represent a further type of arms limitation agreement because of our decision that once the MX missile was in production we would also approach a new venture, which was called the Midgetman missile, a single warhead rather than a 10-warhead missile, which would be mobile and therefore have a much larger factor of invulnerability? And if we approve the MX, the Midgetman program will then be continued, will it not?

Mrs. BYRON. It is my understanding that that is the case. I question the individuals who are trying to eliminate the MX program per se but said that they were solidly in favor of Midgetman. And what concerns me is if we eliminate MX and we move forward with Midgetman, where are those same colleagues of ours going to be when we start looking at the dollar cost and the personnel cost of a Midgetman program? And I think that that is a factor that we have to take into consideration, and we have to get some kind of an understanding out of those people who are trying to eliminate a system for another system. Are they going to be there when it comes time for that other system? I think we are now on the brink of a development stage where it has moved ahead, where the MX has continued in its development phase. We have had a request for 21 missiles in last year's authorization. I think the time has come that we are going to have to make the hard decision whether we are really committed to negotiations or whether we are not.

Mr. STRATTON. In fact, if I recall, it was the new chairman of our committee, the Armed Services Committee, the distinguished gentleman from Wisconsin [Mr. ASPIN], who had pointed out and had taken the intiative in adding this arms control aspect to the MX, with the assistance of the Midgetman, that this would really be a step forward toward arms limitation, could conceivably even be something that we would encourage the Soviet Union to emulate rather than continuing to have large numbers of warheads in one missile, perhaps the Soviets might follow our lead and also have one-warhead missile rather than 10-warhead missiles.

Mrs. BYRON. When you look at the leaps and bounds that the Soviets have gone with their modernization programs, in the same timeframe when we have not modernized, I think there is no question that we must move ahead to some type.

Hopefully, we will not have to deploy, hopefully we will not have to move forward in that, because we will be able to come up with some type of an arms control agreement, but until that arms control agreement is within reach and within a reality, I see no other alternative except to move ahead with the commitment that we have made.

□ 1730

Mr. STRATTON. Well, I want to thank my colleague from Maryland for joining in this debate, and we have a few days ahead of us, and I hope that we will be able to convince our colleagues that this is the proper way to go, to support the MX missile.

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

THE INTERSTATE BANKING ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 30 minutes.

● Mr. LAFALCE. Mr. Speaker, today I am introducing the Interstate Banking Act of 1985, a bill to phase in interstate banking, protect against excess concentration in the banking industry, and mandate that banks moving into new communities improve the service available to local banking customers. I am sponsoring the bill in the belief that Congress must modernize our banking laws, and in the conviction that it is now possible to develop a consensus about how the Congress should handle the transition to full interstate banking.

MARKETPLACE EVOLUTION

Since the Congress last addressed the broad question of interstate banking in 1956, we have seen high and volatile interest rates, consumers' growing awareness and sensitivity to financial market products, and dramatic developments in technology that have contributed to the awareness by bankers that laws limiting bank movements across State lines are no longer workable.

Because the financial services industry has become increasingly fragmented, with a host of new providers, banks face competition in every business line. A consumer who wants a high rate of return on savings can choose between a bank, a retailer like Sears or J.C. Penney, or a brokerage firm like Merrill-Lynch. The larger corporate customer no longer goes automatically to the bank for funds. Many go directly to the capital markets, utilizing the service of investment bankers, or use banks abroad, or deal with large finance companies or insurers. In the trust business, banks face competition from insurers and money managers. In the mortgage business, banks, thrifts, financial conglomerates and mortgage banking firms struggle over the same market.

The most astonishing thing about this intense competition is that it has developed virtually overnight. When I came to the Congress 10 years ago, interest rates were regulated. Bank lines of business were quietly protected. And, most consumers never thought of banking further away than their own neighborhood. Nationally, credit card systems were in their childhood or early adolescence.

Over the last decade we in Congress have had to respond to dramatic changes in the financial services industry. We enacted major legislation in 1978, in 1980, and again in 1982, each time in an effort to equalize competition within the banking industry and between banks and their competitors. Yet, competitive inequities still remain.

Every bank competitor can follow customers across State lines, building branches and offering a variety of products beyond the basic savings and transaction services. In fact, I once was told that everyone in the continental U.S. lived within 75 miles of a Merrill-Lynch office. Certainly that is now true of Sears or Prudential.

Bankers, recognizing this problem of access, have done their best to avoid interstate restrictions. State and Federal legislators have responded to such movements by gradually stretching the borders drawn by the 1933 McFadden Act and the 1956 Douglas Amend-

ment to the Bank Holding Company Act. Erosion of interstate barriers mean that banks now cross State borders to offer particular kinds of services or to rescue failing institutions.

Permit me to show how such movement is legally permissible. First, States are authorized to allow banks to move across State lines. Many are doing so. Second, the Garn-St Germain Act of 1982 allows interstate acquisitions of failing institutions. Third, the Bank Holding Company Act allows banks to own nonbank subsidiaries in other States. Fourth, certain bank functions can be carried out through specialized loan production and Edge Act offices. And fifth, nearbanks, such as savings and loans and mutual savings banks are not statutorily prohibited from moving. In fact, a New Jersey savings and loan has recently applied to the Federal Home Loan Bank Board to establish a nationwide branch network.

Moreover, in recent years, a new avoidance technique—the nonbank-bank loophole—has been untouched by the Congress. The result of inaction on that issue is that banks (and their nonbank owners) will be allowed to set up a physical presence to do banking businesses that increasingly do not need a physical presence to undertake. Think of credit cards, CD's sold interstate, savings accounts and money funds that are advertised and accepted interstate.

INTERSTATE BANKING THROUGH REGIONAL AGREEMENTS

Mr. Speaker, I should elaborate for a moment on how our nationwide banking system is developing, and why I think it is so important for Congress to assume an oversight role in the process.

There are two essential issues to be addressed when we consider moving to full interstate banking. First, what should we do to ensure the continuing stability of the banking system? And second, accepting that the structure of the system is a matter of important public interest, how do we protect the consumer and maintain the economic benefits of a competitive banking structure?

On the issue of a stable banking structure, it is no longer news that banks are failing at a greater rate than anytime since the depression. We had 79 commerical bank failures in 1984; the FDIC expects 100 in 1985. there are currently 800 banks on the regulators' problem list; that number could rise to over 1,000 this year.

Such weakness in the banking industry has taken place because of a variety of factors. Interest rate volatility and heated marketplace competition have made banking a tougher business than it used to be, and some institutions have failed from simple bad management. Some have invested too heavily in businesses like energy or real estate and have floundered as inflation-driven values tumbled. Others, over-invested in low-return, long-term assets, haven't been able to maintain earnings as the price of funds has gone up. There are also more generic reasons—reasons related to our current legal structure.

The fact is that many banks are going though costly and inefficient gymnastics to keep and acquire new customers. In effect, they are practicing loophole manipulation rather than sound business planning. Because their market share has decreased in the face of intense competition, banks are leveraging their capital at greater rates, stretching themselves to create a better earnings profile. And, in States like Illinois, where even in-state branching has been restricted, bankers are depending on high-cost, highly volatile purchased funds, rather than developing a more stable extended deposit base.

The banking system in the United States, tied as it is to outdated structural arrangements and buffeted by the vagaries of a mercurial market, is certainly more fragile than at any time since the depression. In fact, our system is now less stable than any in the industrialized world.

One way to strengthen the system is to adapt our legal framework to today's marketplace. Banks urgently need the opportunity to diversify and move into new market areas and services. It simply does not make sense for a community bank in Washington, DC to be precluded from competing in the suburban markets of Maryland and Virginia. And it is not acceptable that a New York money-center bank can open offices in Zurich, London, and Hong Kong, but not in Newark or Princeton.

Mr. Speaker, the advent of electronic funds transfer and the creativity of the legal profession ensure that aggressively managed institutions will broaden their markets. Many institutions will fail; some quite dramatically. But some will succeed—some are succeeding—to move interstate at great profit. Thus, the question we must now ask is this: What do these individual successes mean for the economy and for the public?

Many people in the banking industry and many policymakers have figured out that lowering interstate barriers can be good for local banks and local markets. Those people are determined to promote interstate banking, but let's look at how they're doing it.

Utilizing the concept of regional compacts, the States are acting in concert to carve up America. If the compacts are allowed to develop freely, it is expected that within a few years, most States will belong to regional groupings that allow bank movement only across select State lines.

The problems with such arrangements are numerous. First, of course, the groupings may be found to be unconstitutional. Second, these compacts can create a process of selective enrichment. In New England, for example, bank stock rose in 1982 at a rate seven times the national increase, simply because it appeared that a regional compact would be authorized. Third, the regions being created are artificially determined, and have little relation to natural market areas. In the Northeast, for example, New York would be excluded from compacts in such a way that a New Jersey or Connecticut commuter would be unable to fully utilize its bank's services several miles from home, while a resident of Maine could travel hundreds of miles to Connecticut and find a branch of his hometown bank. In the West, Utah residents could find their bank in Alaska, but not in California, because California would be excluded from the regional arrangement. Imagine such limitations on other products—automobiles from Michigan being prohibited in Florida, or wheat from Iowa limited to consumer use in 11 Western States. Preposterous!

Fourth, and most importantly, regional compacts will ultimately endanger our national market system and hurt the consumer. Thus, the potential benefit of interstate banking would become a liability in a system of regional compacts. Instead of a vibrant, responsive national banking system we could end-up with fiefdoms, where single regional institutions are protected from competition. In some States excluded from compacts—those black holes in the national map of colorful regional groupings—retail customers and borrowers could face a dangerous weakening of local institutions because those banks were excluded from opportunities to expand and diversify.

Regional compacts, in my view, will undermine the ability of the national economy to grow efficiently and will limit consumer choices. Federal Reserve Chairman Paul Volcker, who fears the Balkanization of banking through the compact movement, has suggested that any authorization for such agreements should be for a strictly limited period, and viewed as a transition toward interstate banking. My proposal, the Interstate Banking Act of 1985, takes that approach.

CONGRESSIONAL RESPONSIBILITY

Congress now has a window of opportunity to shape the Nation's banking system for the coming generation. The opening is a narrow one, because in very quick order marketplace activity will have determined the shape of the system for many years to come. The structure of the banking system is an issue of national interest, and it is

an issue we need to take up immediately.

Chairman Volcker has said that the questions of regional compacts and interstate banking should be decided by Congress—not, he points out, "by regulators or courts attempting to read the legislature's intent into old laws originally intended to deal with different problems."

Congress last considered the question of interstate banking in 1956—almost 30 years ago. That year, the Douglas Amendment to the Bank Holding Company Act was approved. Before that, in 1927 and 1933, Congress took action that had the result, although not the intent, of establishing state boundaries as the outside limits for branching commercial banks. No legislation, however, has ever statutorily limited the branching power of thrift institutions, or distinguished from commercial banks.

Passage of the 1927 McFadden Act and its 1933 amendment established the principle that banks chartered under either State or Federal authority would be treated equally with regard to branching within the States, and the States would have the power to regulate the movement of banks within their borders. In 1956, after bankers developed the holding company form of organization to escape branching restrictions by establishing or purchasing new banks rather than opening branches, Congress approved the Douglas amendment. That amendment prohibits companies from acquiring banks in another State unless the State authorizes the acquisition.

There are two reasons that I point to the history of interstate banking restrictions. The first is to demonstrate the Congress has reserved for itself a role in shaping the Nation's banking structure. Second, Congress has usually acted to verify marketplace developments. McFadden, for example, broadened the branching authority of national banks to match that of banks in States that allowed intracity branching. The 1933 amendment recognized and countenanced branching throughout States, and in 1956 the Congress legitimized and regulated the practice of banks establishing subsidiary businesses in other states.

Mr. Speaker, marketplace developments since 1956 require that Congress again assume the responsibility of arbitrating and overseeing the movement of banks across State lines.

In fact, it is a responsibility we should have assumed earlier.

Several years ago, I introduced a package of bills offering a variety of proposals for managing the transition to interstate banking. At the time I referred to a 1981 report by the Carter administration entitled "Geographical Restrictions on Commercial Banking in the United States." The report has called existing geographical restrictions anachronistic, and had argued that interstate barriers discriminate against consumers, and deprive the public of the benefits of increased competition, impede the efficient allocation of resources, retard the development and applications of new technologies, and restrict the ability of bank management to compete with other nonbank financial institutions playing under a different set of rules.

I agreed with the findings of the report, and suggested several options for Congress to take beginning steps toward full interstate banking. Several of those step I suggested have since been taken, including interstate development of ATM's and authorization for depository institutions to acquire failing banks and thrifts across State lines. I should mention that because Congress never acted explicitly to countenance interstate ATM networks, a recent court case has questioned their continuance.

Though I hoped for a comprehensive review of interstate issues, I noted that "the tendency of government is to wait for a crisis before addressing a problem." Well, Mr. Speaker, that crisis is here. We face increasing fragility in the banking structure and the possible economic Balkanization of America.

It is now critical for the Congress to act on this issue.

THE INTERSTATE BANKING ACT

Mr. Speaker, in proposing the Interstate Banking Act of 1985, I am advocating the position that allowing depository institutions to compete nationwide will contribute to the stability of the banking system and improve service to the consumer.

I recognize, however, that there are legitimate concerns about dramatic change in our national banking system. Some argue that eliminating interstate restrictions will result in a monopolistic banking system, with several large institutions controlling a majority of depository institution assets. I don't think that will happen. Nevertheless I am proposing enactment of certain safeguards to ensure that financial concentration will not occur.

First, my bill would allow interstate branching as well as regulate cross-border mergers and acquisitions. In terms of public policy, I believe it is better to encourage internal growth by allowing branching than by encouraging growth through mergers and acquisitions. A recent Federal Reserve study has shown that the most merger-active States have been those with the most restrictive branching laws. In other words, when the branching option is unavailable, geographic expansion will occur more often in a manner that increases financial concentration.

When institutions do agree to mergers and purchases, my bill limits the prospects for financial concentration in two ways. First, in order to strengthen the regulators' ability to preserve the competitiveness of local banking markets, my bill directs the overseeing regulator to prohibit a merger or acquisition which will result in an undue concentration of resources. Further, no merger or acquisition can be approved if the acquiring institution has more than $10 billion in domestic deposits and the institution to be purchased has more than $2 billion in domestic deposits. The net effect of these numbers is that the 20 largest institutions will not be able to combine with any of the 50 largest.

Another concern expressed by opponents of interstate banking is that as banks begin to move into new communities they will strip the community of its resources or reduce the level of services as a cost-savings measure. My bill will make a determination of consumer benefit an integral part of the merger approval process. It will ensure, therefore, that combinations of institutions not only make sense from a business perspective, but also offer identifiable benefits to the consumers and communities affected.

Under the Interstate Banking Act, overseeing regulators must examine the record of the acquiring institution and its subsidiaries in meeting the needs of the communities it already serves, and then determine that the new community will benefit from (a) reduced rates and fees for existing services, (b) new or improved service in the community, (c) increased operating efficiency, or (d) greater convenience. Only after such a finding can a merger or acquisition be approved.

With regard to the actual phase-in of interstate banking, my bill covers both commercial banking and thrift institutions, and allows a temporary period in which regional compacts could exist. For a period of 3 years after the date of enactment, States could regulate entry according to regional geography, reciprocal treatment by other States, or by any other similar conditions. During the period States may, of course, authorize entry without restriction.

If a State determines to regulate entry according to regional geography, it will be required to accept banks from any State which is (a) contiguous and (b) offers reciprocal treatment of banks and thrifts from the acting State. This rule applies both to interstate branching and expansion by acquisition, and it is included to ensure that any region created under the act is designed according to some geographic logic. Bank and thrift customers would be much better served by a system which recognizes that State borders are political barriers which are crossed at will and regularly, by people living near them.

After the original 3-year period, States which have opened their borders to banks and thrifts from other States will be required to allow entry by institutions from States which have a law providing for reciprocal treatment of the acting State's banks and thrifts. In this second phase of the move to interstate banking, I expect regional arrangements to be gradually replaced by more open systems which reflect the existence of a national marketplace for financial services.

At the fifth anniversary of the enactment of the Interstate Banking Act of 1985 we would move to full interstate banking, and even those States which had not taken action to manage the transition would be required to open their borders.

Mr. Speaker, activity at the State level and recent announcements by major banking trade associations—the Association of Bank Holding Companies and the American Bankers Association—that they are ready to support a move to full interstate banking, indicate that the time is ripe for Congress to address this long-overlooked issue. I believe my proposal offers a logical system for managing the transition to a more open, competitive, and stable banking environment.

In sum, Mr. Speaker, the Interstate Banking Act of 1985 proposes a solution to the interstate banking question which recognizes recent changes in the banking industry. It allows local input regarding the transition to a national marketplace, establishes parity between banks and thrifts regarding their interstate movement, prevents financial concentration, and ensures that banking consumers benefit from interstate movement. After almost 30 years of inaction, it is now time for Congress to address these crucial issues.

The text of the Interstate Banking Act of 1985 follows:

H.R. 1276

SHORT TITLE

SECTION 1. This Act may be cited as the "Interstate Banking Act of 1985".

INTERSTATE BRANCHING BY NATIONAL BANKS

SEC. 2. (a) The first sentence of section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)) is amended—

(1) by striking out "and" before "(2)"; and

(2) by inserting before the period at the end thereof the following: "; and (3) within any other State if under the statute laws of the State in which the association is seeking to establish such branch, State banks located in the State in which the association is located are expressly authorized to establish such branches. In determining whether or to what extent to permit the establishment or operation of a branch by a bank the principal place of business of which is in another State, a State may allow such branching (A) without restriction, or (B) on the basis of (i) the location of the States involved, (ii) laws providing for reciprocal treatment of banks located in its State, or (iii) other similar conditions or restrictions. In any case in which a State has in effect, on any date during the first three years after the date of the enactment of this sentence, a statute law which permits the establishment of branches by banks located in the same region in which such State is located, such State shall (A) after the effective date of such State statute law, permit the establishment of branches by out-of-State banks located in any State which (i) is contiguous to such State, and (ii) has statute laws providing for reciprocal treatment of banks located in such State, and (B) beginning three years after the date of the enactment of this sentence, permit the establishment of branches by banks located in any State which has a statute law providing for reciprocal treatment of banks located in such State.".

(b)(1) Section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)) is amended by striking out "(3) within any other" and all that follows through "banks located in such State." and inserting in lieu thereof the following: "(3) at any point within any State in which said association is not situated, if such establishment and operation are at the time authorized to State banks of such State by the statute law of such State in question by language specifically granting such authority affirmatively and not merely by implication or recognition, and subject to the restrictions as to location imposed by the law of such State on its State banks.".

(2) The amendment made by paragraph (1) shall take effect 5 years after the date of the enactment of this Act.

INTERSTATE ACQUISITIONS

SEC. 3. (a) Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended—

(1) by redesignating the first sentence as paragraph (1);

(2) by redesignating the second sentence as paragraph (4); and

(3) by inserting after paragraph (1) the following new paragraphs:

"(2)(A) For purposes of this section, a State may authorize a bank holding company, the banking operations of which are principally conducted in another State, to acquire, directly or indirectly, voting shares of, interest in, or all or substantially all of the assets of a bank located in such State.

"(B) In determining whether and to what extent to permit such an acquisition by such a bank holding company, a State may, by law, allow such an acquisition—

"(1) without restriction; or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for the reciprocal treatment of bank holding companies located in its State; or

"(III) other similar conditions or restrictions. "(C) In any case in which a State has in effect, on any date during the first three years after the date of the enactment of this subparagraph, a law which permits an acquisition described in subparagraph (A) by a bank holding company located in the same region in which such State is located, such State shall—

"(i) after the effective date of such State law, permit such an acquisition by any out-of-State bank holding company located in any State which—

"(I) is contiguous to such State; and

"(II) has a law providing for reciprocal treatment of bank holding companies located in such State; and

"(ii) beginning three years after the date of the enactment of this subparagraph, permit such an acquisition by any out-of-State bank holding company located in any State which has a law providing for the reciprocal treatment of bank holding companies located in such State.

"(3) No application may be approved under this section unless—

(A) on the day on which such application is submitted to the Board, the subsidiaries of the bank holding company involved have less than $10,000,000,000 of domestic deposits and the bank which is to be acquired has less than $2,000,000,000 in domestic deposits;

"(B) the acquisition will not result in an undue concentration of resources; and

"(C) after examining the proposed acquisition and the record of the acquiring bank holding company and its subsidiaries in meeting the needs of the communities which it serves, the Board determines that there is a reasonable likelihood that approval of the application will result in—

"(I) reduced rates and fees for existing services;

"(II) new or improved services in the community;

"(III) increased operating efficiency; or

"(IV) greater convenience.".

(b)(1) Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended—

(A) by striking out paragraph (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) The amendments made by paragraph (1) shall take effect 5 years after the date of the enactment of this Act.

MERGERS BY INSURED BANKS

SEC. 4. (a) Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6)(A) The responsible agency shall not approve any proposed merger transaction which would result in an insured bank operating branches in more than one State unless such transaction is authorized by the laws of the States in which the branches will be operated.

"(B) In determining whether and to what extent to permit such a merger, a State may, by law, allow such a transaction—

"(i) without restriction, or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for the reciprocal treatment of banks located in its State; or

"(III) other similar conditions or restrictions.

"(C) In any case in which a State has in effect on any date during the first three years after the date of the enactment of this subparagraph, a law which permits a merger described in subparagraph (A) but limits such mergers to States located in the same region in which such State is located, such State shall—

"(i) after the effective date of such State law, permit such a merger by any out-of-State bank located in any State which—

"(I) is contiguous to such State; and

"(II) has a law providing for reciprocal treatment of banks located in such State; and

"(ii) beginning three years after the date of the enactment of this subparagraph, permit such a merger by any out-of-State bank located in any State which has a law providing for reciprocal treatment of banks located in such State.

"(D) The responsible agency shall not approve—

"(i) any proposed merger transaction under subparagraph (A) if—

"(I) on the date on which the approval of the responsible agency is requested, such acquiring bank has more than $10,000,000,000 of domestic deposits and the bank which is to be acquired has more than $2,000,000,000 of domestic deposits; or

"(II) the merger will result in an undue concentration of resources; or

"(ii) any proposed merger transaction under subparagraph (C) unless the responsible agency determines, after examining the proposed merger transaction and the record of the acquiring bank in meeting the needs of the communities which it serves, that there is a reasonable likelihood that approval of the proposed merger transaction would result in—

"(I) reduced rates and fees for existing services;

"(II) new or improved services in the community;

"(III) increased operating efficiency; or

"(IV) greater convenience.".

(b)(1) Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended—

(A) in subparagraph (D)(i), by striking out "under subparagraph (A)";

(B) in subparagraph (D)(ii), by striking out "under subparagraph (C)"; and

(C) by striking out subparagraphs (A), (B), and (C) and redesignating subparagraph (D) as subparagraph (A).

(2) The amendments made by paragraph (1) shall take effect 5 years after the date of the enactment of this Act.

INTERSTATE BRANCHING BY THRIFTS

SEC. 5. (a) Section 5(r) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(r)) is amended—

(1) in paragraph (2)—

(A) by inserting "or" at the end of subparagraph (B);

(B) by striking out subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following new paragraph:

"(2)(A) The limitations of paragraph (1) shall not apply if the law of the State in which the branch is to be located would permit establishment of the branch were the association an institution of the savings and loan or savings bank type chartered by the State in which its home office is located.

"(B) In determining whether or to what extent to permit the establishment or operation of a branch by a savings and loan association or savings bank the principal place of business of which is in another State, a State may allow such branching—

"(i) without restriction; or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for reciprocal treatment of savings and loan associations and savings banks located in its States; or

"(III) other similar conditions or restrictions.

"(C) In any case in which a State has in effect, on any date during the first three years after the date of the enactment of this subparagraph, a law which permits the establishment of branches by savings and loan associations and savings banks located in the same region in which such State is located, such State shall—

"(i) after the effective date of such State law, permit the establishment of branches by out-of-State savings and loan associations and savings banks located in any State which—

"(I) is contiguous to such State; and

"(II) has a law providing for reciprocal treatment of savings and loan associations and savings banks located in such State; and

"(ii) beginning three years after the date of the enactment of this subparagraph, permit the establishment of branches by savings and loan associations and savings banks located in any State which has a law providing for reciprocal treatment of savings and loan associations and savings banks located in such State.".

(b)(1) Section 5(r) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(r)) is hereby repealed.

(2) The amendment made by paragraph (1) shall take effect 5 years after the date of the enactment of this Act.

INTERSTATE ACQUISITIONS BY THRIFTS

SEC. 6. Section 407 of the National Housing Act (12 U.S.C. 1730) is amended by adding at the end thereof the following new subsection:

"(s)(1)(A) MERGERS INVOLVING MORE THAN ONE STATE.—In considering a reorganization or merger involving an insured institution the principal places of business of which are located in different States, the Corporation shall permit any such reorganization or merger if the laws of the States in which such insured institutions are principally located expressly permit such a reorganization or merger involving insured institutions located in the States involved or permit the establishment or operation of branch offices in the State involved.

"(B) In determining whether or to what extent to permit such a merger or reorganization or establishment or operation of a branch office by an insured institution the principal location of which is in another State, a State may permit such merger or reorganization or establishment of a branch office—

"(i) without restriction; or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for reciprocal treatment of savings and loan associations located in its State; or

"(III) other similar conditions or restrictions.

"(C) In any case in which a State has in effect, on any date during the first three years after the date of the enactment of this subparagraph, a law which permits a merger described in subparagraph (A) but limits such mergers to States located in the same region in which such State is located, such State shall—

"(i) after the effective date of such State law, permit such a merger by out-of-State savings and loan associations located in any State which—

"(I) is contiguous to such State; and

"(II) has a law providing for reciprocal treatment of savings and loan associations located in such State; and

"(ii) beginning three years after the date of the enactment of this subparagraph, permit such a merger by out-of-State savings and loan associations located in any State which has a law providing for reciprocal treatment of savings and loan associations located in such State.

"(2)(A) The Corporation shall not approve any merger under this subsection unless—

"(i) on the date on which the approval of the Corporation is requested, the acquiring savings and loan association has less than $10,000,000,000 of domestic deposits and the savings and loan association which is to be acquired has less than $2,000,000,000 of domestic deposits;

"(ii) the merger will not result in an undue concentration of resources; and

"(iii) after examining the proposed merger and the record of the acquiring savings and loan association in meeting the needs of the communities which it serves, the Corporation determines that there is a reasonable likelihood that approval of the proposed merger would result in—

"(i) reduced rates and fees for existing services;

"(ii) new or improved services in the community;

"(iii) increased operating efficiency; or

"(iv) greater convenience.".

INTERSTATE ACQUISITIONS BY SAVINGS AND LOAN HOLDING COMPANIES

SEC. 7. (a) Section 408(e)(3) of the National Housing Act (12 U.S.C. 1730a(e)(3)) is amended to read as follows:

"(3)(A) Not later than 60 days after registering under this section, each savings and loan holding company shall submit a written notice to the corporation designating the State in which the principal savings and loan business of such savings and loan holding company is located.

"(B) The Corporation may allow a savings and loan holding company whose operations are principally conducted in a State to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any association located in another State, if the laws of such State expressly permit such acquisition.

"(C) In determining whether and to what extent to permit such an acquisition by such a savings and loan holding company, a State may, by law, allow such an acquisition—

"(i) Without restriction; or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for the reciprocal treatment of savings and loan holding companies located in its State; or

"(III) other similar conditions or restrictions.

"(D) The Corporation shall not approve any application under this subsection unless—

"(i) on the day on which such application is submitted to the Corporation, the subsidiaries of the savings and loan holding company involved have less than $10,000,000,000 of domestic deposits and the savings and loan association which is to be acquired has less than $2,000,000,000 of domestic deposits;

"(ii) the merger will not result in an undue concentration of resources; and

"(iii) after examining the proposed acquisition and the record of the acquiring savings and loan holding company and its subsidiaries in meeting the needs of the communities which it serves, the Corporation determines that there is a reasonable likelihood that approval of the application would result in—

"(I) reduced rates and fees for existing services;

"(II) new or improved services in the community;

"(III) increased operating efficiency; or

"(IV) greater convenience.".

(b)(1) Section 408(e)(3) of the National Housing Act (12 U.S.C. 1730a(e)(3)) is amended by striking out subparagraphs (B) and (C) and redesignating subparagraph (D) as subparagraph (B).

(2) The amendments made by paragraph (1) shall take effect 5 years after the date of the enactment of this Act.●

RULES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT FOR THE 99TH CONGRESS

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

● Mr. DIXON. Mr. Speaker, pursuant to the requirement of clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith the rules of the Committee on Standards of Official Conduct for the 99th Congress in the RECORD at this point. These rules were adopted by the committee in open session on February 6, 1985.

PART I—SCOPE AND AUTHORITY

Scope and Authority

Rule 1. (a) These rules govern the procedures to be followed by the Committee on Standards of Official Conduct (hereafter referred to as the "Committee"). So far as applicable, these rules and the Rules of the House of Representatives shall be the rules of each subcommittee of the Committee, but each subcommittee may prescribe additional rules not inconsistent therewith.

(b) These rules are adopted under the authority of clause 2(a) of Rule XI of the Rules of the House of Representatives, 96th Congress.

PART II—GENERAL COMMITTEE RULES

Subcommittees

Rule 2. (a) The Chairman may establish subcommittees and may assign to them such functions as he may deem advisable. The membership of each subcommittee shall provide equal representation for the majority and minority parties. The Chairman may refer any bill, resolution, investigation, or other matter before the Committee to an appropriate subcommittee for consideration and may recall any such bill, resolution, investigation, or other matter from the subcommittee to which it was referred.

(b) Any member of the Committee may sit with any subcommittee, but only regular members of the subcommittee may vote on any matter before the subcommittee.

Meetings

Rule 3. (a) The regular meeting day of the Committee shall be the second Wednesday of each month, except when the House is not meeting on that day. When the Chairman determines that there is sufficient reason, he may call a meeting on additional days. A regularly scheduled meeting need not be held when the Chairman determines there is no business to be considered.

(b) Insofar as practicable, notice will be provided seven days in advance of meetings. However, the Chairman may, in his discretion, waive such time period for good cause.

Members Required for Quorums and Committee Action

Rule 4. (a)(1) A quorum of the Committee consists of a majority of the members of the Committee.

(2) A quorum of a subcommittee consists of a majority of the members of the subcommittee.

(b) Except as provided in clause 4(e)(2)(A) of Rule X of the Rules of the House of Representatives and rules 5, 8, 12, 16, and 17 of the Committee rules, action may be taken by the Committee by a simple majority, a quorum being present.

Broadcasts of Committee Proceedings

Rule 5. (a) Whenever any hearing or meeting by the Committee is open to the public, the Committee may permit, except as provided in clause (b) of this rule, by a vote of a majority of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness shall be required against his or her will to be photographed or to otherwise have a graphic reproduction of his or her image made at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio coverage at a hearing, all microphones shall be turned off, at the request of any witness who does not wish to be subjected to television or still photography coverage at a hearing, all lenses shall be covered, and at the request of a witness who does not wish to have a graphic reproduction of his or her image made at a hearing, the making of such a reproduction at the hearing shall not be permitted. This paragraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(b) Coverage by radio, television, still cameras, or electronic recording device of any disciplinary hearing held under subpart B of part III of the Committee rules is prohibited.

Committee Records

Rule 6. (a) The Chairman of the Committee shall, with the approval of the Committee, establish such procedures as in the Chairman's judgment may be necessary to prevent the unauthorized disclosure of any testimony or other information received by the Committee or its staff.

(b) Unless otherwise authorized by the Committee, no information received by the Committee respecting any alleged violation by a Member, officer, or employee of the House of Representatives of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities shall be disclosed to the public before the transmittal under rule 11 of the Committee rules of such Member, officer, or employee of a Statement of Alleged Violation in connection with such violation. After the service of such a Statement on the Member, officer, or employee—

(1) the Statement and any other paper filed pursuant to rule 12 of the Committee rules respecting such violation shall be made available for public inspection at reasonable hours, and

(2) any other paper filed with the Committee respecting such violation shall be made available as authorized by the Committee, except that no paper shall be made available if its disclosure would violate any Executive Order or any Federal law or regulation.

Special Procedures

Rule 7. The Committee may adopt by resolution any special procedures deemed necessary to a particular matter before the Committee. Copies of such special procedures shall be furnished to all parties and witnesses in the matter.

Changes in Committee Rules

Rule 8. The rules of the Committee may be modified, amended, or repealed by a vote of a majority of the Committee if before such vote written notice of the proposed modification, amendment, or repeal was provided each member of the Committee.

PART III—COMMITTEE INVESTIGATIVE AUTHORITY

Subpart A—Complaints and committee inquiries

Complaints

Rule 9. (a) A complaint submitted to the Committee under clause 4(e)(2)(B) of Rule X of the Rules of the House of Representatives shall be in writing and under oath, setting forth in simple, concise, and direct statements—

(1) the name and legal address of the party filing the complaint (hereafter referred to as the "complaint");

(2) the name and position or title of the Member, officer, or employee of the House of Representatives alleged to be in violation of the Code of Official Conduct or a law, rule, regulation, or other standard of conduct;

(3) the nature of the alleged violation, including, if possible, the specific section of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated; and

(4) the facts alleged to give rise to the violation. When facts are alleged upon the information and belief of the complainant, the complaint shall so state and set forth the basis for such information and belief.

(b) All documents in the possession of the complainant that are relevant to and in support of the allegations shall be appended to the complaint.

(c) A complaint by a Member of the House of Representatives may be transmitted directly to the Committee. A complaint by an individual not a Member of the House may be transmitted through a Member who agrees, in writing, to accept it for that purpose. If a complaint by an individual not a Member of the House is submitted to three Members of the House who refuse, in writing, to transmit the complaint to the Committee, the complainant may transmit the complaint directly to the Committee, provided an affidavit is attached stating, under

oath, the names of the Members to whom the complaint was submitted and by whom it was rejected in writing.

Processing of Complaints

Rule 10. (a)(1) The staff of the Committee shall examine each complaint submitted to the Committee for compliance with clause 4 (e)(2)(B) of Rule X of the Rules of the House of Representatives and rule 9 of the Committee rules.

(2) If the staff determines that a complaint does not comply with such House and Committee rules, the complaint shall be returned to the complainant with a general statement that the complaint is not in compliance with such rules and a copy of such rules. A complainant may resubmit a complaint.

(3) If the staff determines that a complaint is in compliance with such House and Committee rules, the complaint shall be filed with the Committee. Within five days of the filing of a complaint (A) a copy of the complaint, showing the date of its filing, shall be transmitted to the Chairman and ranking minority member of the Committee, and (B) every other member of the Committee shall be notified of the filing of the complaint and of its availability for inspection by the member in the Committee offices. Upon the request of any member of the Committee, the staff of the Committee shall inform the member of the complaints which have been filed with the Committee and which are pending before the Committee.

(4) If within thirty days of the date of the filing of a complaint the Chairman and ranking minority member of the Committee jointly—

(A) decide to place the complaint on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee, it shall be so placed on such agenda, or

(B) determine that the complaint be dismissed because it fails to allege facts which constitute a violation of the Code of Official Conduct or applicable law, rule, regulation, or other standard of conduct, the complaint together with the determination that it should be dismissed shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

Unless the Committee determines under clause (b) that the complaint merits further inquiry, the complaint shall be dismissed and the complainant shall be notified of the dismissal. If upon the expiration of such thirty days, the Chairman and ranking minority member have not taken any joint action respecting the complaint, it shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

(b) At the meeting at which the Committee is to consider a complaint filed with the Committee, the Committee shall determine whether the violation alleged in the complaint is within the jurisdiction of the Committee and, if so, whether the allegations in the complaint merit further inquiry. The complainant and respondent shall be notifed, in writing, of action taken by the Committee respecting the complaint.

Preliminary Inquiry and Statement of Alleged Violation

Rule 11. (a)(1) If the Committee determines under rule 10(b) that the allegations of a violation in a complaint filed with the Committee merit further inquiry, the Committee shall conduct a preliminary inquiry to determine whether such violation occurred.

(2) In the preliminary inquiry—

(A) the Committee shall provide the respondent an opportunity to present to the Committee, orally or in writing, a statement respecting the allegations with respect to which the inquiry is being held,

(B) the staff may interview witnesses and examine documents and other evidentiary matter,

(C) the Committee may order the testimony of witnesses to be taken under oath, in which event the oath may be administered by a member of the Committee or by any person authorized by law to administer oaths,

(D) the Committee may require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary to the conduct of the inquiry, and

(E) any probative evidence may be used.

Upon the completion of the preliminary inquiry, the staff of the Committee shall prepare and transmit to the Committee a report containing a comprehensive summary of the information received in the inquiry and may include in the report a recommendation for action by the Committee respecting the alleged violation which was the subject of the inquiry.

(b) If the Committee determines on the basis of the report of the Committee staff on the preliminary inquiry respecting an alleged violation that there is reason to believe that the violation occurred, the Committee may direct the staff to transmit to the respondent a Statement of Alleged Violation. A Statement shall be divided into counts and each count shall relate to a separate violation and shall contain a plain and concise statement of the alleged facts of such violation and include a reference to the provision of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated.

Answers and Motions and Committee Action

Rule 12. (a) If a Statement of Alleged Violation is transmitted under rule 11(b) of the Committee rules, the respondent receiving the Statement shall have not less than 21 days in which to respond to it. The response shall be by way of answer or motion, shall be in writing and signed by the respondent or his counsel, and shall be limited to the following:

(1) An admission to or denial of, under oath, each count set forth in the Statement. A denial may include (A) negative and affirmative defenses to the allegations in a count, and (B) any supportive evidence and any other relevant information which the respondent may desire to submit.

(2) An objection to any count in the Statement on the grounds that it fails to state facts which constitute a violation of the Code of Official Conduct or any other applicable law, rule, regulation, or other standard of conduct.

(3) An objection to the jurisdiction of the Committee to consider the allegations contained in the Statement.

(4) A motion for a bill of particulars.

(5) An objection to the participation of any member of the Committee in the consideration of the allegations contained in the Statement on the grounds that the member cannot render an impartial and unbiased decision. The Committee member against whom the objection is made shall be the sole judge of his qualifications. A motion under this paragraph is not in lieu of an answer.

Any motion submitted pursuant to this clause shall be accompanied by a memorandum of points and authorities. Except for good cause shown, no pleading or motion not described in paragraphs (1) through (5) will be considered by the Committee and the Committee will not consider any answer or motion described in such paragraphs which is submitted under this clause after the expiration of such 21 days.

(b) Within 30 days after the receipt of any motion under clause (a) respecting a Statement, the Committee shall consider such motion. Notice of the decision of the Committee respecting the motion shall be furnished the respondent who submitted it. When the Committee has acted on all motions submitted under paragraphs (2), (3), and (4) of clause (a), the respondent shall, in accordance with paragraph (1) of such clause, submit, within 14 days of the date of the last Committee action, an answer to each count in the Statement not dismissed by the Committee.

(c) Failure to submit, within the applicable time period, an answer to a count of a Statement which has not been dismissed by the Committee shall constitute an admission to the violation alleged in the count.

(d) The Chairman, in his discretion, may extend any time limitation imposed by clause (a) or (b) if he determines that the extension would facilitate a fair and complete inquiry and may shorten any such time limitation if he determines that there are special circumstances which require the shortening of such time limitation.

(e)(1) As soon as practicable after the expiration of all applicable time limitations for action under clauses (a) and (b) respecting a Statement of Alleged Violation, the Committee shall act, by the vote of a majority of the members of the Committee, to—

(A) hold a disciplinary hearing on the violation charged in the Statement, or

(B) defer action on the Statement but only if there is a judicial proceeding pending.

Failure to achieve a vote of the majority of the members of the Committee on a motion to take any action described in subparagraph (A) or (B) shall constitute dismissal of the Statement.

(2) The respondent to a Statement of Alleged Violation shall be notified in writing of action taken under paragraph (1) by the Committee respecting the Statement.

Inquiries on the Committee's Initiative

Rule 13. Notwithstanding the absence of a complaint filed with the Committee under rule 10 of the Committee rules, the staff of the Committee shall present to it any evidence available to the staff reasonably indicating that any Member, officer, or employee may have committed a violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to his conduct in the performance of his duties or in the discharge of his responsibilities. If the Committee determines that the evidence presented by the staff or an alleged violation merits further inquiry, the Committee shall, in accordance with rule 11(a) of the Committee rules, conduct a preliminary inquiry to determine whether such violation occurred. Rules 11 and 12 of the Committee rules shall apply to further proceedings respecting such alleged violation.

Committee Action After Criminal Convictions

Rule 14. If a Member, officer, or employee of the House is convicted in a Federal, State or local court of a criminal offense for which a sentence of a term of imprisonment of at least one year may be imposed, the Committee shall conduct, in accordance with rule 11(a) of the Committee rules, a preliminary inquiry to review the evidence of such offense and to determine whether it constitutes a violation over which the Committee is given jurisdiction under clause 4(e) of Rule X of the Rules of the House of Representatives. If on the basis of the report of the Committee staff on the preliminary inquiry the Committee determines that an offense was committed over which the Committe has jurisdiction under such clause, the Committee shall notify the Member, officer, or employee of its determination and shall hold a disciplinary hearing for the sole purpose of determining what action to recommend to the House respecting such offense. Such hearing shall be held in accordance with the requirements of rule 16 of the Committee rules applicable to the second phase of a disciplinary hearing and any recommendation made by the Committee shall be made in accordance with rule 17 of the Committee rules.

Definition

Rule 15. For purposes of this subpart and subpart B, the term "respondent" means a Member, officer, or employee of the House who is charged in a complaint filed with the Committee under rule 10 of the Committee rules or who is charged in a Statement of Alleged Violation transmitted under rule 12 of the Committee rules.

Subpart B—Disciplinary hearings

Disciplinary Hearings

Rule 16. (a) A disciplinary hearing respecting a violation charged in a Statement of Alleged Violation shall be held to receive evidence upon which to base findings of fact and recommendations, if any, to the House respecting such violation. A disciplinary hearing shall consist of two phases. The first phase shall be for the purposes of determining whether or not the counts in the Statement have been provided. The second phase shall be for the purpose of determining what action to recommend to the House with respect to any count found to have been proved.

(b) At a disciplinary hearing the Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary. Depositions, interrogatories, and sworn statements taken under Committee direction may be accepted into the Committee record. The procedures set forth in clause 2(k) of Rule XI of the Rules of the House of Representatives shall apply to disciplinary hearings.

(c) Prior to setting a date for a disciplinary hearing and issuing subpoenas for witnesses, the Committee shall resolve the scope and purpose of the hearing. A copy of this statement of scope and purpose shall be furnished to all witnesses. During the course of the hearing the Committee may expend or contract the scope in light of evidence received.

(d)(1) The order of phase one of a disciplinary hearing shall be as follows:

(A) The Chairman shall open the hearing by stating the Committee's authority to conduct the hearing, the purpose of the hearing, and it scope.

(B) Testimony from witnesses and other evidence pertinent to the subject of the hearing shall be received in the following order whenever possible: (i) witnesses and other evidence offered by the Committee staff, (ii) witnesses and other evidence offered by the respondent, and (iii) rebuttal witnesses.

(C) Witnesses at a hearing shall be examined first by the Committee counsel or authorized staff member. The Committee members may then question the witnesses under the five-minute rule. The respondent or his counsel may then cross-examine the witnesses. Redirect and recross may be permitted in the Chairman's discretion. With respect to witnesses offered by the respondent, a witness shall be examined first by the respondent or his counsel, and then may be cross-examined by Committee counsel or authorized staff member. Committee members may then question the witness under the five-minute rule. Redirect and recross may be permitted in the Chairman's discretion.

(2) Testimony of all witnesses shall be taken under oath. The form of the oath shall be: "Do you solemnly swear (or affirm) that the testimony you will give before this Committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?" The oath shall be administered by the Chairman or Committee member designated by him to administer oaths.

(e) At a disciplinary hearing the burden of proof rests on the staff with respect to each count to establish the facts alleged therein clearly and convincingly by the evidence that it introduces.

(f) Phase two of a disciplinary hearing shall consist of oral and/or written submission by counsel for the Committee and counsel for the respondent as to the sanction the Committee should recommend to the House of Representatives with respect to any count of the Statement of Alleged Violation which has been proved. Testimony by witnesses will not be heard at phase two except by a vote of a majority of the Committee.

Recommendations

Rule 17. (a)(1)(A) As soon as practicable after the completion of the first phase of a disciplinary hearing respecting a Statement of Alleged Violation, the Committee shall consider each count contained in the Statement and with respect to each count as originally drawn or as amended shall vote on a motion that the count has been proved. A count shall not be proved unless at least a majority of the Committee vote for a motion that the count has been proved. A count which is not proved shall be considered as dismissed by the Committee.

(B) If the Committee votes that a count has been proved, the Committee may upon completion of the second phase of the disciplinary hearing, by a majority vote of the Committee, consider and vote on a motion that a recommendation be made to the House for appropriate action respecting the violation charged in such count.

(2) If in a vote taken under paragraph (1)(A) respecting a count a majority of the Committee does not vote that the count has been proved, a motion to reconsider that vote may only be made by a Member who voted that the count was not proved. If in a vote taken under paragraph (1)(B) to adopt a recommendation to the House respecting a violation charged in a count a majority of the Committee does not vote in favor of the recommendation, a motion to reconsider that vote may only be made by a Member who voted against the recommendation.

(b)(1) With respect to any violation with which a Member of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(A) Expulsion from the House.

(B) Censure.

(C) Reprimand.

(D) Fine.

(E) Denial or limitation of any right, power, privilege, or immunity of the Member if under the Constitution the House may impose such denial or limitation.

(F) Any other sanction determined by the Committee to be appropriate.

(2) With respect to any violation with which an officer or employee of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(A) Dismissal from employment.

(B) Fine.

(C) Any other sanction determined by the Committee to be appropriate.

(c)(1) The purpose of this clause is to inform the Members of the House of Representatives as to the general guidelines the Committee considers appropriate for determining which, if any, sanctions to recommend to the House respecting violations proved in a disciplinary hearing. This clause does not limit the authority of the Committee to make or not to make recommendations for such sanctions.

(2) For technical violations, the Committee may direct that the violation be reported to the House without a recommendation for a sanction.

(3) With respect to the sanctions which the Committee may determine to include in a recommendation to the House respecting a violation, reprimand is appropriate for serious violations, censure is appropriate for more serious violations, and expulsion of a Member or dismissal of an officer or employee is appropriate for the most serious violations. A recommendation of a fine is appropriate in a case in which it is likely that the violation was committed to secure a financial benefit; and a recommendation of a denial or limitation of a right, power, privilege, or immunity of a Member is appropriate when the violation bears upon the exercise or holding of such right, power, privilege, or immunity.

(d) The Committee report accompanying a recommendation to the House adopted by the Committee under clause (a)(1)(B) respecting a violation charged in a count shall contain a brief but complete statement of the evidence which supported the finding as to that count and a brief statement of the Committee's reasons for the recommendation.

Disclosure of Evidence

Rule 18. Upon the request of a respondent, the Committee may permit the respondent to inspect, copy, or photograph books, papers, documents, photographs, or other tangible objects which the Committee intends to use as evidence against the respondent in a disciplinary hearing and which are material to the preparation of the defense of the respondent.

Subpart C—Evidence and witnesses

Exculpatory Information

Rule 19. If the Committee at any time receives any exculpatory information respecting a Statement of Alleged Violation against a Member, officer, or employee of the House of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct, it shall make such information available to such Member, officer, or employee.

Admissibility of Evidence

Rule 20. (a) Any evidence that is relevant and probative shall be admissible in any hearing of the Committee, unless the evidence is privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

(b) The Chairman or other Member presiding at a hearing shall rule upon any question of admissibility at the hearing of testimony or evidence presented to the Committee. The Chairman or other Member presiding may limit the presentation of repetitious evidence. Rulings shall be final unless reversed or modified by a majority vote of the Committee members present.

Witnesses

Rule 21. (a) A subpoena to a witness to appear at a hearing shall be served sufficiently in advance of his scheduled appearance to allow him a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel should he so desire.

(b) Except as otherwise specifically authorized by the Chairman, no member of the Committee or staff shall make public the name of any witness subpoenaed by the Committee before the date of his scheduled appearance.

(c) Witnesses at hearings may be accompanied by their counsel for the purpose of advising them concerning their constitutional rights and to raise objections to procedures or to the admissibility of testimony and evidence. Counsel for a witness other than the respondent shall not be permitted to engage in oral argument with the committee. After a witness has testified, his counsel may submit to the Committee, in writing, any questions he wishes propounded to his client and any request for additional witnesses or other evidence. Such request may be granted at the Committee's discretion.

(d) The respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his behalf. The application shall be granted upon a concise showing by the respondent that the proposed testimony or evidence is relevant and not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(e) Each witness subpoenaed by the Committee may sign appropriate vouchers for travel allowances and attendance fees, which may be obtained from the Committee staff.

(f) Each witness appearing before the Committee shall be furnished a printed copy of the rules of the Committee and the pertinent provisions of the Rules of the House of Representatives applicable to the rights of witnesses.●

EULOGY ON ABRAHAM LINCOLN

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

● Mr. PRICE. Mr. Speaker, February is the month of Abraham Lincoln's birth, and, before the month slips away, I would like to submit for the RECORD a eulogy to President Lincoln that was delivered on the House floor on February 12, 1916, by the Honorable William August Rodenberg of Illinois.

Our former colleague from New York, the Honorable Sterling Cole, had memorized parts of this eulogy for practicing public speaking when he was in high school and recently found the text as originally published. Mr. Cole suggested that the eulogy be reprinted for those who may not have seen it. It is as eloquent an oration as the House has heard, and I commend it to my colleagues for study:

Mr. RODENBERG. Mr. Speaker, fivescore and seven years ago to-day the star of destiny shone resplendent over the cradle of an infant boy who, in the years to follow, was to be acclaimed by history as one of America's greatest contributions to the world's heritage of great and noble men. On that day, in a cabin home, amid the hills of Kentucky, Abraham Lincoln was born, and on this anniversary of his birth the memory of that great and Godlike life thrills the soul of every American, giving him an inspiration of true nobility. [Applause.]

Abraham Lincoln! What a flood of mighty memories is awakened by that name. What a glorious panorama of patriotic achievement it presents to view. How it seems to fathom the very depths of duty and devotion, the innermost springs of sympathy and of sorrow. As we pronounce it reverently today the trials and tragedies and triumphs of the Nation's supremest struggle pass again in review before us and, rising above the stress and strife of conflict, grand and majestic, like some tall cliff "that midway leaves the storm," we behold the one great central figure of that epoch of heroism, the one never-failing beacon light of national patriotism—our Lincoln—the world's Lincoln. [Applause.]

As I attempt to-day to pay tribute to a personality so great, a character so grand, so complex, and yet so simple, I am overwhelmed with a sense of my inability to do even partial justice to his name and fame. I shall content myself, therefore, with a brief reference to a few of his great traits of character which I believe have left a profound and lasting impression upon the American mind.

Why is it that no other name in the long roll of distinguished American statesmen stirs the heart of the Nation so deeply as that of Abraham Lincoln? Orators never weary of singing his praise, and hearers never tire of listening. Books on Lincoln multiply each year, and interest in them never flags. Every trivial relic of his homely life, every scrap of his writing, every prophetic saying, every jest, every anecdote, is treasured to-day by the people and bequeathed by them "as a rich legacy unto their issue."

It is not enough to say that Lincoln was a wise and patriotic President who died a martyr to a great cause. We have had other wise and devoted Presidents, and he is not the only martyr, but there is only one Lincoln. Washington we reverence, Jackson we admire, Lincoln we love. His memory is enshrined more deeply in the heart of the Nation than that of any other man, and there is none so close as he to the source of tears and of emotion.

This can not be explained by the fact that Lincoln rose by manly effort from the humblest ranks of backwoods life to the highest position in the gift of any people. It can not be accounted for by the fact that he was a noble embodiment of that splendid spirit of self-reliance that is bred of generations of lonely struggle under the shadow of the forest primeval. It is not even because he signed the great proclamation of emancipation.

These things are a part of the reason for the esteem in which we hold Lincoln, and so are his inexhaustible humor, his intense earnestness, his tireless industry, his honesty and fairness, his courage, and his steadfastness of purpose. His homely and unaffected words and ways had something to do with his popularity, and so had his sturdy common sense. But not all of these sterling traits could make a Lincoln without something additional; nor is the secret revealed by naming what is usually regarded as the crowning trait of his magnificent character—the fact that he always sought the right as God gave him to see the right; and that he devoted his life to a steadfast pursuance of it when once he was convinced he had found it. This will explain much, but it will never explain the flood of tender emotion that wells up from American hearts at mention of his incomparable name.

Mr. Speaker, I believe that the true secret of our love for Lincoln was his own love for his fellow man. [Applause.] In his ungainly, giant form there was a heart of infinite human sympathy, and this it was that illumined all his other traits of greatness and has made the imperishable halo that lingers around his head. [Applause.] Without these he might have achieved greatness, might have become President, might have freed the slaves as a political necessity, might even have brought the war to a successful close, and have fallen a victim to an assassin's bullet, and yet we should not to-day be speaking of him as we do. It is this one supreme trait of human sympathy that carries his name out of the realm of intellect into that of emotion. [Applause.]

It was this same deep human sympathy that caused Lincoln to hate slavery and to throw all of the power of his logic and eloquence against it. It was this, too, that enabled him to hold that marvelous balance of judgment which could put the Union above all else and could hold back emancipation until the right time. He could put himself in the place of the citizen of the border States and feel that any radical move would imperil the cause of freedom itself. This note of human sympathy sounded forth in his first inaugural; it ran throughout his relations with the soldiers during the great war, and animated his last acts as it had his first. The soldiers fighting on the field and dying in the hospital thought of him, and they said to each other: "He cares! He makes us fight, but he cares"; and they fought on as they never would have fought without that warmth of feeling for the head of the Nation.

Looking at the matter from any aspect and at any period of Lincoln's life, the prime cause of his greatness and of our present reverence for him is the fact that he

was human in the best and truest sense of that fine word, and this is reason enough why the Nation loves the name of Abraham Lincoln. [Applause.]

Mr. Speaker, the fast-falling shadows of the past leave few names of men not enshrouded by their gloom. Many of the heroes of to-day will be lost to sight in the dimness of the approaching twilight. Tomorrow's sun will lighten up new shrines surrounded by tireless hosts of hero worshipers. As we look toward the past, earth's greatest heroes seem in strangest company—Christ and the condemned men, the missionary and the cannibal, Lincoln and the despised black man—there they stand together in the crowd, on Calvary, surrounded by jeering multitudes; but to-day they are together among the immortals. [Applause.] These saviors of the race will never be forgotten. Lincoln's heart solved more problems than his brain. His very gentleness made him the great emancipator, reconciler, the composite character of the American people. Hope which is the prophet in every heart, was king and priest besides in his. It ruled his life and consecrated his deeds. Other men turned their backs in despair on the Republic's future; he, through densest darkness, saw with prescient light and gaze the glory of the coming dawn. [Applause.]

In the city of Springfield, in beautiful Oak Ridge Cemetery, he sleeps the sleep of eternity. Many are the times that I have stood with bowed head beside that sacred tomb and thought of the great soul that once inhabited the tenement of clay now moldering into the dust from whence it came. And standing there in the presence of the mighty dead, my faith in humanity has been strengthened and my confidence in the perpetuity of the Republic and its glorious destiny has been made secure. [Applause.]

History tells us that when Robert Bruce, King of Scotland, was dying he asked that his heart be removed from his body and borne by knightly hands to the sacred sepulcher of the Savior. Upon his death the Earl of Douglas, his trusted friend and companion, removed the heart from the body, placed it in a beautiful golden casket, and, surrounding himself with a number of brave young Scotch warriors, they set out on their holy mission. On the way they were attacked by a large body of Moors, who almost overcame them by force of superior numbers. When defeat seemed almost certain, Douglas took in his hand the sacred casket and hurled it far out into the midst of the enemy, shouting:

Lead on, heart of Bruce,
We follow thee!

And the knights of Scotland, never having been defeated when following the leadership of Bruce, took new courage. They rushed upon the enemy with the fury of the whirlwind and gained the day. [Applause.]

To-day when those who, unmindful of the spirit that animated the founders of this Republic, would fan the flames of racial fury and kindle into life the dying embers of bigotry and intolerance; when those who, for base and ignoble purposes of self-exploitation, would place the brand of treason upon the brows of men whose loyalty and devotion in the darkest days of the Nation's life were never questioned—to-day, when the enemies of that broader and better fraternalism, which lies at the very foundation of national peace and national unity, are advancing upon us, the true and loyal citizens of this Republic, of whatever creed or ancestry, catching the inspiration that breathes upon them from the glorious memories of the past, with true American patriotism will take in their hand the great heart of Abraham Lincoln, incase it in their love, and hurl it far out into the midst of the enemy, shouting:

Lead on, heart of Lincoln,
We follow thee;
We follow thee!

[Prolonged applause.]●

SPECIAL ORDERS GRANTED

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

Mr. HOYER, for 5 minutes, today, immediately following the remarks of Mr. MURTHA.

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

Mr. ECKERT of New York, for 60 minutes, April 17.

Mr. ARMEY, for 60 minutes, March 6.

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. SCHUETTE, for 5 minutes, April 27.

Mr. WALKER, for 5 minutes, today.

Mr. FRENZEL, for 5 minutes, today.

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

Mr. ADDABBO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. HAYES, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, today.

Mr. JACOBS, for 60 minutes, today.

Mr. LAFALCE, for 30 minutes, today.

Mr. FAZIO, for 5 minutes, today.

Mr. GAYDOS, for 30 minutes, February 27.

Mr. JACOBS, for 60 minutes, February 27.

Mr. STOKES, for 60 minutes, February 28.

Mr. MCCURDY, for 60 minutes, February 28.

EXTENSION OF REMARKS

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

Mr. OWENS, on the special order of Mr. WILLIAMS of Montana, today.

Mr. PENNY, just prior to the vote on H.R. 1096, today.

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

Mr. COURTER in two instances.

Mr. DREIER of California.

Mr. SMITH of New Jersey.

Mr. MOORHEAD in two instances.

Mr. ROTH.

Mr. MONSON.

Mr. IRELAND.

Mr. MORRISON of Washington.

Mr. MCCANDLESS.

Mr. GREEN.

Mr. LIVINGSTON.

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

Mr. WISE.

Mr. APPLEGATE.

Mr. WEISS.

Mr. TOWNS.

Mr. FROST in two instances.

Mr. SOLARZ in two instances.

Mr. YATRON in two instances.

Mr. DERRICK.

Mr. HEFTEL of Hawaii.

Mr. MINETA.

Mr. STOKES.

Mr. BURTON of California.

Mr. BERMAN.

Mrs. COLLINS.

Mr. KLECZKA.

Mr. ROE.

Mr. CONYERS.

Mr. RODINO.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until Wednesday, February 27, 1985, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

609. A letter from the Executive Associate Director for Budget and Legislation, Office of Management and Budget, transmitting a request for supplemental appropriation for the Department of Transportation, pursuant to 31 U.S.C. 1515(b)(2); to the Committee on Appropriations.

610. A letter from the Chairman, Securities and Exchange Commission, transmitting a report of the activities of the Commission, pursuant to the act of June 6, 1934, chapter 404, section 23(b) (89 Stat. 155); to the Committee on Energy and Commerce.

611. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting the President's determination that it is important to U.S. security interests to use FAA funds under the special authority of section 614 of the act, pursuant to 22 U.S.C. 2364(a)(1); to the Committee on Foreign Affairs.

612. A letter from the Administrator, Agency for International Development, transmitting a report on U.S. strategy to protect and conserve biological diversity in developing countries, pursuant to FAA, section 119(d) (97 Stat. 1045); to the Committee on Foreign Affairs.

613. A letter from the Director, Defense Security Assistance Agency, transmitting a notice of intent to offer to sell certain defense articles and services to Japan, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

614. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting the evaluation of compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

615. A letter from the Deputy to the Chairman, Federal Deposit Insurance Corporation, transmitting a report on its activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

616. A letter from the Director, ACTION, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

617. A letter from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

618. A letter from the Deputy Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a report on the use and distribution of funds of the Shoshone-Bannock Tribes of Fort Hall Reservation in Docket 326-C-2 before the U.S. Claims Court, pursuant to Public Law 93-134, sections 2(a) and 4; to the Committee on Interior and Insular Affairs.

619. A letter from the Director, Accounting and Financial Management Division, General Accounting Office, transmitting the certification of the Defense Department's estimate of revenue to be deposited in the Panama Canal Commission fund, pursuant to 22 U.S.C. 3712(c)(2); to the Committee on Merchant Marine and Fisheries.

620. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notification that there were no professional and scientific positions established under 5 U.S.C. 3104 and 5 U.S.C. 5371 during calendar year 1984, pursuant to 5 U.S.C. 3104(b); to the Committee on Post Office and Civil Service.

621. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 15 of the United States Code to provide mandatory reporting authority for the collection of data on the apparel industry; to the Committee on Post Office and Civil Service.

622. A letter from the Special Counsel, U.S. Merit Systems Protection Board, transmitting the results of investigations of allegations of possible fraud, gross waste of funds, and mismanagement in the administration of a Department of the Air Force contract, pursuant to 5 U.S.C. 1206(b)(5)(A) (92 Stat. 1125); to the Committee on Post Office and Civil Service.

623. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a waiver of minimum funding and staffing requirements for technology transfer from Federal laboratories, pursuant to Public Law 96-480, section 11(b); to the Committee on Science and Technology.

624. A letter from the Director, Office of Legislative and Public Affairs, National Science Foundation, transmitting a report on four new advanced scientific computing centers; to the Committee on Science and Technology.

625. A letter from the Under Secretary of Labor, transmitting the quarterly report on funds expended for trade adjustment assistance training, pursuant to Public Law 93-618, section 236(a)(2) (95 Stat. 885); to the Committee on Ways and Means.

626. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to assure adequate funding for the cleanup of abandoned hazardous waste sites, and for other purposes, (H. Doc. No. 99-32); jointly, to the Committees on Energy and Commerce, Public Works and Transportation, Merchant Marine and Fisheries, the Judiciary and Ways and Means and ordered to be printed.

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. DE LA GARZA: Committee on Agriculture. Supplemental report on H.R. 1035 (Rept. No. 99-6, Pt. II). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 79. Resolution providing for the consideration of H.R. 1035, a bill to provide emergency credit and debt adjustment relief to financially stressed farmers and ranchers (Rept. No. 99-7). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the Record of February 25, 1985]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 1035. A bill to provide emergency credit and debt adjustment relief to financially stressed farmers and ranchers, with amendments; referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344 (Rept. No. 99-6, Pt. I). Ordered to be printed.

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. 1262. A bill to equalize the duties on imported tuna, whether or not packed in oil; to the Committee on Ways and Means.

By Mr. ARMEY:

H.R. 1263. A bill to amend the Internal Revenue Code of 1954 to increase to $4,000 the maximum deduction for contributions to retirement savings and to allow the deduction for such savings to be computed for married individuals on the basis of their combined compensation; to the Committee on Ways and Means.

By Mr. BONIOR of Michigan:

H.R. 1264. A bill to deauthorize the O'Neill Unit of the Missouri River basin project in Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CAMPBELL:

H.R. 1265. A bill to suspend temporarily the duty on dicyclohexylbenzothiazolesulfenamide; to the Committee on Ways and Means.

By Mr. COURTER:

H.R. 1266. A bill expressing the sense of the Congress with respect to certain actions which should be taken in anticipation of the centennial anniversary of the Statue of Liberty National Monument, and directing the Secretary of the Interior to retain the American Museum of Immigration at the base of the Statue of Liberty National Monument; to the Committee on Interior and Insular Affairs.

By Mr. DERRICK (for himself, Mr. FLIPPO, Mr. SHELBY, Mr. HUTTO, Mr. FUQUA, Mr. BENNETT, Mr. CHAPPELL, Mr. MACKAY, Mr. GIBBONS, Mr. BILIRAKIS, Mr. IRELAND, Mr. MACK, Mr. MICA, Mr. LEHMAN of Florida, Mr. PEPPER, Mr. FASCELL, Mr. GINGRICH, Mr. BARNARD, Mr. JONES of North Carolina Mr. VALENTINE, Mr. WHITLEY, Mr. NEAL, Mr. HENDON, Mr. HARTNETT, Mr. SPENCE, Mr. CAMPBELL, Mr. SPRATT, Mr. TALLON, Mr. QUILLEN, Mrs. LLOYD, Mr. BONER of Tennessee, Mr. GORDON, Mr. BATEMAN, Mr. SISISKY, and Mr. BOUCHER):

H.R. 1267. A bill to grant the consent of the Congress to the Southeast Interstate Low-Level Radioactive Waste Management Compact; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. DREIER of California:

H.R. 1268. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for the purchase and installation of locks and other security devices on residences; to the Committee on Ways and Means.

H.R. 1269. A bill to repeal certain recently enacted substantiation and compliance provisions of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. FAUNTROY:

H.R. 1270. A bill to authorize the Secretary of the Interior to establish a monument in Washington, to honor Martin Luther King, Jr.; to the Committee on House Administration.

By Mr. FISH (for himself, Mr. GILMAN, Mr. DE LA GARZA, Mr. DWYER of New Jersey, Mr. HEFNER, Mr. HOWARD, Mr. NELSON of Florida, Mr. ORTIZ, Mr. SISISKY, and Mr. VANDER JAGT):

H.R. 1271. A bill to amend the Housing and Community Development Act of 1974 to provide for the continued classification of certain cities as metropolitan cities for purposes of assistance under the community development block grant program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FOWLER (for himself, Mr. GIBBONS, Mr. PICKLE, Mr. VANDER JAGT, Mr. CAMPBELL, Mr. JACOBS, Mr. HEFTEL of Hawaii, Mr. MATSUI, Mr. DELLUMS, Mr. MARTINEZ, Mr. WIRTH, Mr. GARCIA, and Mr. LUJAN):

H.R. 1272. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures, with declining percentages of credit, through 1990, and for other purposes; to the Committee on Ways and Means.

By Mr. GARCIA (for himself, Mr. FUSTER, Mr. LELAND, Mr. STOKES, Mr. MITCHELL, Mr. OWENS, Mr. WEISS, Mr. RICHARDSON, Mr. MORRISON of Connecticut, Mr. BIAGGI, Mr. FAZIO, Mr. MARTINEZ, Mr. DELLUMS, Mr.

HOWARD, Mr. BERMAN, Mr. DE LUGO, Mr. VENTO, and Mr. MATSUI):

H.R. 1273. A bill to amend the Internal Revenue Code of 1954 to impose a tax on the failure by a charitable organization to use certain funds to provide legal services to the poor; to the Committee on Ways and Means.

By Mr. GRAY of Illinois:

H.R. 1274. A bill to apportion certain funds for construction of the National System of Interstate and Defense Highways and for construction of substitute highway and transit projects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KINDNESS:

H.R. 1275. A bill to direct the Secretary of the Army to construct a flood control project for the Miami River at Fairfield, OH; to the Committee on Public Works and Transportation.

By Mr. LAFALCE:

H.R. 1276. A bill to provide for an orderly transition to interstate banking; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEATH of Texas:

H.R. 1277. A bill to amend title 10, United States Code, to equalize procedures among the Armed Forces for the appointment of warrant officers; to the Committee on Armed Services.

By Mr. LEVIN of Michigan:

H.R. 1278. A bill to extend the Federal Supplemental Compensation Act of 1985 and to improve the method for determining the number of weeks for which Federal supplemental compensation is payable; to the Committee on Ways and Means.

By Mr. MATSUI (for himself, Mr. RANGEL, Mr. STARK, Mr. JACOBS, Mr. DOWNEY of New York, Mr. GUARINI, Mrs. KENNELLY, Mr. HAYES, Mr. BENNETT, Mr. SMITH of Florida, Mr. SLATTERY, Mr. MOODY, Mrs. JOHNSON, Mr. FRANK, Mr. FAZIO, Mr. DIXON, Mr. STUDDS, Mr. MOAKLEY, Mr. EDWARDS of California, Mr. KILDEE, Mr. LEVIN of Michigan, Mr. FORD of Michigan, Mr. HAWKINS, Mr. VENTO, Mr. SCHUMER, Mr. GEJDENSON, Mr. OWENS, Mr. ROSE, Mr. ACKERMAN, Mr. TORRES, Mr. SEIBERLING, Mr. OBERSTAR, Mr. WILLIAMS, Mr. CROCKETT, Mr. CONYERS, Mr. TRAXLER, Mr. HUTTO, Mr. BERMAN, Ms. KAPTUR, and Mr. SIKORSKI):

H.R. 1279. A bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the AFDC program, and to provide for studies to assist in the further improvement of such standards and procedures; to the Committee on Ways and Means.

By Mr. MITCHELL:

H.R. 1280. A bill to require the Secretary of the Treasury to develop a program to expand the use of underutilized banks by Federal agencies; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1281. A bill to authorize the appropriation of funds to the Small Business Administration, and for other purposes; to the Committee on Small Business.

By Mr. NATCHER:

H.R. 1282. A bill to extend veterans benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. ROWLAND of Georgia (for himself, Mr. HATCHER, Mr. THOMAS of Georgia, Mr. RAY, Mr. DARDEN, Mr. YOUNG of Florida, and Mr. TAUKE):

H.R. 1283. A bill to amend the Highway Improvement Act of 1982 to provide additional funds for the completion of certain priority primary projects; to the Committee on Public Works and Transportation.

By Mr. UDALL (for himself and Mr. FRENZEL):

H.R. 1284. A bill to establish a Bipartisan Commission on Congressional Campaign Financing, to improve the manner in which congressional campaigns are financed; to the Committee on House Administration.

By Mr. VALENTINE:

H.R. 1285. A bill to amend the Internal Revenue Code of 1954 to treat certain uses of public law enforcement and other vehicles as nontaxable fringe benefits; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 1286. A bill to increase to $500,000 the maximum annual receipts certain agricultural businesses may have and still be treated as small businesses for certain purposes; to the Committee on Small Business.

By Mr. WIRTH (for himself, Mr. BRYANT, Mr. LELAND, Mrs. COLLINS, Mr. MINETA, Mr. FLORIO, Mr. WALGREN, Mr. WAXMAN, Mrs. LLOYD, Mr. STOKES, Mr. SYNAR, Mr. KILDEE, Mr. EDWARDS of California, Mr. ECKART of Ohio, and Mr. WEAVER):

H.R. 1287. A bill to transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of the effects of radiation, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GRAY of Illinois:

H.J. Res. 168. Joint resolution designating May 5, 1985, as "Armed Forces Chaplains' Day"; to the Committee on Post Office and Civil Service.

By Mr. GUARINI (for himself and Mr. BONIOR of Michigan):

H.J. Res. 169. Joint resolution designating the month of May 1985 as "Better Hearing and Speech Month"; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN:

H.J. Res. 170. Joint resolution designating the week beginning on May 5, 1985, as "National Asthma and Allergy Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI:

H. Con. Res. 67. Concurrent resolution expressing the sense of the Congress that a uniform State act should be developed and adopted which provides grandparents with adequate rights to petition State courts for privileges to visit their grandchildren following the dissolution (because of divorce, separation, or death) of the marriage of such grandchildren's parents, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. MARLENEE:

H. Con. Res. 68. Concurrent resolution expressing the sense of the Congress that Amtrak service is essential to U.S. transportation and should continue to receive Federal assistance; to the Committee on Energy and Commerce.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. WYLIE, Mr. EDGAR, Mr. HILLIS, Mr. SAM B. HALL, JR., Mr. SOLOMON, Mr. APPLEGATE, Mr. MCEWEN, Mr. SHELBY, Mr. SMITH of New Jersey, Mr. MICA, Mr. BURTON of Indiana, Mr. DASCHLE, Mr. SUNDQUIST, Mr. DOWDY of Mississippi, Mr. BILIRAKIS, Mr. EVANS of Illinois, Mrs. JOHNSON, Ms. KAPTUR, Mr. MOLINARI, Mr. MOLLOHAN, Mr. RIDGE, Mr. PENNY, Mr. HENDON, Mr. STAGGERS, Mr. ROWLAND of Connecticut, Mr. ROWLAND of Georgia, Mr. BRYANT, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. LEATH of Texas, Mrs. SCHROEDER, Mr. STRATTON, Mr. HEFNER, Mr. MACKAY, Mr. RICHARDSON, and Mr. BONER of Tennessee):

H. Con. Res. 69. Concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation; to the Committee on Ways and Means.

By Mr. ROTH:

H. Con. Res. 70. Concurrent resolution calling for international agreement on tariff and tax preferences to encourage exports by small businesses; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H. Res. 78. Resolution concerning permission to take official pictures of the House; to the Committee on Rules.

By Mr. DINGELL:

H. Res. 80. Resolution providing amounts from the contingent fund of the House for expenses of investigations and studies by the Committee on Energy and Commerce in the 1st session of the 99th Congress; to the Committee on House Administration.

By Mr. FORD of Michigan:

H. Res. 81. Resolution providing amounts from the contingent fund of the House for expenses of investigations and studies by the Committee on Post Office and Civil Service in the 1st session of the 99th Congress; to the Committee on House Administration.

By Mr. MRAZEK (for himself, Mrs. BURTON of California, Mr. LANTOS, Mr. GREEN, and Mr. PURSELL):

H. Res. 82. Resolution expressing the sense of the House of Representatives with respect to ratification of the Convention on the Prevention and Punishment of the Crime of Genocide; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

17. The SPEAKER presented a memorial of the Legislature of the State of South Carolina, relative to the Southeast Interstate Low-level Radioactive Waste Management Compact; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CALLAHAN:

H.R. 1288. A bill for the relief of Bassam S. Belmany; to the Committee on the Judiciary.

By Mr. FAZIO:

H.R. 1289. A bill for the relief of Divinia Manatad and Jeuerita Manatad; to the Committee on the Judiciary.

By Mr. NATCHER:

H.R. 1290. A bill for the relief of Elvis J. Stahr, Jr.; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1291. A bill for the relief of Ray A. Bonney; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

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

H.R. 37: Mr. BROWN of California, Mr. DELLUMS, Mr. EDGAR, Mr. FAUNTROY, Mr. FAZIO, Mr. LEVIN of Michigan, Mr. MAZZOLI, Mr. SPRATT, Mr. STUDDS, Mr. WAXMAN, and Mr. WOLPE.

H.R. 47: Mr. CHAPPELL, Mr. DORNAN of California, and Mr. LEHMAN of California.

H.R. 56: Mr. VANDER JAGT, Mr. SCHULZE, Mr. FOWLER, Mr. NELSON of Florida, Mr. SHUSTER, Mr. QUILLEN, Mr. HEFNER, Mr. FLIPPO, Mr. HARTNETT, and Mr. CAMPBELL.

H.R. 85: Mr. GREGG.

H.R. 100: Mr. MCCURDY, Ms. OAKAR, Mr. BORSKI, Mr. MCEWEN, and Mrs. LLOYD.

H.R. 156: Mr. MOAKLEY, Mr. WALGREN, Mr. OBERSTAR, Mr. UDALL, Mr. EDWARDS of California, Mr. APPLEGATE, Mr. LUNDINE, Mr. DELLUMS, Mr. TOWNS, and Mr. MRAZEK.

H.R. 229: Mr. VENTO, Mr. MITCHELL, Mr. ST GERMAIN, Mr. MATSUI, Mr. BEILENSON, Mr. BATES, and Mr. NOWAK.

H.R. 250: Mr. SISISKY, Mr. EMERSON, Mr. SEIBERLING, and Mr. GRAY of Illinois.

H.R. 290: Mr. STOKES, Mr. MITCHELL, Mr. HAWKINS, Mr. HAYES, Mr. WALGREN, Mr. OWENS, Mr. WEISS, Mr. WAXMAN, Mr. DELLUMS, Mr. ACKERMAN, Mr. DURBIN, and Mr. WISE.

H.R. 436: Mr. HARTNETT and Mr. CHAPPIE.

H.R. 445: Mr. BEDELL, Mr. DOWNEY of New York, Mr. FORD of Tennessee, Mr. BROWN of California, and Mr. STUDDS.

H.R. 509: Mr. ROBINSON and Mr. DURBIN.

H.R. 528: Mr. RODINO, Mr. BROOKS, Mr. SHUMWAY, Mr. COOPER, Mr. ADDABBO, Mr. FISH, Mr. MATSUI, Mr. FLIPPO, Mr. LOWERY of California, Mr. KRAMER, and Mr. DERRICK.

H.R. 555: Mr. FIELDS, Mr. SWINDALL, Mr. HYDE, Mr. HOPKINS, Mr. SMITH of New Jersey, Mr. BLAZ, Mr. MAZZOLI, Mr. NIELSON of Utah, Mr. MOORHEAD, Mr. TAUZIN, Mr. ARMEY, Mr. YOUNG of Missouri, and Mr. BLILEY.

H.R. 642: Mr. HAWKINS, Mr. OWENS, and Mr. MITCHELL.

H.R. 693: Mr. CHAPPIE and Mr. GLICKMAN.

H.R. 700: Mr. BLAZ, Mr. BOEHLERT, Mr. BRYANT, Mr. DASCHLE, Mr. DAVIS, Mr. EARLY, Mr. ECKART of Ohio, Mr. EVANS of Iowa, Mr. FAZIO, Mr. FROST, Mr. FORD of Michigan, Mr. FOGLIETTA, Mr. HAMILTON, Mr. HEFTEL of Hawaii, Mr. KLECZKA, Mr. LEVINE of California, Mr. LUNDINE, Mr. MATSUI, Mr. MILLER of Washington, Mr. OBERSTAR, Mr. RANGEL, Mr. REGULA, Mr. SOLARZ, Mr. WHITEHURST, Mr. WIRTH, Mr. WISE, Mr. WORTLEY, Mr. WYLIE, Mr. YATES, Mr. ATKINS, Mr. ZSCHAU, Mr. BONER of Tennessee, and Mr. ANDERSON.

H.R. 704: Mr. WORTLEY.

H.R. 709: Mr. SHELBY.

H.R. 748: Mr. SCHULZE, Mr. GROTBERG, Mr. HYDE, Mr. APPLEGATE, Mr. MILLER of Washington, Mr. HARTNETT, Mr. LAGOMARSINO, Mrs. LLOYD, Mr. WISE, Mr. STRANG, Mr. DIOGUARDI, Mr. SPRATT, Mr. MONTGOMERY, Mr. KOLBE, Mr. HOPKINS, and Mr. FAZIO.

H.R. 880: Mrs. SCHROEDER, Mr. WEBER, Mr. CONTE, Mr. HYDE, Mr. WORTLEY, and Mr. MITCHELL.

H.R. 890: Mr. ADDABBO, Ms. OAKAR, Mr. GAYDOS, Mr. WEAVER, Mr. BOEHLERT, Mrs. BOXER, Mr. FRANK, Mr. SEIBERLING, Mr. TOWNS, Mr. RANGEL, Mr. VENTO, Mr. RIDGE, Mr. BONIOR of Michigan, Mr. MURPHY, Mr. WILSON, Mr. MINETA, Mr. MITCHELL, Mr. WALGREN, Mr. KILDEE, Mr. MCDADE, and Mr. NOWAK.

H.R. 925: Mr. ACKERMAN, Mr. BONIOR of Michigan, Mr. CLAY, Mrs. COLLINS, Mr. DELLUMS, Mr. DOWNEY of New York, Mr. DYMALLY, Mr. FAUNTROY, Mr. FAZIO, Mr. FRANK, Mr. HAYES, Ms. KAPTUR, Mr. MARTINEZ, Mr. MATSUI, Mr. MINETA, Mr. MITCHELL, Mr. OBERSTAR, Mr. PEASE, Mr. RANGEL, Mr. SAVAGE, Mr. SEIBERLING, Mr. TORRES, Mr. TOWNS, Mr. WIRTH, Mr. WISE, and Mr. CROCKETT.

H.R. 926: Mr. ACKERMAN, Mr. BONIOR of Michigan, Mr. CLAY, Mrs. COLLINS, Mr. CROCKETT, Mr. COYNE, Mr. DELLUMS, Mr. DOWNEY of New York, Mr. DYMALLY, Mr. FAUNTROY, Mr. FRANK, Mr. FORD of Michigan, Mr. HAYES, Ms. KAPTUR, Mr. LELAND, Mr. LEVINE of California, Mr. MARTINEZ, Mr. MINETA, Mr. MITCHELL, Mr. OBERSTAR, Mr. OWENS, Mr. PEASE, Mr. RANGEL, Mr. SAVAGE, Mr. TORRES, Mr. TOWNS, Mr. WILLIAMS, Mr. WIRTH, and Mr. WISE.

H.R. 945: Mr. MOORE, Mr. WATKINS, Mr. THOMAS of California, Mr. TALLON, Mr. ROGERS, Mr. PARRIS, Mr. DREIER of California, Mr. IRELAND, Mr. SHELBY, Mr. MCEWEN, Mr. BADHAM, Mr. KASICH, Mr. MONTGOMERY, Mr. DAVIS, Mr. COATS, Mr. PASHAYAN, Mr. WALKER, Mr. CHENEY, Mr. HUNTER, and Mr. BEVILL.

H.R. 968: Mr. BERMAN, Mr. MANTON, Mr. HAYES, Mr. STARK, Mr. MITCHELL, Mr. VENTO, and Mr. SOLARZ.

H.R. 1072: Mr. SEIBERLING, Mr. MINETA, Mr. WALGREN, Mr. HUGHES, Mr. EDWARDS of California, Mr. VENTO, and Mr. WEAVER.

H.R. 1082: Mr. IRELAND.

H.R. 1089: Mr. LELAND, Mr. ROE, Mrs. COLLINS, Mr. TRAXLER, Mr. MITCHELL, Mr. OWENS, and Mr. DELLUMS.

H.R. 1090: Mr. HAYES, Mr. STUDDS, Mr. FRANK, Mr. WEAVER, Mr. ROSE, Mr. ATKINS, Mr. MOODY, Mr. VENTO, Mr. HOYER, Mr. MATSUI, Mr. FAZIO, Mr. SABO, Mr. BARNES, Mr. MITCHELL, Mr. WISE, Mr. GARCIA, Mr. RANGEL, Mr. KILDEE, Mr. RAHALL, and Mr. NEAL.

H.R. 1097: Mr. LEVINE of California, Mr. SCHUMER, and Mr. LEVIN of Michigan.

H.R. 1132: Mr. WISE.

H.R. 1142: Mr. LIPINSKI.

H.R. 1161: Mr. ACKERMAN, Mr. BARNARD, Mr. BATES, Mr. COELHO, Mr. EDWARDS of California, Mr. GARCIA, Mr. HYDE, Mr. MARTINEZ, Mr. MATSUI, Mr. MRAZEK, Mr. SMITH of Florida, Mrs. SCHNEIDER, Mr. STOKES, Mr. VENTO, Mr. FAUNTROY, and Mrs. BOXER.

H.R. 1207: Mr. RINALDO, Mr. MACKAY, Mrs. COLLINS, Mr. FRANK, Mr. OWENS, Mr. BARNES, Mr. HOWARD, Mrs. MARTIN of Illinois, Mr. AUCOIN, Mr. GILMAN, Mr. LELAND, and Mr. FAUNTROY.

H.J. Res. 25: Mr. ADDABBO, Mr. BARNES, Mr. BERMAN, Mr. BIAGGI, Mr. BONER of Tennessee, Mr. BORSKI, Mrs. BOXER, Mr. CHANDLER, Mrs. COLLINS, Mr. CONYERS, Mr. COOPER, Mr. COYNE, Mr. CROCKETT, Mr. DANIEL, Mr. DARDEN, Mr. DAUB, Mr. DIXON, Mr. DOWDY of Mississippi, Mr. DYMALLY, Mr. FEIGHAN, Mr. FOLEY, Mr. HUGHES, Mr. IRELAND, Mr. KASICH, Mr. KOSTMAYER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. MANTON, Mr. MARTINEZ, Mr. MOAKLEY, Mr. MOODY, Ms. OAKAR, Mr. OWENS, Mr. REGULA, Mr. ROE, Mr. SAVAGE, Mr. SMITH of Florida, Mr. SOLARZ, Mr. WEISS, Mr. WILSON, Mr. WOLPE, and Mr. YOUNG of Alaska.

H.J. Res. 41: Mr. JACOBS, Mr. WORTLEY, Mr. LUNDINE, Mr. WAXMAN, Mr. MINETA, Mr. HEFTEL of Hawaii, Mr. MACK, Ms. KAPTUR, Mr. HUTTO, Mr. DEWINE, and Mr. HOWARD.

H.J. Res. 50: Mr. FUQUA, Mr. ROWLAND of Georgia, Mr. SHUMWAY, Mr. MCCOLLUM, Mr. KOLBE, Mr. ECKERT of New York, Mr. SIKORSKI, and Mr. GARCIA.

H.J. Res. 91: Mr. FIELDS, Mr. NIELSON of Utah, Mr. MOORHEAD, Mr. TAUZIN, Mr. ARMEY, and Mr. YOUNG of Missouri.

H.J. Res. 126: Mr. LEWIS of Florida.

H.J. Res. 142: Mr. BROOKS, Mr. TALLON, Mrs. BOXER, Mr. WHEAT, Mrs. KENNELLY, Mr. THOMAS of Georgia, Mr. LANTOS, Mr. FRENZEL, Mr. ENGLISH, Mr. WEAVER, Mrs. LLOYD, Mr. MRAZEK, Mr. HOYER, Mr. WIRTH, Mr. STOKES, Mr. FAZIO, Mr. LEHMAN of Florida, Mr. SCHEUER, Mr. LEVIN of Michigan, Mr. BONIOR of Michigan, Mr. MINETA, Mr. SPRATT, Mr. SABO, Mr. MITCHELL, Mr. REID, Mr. WILSON, Mr. EVANS of Illinois, Mr. KILDEE, and Mr. NEAL.

H. Con. Res. 7: Mr. LEVINE of California, Mr. RINALDO, and Mr. BRYANT.

H. Con. Res. 32: Mr. CHANDLER.

H. Con. Res. 34: Mr. ADDABBO, Mr. ALEXANDER, Mr. ASPIN, Mr. BIAGGI, Mr. BREAUX, Mr. COELHO, Mr. HAMMERSCHMIDT, Mr. KEMP, Mr. LENT, Mrs. LLOYD, Mr. MCHUGH, Mr. MACK, Mr. MACKAY, Mr. NOWAK, Mr. OWENS, Mr. RANGEL, Mr. ROE, Mr. ROGERS, Mrs. ROUKEMA, Mr. SAXTON, Mr. SCHEUER, Mr. SHAW, Mr. SMITH of Iowa, Mr. STRATTON, Mr. TAUKE, Mr. THOMAS of Georgia, and Mr. TOWNS.

H. Con. Res. 45: Mr. TOWNS, Mr. CARNEY, Mr. RANGEL, Mr. WALGREN, Mr. MANTON, Mr. BRYANT, Mr. MRAZEK, Mr. NOWAK, Mr. FAUNTROY, Mr. FISH, Mr. RAHALL, Mr. GALLO, Mr. LENT, and Mr. TRAFICANT.

H. Con. Res. 48: Mrs. LLOYD, Mr. MARTIN of New York, Mr. GILMAN, Mr. SKELTON, Mr. HENRY, Mr. HUTTO, Mr. DE LUGO, Mr. JONES of North Carolina, Mr. NIELSON of Utah, Mr. TALLON, Mr. ROE, Mr. GUARINI, Mr. FRANK, Mr. STUDDS, Mr. BEDELL, Mr. VENTO, Mr. BOEHLERT, Mr. FISH, Mr. BILIRAKIS, Mr. LEVINE of California, Mr. FUQUA, Mr. DASCHLE, Mr. RICHARDSON, Mrs. BOXER, and Mr. KILDEE.

H. Con. Res. 60: Mrs. BOXER, Mr. FEIGHAN, Mr. FORD of Michigan, Mr. FRANK, Mr. KILDEE, Mr. MITCHELL, Mr. NOWAK, Mr. PEASE, Mr. SEIBERLING, Mr. STOKES, and Mr. WEAVER.

H. Res. 20: Mr. DUNCAN, Mr. CHAPPIE, Mr. TAUZIN, Mr. COLEMAN of Texas, Mr. SHELBY, Mr. WILSON, Mr. SILJANDER, Mr. SIKORSKI, Mr. HUNTER, Mr. SISISKY, Mr. STALLINGS, Mr. ANDERSON, Mr. UDALL, Mr. NOWAK, and Mr. GEPHARDT.

H. Res. 22: Mr. MITCHELL, Ms. MIKULSKI, Mr. MRAZEK, Mrs. LLOYD, and Mr. WILSON.

H. Res. 25: Mr. STALLINGS.

PETITIONS, ETC.

Under clause 1 of rule XXII.

41. The SPEAKER presented a petition of the city of Fairview Park, OH, relative to honoring Cui Zyixi (Charlie Two Shoes) with resident alien status; which was referred to the Committee on the Judiciary.

AMENDMENTS

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

H.R. 1035

By Mr. BEREUTER:

—(1) Amend section 349(a)(5) as found in section 2 of H.R. 1035 by:

(1) deleting the phrase "establishing the" and replacing it with the phrase "making a loan available to an existing borrower of the lender or a borrower from a failed, closed or liquidated financial institution at an";

(2) delete the phrase "for the loan at a level . . .";

(3) delete the phrase ". . . that will ensure that" and replacing it with the phrase "if: (a)"; and

(4) after the last word in subsection (5) insert the following: "(b) if the lenders agree to enter into agreements with borrowers to provide sufficient credit under this program for 5 years to borrowers who continue to operate farms and ranches.".

—(2) Amend section 349 as found in section 2 of H.R. 1035 by the following additional paragraphs:

"(7) shall review all loans guaranteed under this program on an annual basis;

"(8) may discontinue a loan guarantee with respect to any borrower who, the Secretary finds after consultation with the appropriate lender, would qualify for credit without such loan guarantee;

"(9) shall on a priority basis—

"(a) provide direct loans to borrowers (i) who meet the positive cash-flow requirements of this program, (ii) who are unable to obtain operating loans from approved lenders, and (iii) who had operating loans with lenders who have failed, closed, or been liquidated; or

"(b) guarantee loans to be obtained by such borrowers from sources of capital provided by States, political subdivisions thereof, or other persons for the purpose of assisting borrowers of failed, closed, or liquidated lenders.".

—(3) Amend section 4(a)(2) by deleting the phrase "a new paragraph (2)" and replacing it with the phrase "new paragraphs (2) and (3)" and inserting the following new paragraph and renumbering the existing subparagraph (2) as subparagraph (3):

"(2) In implementing the approved lender program established under section 339 of this Act on May 4, 1984, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under the program be reviewed, and a decision made on the application, within fifteen days after the lending institution has submitted a completed application to the Farmers Home Administration. Any such request of a lending institution that maintains loan portfolios of which not less than 25 percent of all outstanding loans are agricultural loans or loans to agriculturally-related businesses shall be automatically approved.".

SENATE—*Tuesday, February 26, 1985*

(Legislative day of Monday, February 18, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable ALFONSE M. D'AMATO, a Senator from the State of New York.

PRAYER

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

Let us pray.

God of creation, Who spoke the world into existence, we thank You for the American farmer who, more than any other, is faithful to Your mandate: "Be fruitful and multiply and fill the earth and subdue it * * *." (Genesis 1:28). We thank You for his essential role in the economy of God; as the Bible declares, "* * * no plant of the field was yet in the earth and no herb of the field had yet sprung up * * * for there was no man to till the ground * * *." (Genesis 2:5). We thank You, Lord, for faithful tillers of the soil who are dedicated to the fundamental necessity of food production, often at great sacrifice.

We thank You for the farmer's dependence upon and submission to nature, their love of the soil, their hard work which is never finished, and their very special earthly wisdom. We are mindful that the American farmer creates 28 million jobs, is responsible for one-fifth of all personal spending, and produces 20 percent of all exports, without which our balance of trade deficits would suffer greatly.

We thank You, Father, for the amazing growth of their output per hour through the years—more than six times that of nonfarmer businesses—and for the amazing fact that 1 farmer produces food for 78 people.

We pray Your very special blessing upon the American farmers, and all who work with them. In the name of the Lord of Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 26, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALFONSE M. D'AMATO, a Senator from the State of New York, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. D'AMATO thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. RUDMAN. I thank the Chair.

SCHEDULE

Mr. RUDMAN. Mr. President, both the majority and assistant majority leaders are attending important meetings this morning. I am pleased to help them by being privileged to open the Senate this morning. Let me state the agenda, which is generally known, for the day.

After the two leaders have their 10 minutes under the current standing order, there are special orders not to exceed 15 minutes each in favor of the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Delaware [Mr. BIDEN].

There will be routine morning business not to extend beyond 11 a.m. with statements limited to 5 minutes each.

Following morning business, the Senate will automatically resume consideration of S. 457, the sub-Saharan African relief bill, and pending is an amendment No. 10 offered by Senator ZORINSKY dealing with emergency farm credit assistance.

Then by unanimous consent the Senate will stand in recess, as is usual on Tuesdays, from 12 noon until 2 p.m. Rollcall votes can be expected during today's session on amendments and possible final passage of S. 457.

I will now reserve the remainder of the leader's time. I am pleased to yield to my friend, the distinguished Democratic leader.

RECOGNITION OF THE MINORITY LEADER

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

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

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

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin [Mr. Proxmire] is recognized.

SHOULD THE UNITED STATES SEEK AN END TO THE NUCLEAR ARMS RACE OR TRY TO WIN IT?

Mr. PROXMIRE. Mr. President, in a nuclear arms race with the Soviet Union, the United States should win easily. After all, what does it take to win a nuclear arms race? First, it demands the scientific personnel who have the skill and knowledge to accomplish the necessary highly complex and exacting research. If we compare Nobel Prize winners, or the record of breakthroughs in the past in nuclear physics or in nuclear weapons, American scientists are way ahead. In fact, most of the Soviets' ability to compete at all has come from their ability to buy, borrow, or steal nuclear weapons discoveries that come from the United States or its NATO allies. In the technology—past, present, and future potential—this country is far out in front.

But technology is not everything. Nuclear weapons in superpower numbers and kill capacity require an economy that can annually afford the tens of billions of dollars required to provide thousands of scientists with the latest scientific equipment and elaborate research facilities. It also calls for far bigger and more expensive production capability. Massive nuclear weapons production takes costly material. It requires highly skilled production personnel. And then it demands billions more to construct the underground missile silos, the submarines, and the bombers. All of this is why there are only two nuclear superpowers. Oh, sure, a few other economically strong nations could theoretically afford to compete but the economic burden would be colossal. The size of the economy is as crucial in its way as the genius of the scientific establishment of the nation and in the sheer size of the economy. Again, the United States has a decisive advantage. Latest figures indicate that the Soviet economy is only about 55 percent of the size of the American economy. The total economic production of the NATO countries is more than three times the size of the Warsaw Pact nations.

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

In spite of these clearcut advantages for the United States, most experts generally believe that the two nuclear superpowers are now in rough balance. To be sure, Defense contractors and U.S. military leaders who thirst for an additional buildup complain that the Soviet Union is ahead. The Soviet Union does have more megatonnage, more missiles with greater accuracy. Does this not give the Soviet Union a nuclear weapons lead? No! No! Most of the Soviet Union's nuclear weapons are highly vulnerable. More than 70 percent of the Soviet arsenal is in stationary, land-based mode. That Soviet land-based nuclear arsenal is less reliable than the U.S. deterrent because the Soviet missiles are still liquid propelled.

On the other hand, the United States, with more nuclear warheads than the Soviet Union, has only 25 percent of its missiles land-based. About 50 percent are in relatively invulnerable submarines and another 25 percent in relatively invulnerable bombers. Those submarines and bombers are at sea and in the air at least three times as much as the Soviet Union's much smaller mobile deterrent. If there is a current advantage in nuclear capability, that advantage lies with the United States.

Why not press the advantage? Why not use our superior scientific and economic power to win the nuclear arms race clearly and decisively? Why rely on arms control agreements the Russians may violate? Is not one way the Russians could win the nuclear arms race by stopping American arms progress with a comprehensive arms control treaty, while the Soviets race ahead behind their Iron Curtain?

The answer to all this is that no one—no one—can win a nuclear arms race. Either superpower could double, triple, or quadruple its nuclear arms advantage, and it would still suffer total obliteration in a superpower nuclear war. Second, as the nuclear arms race crashes ahead, the arsenals on both sides become more and more lethal and powerful. As time passes, the prospect increases for a nuclear war triggered by an error such as a computer mistake, a false warning, or even a low-level conspiracy. Meanwhile, both countries will be pouring increasing scientific and economic resources into a sterile contest that has no purpose. If a victory simply means a bigger buildup of lethal nuclear power than the other side can muster, what good is it? Such a victory cannot bring greater assurance of peace.

Again and again, our country has been reminded by other nations which now lack nuclear arms that if the superpowers continue their intense research for continuously more lethal nuclear weapons and their production and deployment, they too will develop their own nuclear arsenal. The superpower arms race provides the research necessary to improve nuclear weapons so they can be cheaper and more available to scores of countries.

Both the United States and the Soviet Union have everything to gain from an agreement to stop the nuclear arms race.

We will live in a safer world. We will save billions in military spending. We can and should insist on the most stringent kind of verification of any such agreement. Since such verification would greatly serve the interests of both the United States and the Soviet Union, we should make its achievement our No. 1 national priority.

THE CHRONICLE OF THE LODZ GHETTO, 1941-44

Mr. PROXMIRE. Mr. President, Lucjan Dobroszycki edited a fascinating book called the "Chronicle of the Lodz Ghetto, 1941-44," which was recently published. It describes in great detail the day-to-day misery which passed for life in the Lodz Ghetto, in Poland.

The Lodz Ghetto was established in 1940 by the German occupiers of Poland in order to concentrate the population of Jews. By May 1940 there were 163,000 Jews imprisoned in this ghetto. A ghetto bureacracy was formed by the German occupiers and it contained departments for housing, social services, and taxation, just to name a few. There was even a department of archives where about a dozen people wrote the day-to-day history of the Lodz Ghetto. This document was known as the Chronicle. A copy of the document was eventually recovered by a prestigious historian, Lucjan Dobroszycki, who was also a survivor of the ghetto.

The Lodz Ghetto is described as hell upon Earth. The Chronicle describes the long-awaited arrival of food shipments to the half-starved people. Jews are crowded together into one room "apartments." The filth and discomfort are enormous in these "apartments" and conditions are worse in the summer when vermin feed on the packed sleepers. Some residents of the ghetto are murdered by sentries because they have wandered too close to the gates. Others commit suicide or attempt to but only succeed in mangling themselves.

The residents of the ghetto are systematically emptied into the "work camps" as part of Hitler's "final solution." The occupants of the ghetto are unsure of their fates. Suspicion lingers throughout the ghetto regarding the true identity of these "work camps." The remaining residents can only mourn, work, try not to think of the future, and attempt to hope. The Chronicle ends with the entry of July 30, 1944. By the end of the war, the once crowded ghetto is reduced to a mere 1,000 Jews who are found hiding in the empty buildings.

"The Lodz Ghetto Chronicle" is a valuable historical document, but it is also a chilling reminder of the atrocities of the Holocaust. It provides us with a fresh image of a horror many of us would like to forget. We cannot forget the suffering and tragic loss of 6 million innocent Jews in Europe because of Hitler's genocide. We, as a nation, must renew our commitment to their memory by making sure a tragedy like this is never repeated. The Senate must ratify the Genocide Convention and declare to the world, once and for all, that the United States will not permit a pernicious crime-like genocide to be committed. I urge the Senate to do so this session.

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

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

The bill clerk proceeded to call the roll.

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

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. with statements therein limited to 5 minutes each.

SUPPORT FOR ZORINSKY AMENDMENT NO. 10

Mr. BAUCUS. Mr. President, I rise in support of the Zorinsky amendment to S. 457 of which I am an original cosponsor.

Most Americans take the miracle of American agriculture for granted. They assume it will exist regardless of weather, or of economic policy; that farmers will grow crops and food will be on shelves.

But today, the minor lacerations in the farm economy have become compound fractures. The reason: Continued high interest rates and low farm prices.

At a time when farmers and ranchers should be busy planning their farm operations for the year, unfortunately large numbers of them are scrambling to find credit to finance this year's crops.

Many farmers and ranchers are facing severe credit problems. Why? Because they do not have adequate income to make the payments on their existing debt.

Many of those who have spoken out about the severe problems in rural

America have labeled the financial condition of our farmers a farm credit crisis.

That is an understatement. With $216 billion of total debt, U.S. farmers are spending from 20 to 30 percent of their production costs on servicing their existing debt.

The agricultural assistance package that we must act on this week is the means to survival for a large percentage of our family farms.

In Montana, the Montana Department of Agriculture recently completed a survey of agricultural finance that existed on Montana farms in the fall of 1984.

This survey found that 18 percent of Montana farmers are delinquent on their real estate loan payments and an additional 31 percent are delinquent on their farm operating loans. This survey also found that only about 55 percent of the existing farmers and ranchers felt that they would be able to stay in business for another 5 years given their present level of indebtedness and their prospects—dim prospects—for improvement in farm income.

Since that survey was completed, the farm credit situation in Montana has taken a turn for the worse. Last December, nearly 1,300 Production Credit Association borrowers in three separate PCA's in Montana were presented with the sudden announcement of a liquidation.

These PCA borrowers are being forced to look to banks and the Farmers Home Administration to find funding to run their operation this year. The most optimistic estimates are that 30 percent of these PCA borrowers will not be able to obtain this needed financing.

Nearly 400 borrowers will be forced to turn to the Farmers Home Administration or will not be able to find funding quickly enough to continue farming.

Many of these farmers would be able to continue operating if their assets were not tied up in the liquidating PCA.

Let me describe the pressure that the closure of these three PCA's has on the financial markets within Montana. The Glendive PCA which covers seven counties—six in Montana and part of one in North Dakota—has $22.8 million of loans outstanding to 294 members.

The Western Montana PCA covers 11 counties and has $39 million of loans outstanding to 524 members, and the Milk River PCA which covers 4 counties has 27 million dollars' worth of loans outstanding to 340 members.

All of these PCA's have gone under, liquidated.

Now, granted, the State of Montana does not have as many people as the State of California and the State of New York.

But in a State that is as sparsely populated as Montana, I can tell you that these are very staggering numbers.

It is not difficult to see the enormous strain these losses place on financial markets with this number of borrowers, and this volume of loans looking for alternative financing.

To make matters worse, in Montana we had 32 counties that experienced natural disasters last year. Farmers and ranchers experienced losses and damages from grasshopper infestations, forest and range fires, flooding, hail and the most serious of all—drought.

In eastern Montana, last year's drought was the third, and in some cases the fourth, straight year of drought conditions that have plagued farmers.

Because of the large number of farmers and ranchers affected—severely affected—by these natural disasters, the Farmers Home Administration and the Small Business Administration have been backlogged on processing disaster loan applications.

I have been told by the Farmers Home Administration that the applications for drought assistance will probably not be completed until April or May of this year. Keep in mind that this disaster assistance is for losses sustained last summer, last year, on top of the debt financing problems our farmers and ranchers face.

While Montana farmers and ranchers have experienced bad news at every turn, the prospects across the country in other communities are no better. In fact, in many cases they are worse.

Nationwide, farm bankruptcies have increased 200 percent in the last 5 years. In the last 10 years, 1 to 2 percent of U.S. farmers have gone out of business every year.

But this year, if you think that was bad, the estimates are that as many as 10 to 15 percent of farmers will be forced to leave the farm and leave the land that they and their families have lived on and cared for for three and four, and maybe even five, generations.

But the economic crisis in rural America is not only affecting farmers and ranchers. Small businesses of every sort are also experiencing financial stress.

The severity of the problem becomes clearer when you consider the number of bank failures and the growing strain on agricultural banks across the country.

There are over 4,100 U.S. banks which have at least 25 percent of their total loan portfolio committed to farm and ranch loans. About 3,800 of these agricultural banks—92 percent—are located in 17 States.

In Montana, we have 75 agricultural banks. Nearly 1,700 of these agricultural banks make over 50 percent of their loans to farmers and ranchers.

I am told that hundreds of banks heavily committed to agriculture in the Farm Belt have very little remaining capacity to absorb losses from bad farm loans without impairing their minimum capital requirements.

The escalating rate of farm bank failures during the last 6 months bears out that fact. There were 79 bank failures in 1984, 40 of which occurred since June 15, 1984; 4 of the 39 which failed prior to June 15 were agricultural banks; 22 of the 40 since June 15 were agricultural banks.

So the credit problems that we are all talking about today are threatening the very fabric of rural America.

No one in rural America will be spared the effects of massive farm failures, bank failures, and business closures in rural America.

So the need for action is evident. We must act immediately to assure the survival of large numbers of our farmers and ranchers and rural businesses.

This amendment that we bring to the Senate floor today is not a panacea; it will not solve all the problems facing our farmers.

But the amendment does provide timely assistance through a workable program—a program workable for both farm lenders and farmers and for people in most parts of the country. It is supported by the Independent Bankers Association.

Mr. President, last week, we focused national attention on the plight of those who produce the modern food miracle in the United States.

Last week, people asked why we should help the U.S. farmer. Today, fewer people ask that question. They know.

This Congress has in the past provided relief for all kinds of organizations and associations—for example, the Chrysler Corp.—and has seen that relief bear fruit.

It has provided assistance to New York City—and has seen that city take its place as a self-sufficient municipality again.

It has provided assistance to Continental Illinois—and protected the Nation from the damage its failure would have caused.

This week, we in Congress must say we recognize the importance of our food supply. We believe an investment in our farmers is an investment in the future.

Mr. President, I am also a strong supporter of the underlying bill. We in the richest Nation in the world have an obligation to help mitigate the tragedy of the famine in Africa. I am pleased to see us take part in that action.

Mr. President, I strongly urge all of us to think deeply and act upon our convictions, do what we know we

should do—provide necessary relief for rural America, because at no time since the thirties has that part of our country been in such tough shape as it is today.

Mr. PRYOR. Mr. President, would the distinguished Senator from Montana yield for a question?

Mr. BAUCUS. I would be delighted to yield to the distinguished Senator from Arkansas.

Mr. PRYOR. Mr. President, I would like to ask the distinguished Senator from Montana—who, I think, has eloquently addressed the real issues we're facing in regard to agricultural credit—if, on Saturday morning, he happened to be in the Senate Chamber at the time the very distinguished Senator from Maryland [Mr. SARBANES] spoke on the issues involved in the African relief legislation. Did the Senator from Montana hear Senator SARBANES' address?

Mr. BAUCUS. Mr. President, in response, to the distinguished Senator from Arkansas, I say with deep regret that I was not on the floor. I would be happy if the Senator from Arkansas would tell me a little about what the Senator from Maryland had to say.

Mr. PRYOR. The Senator from Maryland [Mr. SARBANES] made a very succinct point. His point was that a very large portion of the African relief bill is for food, for grain, to feed the hungry and the starving in Africa. Senator SARBANES indicated during his address to the Senate the irony that exists as we consider this measure. The irony is that in all likelihood there would be no African relief bill were it not for the farmers of this country who have produced, grown, and harvested the grain that we are now getting ready to make available to thousands and thousands of starving Africans. I thought the point of the Senator from Maryland was well-taken, and clearly enunciated, pointing out the irony that we are facing at this moment in the Senate.

I am sorry that the Senator from Montana did not hear that eloquent message by the Senator from Maryland [Mr. SARBANES], but the Senator from Montana has also pointed out something this morning that I think is equally disturbing about this process that we have gone through last week and what we are about to do this week.

This credit initiative will not be a success unless farmers have the 100-percent support of the Farmers Home Administration in processing the thousands and thousands of loans that are backlogged all across the country. If this is not done, then all we are doing, to a large extent, is for naught. Just recently, the administration, on February 19, announced 822 additional temporary employees to go out into the country and help process these loans. That is commendable. However, this Senator would like to state that the State of Arkansas, which has the fourth or fifth largest caseload and backlog of loans, received not one additional employee for the next 4 months to help in the processing of this huge backlog.

I do not want to start a war between the States, Mr. President, by listing which States received some of the 822 extra help slots and which States did not. But, I do feel it is incumbent upon us to address the question of those States who received no temporary employees to help process these loans. We must then correct the problem so that loans and loan guarantees that are pending will be acted upon.

I thought the Senator from Montana was very wise in pointing out the necessity of the Farmers Home Administration and the lending institutions in the land helping solve those credit problems. I think, frankly, that they should be working overtime, including weekends, if necessary. I believe that they are ready, willing, and able to do so if they get the orders from on high. Part of the crisis, Mr. President, is that we cannot even process existing applications. I am just so hopeful that we will see a more positive attitude from the U.S. Department of Agriculture and the Farmers Home Administration on the Washington level to move very fast and very efficiently to solve this problem.

(Mr. DENTON assumed the chair.)

Mr. BAUCUS. Mr. President, I commend the Senator from Arkansas for the points he is making. First, a very relevant point is also a very poignant point—namely, here we are considering legislation this week that provides food assistance to Africa, to relieve the famine that exists in Africa. The very food that is going to provide that relief is produced in America.

More important, Mr. President, if we do not provide relief to American farmers today, American food production is going to decline. Not only will the life of rural America decline; not only will banks go bankrupt, not only will farmers go bankrupt in rural America, not only will small businesses suffer from the strain, but food production in America will decline. I cannot say how much it will be, but it will certainly be a significant decline. As a consequence, Mr. President, we may not quite have the volume of food that we otherwise might have to provide the necessary assistance to Ethiopia and to other countries that very dramatically need our food assistance.

I do not for the life of me, Mr. President, understand why the administration does not either recognize that point or act on it and realize that to continue to provide humanitarian relief to parts of the world we have to at least maintain the level of production that we have enjoyed for so many years in the United States of America.

I might also add that is is our export sales, not the gifts of food to some countries but export sales to other countries, which help in some way to reduce the growing trade deficit our country is experiencing. Our trade deficit right now is about $130 billion with our trading partners. That is, we import about $130 billion more worth of goods than we export.

Mr. President, I can tell you very clearly that if we did not have agriculture production in America as high as it is, we would have a trade deficit in excess of $130 billion; it would be much higher. Agricultural exports have fallen below the near $45 billion we exported a few years ago—but I can tell you that they are very, very significant. In fact, it is the only sector of our economy which is very significantly in a surplus condition, That is, we export much, much more in foodstuffs than we import.

We should be proud of that. We should encourage that. I can tell you, Mr. President, that that is not true with a lot of industrialized countries. The country of Japan, for example, imports 50 percent of the food it consumes. It seems to me that the least we can do is build upon our strengths, and one of our strengths is agriculture production. We should not weaken it. We should not pull the rug out from under farmers and ranchers in our country.

Granted, the legislation we are discussing today is short term; it is not long term. And granted, we need a long-term solution. We have to more precisely ask ourselves and our country what is the longer term solution to the agriculture problem in America? How do we minimize the ups and downs, the peaks and valleys?

Mr. PRYOR. I say to the distinguished Senator from Montana, I think that is the issue with which we are grappling.

Mr. President, I have a final thought. I think we take our producers for granted in this country to the extent that very seldom, very seldom, do we stop and think that the farmer has been a prisoner, for the last 30 years, of a cheap food policy. The policy has essentially been that the farmer produce cheap food. That is why I call the farmer a prisoner within our economic system.

Mr. President, the Senator from Montana has the floor and I yield back to him.

Mr. BAUCUS. Mr. President, I yield the floor.

Mr. LEVIN addressed the Chair.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan sought recognition first.

Mr. LEVIN. Mr. President, Senator PRYOR and I have been working on a

couple of amendments relative to the Farmers Home Administration [FmHA]. I believe he was just speaking on the floor. I did not have a chance to hear his remarks, but I believe he may have at least described some of the language which we have incorporated into the pending amendment relative to the FmHA. This language is very straightforward. It directs the Farmers Home Administration to assign personnel to work nights and weekends to process loan applications where necessary to meet the deadlines set by Congress and the FmHA.

Mr. President, listen to some of this data. These figures are startling, and they describe the kind of emergency we have in agriculture. According to the latest data that I was able to obtain from the Farmers Home Administration, there are approximately 145,000 loan applications in the United States which need further action. Now, that is the information as of January 31—145,000 pending loan applications. This compares to a backlog of 117,000, just a few months ago, on November 30, 1984. So the backlog has been growing by leaps and bounds. There is an emergency going on, and we are going to have to take swift action on these pending loans in order to get the money out to farmers now.

According to an informal survey which we just took of Farmers Home county offices in 12 county offices in Michigan and one county in each of 18 other States, only a third of the offices said they planned to work overtime to process their backlogs this week, and only 12 offices had people working this past Saturday processing loans. And in many of these offices that worked—and again, only one-third of them were working last weekend—indeed, most of them only had one or two employees working, although their work force was larger than that processing loans.

Mr. President, let me give you some specific examples. In Nebraska, the county office we called has a big backlog of 59 pending applications. Nobody was working last Saturday. They are not planning on working to process loans this week in the evening or the weekend. In Oklahoma, the county office that we called, there is a backlog of 21. Nobody was working last Saturday and they are not planning on working any evenings this week. In South Dakota, the county office that we called, 27 is their backlog. Nobody was working last Saturday and they are not planning on working anybody overtime this week either, and so on. As a matter of fact, in the 18 county offices in States outside of Michigan that we called, only two of the 18 are planning on working people overtime this week to process loans.

Now, you do not respond to the kind of emergency that we have when you are not working people overtime and on weekends, and that is why, along with Senator PRYOR, I have offered language, which is now incorporated into the Zorinsky and Andrews amendment, which requires the FmHA—and I am now going to read this language—

> To assign personnel to work overtime, including weekends and nights, to process loans and loan applications where necessary to meet the processing time schedules set by Congress or the Farmers Home Administration.

Senator PRYOR's language also makes sure that additional part-time people who may be hired to process the backlogs are fairly distributed among the States which have them.

I commend Senator PRYOR and thank him for his tremendous efforts relative to this bill and this language in particular. Mr. President, I hope we adopt the Zorinsky amendment. It is important in and of itself. We have to get credit out to the farmers in an urgent way. We also have to make sure that the FmHA understands there is an emergency. We want FmHA personnel processing these loans, working evenings, and we want them working weekends.

It is that simple. The emergency is that grave, and this language, which is part of the Zornisky amendment, will accomplish that goal.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak as if in morning business.

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

The Senator may proceed.

THE FARM CRISIS

Mr. GRASSLEY. Mr. President, even though I have been much involved in the farm credit crisis situation and the farm situation a great deal the last month or so, I have not occupied much time in this Chamber in regard to that issue, and I wish to speak on this issue now in morning business because what I have to say generally goes beyond the parameters of debate that would be held on the Zorinsky amendment and the Exon amendment, of which I happen to be a cosponsor.

I wish to express my philosophy and some positions that have been guiding me and will continue to guide me throughout not only the discussion of the farm credit crisis and our legislative response to it, but also our response outside of the legislative Chambers through trying to jawbone the USDA and the President into making some administrative changes, and also throughout the 1985 farm bill and our Budget Committee and Chamber consideration of the fiscal year 1986 budget resolution.

Let me say, parenthetically, that probably a great deal of the 1985 farm bill at least from the standpoint of the amount of money that will be spent will be decided in the next month or two by the Budget Committee and by the Senate as we put a lid on the amount of money in the agricultural account.

I hope that that amount is at least the fiscal year 1985 spending limit.

We all know that the President is proposing that that figure be reduced for 1986 by $6 billion or $7 billion, which is going to yank the rug right out from under agriculture, and is going to eliminate the safety net for farmers.

One of the general principles that should guide us is this principle of the safety net. I think it is unfair for us to consider eliminating the safety net in agriculture when at the same time we are going to preserve, and we ought to preserve, the safety net for the unemployed, the ill-housed, and the undernourished.

If there is any segment of the economy that is subject to the acts of nature it is agriculture, and we should be prepared to be fully supportive of those unexpected contingencies that come through nature.

Safety nets must be maintained. This Congress will maintain them, I am sure. We will reject the administration's efforts to reduce target prices, and I hope when we meet in the Budget Committee next week for markup one of those basic decisions we make is we will not agree with the administration to take from the farms and give to arms; in other words, we will not reduce the subsidy for agriculture while increasing the subsidy for the defense industry.

That brings me to my second point, that of being unfair and inequitable. We talk about reducing farm programs, we talk about free enterprise and free market decisions within agriculture, and most Republicans and Democrats would believe this would be the ideal we should be seeking. We have had a free market agriculture at times and hopefully we are going to have it again. But we are not going to have it at a period of time in our history when agriculture is in the greatest crisis it has been in since the 1930's.

It is a principle of whether or not we should foist upon agriculture this concept of free enterprise by the same administration spokesmen who are not willing to apply that same principle of free enterprise to the highly subsidized defense industry.

Mr. President, all you have to do is look at production within defense industry corporations. Some of them have private sector as well as just defense industry production. You see greater feather-bedding on the defense side of that production, you see greater scrap and waste, you see their own standard hour measurements not

being met, you see an enormous percentage allotted to overhead, and you find higher labor costs in the defense industry than you do in comparable production in the private sector. As long as we continue to maintain that subsidy we are never going to force the same efficiencies within the defense industry that private sector industry has been forced to seek and hopefully has successfully accomplished because of competition.

Take, for instance, farm equipment manufacturing. The McDonnell Douglases, the Lockheeds, and the General Dynamics, I will bet, have not been forced to undergo the same efficiencies that John Deere has, sending their engineers throughout the plants to save a penny here or a penny there. The source of agriculture income has dried up: Production at John Deere is 40 percent what it was in 1980. Their employment was 66,000 in the Midwest and today it is just a little over 30,000. That is directly related to the depression we have in agriculture.

But when John Deere comes back they will be much more efficient as a result of the efficiencies that they have been forced to undergo because of the economy. Meanwhile, the subsidy of the defense industry through the budgets of 1981, 1982, 1983, and 1984 has not forced the same efficiencies, and so we have this high rate of waste of labor and material, and a higher allocation to overhead that is unjustified. We have a budget that is going to take from agriculture and a lot of other domestic accounts and continue an overwhelming subsidy to the defense industry to a point where, in fact, our defense is weakening as a result.

We are spending more now on defense than ever before, and we are getting less for it. You have seen the same charts I have seen whenever the Secretary of Defense comes before the various committees and says, "We need much more money because we have fewer quantities of airplanes or tanks compared to what the U.S.S.R. has." I think we have to be concerned about those things, but we are going backwards. You put beside those failing quantities a chart of how much we have increased appropriations for defense and you see that we are not getting what we are paying for. We have to make some basic changes.

I am not saying if we spend less in defense we are going to get more for our money. I am saying unless we make some basic changes in the way the defense industry does business, and the way our Department of Defense negotiates contracts with the defense industry, we are not going to bring about these changes. And this budget that takes $6 billion or $7 billion out of agriculture and puts it over here in defense is detracting from what should be a united effort here in this body and in Washington generally to make some basic changes.

So I say to David Stockman or anyone else within this administrative branch of Government who says we should reduce agriculture appropriations, that yes we should have greater free enterprise within agriculture, I am willing to listen to those points. I am willing to give them serious thought. But if at the same time we are not willing to apply those same principles to the most massive consumer of tax dollars, the Department of Defense, what have we accomplished through our basic ideological faith in the free-enterprise system?

Those principles should be applied across the board. If they were applied across the board, including defense, as they want to apply them to agriculture, we would be getting more for our money, we would be subsidizing the defense industry less, we would be saving the taxpayers' dollars, we would be getting the budget deficit down, and we would not be unfair to agriculture and we would not be unfair to many other domestic programs as well.

I think we have to approach this agricultural issue as we are doing now in the debate that took place yesterday and will take place today, trying to solve some of these short-term problems in farm credit, trying to save as many farmers as we can. Each day I think we save a few more. I do not know whether we are going to save enough, compared to those going out of business every day. But whatever we save, we are giving one more family an opportunity that they would not have otherwise.

The next battleground has to deal with this overall budget—whether or not we are going to make significant changes in our overall level of expenditure, whether or not we are going to do that in a fair and equitable manner that treats all aspects of the budget the same, without any adherence to the principle of sacred cows.

We know that the President has had his sacred cow of defense expenditures. We know that the Speaker of the House of Representatives has had his sacred cow of entitlements. Add those two massive parts of the Federal budget together, and you basically have, and have had for the last 3 years, 65 percent or 70 percent of the budget that has been off bounds for basic reform. What has been saved to date has been saved out of the 15 percent to 20 percent of the budget that has been nonentitlement, non-defense appropriated accounts; and that is where the President is going back to save another $50 billion because he wants to increase defense appropriations by 10 percent. We simply cannot go back there any more unless we are going to eliminate a lot of programs, which is what the President suggests.

I think that if we do not adhere any more to the principle of the sacred cow, we will be able to go to defense, we will be able to go to entitlements, and we will be able to make significant changes, and we will be able to accomplish something. But if the President, or even some of our legislative leadership, who propose that we reduce the overall level of expenditures by $40 billion or $50 billion, call for a reprioritizing of the entire budget, we will never get anything done before the usual time, which is September and October. And that will not be soon enough to make the dramatic impact required of these massive Federal deficits.

A fiscal conservative like me ought to applaud all these efforts of people who want to do more than a basic freeze to save another $10 billion or $12 billion. But if we go out and try to save another $10 billion or $12 billion right now, when we are trying to make a major change in the direction of our usual budget and appropriation pattern, we will not do anything soon enough to accomplish any good.

I should like people who think we should go for that extra $10 billion to look at what that is going to do to the farm program; to look at what it is going to do by tearing this legislative body apart, when we should look for the programs that will bring us together in a bipartisan fashion, so that we do something dramatic, do something unexpected. We need to send a dramatic signal throughout this country that it is no longer business as usual here in Washington. We need this so that interest rates will come down, and so the value of the dollar will come down and help our entire economy in one fell swoop.

We ought to be going, then, for an across-the-board freeze that would basically reaffirm decisions that were made just 4 months ago—we are now 4 months into this fiscal year. I think whether those decisions were right or not, they are budget policy decisions that were made, and we are locked into them for 12 months. Surely, early on, we could make a decision that we are going to reaffirm them now; we could say, in effect: "Those decisions that were made in September, maybe they are not what we all agreed to, but they were made. Surely, if they are good for this 12 months, they should be good for another 12 months, effective through December 30, 1986." We should do this instead of fighting for more and doing it too late, or not even accomplishing it, and not doing the dramatic good that would result with an across-the-board freeze that will reduce the current services budget by about $40 billion.

I believe that budget battle is going to start next week. Senator DOMENICI has said that the hearings are all done

and that we are going to start marking up next week. If we do, it is at that point that a lot of decisions on agriculture are going to be made, before we even get into the 1985 farm bill. I hope those decisions are a rejection of the philosophy from the White House that we should take over the farms and buy more arms, particularly when we are giving an unjustified subsidy to a very inefficient defense industry. An industry which in itself, is a cause of weakness in our overall defense capabilities.

If, in fact, our industrial infrastructure is not as strong as it should be, if we do not have the ability to change from domestic production to defense production quickly, as we had to do in World War II, then we are weak on our defense.

I think we tend too often to measure our defense capabilities by the number of tanks, planes, and ships we have, and maybe even by what the NATO forces and the Eastern bloc nations have. If that is a measure of our defense capability, and the only one, then we are a very weak nation.

A Presidential commission, just 2 weeks ago, issued a report of how weak and uncompetitive we are compared to other economies around the world.

So, as a basic premise, with respect to a strong national defense, we have to establish as a priority principle the efficient building up of our industrial infrastructure. That can only come about as we get this budget deficit under control, as we get interest rates down, as we get people back to work who are unemployed, and as we get the value of the dollar down so that we can export more, not only for the benefit of agriculture but for the benefit of our industrial segment as well.

Next week, we will be into some of those very basic decisions, the 22 of us on the Budget Committee—not only whether or not there is going to be help for our farmers and hope for our farmers, but also whether or not we are going to have a strong national defense, whether or not we are going to be consistent, fair, and equitable in our allocations of resources through the Federal budget, whether or not we are going to take away from the most efficient industry in this country, agriculture, and give to the most inefficient segment of our industrial side, the defense industry.

Finally, what we do in the 1985 farm bill will determine for the longest term, maybe even longer than the budget decisions this year, how much profitability there will be in future agriculture.

But as we debate—last week and this week—on the farm credit crisis, we do not want people who do not come from agriculture States to think we are just concerned about agriculture and keeping a few more farmers farming, as basic as that is. There are a lot of other things that are tied very closely to this issue of allocation of resources; whether or not we are going to maintain safety nets; whether or not we are going to be fair and equitable as we approach the various aspects of the budget; and whether or not we are going to throw out the window the principle that has prevented us from achieving massive reform of our deficits, that principle of maintaining sacred cows. Those of us from agriculture States and who advocate freezing the budget, do not come to you trying to speak out of both sides of our mouth. I know if we freeze the budget in 1986 at the 1985 level some of this stuff related to agriculture programs is unpredictable.

But it is my estimate, based upon the reports that we have to put together for the budget, that there will be adequate resources in the agriculture budget to accomplish these things that ought to be accomplished. Agriculture is not coming in here asking for more so that others should get less. We are coming in here and just saying we ought to be treated fairly and equitably. We believe the allocation of agricultural resources in the budget should not be transferred to the Defense Department, and that in seeking a free market principle in agriculture, we should also seek those same free market principles in the defense industry, and then we will have ample money to spend in agriculture.

Those are the issues that face this body in many different ways. And they are going to be fought not only on the floor of the Senate in the case of this farm credit situation. They are going to be fought in the Budget Committee. They are going to be fought in the Agriculture Committee. And most important, they are going to be fought in the very private negotiations that go on between our leadership and the leadership downtown, and between the leadership of the Senate and the Speaker of the other body. I hope this body will realize that those of us who have been calling for a budget freeze for the last 3 years will be fair and equitable when it comes to certain aspects of the budget. Our activity should be looked upon as protective. You might look upon what I am saying today as only protecting agriculture.

Three years ago a budget freeze was not a well respected idea because it was thought to be far out. Now everyone is talking about a freeze. But if the freeze advocates had been listened to for the last 3 years, we would not be in this deep hole we are in, this bottomless pit that we call a budget deficit.

All that we are saying this budgetary year, this budget season, is totally consistent with what we said for the last several years—freeze the budget.

I yield the floor, Mr. President.

FREEZE FEDERAL SPENDING WITHOUT DELAY

Mr. BIDEN. Mr. President, the most popular budget word this year is "Freeze."

As one of the original four cosponsors of the original budget freeze last year, I should be pleased about that. But everyone means something different, and most of the proposals are not really freezes at all.

Last year four Senators, Senators KASSEBAUM, GRASSLEY, BAUCUS, and I offered what has since become known as the KGB freeze. As we offered it then—and as we offer it again this year—the KGB freeze really freezes every Federal program. Budget authority for national defense would be the same in fiscal year 1986 as its was in fiscal year 1985. Domestic discretionary programs would be similarly frozen. For 1 year, there would be no cost-of-living increases from any Federal spending programs. Physician and hospital fees would be frozen during fiscal year 1986.

It is clear today, as it was last year, that this is the most fair, most even-handed approach to reducing deficits that Congress could adopt. It could also be adopted with relative speed since most of this year's other proposals start off from the KGB freeze as a base. And it could freeze deficits for long enough to permit us to put in place further efforts to reduce deficits.

I am particularly concerned, Mr. President, that as various individuals and groups seek to reinvent the wheel—that is to develop their own version of a freeze—we are losing previous time and we are increasng contention and discord.

Of all the alternative freezes, the President's freeze plus is probably the best known. But his freeze calls for real growth in defense of nearly 6 percent while at the same time freezing or cutting many crucial programs such as education, child nutrition, health, and environment. His so-called freeze has done much to increase the level of contention and disagreement over how to deal with this year's deficits.

Most recently, the executive committee of the National Governors' Conference has proposed what it terms a budget freeze. But this program would adjust defense spending for inflation but would not do so for other discretionary spending programs. And it would take away an inflation adjustment for Social Security recipients and others while allowing an inflation adjustment for defense spending. While I admire the Governors for coming up with a deficit reduction program, I cannot support one which deals so unevenly with Federal activities.

Mr. President, it is critical that we get on with the business of deficit reduction. Last year's highly touted

downpayment on deficit reduction has not even succeeded in stopping the rapid upward climb in the deficit numbers. The Congressional Budget Office has reestimated the current year's deficit, including off budget, from $183 billion last August to $214 billion now. Until and unless we take further action, the CBO predicts budget deficits at $215 billion in fiscal year 1986 climbing dramatically to $296 billion in fiscal year 1990. There seems to be no real possibility of stopping this upward surge unless we adopt a real budget freeze like the KGB freeze.

This country is presently enjoying a period of almost unprecedented economic growth. Last year the gross national product grew at a rate of 6.9 percent—the highest growth rate since 1951. Inflation is low, running at only about 4 percent. Our goal must be to continue this economic growth through the remainder of the decade, creating millions more jobs and improving our foreign trade performance.

To assure continued economic growth, we must begin now to reduce deficits and the drain that they place on our economy. Interest rates are by no means low in relation to a 4-percent inflation rate. We must be concerned that deficits may begin to push them even higher, cutting off business activity. And high interest rates also threaten to continue the strong dollar, with trade deficits in excess of $100 billion and declining U.S. exports.

Despite our strong economic growth, it is now clear from CBO's deficit projections—and for that matter those of the Office of Management and Budget also—that economic growth is not, by itself, going to eliminate the deficit problem. We do not have deficits because economic growth is low. We have them because the Federal Government is spending more than it is taking in. That is the problem that has to be dealt with. That is what is pushing Federal interest payments over $200 billion by the end of the decade. That is what will send the national debt to $3.5 trillion in that same time period.

Mr. President, I think we can all regret now that Congress did not adopt the KGB freeze last year when Senator KASSEBAUM, GRASSLEY, BAUCUS, and I offered it in May. Had it done so, Congress could now be devoting its time to the next stages of a deficit reduction package.

Then you will remember, Mr. President, the Senate did adopt a proposal in September that would have required a vote on the KGB freeze in 1985. Unfortunately the House did not accept this proposal.

But we must not make this mistake again. We must not continue to postpone positive action on deficits in the hope that we may yet find some simple and painless method of reducing deficits. There is no such thing, Mr. President, although I believe our freeze comes as close as anything can.

The budget freeze that I propose is clear, simple, and easily understood. It treats all groups alike. Equally important, it is, I believe generally accepted by most beneficiaries of Federal programs as being fair. It will stop the growth of deficits. And perhaps most important, it is probably the most that can be achieved this year in terms of spending reductions. The longer we seek to refine it, to add to it or subtract from it, the less likely it is that we can achieve any meaningful deficit reduction this year.

Congress is late in dealing with deficits. It is late in acting on a freeze. The task was easier last year and the deficit reduction would have been greater. But we are where we are, and the KGB freeze is still the best hope for a strong economic future. It is imperative that the Senate take action soon.

THE ADMINISTRATION'S PROPOSED SUGAR PROGRAM

Mr. INOUYE. Mr. President, in the midst of our debate last week on how best to address the farm debt crisis, I was shocked and dismayed on Friday to read the administration's formal proposal for the 1985 farm bill.

Of particular concern to me and the State of Hawaii is title IX of S. 501, the Agricultural Adjustment Act of 1985. This title proposes an overnight reduction in commodity loans for sugar from 18 cents a pound in crop year 1985 to 12 cents in 1986. Combined with a direct payment program that declines to 12 cents a pound in 1990, the $200,000 cap on nonrecourse loans to producers and the $20,000 cap on direct payments to individual growers in 1986, the administration's proposed sugar program would spell the demise of Hawaii's sugar industry. Based on conversations with my colleagues from other sugar-producing States, it would mean the end of sugar production in 15 other States, as well as bringing to an end an industry that has served the national interest for over 200 years. We can only guess at the cost of the ensuing social and economic dislocation, but States like Hawaii would feel the impact immediately as 26,000 people would lose their jobs, unemployment would double to 12 percent, 300,000 acres of land would fall idle, and the State would lose 10 percent of its general fund revenues.

Mr. President, I for one find unacceptable the administration's notion that we should sacrifice American farmers on the altar of free trade when other countries provide massive support and export subsidies to their own producers. There are many good reasons for saving the domestic sugar industry, and one is elaborated in an Ampersand article by Mr. Gregg Perry, to wit, the sugar program operates at no cost to the U.S. Treasury. At a time when some Government programs are greatly increasing the deficit, the sugar program is not diverting a single penny from the revenues generated by the American taxpayer.

Mr. President, I will be speaking further on the need to preserve a viable sugar industry both here on the Senate floor and in committee. Today, however, I ask unanimous consent that the article by Mr. Perry be printed in the RECORD following the conclusion of my remarks. I look forward to discussing this issue and the other commodity programs with my colleagues in order to ensure that Congress has the chance to work its will on the question of what the future holds for American farmers.

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

ANOTHER CRITICAL SEASON FOR SUGAR

(By Gregg Perry)

On December 16, 1981, the U.S. House of Representatives voted by the cliff-hanger margin of 205 to 203 to include sugar with other commodities in protective legislation known as the Agriculture and Food Act of 1981—more commonly called the Farm Act.

For Hawaii's sugar leaders, this action contained some good news and some bad news. The good news was that after a chaotic hiatus of seven years, sugar again was part of a multi-year federal support program. The bad news was that the support level provided was several cents a pound less than hoped for, and in fact, below the industry's average cost of production.

Furthermore, there remained the possibility that the act might be vetoed by President Reagan, who then as now had little enthusiasm for farm support programs. But on December 22, the President signed the bill into law, and a new epoch in the turbulent history of the domestic sugar industry began.

The Agriculture and Food Act of 1981 will expire officially in 1985, although its sugar support provisions are to continue through the crop year ending September 30, 1986. A new Farm Act is scheduled to be enacted in 1985.

For Hawaii, where the sugar industry provides 10 percent of general fund tax revenues, created (directly and indirectly) 26,000 jobs, and where there are not viable alternative crops for most of the 185,000 acres in sugarcane, the pressing questions are: Will sugar be included in the new act? And if so, at what level?

The answers to these questions presumably will emerge from the democratic process later in 1985. As the year begins, forces on both sides of the issue are assessing their positions, preparing their arguments, in short, girding for the fray. Whatever the outcome in Washington this year, it will affect people throughout the state of Hawaii for years to come.

For centuries sugar has been the most politicized of commodities, primarily because it was and is a highly prized food not readily available in all major population areas. National governments accordingly have intervened to assure supplies by fostering domes-

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tic production and making import agreements with producing nations.

This heavy government involvement makes "sugar prices . . . among the most unstable in international trade," according to a recent publication of the U.S. Department of Agriculture,[1] which continues, "much of the price instability results from the fact that a relatively small share of the world sugar production is freely traded in international markets. More than 70 percent of world production is consumed in the producing countries, usually at government-set prices. If bilateral long-term agreements and the U.S. import quota are taken into account, only 10 percent is available to be traded in the world 'free' market."

HISTORY OF REGULATIONS

In such a world it is not surprising that American governments have actively regulated the sugar trade since colonial times. In the early decades of the republic, sugar legislation involved imposing tariffs on imported sugar to raise funds for the operation of the federal government. As the nation expanded westward in the 19th century, and new cane and beet lands were placed in cultivation, the nature of the government's intervention changed from raising revenues to protecting the domestic industry. From the landmark McKinley Bill of 1890 until today, this has been the thrust of federal sugar legislation.

For the 40 years between 1934 and 1974, a series of laws known as the Sugar Act provided the necessary protection while assuring adequate supplies for a nation that produced only about half the sugar it consumed during that period (and today produces about two-thirds of its needs). The Sugar Act kept market prices in a target range by adjusting import quotas to correspond with market demand. It did not use subsidies from the treasury but relied on users of sugar to pay a price that would enable domestic producers to cover their costs and earn a modest profit on their investments. Many observers consider the various renewals of the Sugar Act to be the most equitable and efficient agricultural legislative program in U.S. history.

The death of the Sugar Act in 1974 was a severe blow to the domestic sugar industry and of course to Hawaii. It ushered in a period of doubt and instability that lasted until the Farm Act of 1981 became fully effective midway through 1982.

While not as generous or consistent as the Sugar Act, the sugar provisions of the Farm Act of 1981 have provided similar stability for the industry. In the period between the end of the Sugar Act in 1974 and the implementation of the Farm Act in 1982, world and domestic sugar prices hit record highs in two years (1974 and 1980) but were well below real production costs of any producing region in most of the other years. It was a feast or famine period for U.S. producers that many believe would have been smoothed out considerably both for consumers and producers had the Sugar Act continued, or had sugar been included in the Farm Act.

But as the USDA summed it up,[2] "the focus and outcome of sugar policy debates began to change in the mid-1970s. Consumers and Congress began to question whether the sugar program was serving their interests." This change, among other questions, underlay the defeat of the Sugar Act in 1974 and will continue as the Farm Act of 1985 is debated.

FARM ACT RESULTS

As the arguments begin, it is reasonable to ask how the interested parties have fared under the sugar program embodied in the Farm Act of 1981. The test of any such program is: Did it provide adequate supplies for consumers at fair prices? Supplies have not been a problem in the 1981-85 period—for the most part a period of world surplus and declining U.S. consumption of sugar. So what about price? To begin with, prices were relatively stable both at the producer (raw sugar) level and at the consumer (refined sugar) market. As Table I shows, domestic raw sugar prices, the level of most concern to Hawaiian producers, increased from 19.73 cents a pound in 1981, the year before the Act took effect, to an estimated 21.75 cents in 1984, a gain of about 10 percent over three years. Consumer list prices fell 9 percent over the same three years.

TABLE I.—VARIOUS SUGAR PRICES

[Cents per pound]

	1980	1981	U.S. Farm Act		
			1982	1983	1984
U.S. (raw) average	30.11	19.73	19.92	22.05	21.75
World (raw) average	29.01	16.89	8.39	8.52	[1] 5.41
U.S. retail (refined) average list	42.74	40.00	34.28	36.17	36.40

[1] Estimate.

Domestic producers have not done well at these price levels. Since 1980, five U.S. sugar processors have gone out of business. Few reported adequate levels of profitability. In Hawaii, one plantation went out of business (Puna Sugar Company in 1984) and the record of profitability improved from the disastrous level of 1981 when every plantation in the state lost money. In 1982, three of the 14 plantations moved back into the black. In 1983, six of 14 were profitable. While the final results for 1984 are not yet in, it appears there will be little change from 1983. Most of the improvement in profitability of Hawaiian plantations has come from cost-reduction efforts and productivity gains rather than from price improvement. As Table II shows, average production costs of the Hawaiian industry fell from $391 a ton in 1981 to $378 in 1983. The 1984 total is not yet available but is assumed to be modestly higher than in 1983. Hawaiian plantations set all-time productivity records of 11.25 tons sugar per acre in 1983 and an estimated 11.87 in 1984. No other area of the world can match this level of productivity.

TABLE II.—HAWAIIAN SUGAR

Production costs/productivity/returns

	1980	1981	1982	1983	1984
Cost of production (per ton of raw sugar)	$379	$391	$377	$378	([1])
Revenues to plantations [2] (per ton of raw sugar)	$617	$321	$375	$406	([1])
Tons of sugar per acre	10.51	10.74	11.01	11.25	[3] 11.87

[1] Not applicable.
[2] Includes sugar, molasses and electricity.
[3] Estimate.

"TOURNIQUET" FOR HAWAII

So for the Hawaiian producers, the Farm Act has not been a panacea—more like a tourniquet. It prevented a potentially disastrous price collapse. It has enabled a few plantations to achieve modest levels of profitability and restricted the size of losses at others. It could not prevent the demise of Puna Sugar.

"Limited as it has been, the Farm Act is our best bet for the future," says Robert H. Hughes, president of the Hawaiian Sugar Planters' Association. "Our plantations need the stability of a long-term federal program provides. We hope sugar will again be included in the Farm Act and are lobbying as aggressively as we can to that end. But we also hope that a more realistic support level can be established in the 1985 act. Sugar had the lowest support level of any commodity in the 1981 act—initially 70.87 percent of parity compared with an average of 92.04 percent of parity for wheat, corn, cotton, rice and soybeans. That is a major difference."

From the standpoint of the consumer, U.S. retail sugar prices actually declined between 1981 and 1984. But the anti-sugar industry partisans who opposed sugar supports in 1974 and 1981 will take a different view of price fairness. They will point to the fact that the average "world" price for raw sugar in 1984 was 5.41 cents a pound, compared with the domestic price of 21.75 cents. That seems to be a shocking difference and leads the uninformed to ask why U.S. consumers shouldn't be allowed to buy their sugar from this low-cost world market instead of our expensive domestic producers. This simplistic argument overlooks the fact that the "world" price is the residual price at which sugar uncommitted to the nation of origin or by bilateral agreement is sold. As pointed out earlier, it represents only about 10 percent of the sugar sold in the world. The "world" price in 1984 also is well below the real production cost of any producer in the world and thus represents the dumping of excess sugar by subsidized producers.

Suppose the U.S. did discontinue supporting domestic sugar prices and allowed foreign sugar to be imported without any restrictions such as tariffs, duties or quotas; what might be the result?

"In all likelihood, such a course would destroy most of the domestic sugar producers within a few years," says HSPA's Hughes. "No U.S. producer can compete for long with subsidized foreign sugar sold at recent price levels. But, if most of the sugar produced in the Unite States suddenly disappeared, there would no longer be a major world surplus, and the residual 'world' price undoubtedly would rise as it did in 1974 and 1980. The American consumer would soon be stuck with much higher prices and for the first time in history would be totally dependent on foreign imports. Meanwhile the cane sugar producing areas of the U.S. would suffer serious economic damage and rising unemployment. The beet areas also would be hurt, but since beet farmers can move rapidly to other crops, the damage would be less than in the cane areas.

"The gap between the 'world' price and the domestic price is a mythical bogeyman trotted out by the refiners of foreign cane to attract consumer groups and sugar users to vote against support for the domestic industry. It is the producers' task to dispell this myth and explain the long-term value

[1] USDA Agriculture Information Bulletin Number 478.
[2] Ibid

of preserving a stable and efficient domestic sugar industry."

FEDERAL DEFICIT

In 1985, the federal deficit will be a major element in any legislation involving expenditures of public money. The Reagan administration has already let it be known that it hopes to reduce soaring outlays for farm subsidies. The Wall Street Journal recently reported that federal farm subsidies rose from $2.7 billion in fiscal 1980 to $19 billion in 1983, or more like $29 billion if you include the nearly $10 billion price of the 1983 payment-in-kind (PIK) program.

In this environment, the modest sugar support program of the Farm Act would seem to have an advantage. It involves no subsidies—no payments of taxpayers money to sugar growers. Thus it adds nothing to the deficit. In fact, it even contributes modestly to the U.S. Treasury through the duties and fees collected on imported sugar.

Yet any heavy attack on government supports for agriculture might well rub off on sugar, already low man on the agricultural totem pole, even though supporting sugar costs the treasury nothing. Such a distinction, fundamental and important as it is, can easily be lost in the rough and tumble of the legislative process.

So, as 1985 unfolds, Hawaii's sugar industry, spearheaded by the HSPA and it newly elected chairman J.W.A. "Doc" Buyers of C. Brewer and Company, Limited, together with other U.S. sweetener producers, will press its case for a continuation of sugar supports beyond 1986. Meanwhile, in Hawaii, the plantations will continue their crucial efforts to reduce production costs and prove that they can survive under such a program.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The assistant majority leader.

SCHEDULE

Mr. SIMPSON. Mr. President, let me review that we do have a recess period coming up at noon until 2 p.m. It is the leadership's intent that we would recess a little prior to that in order to assure that we deal with these issues this afternoon. I inquire of the other side of the aisle as to if you wish to continue to discuss any of your procedural aspects, that is perfectly appropriate. I would prefer that you not be presenting to the desk any amendment or amendment to amendments and that will be done then after 2 o'clock. Is that understood?

Mr. MELCHER. If the assistant majority leader will yield to me, as long as we are still in morning business and we will recess at 12, that is exactly what we would like to do; that is, discuss the amendment that will be offered after we go back into session and we are on the bill.

Mr. SIMPSON. I yield under those circumstances. And that agreement is perfectly appropriate, Senator MELCHER.

Mr. MELCHER. I thank my friend.

(By unanimous consent the colloquy which occurred at this point is printed later in the RECORD when the Senate proceeds to consider S. 457.)

RECESS UNTIL 2 P.M.

Mr. SIMPSON. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 2 p.m.

The motion was agreed to and, at 12:03 p.m., the Senate recessed until 2 p.m., whereupon, the Senate reconvened when called to order by the Presiding Officer [Mrs. KASSEBAUM].

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

The PRESIDING OFFICER. The clerk will read the pending business.

The assistant legislative clerk read as follows:

A bill (S. 457) to authorize the President to furnish assistance to alleviate the human suffering in sub-Saharan Africa, and for other purposes.

The Senate resumed consideration of the bill.

Mr. SIMPSON. Madam President, I ask unanimous consent that the Senate remain in recess until 2:30 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Madam President, reserving the right to object, may I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. MELCHER. I inquire whether the unanimous consent entered into for calling up this bill to be subject to amendment for farm credit allows the offering of a second-degree amendment to the Zorinsky-Andrews amendment.

Mr. SIMPSON. Madam President, I request that this inquiry might be renewed at the beginning of the 2:30 hour.

The PRESIDING OFFICER. Is there an objection to the request for a recess? Was the Senator objecting to the recess?

Mr. MELCHER. Reserving the right to object, Madam President, is it proper for me to make this parliamentary inquiry at this time before we recess?

The PRESIDING OFFICER. The Parliamentarian has informed me that it is not in order to raise the objection at this time unless it is an objection to recessing.

Mr. MELCHER. Further reserving the right to object, may I ask of the distinguished assistant majority leader, does he have an objection to my asking this parliamentary question at this point?

Mr. SIMPSON. Madam President, I have no problem with the inquiry. I am just requesting that—I believe both parties may still be involved in their caucus. At least, the majority party is. I earnestly request the courtesy to recess until 2:30 p.m. so we may resolve our business, and then proceed, at which time, he may proceed with whatever he wishes at that time.

Madam President, if there is some feeling that the Senator is being foreclosed in some way, that cannot be. We have a unanimous-consent agreement that there, indeed, shall be two amendments in order in the second degree to be offered by the minority leader or his designee.

Those things remain in place.

I can assure the Senator that there is nothing "cooking." It is a request because we are involved in a very serious discussion and asking for an additional one-half hour to try to conclude that discussion.

Mr. MELCHER. I thank the assistant majority leader. With that assurance, I have no problem at all.

Mr. BYRD. Madam President, reserving the right to object, I hope we will not object. The majority could move to do what it wishes to do by unanimous consent. A motion would not be available. May I say the majority has been very, very agreeable to some of the requests on the part of the Democrats to let recesses extend for a little while longer while we were in caucus. I hope we will not object.

I yield the floor.

The PRESIDING OFFICER. Without objection, the Senate will now stand in recess until 2:30 p.m.

There being no objection, the Senate, at 2:04 p.m., recessed until 2:30 p.m.; whereupon, the Senate reconvened when called to order by the Presiding Officer [Mrs. KASSEBAUM].

Mr. HELMS. Madam 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. BYRD. Madam President, I ask unanimous consent that the order the quorum call be rescinded.

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

AMENDMENT NO. 10

The PRESIDING OFFICER. The question is on agreeing to amendment No. 10.

The Senate resumed consideration of the amendment.

Mr. DOLE. Madam President, it is my understanding that there will be a second degree amendment. We have no objection to some discussion of the second degree amendment, but we are not prepared to vote on the amendment at this time.

Mr. MELCHER. Madam President, we have already discussed the amendment that I am going to offer.

Madam President, I ask unanimous consent that the discussion that we had on the amendment in morning

business be printed in the RECORD as if discussed at this particular time.

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

(The colloquy, which occurred earlier, and ordered to be printed at this point in the RECORD, follows.)

(Mr. DENTON was presiding.)

PROPOSED AMENDMENT CONCERNING RESTRUCTURED FARM LOAN GUARANTEES

Mr. MELCHER. Mr. President, I would like to discuss while we are in morning business an amendment in the second degree that will be offered by myself and Senator ANDREWS shortly after the recess period is over.

It is an amendment in the nature of a substitute to the pending amendment. It is almost identical to the pending amendment, the Zorinsky-Andrews amendment.

There will be one change. That change will be a deletion of one portion of the pending amendment. It is a deletion that makes the existing provisions of the regulations of the Farmers Home Administration in guaranteeing a restructured farm loan that requires that a lender must write off principal or interest as a prerequisite to secure a Farmers Home Administration loan guarantee. The Department of Agriculture and the administration have insisted on participation by lenders in reducing interest on principal as a condition for a loan guarantee.

That is the only change that will be made in the substitute going to that sort of a situation, and that exact situation.

What we have done in the Zorinsky-Andrews amendment that is now pending at the desk is we have provided $100 million in funds to assist and to permit the Department of Agriculture through the Farmers Home Administration to buy down a portion of the interest on restructured loans. We do not want to do it on the back interest of the loan. We want them to do it on the restructured loan and from that moment forward, provided that the lender matches the same amount of interest buy-down.

One of the problems we have, of course, is that farm debt is huge and the interest rates are too high. And one of the means of accomplishing a restructured loan so that there can be successful repayment by the borrower is to reduce the interest rates on that restructured loan.

As the Zorinsky-Andrews amendment is now drafted, there would be no requirement at all by the lender in getting a loan guarantee on restructured loans. There would be no requirement that either the principal or the interest rate be reduced.

Most of us think, I believe, that it is much more practical to require the lender to reduce the interest rate on the restructured loan than to reduce the principal. We think that is more practical to say, "Do not charge as high a rate of interest on the restructured loan as you are now charging and we will match from the Federal Government the exact amount up to 2 percent that you are willing to reduce that interest rate."

We think that makes the farmer's loan much more viable, much more workable, and places a degree of responsibility both upon the lender and the Government to make sure that it works.

Mr. BOREN. Will the Senator yield?

Mr. MELCHER. I am delighted to yield.

Mr. BOREN. I thank the Senator from Montana. I heard his explanation of the second-degree amendment which he plans to offer along with the Senator from North Dakota, Senator ANDREWS, after we come back into session this afternoon. From what I understand about it, I enthusiastically support the concept. I would like to ask a question, to make sure I understand.

Under the second-degree amendment which will be offered by the Senator from Montana and the Senator from North Dakota, it is my understanding that we are simply giving the administration an additional tool with which to work, an insurance policy or a safety net, to speak, to make sure that the program that the administration has already announced would work.

It may well work without it, but it is an additional tool that would assure that it would work.

Let me see if I understand this correctly.

Under the administration's plan, the bank, in order to qualify, either must write down 10 percent of principal or 10 percent of the interest due under the restructured loan, after it is restructured. The administration has indicated that they think most banks will be able to do that. However, let us suppose that we have analyzed that incorrectly and that some of the banks are in such desperate shape, in some of the very small agricultural communities, that they might not even be able to write off the 10 percent interest.

Then as I understand it under the proposal of the Senator from Montana and the Senator from North Dakota, the administration at its own discretion in writing the regulations would be empowered to use a matching interest buydown to help achieve that first 10 percent up to two points on the Government side and two points on the banker's side. So that is an additional flexible tool given to the administration and they would have the authority to write that regulation that way if they so desire.

Mr. MELCHER. The Senator is correct.

Mr. BOREN. On the other hand, as I understand it, let us suppose that the administration's assumptions are right and that they find that the vast majority of the banks are able to write down this 10 percent on their own and we have a farmer we are trying to help. The bank writes down 10 percent of the interest due on the restructured. Let us say that drops the interest rate from 15 percent to 12 percent, to use an example, under that loan. Then they find that the farmer still cannot show cash flow of 10 percent. So the bank can come back and say, "We can get that farmer's cash flow and help the farmer but we have to drop the interest rate to 8 percent."

The bank has already given up the cost of 15 to 12 and now under this proposal if the administration chose to write the regulations in this manner, they can say dropping it further from 12 to 8 the Government will pick up 2 points of that and the bank will pick up 2 points.

In my example you would have dropped it all the way from 15 down to 8, 5 points of which the bank would have absorbed and only 2 points of which the Government would absorb.

You could have the program work in three possible ways. It could work exactly if the bank so took the option as the administration's original proposal as we now have in the regulations, simply writing down 10 percent of the interest due, get the 90 percent guarantee, and that is it.

If the bank was unable to afford that, the administration could, in its discretion, without a mandate, come in and pick up half of that cost, say, to write down that 10 percent, or it could be, again at the discretion of the administration, that they could, after the bank took the full 10 percent, the bank absorb that full cost, provide an additional maximum number of 4-point buydown. Is that correct?

Mr. MELCHER. The Senator is correct. This is an opportunity and indeed an encouragement for the Department of Agriculture to use a broad range of flexibility that the Senator has described.

Mr. BOREN. Am I also correct in assuming that under any of these options, the bank itself would certainly have to absorb either all or a part of the interest buydown? There is no way under this proposal as the Senator is proposing to modify it that the bank could get that guarantee without the bank itself doing some of the sacrificing. Is that correct?

Mr. MELCHER. The Senator is absolutely correct. The bank or the PCA has to be a part of the sacrifice in order to help the restructuring of the debt.

Mr. BOREN. I thank the Senator. In our negotiations last week I think we made some very significant headway, working together in a bipartisan way, to improve the guarantee program. I

do believe, and I do agree with the administration, that the banks have to do some of the sacrificing. It should not all be on the Government side. I do believe the Senator has come up with a very excellent proposal. It gives discretionary authority to the administration. It adds another two or three arrows to their quiver, so to speak, that they can use at their discretion in dealing with this problem. That would appear to me to either help the bank get the first 10 percent taken care of or, if the administration decided to apply it, to get further interest reduction beyond that 10 percent. Either way that is bound to be good news for the farmer. It is bound to allow more farmers to be helped. I think it is very consistent with and a supplement to the program that was approved last week.

I congratulate the Senator from Montana and I congratulate the Senator from North Dakota for making this proposal.

Mr. MELCHER. I thank my friend from Oklahoma.

Mr. President, I want to point out the Department of Agriculture previously used this kind of an authority for an interest buydown. In reviewing the Farmers Home Administration's various types of contracts, contracts of guarantee, we find that FmHA 44-7, dated May 25, 1983, has a parallel type of loan guarantee with an interest buydown as we propose in this modified amendment or this amendment in the nature of a substitute.

Mr. HARKIN. Will the Senator yield for a question?

Mr. MELCHER. I am delighted to yield.

Mr. HARKIN. I thank the Senator for yielding. I was listening to the explanation of the proposed amendment. I do have some concern in this area.

To preface my question so that the Senator knows what I want to ask, it is built around this idea that the proposed amendment, as I understand it, would do away with that section of the Zorinsky amendment that would say that the lenders do not have to write down 10 percent of the principal or the equivalent in interest in order to qualify for the 90 percent guarantee; that the proposed amendment that the Senator from Montana is proposing would take that section out. Is that right?

Mr. MELCHER. The Senator is correct. By taking that out, it would leave in place the regulations. It would not nullify the regulations that are now in effect that say the lender would have to write off part of the interest as much as 10 percent. However, I do want to point out that what is different is that the $100 million for matching the interest rate buydown as provided in this package is provided in the pending amendment. It would still be provided in the substitute amendment. It gives a great deal of flexibility.

Really, it is a different situation which the administration would be in when they drew up their regulations. I would suggest that it would be wise for the Department of Agriculture to modify their regulations to make clear how they are going to use the $100 million. My suggestion is that they use it in interest buydown on a 1-percent matching basis up to a cap of 2 percent of participation by the Federal Government. In other words, the lender could go down as much as he wanted to in reducing the interest rate, but the Government would participate up to 2 percent in the buydown of the interest rate, to match up to 2 percent of what the lender buys down or reduces the rate of interest.

Mr. HARKIN. If my colleague would yield further for another question——

Mr. MELCHER. Yes, I do indeed.

Mr. HARKIN. Then, in other words, under existing law and regulations, with the provision that is already in the Zorinsky amendment as offered that provides for a cooperative sharing between the Government and the lenders to buydown some of the interest—and I guess it is on a 50-50 basis——

Mr. MELCHER. That is correct.

Mr. HARKIN. As long as that section is left in the Zorinsky amendment, the department could, if it wanted to, take the $100 million that we have authorized, apply that to an interest buydown right at the top so as to cover the 10-percent writedown. In other words, could a lender come in and say, "OK, we have to have the equivalent of a 10 percent writedown in the principal. In order to do that, we would propose that we buydown the first 2 percent and then the Government would join us in buying down another 2 percent and that the Government could also contribute one-half of the remainder of the 10 percent writedown?" Could the department do that under the provision that would remain in the Zorinsky bill?

Mr. MELCHER. The department can absolutely do that. I would encourage the department to redraft their regulations to do that immediately subject to approval—remember this: they still have the obligation of approving the restructured debt we will pay out before they make the loan guarantee.

Mr. HARKIN. So the answer to my question is that, yes, the department can write the regulations so as to have the Government come in and help the lender write down the first portion of that 10 percent requirement under current regulations. They could do that. Is that correct?

Mr. MELCHER. Absolutely correct. I would suggest that the way the Senator phrased it in the first question was absolutely right on target, in my judgment, because he mentioned interest rates, which I think is the most practical way to apply this buydown.

Mr. HARKIN. I thank my colleague for yielding.

(Conclusion of earlier remarks. The proceedings continued, as follows, with Mrs. KASSEBAUM with the chair:)

AMENDMENT NO. 11

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] for himself and Mr. ANDREWS and Mr. EXON proposes an amendment numbered 11.

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

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

The amendment is as follows:

TITLE II—EMERGENCY FARM CREDIT ASSISTANCE

SHORT TITLE

SEC. 201. This title may be cited as the "Emergency Farm Credit Assistance Act of 1985".

FINDINGS AND DECLARATION OF POLICY

SEC. 202. (a) Congress finds that—

(1) agriculture is the Nation's most basic industry, and its associated production, processing, and marketing sectors, together, provide more jobs than any other single industry;

(2) United States agriculture is the world's most productive and the world's largest exporter;

(3) United States agricultural producers are the basic element in the food and fiber system and their ability to make a profit and meet their financial obligations is critical to their remaining in business;

(4) technological developments have greatly increased the capital requirements of agricultural production;

(5) agricultural-related debt has risen from approximately $50,000,000,000 in 1970 to approximately $215,000,000,000 in 1984;

(6) a general decline in the financial condition of producers, as evidenced by increases in the average debt-to-asset ratio and debt-to-equity ratio, threatens the ability of many producers to obtain the credit needed to continue their operations;

(7) it is essential that producers be able to obtain adequate credit at interest rates conducive to debt servicing and profit making; and

(8) the foundation of the Nation's agricultural system will be adversely affected if producers are unable to obtain a return on their investment that enables them to service their debt and continue their operations.

(b) It is hereby declared to be the policy of Congress to assist United States agricultural producers in obtaining adequate credit at interest rates conducive to debt servicing and profit making so as to ensure the Nation of an adequate and dependable supply of food and fiber at reasonable prices.

IMPROVEMENTS IN THE PROCESSING OF APPLICATIONS FOR FARMERS HOME ADMINISTRATION LOANS

SEC. 203. (a) Congress finds that—

(1) persistently low farm income (due in part to weak export demand), high interest rates, and declining farmland values have created severe financial stress for many farmers;

(2) many financially-stressed farmers have turned to the Farmers Home Administration for assistance (including insured loans, loan guarantees, deferral of loan payments, and restructuring of debt) in coping with their credit-related problems; and

(3) it is essential for the national welfare that farmers' requests to the Farmers Home Administration for assistance be processed as expeditiously as possible, especially in light of the need of many farmers to resolve their credit problems in a timely manner to be able to plant and cultivate the 1985 crops.

(b) The Secretary of Agriculture shall immediately take steps—using authorities of law provided to the Secretary, including the Agricultural Credit Insurance Fund and the employment procedures used in connection with the emergency disaster loan program—to make personnel and other resources of the Department of Agriculture available to the Farmers Home Administration sufficient to enable the Farmers Home Administration to process applications from farmers for assistance expeditiously and in a timely manner with respect to farm operations relating to the planting and cultivation of the 1985 crops. In this connection, the Farmers Home Administration shall assign personnel to work overtime, including weekends and nights, to process loans and loan applications where necessary to meet the processing time schedules set by Congress or the Farmers Home Administration. The Secretary shall hire additional temporary employees (in addition to those authorized to be hired on February 19, 1985) to meet processing schedules, and shall assign such temporary employees to States (other than those receiving temporary employees under the February 19, 1985, authorization) in proportion to the total number of unprocessed applications on the date of enactment of this title.

COOPERATIVE INTEREST BUY-DOWN PROGRAM

SEC. 204. Effective for the period beginning on the date of enactment of this Act and ending September 30, 1986, the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 350 as follows:

"COOPERATIVE INTEREST BUY-DOWN PROGRAM

"SEC. 350. (a) To assist farmers and ranchers whose debts are restructured by commercial or cooperative lenders, the Secretary shall establish a program to reduce, for one or more years, the commercial or cooperative interest rate that a borrower would otherwise be required to pay.

"(b) Lenders agreeing to reduce the interest rate they would otherwise charge borrowers would be eligible to receive interest reduction payments from the Secretary, subject to such terms and conditions as may be specified by the Secretary.

"(c) To receive interest reduction payments from the Secretary under this section, lenders must agree to reduce the borrower's interest rate by an amount that is equal to, and in addition to, such interest reduction payments.

"(d) The Agricultural Credit Insurance Fund established under section 309 of this Act may be used by the Secretary in implementing this section.

"(e) The total amount of funds used by the Secretary in making payments under this section shall not exceed $100,000,000.".

ADDITIONAL LOAN GUARANTEE AUTHORITY

SEC. 205. Section 346 of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new subsection (f) as follows:

"(f) In addition to any amounts heretofore authorized by law for loan guarantees under this Act in fiscal year 1985, there shall be made available to be guaranteed under the Agricultural Credit Insurance Fund $1,850,000,000 for loans under the debt adjustment program for guaranteed operating and farm ownership loans established under section 339 of this title on October 19, 1984, as revised and including the changes set out in the Emergency Farm Credit Assistance Act of 1985, in 1985.".

FMHA DEBT ADJUSTMENT PROGRAM: SPECIAL SET-ASIDES OF FMHA INDEBTEDNESS

SEC. 206. The Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 349 as follows:

"SEC. 349. Notwithstanding any other provision of law—

"(a) In implementing the debt adustment program for guaranteed operating and farm ownership loans established under section 339 of this title on October 19, 1984, as revised, the Secretary—

"(1) shall provide that, for the purposes of the program, a cash flow for a borrower's operation that shows that anticipated cash inflows during a year are 100 per centum of the year's anticipated cash outflows will be considered a positive cash flow; and

"(2) shall make guarantees available for up to 90 per centum of the principal and interest indebtedness on each loan guaranteed under the program.

"(b) In implementing the program for special set-asides of a portion of the indebtedness under Farmers Home Administration farmer program loans established under section 339 of this title on October 19, 1984, the Secretary shall provide that, for the purposes of the program, if a farm and home plan for the typical year shows a balance available of 100 per centum of the amount needed to pay all the year's debts due, including tax liability, the borrower will be considered to have a positive cash-flow projection. However, individual borrowers may elect to base their applications for assistance on a cash-flow projection of 110 percent."

CAUTION AND RESTRAINT IN ADVERSELY CLASSIFYING LOANS MADE TO FARMERS AND RANCHERS

SEC. 207. (a) Congress finds that—

(1) high agricultural production costs, low prices for some commodities, and declining farmland values have combined to greatly reduce the income of many agricultural producers and to subject these producers, through no fault of their own, to severe economic hardship and, in many cases, to temporarily impair the ability of such producers to meet loan repayment schedules in a timely fashion;

(2) a policy of adverse classification of agricultural loans—that is, designating such loans as problem loans—by Federal bank examiners under these circumstances could trigger a wave of a wave of farm foreclosures and similar actions that would depress land values and the value of agricultural facilities and equipment; and

(3) liquidations of agricultural assets on a broad scale would have a devastating effect on farmers and the banking industry, and on rural United States in general.

(b) Notwithstanding any other provision of law, to guard against improper and untimely liquidations of agricultural assets, the Federal bank regulatory agencies shall ensure that examiners, in carrying out their duties, exercise caution and restraint in making adverse classifications with respect to agricultural loans. Examiners shall give due consideration not only to the current cash-flow of agricultural borrowers under financial stress, but also to factors such as loan collateral and ultimate repayment ability. Further, regulatory agencies shall continue this policy for so long as the condition of the agricultural economy and the effects of natural disasters temporarily impair the ability of agricultural borrowers to meet scheduled loans repayments.

(c) Not later than ninety days after the enactment of this title, the Chairman of the Board of Directors for the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Chairman of the Board of Governors of the Federal Reserve Board shall report to Congress on the actions they have taken to implement this section.

(d) Federal and State financial regulatory agencies shall ensure that examiners, in carrying out their duties, refrain from making adverse classifications with respect to agricultural loans that are restructured under the debt adjustment program established under section 339 of the Consolidated Farm and Rural Development Act on October 19, 1984, as revised and including the changes set out in this title.

PROTECTION OF FARM CREDIT SYSTEM BORROWER CAPITAL

SEC. 203 (a) The Farm Credit Administration shall conduct a study regarding the need for establishment of a fund to be used to insure System institutions against losses on loans or for any other purpose that would assist in stabilizing the financial condition of the Farm Credit System provide for the protection of borrower capital. In conducting the study, the Farm Credit Administration shall consider the advisability of using the revolving funds provided for in section 4.1 of the Farm Credit Act of 1971 to provide startup capital for any insurance fund and estimate the amount and level of future assessments for System institutions that would be necessary to ensure the long-term liquidity of such an insurance fund.

(b) The Farm Credit Administration shall submit a report containing the results of the study required by this section to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry not later than one hundred and eighty days after the enactment of this title.

SMALL BUSINESS ADMINISTRATION DEBT ADJUSTMENT PROGRAM

SEC. 209. For the purpose of assisting financially-stressed farmers and ranchers, it is the sense of Congress that—to the maximum extent practicable and consistent with existing law—the Small Business Administration should establish a debt adjustment program comparable to the Farmers Home Administration's debt adjustment program established under section 339 of the Consolidated Farm and Rural Development Act on October 19, 1984, as revised and including the changes set out in this title.

REGULATIONS

SEC. 210. Notwithstanding any other provision of law, the Secretary of Agriculture shall issue or amend regulations to implement the provisions of sections 203, 204, and 206 of this title as soon as practicable, but not later than fifteen days after the date of enactment of this title.

Mr. MELCHER. Madam President, this amendment is absolutely identical to the Zorinsky-Andrews amendment, and I now offer the amendment on behalf of myself, Senator ANDREWS, and Senator EXON.

The exception to the pending amendment is that it does not include a provision eliminating the administrative requirement that a lender must write off principal or interest as a prerequisite to securing the Farmers Home Administration loan guarantee.

The Department of Agriculture and the administration have insisted on participation by lenders in reducing either interest or principal as a condition for a loan guarantee.

Under this amendment, the Farmers Home Administration will retain the discretionary authority to require lenders to write off principal or interest on loans that are guaranteed under the debt adjustment program. However, I am concerned that for some lenders, the current administrative requirements make the program unattractive.

Therefore, I and others will continue our efforts to persuade the administration to make adjustments that will make the program workable for as many qualified agricultural lenders and farmers as possible.

I offer this amendment in the spirit of compromise with the objective of making the credit assistance provided in this proposal available as quickly as possible.

I believe this amendment will make the entire package more acceptable to the administration and as a result I hope the administration will move expeditiously to implement its provisions.

It must be pointed out that in the underlying amendment as well as in the substitute the $100 million for the use of the Department of Agriculture from funds available to the Department will be used for what would probably be the most easily and attractive provision for both lenders and borrowers, the buydown of interest.

The buydown can be triggered by the lender agreeing to, say, 2-percent writeoff or buydown in the interest rate to be matched by the 2 percent from the Federal Government.

One of the keys to providing a workable program for farm borrowers is to reduce the interest rate on the restructured loan.

If the lender as a condition of the guarantee says that they will reduce the interest rate either 1 or 1.5 percent, or 2 percent, then available from the Department of Agriculture will be a matching amount of either 1, 1.5 or 2 percent. That is a real break for the farmer whose loan is in distress because the interest rate will be reduced. That, together with the stretchout, and the restructured loan of the time for final repayment will make a lot of loans that are now subject to classification or are already classified more workable, and the cash-flow will show that the borrower will likely be able to pay off the loan. In that case, the only exposure then on behalf of the United States Treasury is the amount of the interest buydown provided by the Department of Agriculture to the Farmers Home Administration.

In no case can that total amount exceed $100 million. That is, the collective amount of buydowns for the individual borrowers of all of the lending institutions.

The administration has said in the past several days that no worthy farm borrower will be left in the lurch. What we are doing here is moving to make sure that does occur. The administration further stated that, as to the amounts of the loan guarantee, they will request more funds for the guarantee program if it becomes necessary. We are giving them that assurance. The long and the short of it is here is a program that can meet the test of both the case of the distressed farm borrower and making the terms more palatable, more workable, and, secondly, introducing a requirement of responsibility by the lenders themselves; that is, to trigger the buydown in interest rates—the assistance and buydown in interest rates from the Department of Agriculture from the funds available to it—the lender must make the agreement for the buydown in the interest to trigger that participation by the Government.

I think it is eminently fair, it is eminently workable, and it is definitely an improvement over where we stand today at this point in time in meeting the most urgent needs of those farm borrowers. I hope that the amendment can be agreed to.

Mr. HARKIN. Will my distinguished colleague yield?

Mr. MELCHER. Yes. I would be glad to yield.

Mr. HARKIN. I have one question that I want to ask. Again, in regard to the last comment that, in fact with the Zorinsky amendment as amended by the gentleman from Montana, in effect, if the administration desires, they could write the regulations such that the lender could come in and on that first 10 percent written down in the interest rate—if there were such a case that, let us say a borrower, a farmer was in such a situation that he required that 10 percent writedown in order for him to cash-flow, for the bank to consider extending further credit to him, and getting him in the Debt Adjustment Program—the administration could write the rules so that really the bank would then only have to contribute one-half. The Government could come in for the other half to get to that first required reduction. In other words, I am saying would it be possible then for the administration to do something like that, thus giving the bank more of an incentive to enter into the Debt Adjustment Program with that borrower?

Mr. MELCHER. The Department of Agriculture could agree to that and could so modify their regulations in order to be in that position.

Mr. HARKIN. I thank my colleague.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Thank you, Madam President.

I rise in support of the Zorinsky amendment and also the amendment offered by my colleague from Montana. I must say that at first I had some misgivings about the amendment offered by my colleague from Montana. However, I understand the reasons for that amendment. And I understand the necessity of passing this bill today and hopefully getting action on it in the other body so that we can get it down to the President as soon as possible.

My misgivings at first in the amendment offered by my colleague from Montana was that I know that since last September when the program was first announced the administration has used almost every tactic in the book to try to keep the program from operating efficiently and from getting this money out to the farmers. First of all, we had the requirement that the lenders write down 10 percent of the principal. Well, it became very obvious in a short period of time that the banks could not do that because by writing down 10 percent of the principal they eroded the capital stock of their bank, and the FDIC bank examiners would look with great disfavor upon that. So they were unable to do that.

So out of the $650 million the administration came up with last fall in the guaranteed portion of the program, only $2.9 million nationwide has been committed to this; only 21 total loans for $2.9 million nationwide have been guaranteed to date. When you have $650 million out there and you have only used $2.9 million, you can see that it has not worked very well.

In the last couple of weeks, the administration announced a further refinement of that program, and said that the banks could now choose whether to write off 10 percent of the principal, or its equivalent in interest so that it would be the equivalent of writing off 10 percent of the principal. Again, that was a step in the right direction. But, again, I think that a lot

of banks are going to look at that and say that if they have to adjust so as to write off an equivalent of 10 percent of the principal, they are also going to be reluctant to enter into this.

There are provisions, however, of the Zorinsky amendment that will induce them to do that, even with the provision of the amendment offered by my colleague from Montana; that is, that under the Zorinsky amendment the lenders are assured of a 90-percent guarantee on those loans. currently, the loan guarantee, while it is stated as 90 percent, does not work out to that. It really worked out to be a guarantee of somewhere between 50 and 75 percent. So with that reduced guarantee, the banks were reluctant to write down the equivalent of 10 percent of the principal.

With the provision in the Zorinsky bill that assures them of a 90-percent guarantee, I think they will look more favorably upon that.

The other provision, and the one that I engaged in the question-and-answer period with my colleague from Montana about, I think really is the heart of the matter.

I would have preferred that we would have had an up front buydown of maybe matching 2 percent from the lender and 2 percent from the Government to reduce the immediate interest rates to the farmer by at least 4 percent. However, with the Zorinsky amendment as it now stands and with the Melcher amendment, the Department can in fact do that. That is why I am supporting this. If the Department really wants this to work, all they have to do is go to the lenders and say that on the first 10 percent that they are requiring them to write down, the Farmers Home Administration can come in and match with the lender a certain amount of that. It could be 1 percent, it could be 2 percent, or more. In so doing, I think it will get the lenders to be more encouraged to come into this program.

So while we do not specify legislatively, I believe the intent—and I can stand corrected if anyone disagrees—of the drafters of this amendment was to encourage the Department to utilize its regulations and its regulatory power to permit the banks to engage with the Farmers Home Administration in an initial writedown cooperatively between the Government and the private lenders.

Mr. MELCHER. Will my colleague yield without losing his right to the floor?

Mr. HARKIN. Yes.

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

Mr. MELCHER. Madam President, I ask unanimous consent that Senator GRASSLEY and Senator PRESSLER be added as cosponsors to my amendment (No. 11).

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

Mr. MELCHER. I thank my friend for yielding.

Mr. HARKIN. For the program to work, we have to have both the commercial lender and the farmer as willing participants. We also have to have one other, the Government, as a willing participant. Under the current program as it has been administered, we have seen that one essential element, the Government, has really not been a willing partner in trying to work out this debt adjustment program.

With this legislation, and the reason it is so necessary to pass it, we not only mandate the 90-percent guarantee, but we provide for a cooperative agreement between the lenders and the Government to buy down the interest that the banker is charging the farmer. In that regard, this legislation can go a long way.

It is unfortunate that we have come to this position because the administration basically could do these things without legislation being passed by the Congress. However, it looks like it is going to be necessary for us to take this action in a bipartisan manner. I am glad to see so many Members, again in a bipartisan spirit, endorsing this legislation, speaking on behalf of it and supporting it because that is really what it takes.

As I said the other day when the agricultural bloc was first started in the Senate in 1921, it was done on a bipartisan basis, to help address the problems that were then faced by our rural communities and farmers. That is really the only way that we are going to succeed in helping to prevent the wholesale bankruptcy of our farming community, to do it in a bipartisan manner.

I am encouraged by this legislation. I hope it will pass, and I hope it will pass overwhelmingly. I am constrained to say, however, that even if this legislation passes and it indeed does get to the President—of course, we have another hurdle, whether or not he will sign it or veto it, and I have had no indication one way or another on that—if the President does sign it will the administration act in good faith to carry out the provisions of this legislation? Again, I hope so. But if the past is in any way prologue, it does not look that way. I am hopeful that with the strong expression of this body and the other body of the Congress, that the administration will not only accept this legislation and sign it into law, but then will do the most important thing of all. That is, to administer it in good faith. That really is the final hurdle.

It is now the 11th hour of the farm lending season. Many farmers will be going into the fields very shortly. They need to know whether or not they can get the necessary money that is going to help them get a crop in this season. The provisions of the Zorinsky amendment that mandate the Farmers Home Administration to hire not only additional personnel but, in fact, that these personnel shall work overtime and that the Secretary shall hire additional temporary employees to make sure that we get through the next few weeks as expeditiously as possible, is good language because it mandates that the Secretary do these things. Again, while he has to do them, it still is up to the Department to write the regulations on how they are going to implement it.

This Senator has seen over the years that when I was in the other body, time and time again we had it frustrated by a ruling of a department and doing it in a way that really frustrated the intent of those of us who were charged with the responsibility of passing legislation.

So we are in the 11th hour. The Farmers Home Administration is overwhelmed with work, and their current staff could not possibly process every pending application by planting time because of this situation. That is why it is so necessary to pass this, to get the additional personnel out there, to provide for this 90-percent guarantee so that banks can begin putting farmers in the debt adjustment program and thus relieve them of this terrible burden that they have right now of the high interest cost, which is also preventing them from getting the necessary money they need to get the crop in this year.

The problem will continue to worsen unless we pass this legislation and unless the administration, as I said, administers it in good faith.

So I rise in strong support of the Zorinsky amendment. I think those on both sides of the aisle who worked long and hard over the weekend and the last few days to fashion this legislation should be highly complimented because they really, truly fashioned a bipartisan piece of legislation that can be supported by both sides, and a piece of legislation again, which, if administered in good faith by the administration, can indeed get our farmers through the next few weeks of peril that confronts them.

It is not a long-term answer to the farm problem and no one should construe it that way. It is only an attempt to answer that short-term problem that confronts us between now and the time when the farmer must get the crops in the field. But with that attitude, again I am hopeful that the legislation passes overwhelmingly, and I am greatly encouraged by the bipartisan support it has received.

Mr. ZORINSKY. Mr. President, I support the amendment offered by my friend and colleague from Montana.

The amendment is very similar to my original proposal, except that it does not include a provision eliminating the administrative requirement that a lender must write off principal or interest as a prerequisite to securing a Farmers Home Administration loan guarantee.

Under the amendment, the Farmers Home Administration will retain the discretionary authority to require lenders to write off principal or interest on loans that are guaranteed under the Debt Adjustment Program.

However, I am concerned that for some lenders the current administrative requirements make the program unattractive. Therefore, I will continue my efforts to pursuade the Administration to make adjustments that will make the program workable for as many qualified agricultural lenders and farmers as possible.

I support the Melcher substitute in the spirit of compromise with the objective of making the credit assistance provided in my original proposal available as quickly as possible. I believe this amendment will make the entire package more acceptable to the Administration and as a result, it is my hope the Administration will move expeditiously to implement its provisions.

My proposal as amended by the Melcher substitute is fiscally sound. It does not create any new bureaucracies and the responsibilities associated with making this assistance available will be shared with lenders, the Federal Government, and farmers. Further, I have received letters that endorse the key proposals included in this amendment from the National Farmers Organization, the National Grange, and the Independent Bankers Association of America.

Under the legislation, the Farmers Home Administration would be required to take immediate action to hire additional personnel on a temporary basis to process and service loans.

In addition, the amendment will give Farmers Home Administration borrowers the option of basing their applications for assistance on 100 or 110 percent of the cash-flow needed to meet debt obligations.

Further, the legislation before us will provide several new and expanded authorities. Those provisions would:

Provide $1.85 billion in additional loan guarantee authority for the Farmers Home Administration;

Authorize the Farmers Home Administration to provide $100 million to buy down the interest rate on farm loans when an amount equal to—and in addition to—the Federal contribution is provided by the lender;

Require the Farm Credit Administration to study the feasibility of obtaining insurance to protect the financial integrity of farm credit system institutions and thereby protect farm credit system borrowers and investors;

Encourage Federal and State bank regulators to refrain from adversely classifying farm loans guaranteed by the Farmers Home Administration; and

Encourage the Small Business Administration to provide assistance to its existing farm borrowers that is comparable to the assistance being provided under the Farmers Home Administration Debt Adjustment Program.

I want to make the record clear with regard to charges that have been made about my amendment. I have heard it said that the interest buydown provision of this amendment is unprecedented and that the amendment is a bailout for banks. That is not the case.

This legislation is designed to help farmers and, as anyone who represents a rural area knows, when you help farmers you help all of rural America—including bankers.

The interest buydown program is not unprecedented. The Farmers Home Administration managed a similar program during the 1970's. I have before me a copy of a two-page contract under which the Farmers Home Administration—and I quote—"agrees to make semiannual interest subsidy payments," end of quote.

As I stated my amendment is fiscally responsible. Based on a preliminary estimate from the Congressional Budget Office, the total cost of the amendment will be about $175 million. That estimate is based on a cost of $100 million for the interest buydown provision and anticipated net losses of $75 million on loans guaranteed by the Government.

It should be noted that the provisions of this amendment will be implemented using the resources of the agricultural credit insurance fund. For that reason, no additional congressional action is needed to fund the authorities provided under this amendment.

This legislation will give the administration the tools needed to assist thousands of farmers faced with financial ruin. Agricultural credit needs cannot be ignored any longer if we are to avoid irreversible injury to our Nation's family farm system of agriculture. Unless we act quickly to assist our Nation's farmers, what is now an agricultural credit crisis will quickly develop into an economic disaster for all of rural America.

I want to note that several of my colleagues have approached me with other farm credit related proposals that I was not able to make part of this amendment. Some of those proposals included interest deferrals for commercial banks, Small Business Administration loans, and allowing Farmers Home Administration borrowers faced with foreclosure to plant trees and use the revenue that will be generated in future years to repay debts and retain ownership of their farms.

Those and other proposals have merit and I believe they should be pursued. However, in developing this emergency assistance package, it was not possible to include every meritorious proposal. Therefore, I will be working with several of my colleagues to address other credit related problems during this Congress.

I ask unanimous consent that the text of 7 CFR 1980.110 (1979) relative to the Interest Subsidy Program administered by the Farmers Home Administration in the 1970's be printed in the RECORD.

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

§ 1980.110 Loan subsidy rates, claims and payments.

Loan subsidies are payments made by FmHA to lenders to induce them to make, service, and collect guaranteed Farmer Program loans.

(a) *Subsidy rates.* FmHA will establish subsidy rates periodically. Thus the subsidy rate for the same type loan may vary from time to time. However, the subsidy rate set forth in the Loan Note Guarantee will remain constant during the life of the loan guaranteed. The subsidy rate for each type of loan will be a rate equal to the difference, if any, between the interest rate charged to the borrower and any higher per annum rate prevailing in the private market for similar loans as determined by the Secretary of Agriculture. The lender may contact the local County Supervisor servicing his area to obtain the current subsidy rate.

(b) *Subsidy payments.* Loan subsidy payments will be calculated by FmHA using a 360 or 365 day year method on a declining balance. The lender will indicate on FmHA Form 449-19, "Guarantee Fee Report," the method he prefers which once established, cannot be changed.

(c) *Annual subsidy claims any payments.* The initial subsidy claim will be prepared by the lender using Form FmHA 449-24, "Loan Subsidy Claim," on or about a date 12 months from the date of the note and the original mailed by the lender to the Finance Office with a copy to the appropriate County Supervisor. The subsequent subsidy claims will be filed by the lender on or about a date 12 months thereafter but no later than the anniversary date of the filing of the initial subsidy claim. The Finance Office will mail the loan subsidy payment to the lender within 10 days after receipt of the claim. Upon full payment of a note the lender will immediate prepare Form FmHA 449-24 and mail a copy to the County Supervisor and the original to the Finance Office.

(d) *When subsidy payments cease.* When the FmHA purchases a guaranteed portion of a loan, subsidy payments on that portion will cease. Loan subsidy payments will also cease when the Loan Note Guarantee terminates.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Madam President, I appreciate the sentiments which have

just been expressed. Let me point out, because some people may not be aware of it, we are all concerned about cost. This point has been made before. The Congressional Budget Office has estimated that there is a $173 million cost in this Zorinsky-Andrews amendment. Yet it is attached to a bill, Madam President, that calls for $175 million worth of aid to the hungry in Africa. I think it is patently obvious that that food aid is not going to be there for the people in Africa a decade hence if we do not take care of the problems with farm families right now. So, as far as being a bargain, as far as being cost-effective, I submit, Madam President, that we ought to look at those figures.

I also think we ought to take a look at the fact that this amendment provides farmers with the opportunity to weather some of the problems they are currently facing by reducing the interest rate farmers are required to pay. The administration, as my colleague has just pointed out, has assured Congress that funding will be made available for planting this year. The administration says that, but it gives us their pledge when it says they are ordering the people out in the field to put these funds into action. I believe that administration. I believe they are going to do the best they possibly can. But how much can they do with limited staffing out in the field?

The reports we are getting back are that there simply are not enough people to process the loans out in the field.

That is why this needs additional people called for in the Farmers Home offices.

That is why we need the additional dollars in loan guarantees, to take care of lending through the private banking sector.

Merely providing funds is also not enough. Many farmers need reduced interest rates so their loans will meet that criterion of cash-flow, so he can get out from under the tremendous debt burden he is now facing. On average, interest costs now amount to some 20 percent of the farmer's expenditures. In a business where the return on equity is at such a low level to begin with—1.5 to 3 percent return on equity—and these are Government figures, Madam President. There are not something that people in agricultural areas have drummed up. The Department of Commerce estimates that it is less than 2 percent. I think that shows why we have a problem here today—high interest costs the likes of what we have seen in the past few years have made it impossible for farming to be a profitable expenditure. The Government has done that through its deficits.

The provision of this amendment that I would like to address specifically now, Madam President, provides that the Farmers Home Administration shall use the resources of the agricultural credit insurance funds to provide $100 million with which to buy down the interest rate for 1 or more years, on Farmers Home Administration guaranteed farm loans made by commercial or cooperative lenders.

Last evening, there was a cry that this is a bank bailout, Madam President. We have in this modified substitute taken out the language that could possibly have been construed as a bank bailout. There is no more bank bailout. This interest subsidy goes to the farmer and has to be matched dollar for dollar with the local lending institution.

The Federal share of the interest payment will be provided to lenders that reduce the borrrower's share of the interest rate by an additional amount equal to the interest payment provided by the Farmers Home Administration. For example, if a commercial or cooperative lender offers to reduce the interest rate on a specific loan to a farmer by 2 percentage points, the Federal share would also be 2 percentage points, so the total buydown of 4 percentage points would be provided to farm borrower.

The subsidy, Madam President, thus flows to the farmer, not to the banker. This approach will enable the Federal funds to be leveraged to cover a substantial volume of loans to financially pressed farmers. The $100 million of Federal funds would enable, then, $5 billion worth of farm financing to be included in a 4-percent buydown, for instance, assuming that the loans are for 1-year maturity, as crop production loans usually are. This could assist substantially in the financing for 1985 production.

Let me also point out I think this is critical for people to understand, Mr. President, that this approach is not new or novel. The Farmers Home Administration already has the authority to reduce interest rates for guaranteed loans, and it is doing it in some cases. The fact that it cannot be done through the private sector puts even more of a load on those people at the Farmers Home window and creates the backlog of loan applications we are hearing about out in the field.

There is precedent also for such an amendment. This very authority, Madam President, was used in 1973 to lower interest rates to guaranteed borrowers to reduce the level of those loans to the level in place under the direct loans. If my colleagues will remember, the interest rates charged for direct Farmers Home loans at that time was 5 percent. In order to encourage banks to participate in a guaranteed system, the Federal Government had to provide a mechanism to equal the rates charged under the insured and guaranteed programs. Our amendment, then, merely attempts to provide a reasonable chance for some farmers to work out from under the economic mess they are currently in.

I am not trying to provide a bailout for farmers who have recklessly plunged into speculative land ventures, but merely to aid farmers who are not able to cope with the environment the Federal Government has created for them over the last few years—through embargoes, policies which have increased expenditures, high interest rates, the deficits which we have not been able to address for lo these many years. I believe this amendment will operate to encourage commercial bank participation in the President's farm credit initiative, which was announced last September. As we all know, participation to date has been almost nil. Only $42 million of the $650 million authorized under the President's current initiative has been used.

I am particularly interested in that because I cosponsored with Senator HUDDLESTON at that time the $650 million as a pilot program. The way it was put out into the field, because it was not used in the way we meant to use it in 1973, meant it was not used at all, and the loan continued to be heavy and burdensome at the Farmers Home loan windows.

Congress has the opportunity to make the farm credit initiative work. All it takes is a little modification, one that the banking community can live with.

Finally, let me point out for those who are still wondering about this that they ought to read part C of section 350 of our substitute. It points out that to receive interest reduction payments from the Secretary under this section, lenders must agree to reduce the borrower's interest rate by an amount that is equal to and in addition to such interest reduction payments.

(Mr. CHAFEE assumed the chair.)

Mr. ANDREWS. Mr. President, that clearly states that what we have is a cash-flow program designed for the benefit of the farmers, not the benefit of the bankers, but recognizing that bank credit windows out there in the field must be kept open if we are to serve agriculture when they are up against the deadline of crop planting time.

I believe that we have a sensible modification that will address the needs of agriculture in the form of this amendment and I certainly urge my colleagues to join me in support of this amendment.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

FARM CREDIT CRISIS

Mr. JOHNSTON. Mr. President, the current condition of the farm econo-

my, as it relates to both the farmers and the rural community banks financing the farmers, is critical. On Friday, February 1, 1985, the Reagan administration and congressional leaders announced that they had pieced together an aid package that includes $650 million in farm loan guarantees. But even Senate Majority Leader ROBERT DOLE, of Kansas, who was a central figure in working out the compromise plan, said it was "a Band-Aid, it's not a solution." As the Reagan administration's farm strategy for the future emerges, a chorus of criticism is developing against some of the bareboned views of budget director David A. Stockman, a hearty advocate of market-oriented commodity programs and fewer Government subsidies.

In the January 24, 1985, issue of the Wall Street Journal, the cover story points out that the relentless slump in the farm economy is threatening to plow under scores of the Nation's 4,300 farm banks, so-called because at least 25 percent of their loans are out to farmers. As of June 30, 1984, more than 60 farm banks had more problem loans than capital—a leading indicator of bank failures—and that doesn't reflect other problem loans that banks don't have to disclose. The Federal Deposit Insurance Corporation's June 30, 1984, problem-bank list included 231 farm banks, more than double the year-earlier total. Since then, more than half of the bank failures have involved farm banks. The article quotes Keefe, Bruyettee & Woods, a New York bank-securities firm who indicates that they see as much as $12 billion of farm-loan writeoffs by banks alone, far above the record $8.4 billion of loan losses for the entire banking system in 1983. The FDIC has a $17 billion insurance fund which could probably absorb the several hundred small farm-bank failures. The article points out that the main problem is deflation, which is ravaging farmland values and therefore farm-bank loan portfolios. During the inflationary 1970's, land values had increased spectacularly on the strengths of a robust farm economy: burgeoning exports, rising crop prices and generous Federal subsidies. But in the 1980's, farmland prices have skidded at least 25 percent in most regions and as much as 75 percent in others as exports and commodity prices have slumped. Not even huge Government outlays have been able to forestall the erosion of farmers' income—and their ability to repay debt. In the State of Nebraska, for instance, farmland values fell as much as 7 to 8 percent in the third quarter of 1984 alone. Medium-sized farmers are farm banks' most troubled customers. They have neither the off-farm income of small part-time operators nor the efficiencies of large-scale corporate farms.

The shakiest of these mid-size farmers owes nearly a third of the farm debt, or about $73 billion, an amount that dwarfs the troubled Latin American debt held by the Nation's biggest banks, but not by all of them in the aggregate. If banks forgave enough debt to make troubled mid-sized farmers viable again, according to a recent Federal study, the capital of all 4,300 farm-banks would, on an aggregate basis, be wiped out.

In the January 24, 1985, issue of USA Today the cover story deals with the problems facing agriculture today. The article points out that the Nation's breadbasket is facing more farm protest and turmoil than at any time during the 1930's—and a prairie fire has spread to rural Main Street. New grassroots activists—not only farmers but also small-town business people, ministers, and homemakers—are packing State legislatures, protesting on the Chicago Board of Trade, and rallying rural America. The cause: saving a lifestyle threatened by farmers' economic woes. The article also points out that what protesting farmers want are higher prices for their commodities, moratoriums on foreclosures, and the ability to refinance their debts longer and at lower interest rates. Farmers are trying to borrow money for 1985's crops, and debate already rages over a new 4-year Federal farm bill. Farm bankruptcies, low prices, high interest rates and proposals to slash farm supports dominate Farm Belt headlines. The article accurately points out that in the small rural communities, if the farmers are not doing well, then the local economy is not doing well. In other words, the local merchants can't sell. They cannot sell cars and they cannot sell shoes. It should also be pointed out here that in many small rural communities, there are only one or two banks serving the community. If there is only one bank and it is forced to close, then the community is left without any source of credit. The closing of a bank in these communities could literally wipe out a town. Even in those communities where there are two or more banks, it should be pointed out that in the event one of the banks is closed, the FDIC becomes only a liquidator of the loans of the failed bank and it will not extend loans or grant any new loans. The FDIC only assumes the reponsibility of collecting the loans. The other banks in the community would be reluctant to extend credit to any of the customers of the failed bank because of a fear of having those loans classified at their bank.

At a recent field hearing of the Senate Budget Committee staged during the month of January at the Milan, TN, Experiment Station, Jack W. Robison, vice president of the Commodities Division of First Tennessee Bank, was one of the featured speakers and he pointed out that the American farmer and the Nation's banking industry are caught in the middle of a $215 billion farm-debt crisis, and that unless programs are implemented very quickly to restore the farmer's cash-flow, both industries may have even more trouble in store for them. He pointed out that this relief will be needed even before a new farm bill can go into effect in 1986. He said that the farmers' plight has taken its inevitable toll on the private banking industry.

In response to a question Mr. Robison termed very critical the banking industry's position as a result of the farm debt that has doubled in the last 5 years. Robison also noted that farmers are experiencing the most financial stress since the Great Depression despite the deepest-ever acreage cut and the largest-ever outpouring of money by the PIK Program. He noted that the 1983 farm-program outlays of $21.7 billion exceed the $16 billion net income that year from all agricultural production. He said that borrowers and lenders alike must face the reality that debt must be serviced from income, not from assets or land depreciation. Keeping farmers in business until real income—and therefore improved cash-flow—is realized should be top-drawer business for the current session of Congress, he said. He pointed out the immediate debt assistance to the farmers should get priority attention on the legislative agenda of 1985. He indicated the Government and agricultural leaders have to effect some ingenuity to work out this dilemma and that there must be mutual concessions from everyone involved. He stated that the Government is going to have to evolve a procedure to help the cash-flow rather than the equity side.

The farmer must be given time and those who have expertise must be given time, to make money. He said that in searching for a cure for the farmer, Congress must not be too hesitant to help the people who are hanging on by their toenails and fingernails today. Congress can worry about exports—as they should; that's one of the answers—but precaution needs to be taken not to overemphasize the complete curing process while farmers are going out of business. He said that the banking community is not holding out for solutions that are lucrative to the banking industry and that the lending industry must sooner or later share a part of any costs of the solution. He pointed out that the banking community helped contribute to the farmers' dilemma—with large loans when land prices were appreciating. But it is important to remember, that at the time the loans were made, they were perfectly sound loans. Bankers had no more knowledge of what was going to happen, with escalating farm

costs and leveling-off land values, than the farmer did.

At a meeting in Washington on January 7, 1985, there was a farm-debt roundtable conference sponsored by the Agricultural Banking Institute, a fledgling association of agricultural banks formed last year. The institute in a press release said roundtable participants agree that there is a genuine crisis facing agricultural lenders. More than half of the 40 banks that failed during the second half of 1984 were primarily agricultural lenders, or those with more than 25 percent of their loan portfolios made up of agricultural loans. More than 1,700 banks in the United States had 50 percent or more of their loan portfolios in agricultural loans. There was speculation that 200,000 to 300,000 farmers will go out of business this year without Government intervention. The institute pointed out that the most practical ingredient, time, doesn't cost much. Farmers and banks need time to overcome the stress and strain of the farmers' long-term debts. The rural banks hold only a relatively small portion of the farmers' long-term debt but that debt is becoming critical.

According to the Comptroller of the Currency figures, banks hold about $9 billion of the $112 billion long-term, or real estate, debt. But they hold about $39 billion of the $103 billion operating, or short-term, debt. The institute pointed out that during 1984 approximately one-third of the farmers lost money, another one-third broke even, and another one-third—those with low debt loads and who are better managers—did well.

The Arkansas banking commissioner, Marlin Jackson, who attended the farm debt roundtable conference, pointed out that the problems of the one-third of the farmers who are losing money could spread to the one-third who are just breaking even, and that could have a devastating effect on agricultural banks. He feels that a failure of the initial one-third of the farmers would have a domino effect on the remaining two-thirds. As highly leverage farmers fail, their real estate goes on the market, bringing down farm real estate prices. That, in turn, lowers the value of farmland used for collateral by other farmers who are just breaking even. The continuation of that string of events would lead to a crisis for those farmers in the break-even category who no longer have collateral value in real estate to use as collateral for credit. He points out that the crisis is already beginning to be felt in the banking community. According to the FDIC, 231 or 34.4 percent out of 671 banks on its problem list as of June 1984, were agricultural banks.

For the previous June, 22 percent of the problem banks were primarily agricultural lenders. The Arkansas banking commissioner said that the number of banks on the problem bank list is now more than 800. One of the speakers at the conference noted that the reduced export demand, increased interest rates, and higher operating costs contributed to agricultural problems, and there is no prospect for a heavy export demand or drops in interest rates or operating expenses to resolve the problems that created the farm-debt crisis. The only solution is Government intervention and it is needed immediately.

Recognizing the critical situation facing our farmers and the rural community banks that finance them, it is in my judgment imperative that both Houses of Congress set aside their respective agendas and place on a fast-track legislation providing immediate and meaningful relief to our agricultural banking industry and the vast community it serves.

The purpose of my statement today is to set into motion on a conceptual basis, as I have not placed it into legislative language, some of the ideas I will outline below that if enacted would bring order to chaos now being experienced in my State of Louisiana and in practically every farming hamlet in the United States.

A bill that may be known as the so-called Farm Credit Relief Act of 1985 should address these areas of concern, and they are as follows:

Eligibility. To qualify for relief as an agricultural bank the assets of the bank could not exceed some dollar limit. Rural banks need immediate relief, and we are not talking about international banking or large money-center institutions.

Administration of the act. The authority to determine qualification for relief would rest with State Banking Commissioners or the Comptroller of the Currency depending upon whether a State chartered or national bank is involved.

Accounting procedures. Qualified banks would be allowed to use methods of accounting currently available to the Thrift Industry known as Regulatory Accounting Practices [RAP].

Asset reappraisal. A qualified bank would be allowed to reappraise its buildings, fixed assets and equipment to fair market value and book any increase between the current book value and the fair market value into the capital accounts of the bank.

Problem loans. In the case of a qualified bank, where a regulatory authority determines that a farm or farm credit related loan is a problem loan, classified loan, two options should be available:

First, provide for a writeoff of the loan over a given period—perhaps 30 years—instead of the requirement under existing law that the full debt be written off against current income or loan loss reserve. This proposal must be made retroactive to farming, 1980. By allowing the banks to recover loans previously charged off, the capital of the banks would be significantly increased.

Second, provide for a sale of the farm and or farm-related loans—deemed uncollectable—at fair market value of the underlying collateral without recourse to the FDIC or other third party purchaser, and any loss to the written off over a given period rather than currently. Any money derived from the sale of the loans must be used for agriculturally related loans.

Extended powers for qualifying banks. Qualified banks should be allowed to concede debt and own, operate, or lease farm real estate, equipment, or other similar collateral. The farmer—owner of the collateral—should be permitted to leaseback property at a fair rental with a right of first refusal to purchase the property from the bank within a given period of years.

Other real estate expenses. Qualified banks should be granted authority to write off over a period of years—perhaps 20 years—other real estate related expenses—i.e. taxes on land, insurance, payments to prior lienholders, and similarly related expenses.

Below market rate financing. Qualified banks should be allowed to sell and finance the real estate or chattels taken back in exchange for cancellation of the debt at below market rates without the FDIC or Office of Comptroller of the Currency requiring the bank to charge off the difference between the market rate and the below market rate.

Sale of investment portfolio. Qualified banks should be allowed to mark all of the securities in their investments portfolio to market and sell the securities at fair market value and write off any loss over a given period—perhaps 20 years.

Capital contributions. Qualified banks should be allowed to accept a contribution of real estate as capital for the bank.

There is ample historical authority to support the enactment of legislation providing for the measures I have set forth in this statement. In 1982, Congress passed the Garn-St Germain Depository Institutions Act which created significant new powers for thrift institutions. The savings and loan industry now has the ability to reappraise its fixed assets and to increase its capital by the difference of the depreciated book value and the fair market value of the fixed assets. It also has the ability under RAP accounting to sell loans in which it has a loss and write off the loss over the average life of the loans sold. The savings and loan industry is also allowed to employ purchase method account-

ing or push-down accounting which is not available to banks. Under this method of accounting, basically the price paid for the common stock is available as capital for the institution.

Any losses in the loan portfolio or security portfolio can be written off over varying terms ranging up to 40 years. Real estate as opposed to cash may be contributed as capital to a savings and loan association. Of course, the savings and loan industry has liberal branching provisions so that it is not limited to lending in any particular trade area and it also has the ability to create and operate service corporations which can acquire and develop real estate. It has the ability to take back other real estate serving as security for loans and book the real estate as an investment at fair market value. It is not required to write off any portion of the other real estate so long as it can continue to show that the fair market value is not less than the value of the real estate carried on its books.

The relief given to the thrift industry was needed and well founded. The agricultural section is equally important to the country and the proposals outlined in this statement could provide the necessary relief. Unless some help is immediately given to the farmers and the rural banks financing them as many as 200,000 to 300,000 farmers will go out of business this year. Government intervention is inevitable and is needed immediately. These proposals provide a market-oriented solution to the problem facing agriculture today.

Mr. President, I am going to support both of these amendments—the Zorinsky amendment and also the Dixon amendment—because I believe they will give us the ability to get that crop in the ground this year whereas otherwise, they would not be able to do that. But, Mr. President, at this point, I wish to turn the attention of my colleagues on the floor to a related question that involves agriculture very directly. That is the question of the survival of the agricultural banks.

I think my colleagues are fully aware of the plight of agricultural banks. There are 4,300 banks, I understand, that have 25 percent or more agricultural loans; 1,700 of these banks have 50 percent or more of agricultural loans. Of the Nation's 1,441 farm banks, they account for only 29 percent of all banks. Yet in the fourth quarter of 1984, they accounted for 61 percent of all bank failures.

Not only did they account for 61 percent of all bank failures, but that percentage is escalating rapidly. It was 13 percent for all of 1983; 19 percent for the first half of 1984; 35 percent in the fourth quarter; and 61 percent of all bank failures in the fourth quarter of 1984. There seems to be an escalation upward rather than the reverse, Mr. President.

I do not believe that rural America or agricultural America can survive as it is without the survival of the small banks.

I do not happen to be a member of the Banking Committee and I can set forth the problems better than I can set forth the solutions, but, Mr. President, it seems to me that under the present state of affairs what we are going to have is a cascade of bank bankruptcies. When that happens, many communities are going to be deprived altogether of access to a financial institution. Others are going to be deprived of adequate access to credit, to other means of doing banking, and the farmers themselves will not be able to carry on their agricultural business.

In other words, stated differently, it is very much in the national interest to allow these agricultural banks to survive if at all possible. If they go under, then the FDIC, as I understand it, must buy their loan portfolios at par, at their stated price; that is, the price at which they had loaned the money plan interest. Then the FDIC will liquidate that by putting all of these farm properties up for sheriff's auction and totally liquidate them without attempting to carry on the business of agriculture or without attempting to keep the particular county in business.

On the other hand, if the bank is allowed to survive, the bank is able to take in that collateral which will be undoubtedly the farm acreage and the farm machinery, and then the actual practice is to lease it back out to the farmer at a reduced amount so the farmer can continue in business.

Now, to be sure, it is not an ideal situation for the farmer because his debt is not formally liquidated, but as a practical matter when the bank stays in business it will not put the farmer on the sheriff's auction block but, rather, will take back the security and lease it back to the farmer so that he may stay in business.

Now, Mr. President, it is up to us ultimately—and I do not mean as part of this bill, but in the next couple months—to try to find some way not to bail out the banks but, rather, a way to keep those banks in business, to keep them operating because when they stay in operation then the farmers and the rural communities with them also stay in operation. To the extent that you shut the doors of these financial institutions, then you close the door on the ability of that farmer to put his crop in the ground, you close the door on the ability of the local merchants to get the credit they need to stay in business and, in effect, you padlock wholesale counties throughout America.

Now, Mr. President, I am advised that when the thrift institutions, the savings-and-loan institutions, got into deep trouble in the last couple of years and months, the device the Federal Government used to keep them in business was to have the FSLIC write down those loan portfolios to their actual value. We know what the problems with S&L's was. In the old days they would make 30-year loans at 6-percent interest and they woke up in the days of very high interest, particularly in the early 1980's, and found that that 30-year mortgage at 6 percent was not worth its stated value of $20,000 but it might be worth only $10,000, not because of the lack of creditworthiness of the mortgagor but because the interest rate had come down.

So, as I understand it, what they were allowed to do was to write those mortgages down to their actual value and to write off the loss over a period of 40 years. What that practically did is, first of all, it did not cost the Treasury one thin dime, but it allowed these savings and loans and thrift institutions to stay in the business to keep making loans or to be an attractive merger partner because of their ability to keep making loans, and they were able to do that because on the books of the savings and loan they were allowed to write off the loss more slowly, that is to say, to keep that asset on their books longer.

Now, the question I would like to pose to the distinguished Senator from Nebraska [Mr. EXON], who I know is familiar with the problems of these rural banks, is that it has been proposed to me by many people in the agricultural area that what agricultural banks ought to be allowed to do is to write their loans down to their actual value. What is the actual value of a nonperforming agricultural loan? Well, it is the value of the land and the machinery which secure the loan. You might have to write that loan down by 40 percent with the balance, as I say, representing the actual market value of the collateral.

Now, with the balance, that part which you would write off—let us say it is 40 percent—it has been suggested to me that these banks ought to be able to do the same thing the thrift institutions were able to do except instead of writing them off over a 40-year period, write them off over a 20-year period. Now, what does this mean? It means, first of all, they will pay taxes during the interim because, rather than realize a big tax loss in the one year where they could take it all out of the Treasury, they would only write off one-twentieth of the debt so they would continue to pay taxes but, more importantly, for the purpose of making further loans in those agricultural communities their capital ratios would be such that they would still have the ability to make ag-

ricultural loans in that area rather than shut the doors of the bank.

I want to ask my friend, the Senator from Nebraska and the Senator from Montana, if that kind of proposal seems to make sense. I ask the question as one not on the Banking Committee or the Agricultural Committee, but does that kind of proposal for rural American banks seem sensible and should we look into that?

Mr. EXON. Mr. President, I will be happy to respond. I think it is a very timely question. I say to my friend from Louisiana, from what I picked up from his concerns, they are entirely justified. There are a great number of relatively small institutions, small banks, if you will, in rural communities that have been especially hard hit with the downturn in the agricultural economy, highlighted at least in Nebraska by, in a number of cases, a reduction of 50 percent or more in the value of land that was used as collateral from the borrowers which obviously means a significant drop in the financial statement of the farmer or the rancher who is borrowing the money.

Those rural banks are in a particularly difficult situation because, unlike their sister banks in the cities, who have diversification where they have their portfolio in agriculture, part of it in business, and part of it in industry, all or most of the portfolios involve agriculture loans, so they proportionately have a higher number of these agricultural loans than the more diversified city banks.

I think the suggestion the Senator from Louisiana makes is a good one. I offered an amendment last year in the Senate. I offered that amendment and immediately we ran into difficulty from the Banking Committee that this was a banking amendment and it had not gone through the committee, and so forth and so on. I explained that all I was doing with the amendment was to simply do the same thing for the small banks as we did for the savings and loan associations when they got into trouble.

If the Senator will recall, I believe the way that worked was that when a savings and loan was in trouble—again, it was the FSLIC; in the case of the bank, it would be the FDIC—the bank would give a certificate to the FDIC, and the FDIC would give a note back to the bank to solidify the bank's position to keep them solvent. That is one approach that could be taken. That bill passed the Senate, with my amendment, and it died in the House of Representatives.

During the negotiations last week, during the filibuster, I had that amendment prepared and wanted it offered as a part of the overall arrangement that we finally made, which ended the filibuster. I finally decided to give up on it at this time, but I am holding it in reserve, possibly for something that might come along next week which would be a vehicle on which to put it once again.

I say to the Senator from Louisiana that I held back there at the specific request of the majority leader, because the majority leader said to me, "I'm having enough difficulty with the committees I'm presently dealing with, trying to work out a compromise, without something being brought in from the Banking Committee, especially when the chairman of the Banking Committee is not even going to be here." He is on a mission. So I thought we had enough difficulties in trying to work out the problems without entering a banking bill into the negotiations.

However, I will be glad to work on it with my friend from Louisiana. I believe he has brought up a significant matter. It would not be germane, under the agreement we made, which allows us to bring up Ag credit on the floor today. I think it would not be germane. Nevertheless, I think it is critically important that, as we move forward to bring some degree of stability to rural America, which is suffering now, we must remember that those small banks are critical to the very economic fabric of rural America. I believe we have to do more to help them at this time, when they are struggling and when they are swimming and when they need a lifeline or two from the Federal Government.

Mr. JOHNSTON. Mr. President, I thank the distinguished Senator from Nebraska. He has been a great leader in this area of the small rural banks.

My intent is not to bail out small banks from bad management but, rather, to allow for the survival of this whole class of banks which are absolutely essential, it seems to me, to the very fabric of the economy of rural America. If they all go under, the country is not well served, because the FDIC has to pick up the tab for the whole loss, and with it all the banks go down the drain, with a lot of local merchants as well.

Mr. President, I intend to work with the distinguished Senator from Nebraska and the distinguished Senator from Montana to try to solve this problem, to allow for the survival of the local bank. Whether it is through certificates by the FDIC or whether it is a writeoff of the loss over a period of 20 years, they are efforts to get at the same problem of the capital/reserve ratio, which is the key to the survival. One of those approaches to allow for that capital/reserve ratio is essential to the survival of the small banks.

Mrs. KASSEBAUM addressed the Chair.

Mr. JOHNSTON. Mr. President, I promised the Senator from Montana that I would yield to him for a question or a statement.

The PRESIDING OFFICER. The Senator cannot yield for a statement. He may yield for the question.

Mr. MELCHER. For a question.

I thank my friend for yielding.

First let me say that what the Senator from Louisiana is describing in the distressed rural banks can be brought into focus by looking at the last bank in Iowa that went under. It was at Inwood, IA, just a few days ago. As an Iowa native, even I had a little problem figuring out where Inwood is. It is within a few miles of the place of my birth, Sioux City, IA. that small bank went under, in a determination of the bank to provide adequate credit to its farm borrowers. Inwood is a very small community. When these banks fold, a lot of the community is immediately dead.

The amendment we have before us, offered by Senator ZORINSKY, removes the barbed-wire entanglements that make it difficult for banks to participate in the loan guarantees. The provision I am adding, along with Senator ANDREWS, Senator EXON, Senator PRESSLER, and Senator GRASSLEY puts into focus the buying in of the responsibility of the lender to participate in part of the interest buy-down.

The obvious merits of these combined amendments are to do exactly as the Senator recommends. It is the only type of path we can follow under the constraints that are before us now—that is, being germane to the farm credit situation.

I ask the Senator from Louisiana if, in his view, one of the next steps we must take is to attach a broader range amendment or provision in law, such as he has described for the savings and loan institutions, such as have been described by the Senator from Nebraska, in the certification of the Federal Deposit Insurance Corporation—if, in his view, it is something that must be attained very rapidly, following our action now on this particular bill?

Mr. JOHNSTON. Mr. President, I think the Senator is decidedly correct. It was not right for putting on this bill because of the problems of germaneness and because it must be studied, I think, in the Banking Committee.

As I understand it—again, I confess that I am not an expert on banking—this would cost the Treasury no money at all. It would not be a bailout to those banks but, rather, one method that I suggested; the other is the method suggested by the distinguished Senator from Nebraska. It would allow the banks to stay in business through an adjustment of the capital equity/reserve ratios. Once they shut their doors, they pull down with them the whole agricultural community, from the farmer to the local merchant to the whole town, which depend not only on the source of

credit but also the very existence of the financial institution.

So I will work with my friends to confect some kind of solution to that problem of the small financial institution.

Mr. MELCHER. I thank my distinguished colleague.

Mrs. KASSEBAUM. Mr. President, will the Senator from Louisiana yield for a question?

Mr. JOHNSTON. I yield.

Mrs. KASSEBAUM. Mr. President, I am curious. I certainly share many of the concerns that have been voiced, but I have been troubled about this approach, and I ask this question: Does the 2-percent write-down that would be guaranteed, which would be paid by the Government, as well as the bank's participation, exist for every loan? What is the determination?

Mr. JOHNSTON. Mr. President, my question really did not have to do with the pending amendment. As I stated, I support the pending amendment.

But I was really dealing with the question that will come up at some time in the next few weeks, and that is how this is the first step to help save the agricultural bank but, as I understand it, it deals only with the immediate problems and does not solve the whole problem.

Mrs. KASSEBAUM. Mr. President, I wonder if the Senator will mind if someone else answers that question at this point? Will that interfere?

Mr. JOHNSTON. No.

Mrs. KASSEBAUM. Mr. President, could the Senator from Montana perhaps address that question?

Mr. MELCHER. Yes. I will be delighted to address the quesiton of the distinguished Senator from Kansas.

The regulations of the Department of Agriculture require that there be a 10-percent reduction either in interest or principal by the lending institution prior to the time that the loan guarantee is agreed to. In other words, the Department of Agriculture will make that determination prior to granting the guaranteed loan.

We are suggesting that the easiest way to do that will be by a buydown of the interest rate and use the dual buydown by the lending institution, the bank, or the PCA, to be matched by an equal amount by the U.S. Government.

Mrs. KASSEBAUM. Mr. President, I wish to ask the Senator from Montana. We are talking only about those loans, then, that will be restructured under the current guidelines, is that correct, of 100 percent cash-flow, or are we talking about those loans that have already been designated as restructured loans. Is that correct?

Mr. MELCHER. We are talking about the loans that are restructured for 100 percent cash-flow as agreed to by the Department of Agriculture and prior to the time the loan guarantee is provided to the lender.

Mrs. KASSEBAUM. So this would mean that no one else, only those who are eligible for the restructured loans could participate.

Mr. MELCHER. That is absolutely correct. The eligibility remains in effect as determined by the Department of Agriculture on the basis of 100 percent cash-flow and the loan must have been restructured.

Mrs. KASSEBAUM. And the bank would be reimbursed for 2 percent of the writedown and the other 2 percent that they would assume they can write off over a period of time, is that correct?

Mr. EXON. Mr. President, does the Senator from Kansas have the floor?

Mrs. KASSEBAUM. I believe I do.

The PRESIDING OFFICER [Mr. DURENBERGER]. The Senator from Kansas is recognized.

Mr. EXON. My question is, Who has the floor? Does the Senator from Montana have the floor?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. EXON. Mr. President, will the Senator from Kansas yield?

Mrs. KASSEBAUM. I would be happy to have the Senator from Nebraska comment on this.

Mr. EXON. I say if the Senator from Kansas has the floor, if she will yield, I will try to answer her question. I think I know what she is getting at.

Sometimes it gets a little complicated. I hope we all understand it before we vote on it.

The PRESIDING OFFICER. Is the Senator from Kansas willing to yield?

Mrs. KASSEBAUM. I yield.

Mr. EXON. Mr. President, I listened earlier to her first question and then I was interrupted. I believe the thrust of her question was what farmers can take advantage of the buydown on the interest rate. Was that not her first question?

Mrs. KASSEBAUM. I wondered if this would be available on all loans or what loans this would apply to, yes.

Mr. EXON. The answer to that question would be it would depend on the rules and regs put out by the Department, as the Senator from Montana has said. I think the restraining factor there is that it would not be available until the loan had been restructured, as the Senator from Kansas alluded to. In other words, until the loan had been restructured, by that I mean the lending institution agreeing to write down 10 percent of the principal and we keep talking about that and they are not going to do that so really what we are talking about they are writing down the equivalent of 10 percent of the interest. After and only after they have done that, we assume that the rules and regs would be promulgated by the Department. Then and only then would they be able to continue on with it on a one-for-one basis. If they felt that the loan needed additional cash-flow, then they can write off 1 percent of the interest that the bank would put up and 1 percent of the interest that the Federal Government would put up out of the $100 million in the bill, or they could go up to 2 percent writeoff of the interest, additional writeoff of the interest and recompensated by the Government for up to 2 but not more than 2.

So, I think the restraining factor here is that obviously the lending institution is not going to want to go out and offer this to all of their customers because if they did they would be writing off the equivalent of 10 percent of all the loans on their books which I am sure they will not want to do.

Mrs. KASSEBAUM. Mr. President, if I could pursue this a bit further, though, is not one of the problems we have right now that many loans that could be performing loans through the stricter interpretation of the regulators that has occurred over the past year would be classified as nonperforming so there are others that have not been but are certainly right on the verge? And it would seem to me if I had a loan that still was classified as a performing loan but in many ways was still very much in jeopardy I would feel really very disappointed that my neighbor was able to participate in this where I was not. I think the additional assistance that we got last week, which I strongly supported on the 100-percent cash-flow projection, helped in availability to that access but if we carry it much further are we not placing some real choices out there that are going to be very difficult, except for the bankers, who it seems to me we have helped and assisted, but is it really helping the farmers that much more?

Mr. MELCHER. Let me answer.

Mrs. KASSEBAUM. I will be happy to have anyone answer the question.

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

Mrs. KASSEBAUM. I yield.

Mr. MELCHER. First let me state that in order to get a loan guarantee the requirements of the Farmers Home Administration must be met. That is not the most attractive situation to be in for a borrower. It is probably the only way to save that particular loan.

The question of whether or not a borrower in the same bank with a loan that is not classified as imminently in problem status at this moment and whether or not they could get an interest buy-down would be left up to the discretion of the Secretary of Agriculture. I know the limitations that this also imposes on the Secretary of Agriculture and, therefore, the Farmers Home Administration.

So, it is not going to solve every problem. It is our hope by providing an avenue for an interest buy-down that a lending institution itself will have a stronger portfolio and be in a better condition to continue the drop in interest rates that are deserving of all the rest of the farm borrowers whose loans are not classified.

That is about as far as I believe we can go and as far as the Department of Agriculture can go at this particular time.

Mr. ZORINSKY. Mr. President, I would be able to answer.

Mr. President, will the Senator yield to me for a moment?

Mrs. KASSEBAUM. I yield.

Mr. ZORINSKY. Mr. President, I wish to point out that from the outset this is not the Promised Land or the Utopia for solving the problems confronting many farmers.

As the majority leader pointed out yesterday, we have to keep in mind the constraints on the budget. That is why the minimal amount of $100 million for the interest buy-down provision is less than the cost of the bill I intend to amend—the northern African aid bill, which will cost $175 million. And, of course, that bill will not help all the people in northern Africa that need help.

Mrs. KASSEBAUM. Mr. President, I certainly share the point of view of the Senator from Nebraska about the importance of the farm bill. We have the chairman of the Agriculture Committee right here. I think it is very important because those of us who come from States that are in trouble right now know that the only real solution of course is a better price in the marketplace, and if we can work through the farm bill legislation—I hope in a very expeditious manner—I think that will give us some insight into where we are going. But it is troubling for those of us who want to do what we can to help to really try to answer this question.

I wonder if anybody who is supporting this has computed any figures on exactly how far this $100 million is going to go.

Mr. ZORINSKY. We are told by the bankers that the $100 million interest buy-down would allow them to reduce the interest rate by 4 percent on 5 billion dollars' worth of loans. So I think it would have a significant impact. Of course, this will not save all farmers but if we save some farmers, that is better than saving no farmers. I am talking about assisting the farmers that are in a marginal, financial position but are good managers. Certainly, I am not advocating the saving of all farms. Not all businesses can be saved nor do they deserve to be saved.

Mrs. KASSEBAUM. Really, it is not so much the saving of the farmer at this point as the banker, and not that that is something that should not be of concern, but I think in this particular instance it really is a greater help to the banker than the farmer.

Mr. ZORINSKY. When Secretary of Agriculture Jack Block presented his thoughts on this issue to me, I asked him: "Have you calculated the budget effect and adverse economic reaction that would be caused by banks closing and going out of business?" As the Senator from Kansas knows, the FDIC insures each depositor of a bank up to $100,000. We have had several bank closings in Nebraska and have experienced the FDIC coming in, padlocking the bank, and paying off the depositors.

This is a cost, not a savings. Quite obviously, banks are going to continue to close if the economy continues to worsen in the agricultural area. So the Secretary of Agriculture's answer was "No, we have not computed or even estimated any offset as to what the FDIC would have to pay depositors if banks continue to close." So just because we do not want to save banks, at least we should try to keep their doors open so that the cost to the FDIC which also uses taxpayers' dollars, would be minimized.

Mrs. KASSEBAUM. Mr. President, I thank the Senator from Nebraska [Mr. ZORINSKY] for that response.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

SCHEDULE

Mr. DOLE. Mr. President, I have had a number of inquiries on when we may vote. I must say that because of about a dozen other things I have not been able to spend much time on this issue today. At 4 o'clock there is a White House meeting with members on both sides of the Armed Services Committee. I think I am correct. That will probably continue until the hour of 5 o'clock which means our Members would not be available until 5:30. It just happens one of those rare occasions where the majority leader has agreed to go to Peoria this evening. So I am prepared to suggest there will not be any votes today, if that is satisfactory with everyone.

I yield to the minority leader.

Mr. BYRD. Will the distinguished majority leader yield? I am happy to say to the distinguished majority leader, as I said last evening, that we are ready to vote today on the pending amendment. Or, alternatively, we would be happy to agree today to a vote at a specific hour tomorrow if the majority leader would like to do that.

Mr. DOLE. Let me indicate that we may be prepared to do that. I want to make certain we understand what we are voting on. I guess the second-degree amendment has been offered. Perhaps the distinguished chairman of the Agriculture Committee has had a chance to review it. The Senator from Kansas has not. These are important amendments and we need to make certain what is in or out of the amendment and what was in and now out. I understand the first-degree amendment has been modified to take out the big bank bailout but there are still little bank bailouts as well of $100 million. So I want to review that before I agree on a time. I am quite certain we are going to vote tomorrow.

Mr. BYRD. I thank the distinguished leader.

Mr. President, does the majority leader yield the floor?

In any event, I want to read something into the RECORD.

Mr. DOLE. I will say to the minority leader—because I have been asked by the distinguished assistant leader on the Democratic side if I could advise the Senate—that I am now advising everyone that there will be no votes today.

Mr. BYRD. I thank the distinguished majority leader.

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

THE FARM CRISIS

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. BYRD. Will the distinguished Senator from Nebraska forgo just for a couple of minutes?

Mr. EXON. Yes; I yield the floor. I am sorry.

Mr. BYRD. I thank my friend.

Mr. President, I have received the following letter from the Secretary of Agriculture, which I would like to read into the RECORD. The letter reads as follows, dated February 26, 1985:

DEAR MR. MINORITY LEADER: Currently pending before the Congress are bills which purport to deal with the short term farm credit problem. It is my firm belief that the responsible use of existing authorities and the commitment of adequate resources is the soundest and surest means of insuring that the nation's farmers receive timely operating credit for the coming crop year. Further, under the provisions of the Administration's debt adjustment program, substantial care is taken to insure that individual farmers restructured debt provides them with adequate income to cover reasonable operating expenses and a margin for unexpected costs. We believe that these provisions are vital to protect the future of individual producers facing financial stress.

In reviewing the various legislative proposals before the Congress, it is clear that these important safeguards for farmers have largely been eliminated. Clearly, I believe that we need to determine whether our primary goal is to provide sound assistance to farmers who are good managers and with proper assistance can be helped or if the goal is to insulate lending institutions from risk or incentive to continue to serve the agricultural community in their area.

Further, the proposed legislation turns an important tool for orderly marketing for farmers (CCC loans) which has been in effect for 52 years, into a multi-billion dollar production finance bank. Such action is not in the best interest of farmers and will create new problems for producers at harvest.

In my agreement with the Senate on behalf of the President, the Administration has already taken major, immediate, and productive steps to insure that farmers are able to obtain timely operating credit from private and government lenders. It is my belief that it is time to set aside partisan political posturing and work together to support the effective use of the credit programs which are in place and working. It is by this action that we can best serve the short term needs and interests of the American farmers. It is because of my concern that the proposed legislation is not timely nor in the best interests of farmers that I want to advise you that should these measures pass the Congress that I will strongly recommend that the President not sign them.

Sincerely,

JOHN R. BLOCK,
Secretary.

Mr. BYRD. Mr. President, I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Have the yeas and nays been requested on either the Zorinsky or Melcher amendments?

The PRESIDING OFFICER. They have not been.

Mr. EXON. I ask for the yeas and nays on both amendments.

The PRESIDING OFFICER. It would take unanimous consent.

Mr. BYRD. Will the Senator ask unanimous consent that he may do that, and that it may be done with one show of seconds?

Mr. EXON. Mr. President, I ask unanimous consent that I may ask for the yeas and nays on both amendments and that I may do this with one seconding.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Before the Chair rules, I shall raise my hand to provide the sufficient second, but the Senator does understand that he cuts off the possibility of a modification except by unanimous consent when the yeas and nays are obtained.

Mr. EXON. I believe that has been addressed by the previous agreement, Mr. President. Am I correct?

The PRESIDING OFFICER. The Senator from Nebraska is correct.

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

The PRESIDING OFFICER. Without objection, it is so ordered. Is there objection to the request? If not, without objection it is so ordered.

Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, we have spent a great deal of time discussing the farm credit crisis on the floor for the past week or so, thus I will not belabor the issues involved much further.

I do want to indicate at this time that I will be lending my support to the Zorinsky amendment and the Melcher amendment thereto, as well as to the amendment offered by my colleague from Illinois, Senator DIXON. I applaud these amendments as significant first steps toward rectifying this Nation's farm credit crisis.

These amendments are necessary, as has been pointed out, because the administration's much-heralded farm credit initiatives are not working. These programs have had literally no impact. Nationwide, through the 21st of this month, only $44 million of the $650 million authorized under emergency credit assistance had been used. In my home State of Tennessee, we had some 3,192 farmers apply for credit assistance under the initiatives the administration announced last fall. Through the 25th of January, we had zero loan guarantees made in Tennessee under this program, not a single one. Moreover, we only had 15 deferrals granted during this time period. This is a dismal track record and underscores the overriding importance of the type of amendments we are considering today.

Recognizing the shortcomings of the administration's credit initiatives, I worked with my good friend and farm credit expert, Congressman ED JONES from west Tennessee on pulling together a series of credit proposals we believe would help put many farmers on the road to economic well-being.

Many of the elements of our proposal are contained in the various amendments coming up today. I am heartened that those of us concerned about the plight of the Nation's farmers have been able to formulate policies which we can agree on as doing some substantive good for our economically pressed farmers.

While we all recognize that farmers cannot borrow their way out of debt and that farm programs designed to put profitability back into farming are the real answer to the credit crisis, we must act now on these short-term measures to ensure that we have farmers left in business who can make use of the long-term farm programs. The amendments on the floor today are a good starting point in this process and I urge my colleagues to support our efforts.

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

Mr. SASSER. I yield.

Mr. PRYOR. Mr. President, I am pleased to support the pending amendment and I am proud to be a cosponsor of the amendment offered by the distinguished Senator from Montana, and also a cosponsor of the amendment offered by the Senator from Nebraska, Senator ZORINSKY.

I commend the efforts of the Senator from Nebraska [Mr. ZORINSKY] and the Senator from North Dakota [Mr. ANDREWS] for their leadership in this effort.

Mr. President, there are a couple of things about the pending amendment that are excellent, and I would like to point them out before the Senate acts on this amendment.

First, and very importantly, Mr. President, the amendment contains funding for a $100 million interest buy-down to be conducted jointly between the Federal Government and private lenders. Borrowers from commercial banks and entities of the Farm Credit System, like the PCA's and the Federal land banks, would be able to benefit from this program, and it would be very helpful in providing some below-market money for these very efficient producers to put their crops in the ground. Under the program set up in this amendment, if a private lender, either a commercial bank or cooperative lender, agreed to reduce the interest rate, the Federal Government would match that buy-down. This is a concept I have been interested in for quite some time, and I think it holds a great deal of promise for many of these borrowers. These men and women, and their families, are very efficient producers, and they are being hammered through high interest rates, a strong dollar and export subsidies of other countries that have damaged our ability to export, and declining land values. Further, they have weathered several very difficult years of low commodity prices. In the next farm bill, Mr. President, we must deal with the critical problems facing our producers, and develop a comprehensive farm policy that will help them compete effectively in world markets. We all know that the real solution to the problems we are facing is to increase the income to our producers. In that regard, the upcoming debate must focus on ways to regain our markets that we have lost through unfairly subsidized competition. We all know that our producers are efficient, but we cannot continue to allow them to have to compete directly against foreign governments. Those matters must be corrected later on in this year, Mr. President, but the pending amendment will provide them with an opportunity to have access to reasonable financing for this year's crop.

The second point I would like to make about the pending amendment is

that it would discourage Federal regulatory agencies from adversely classifying loans by a bank or cooperative lender. This will be helpful in many parts of the country where Federal regulatory agencies, like the FDIC, are creating several problems due to loan reclassification.

Finally, there are changes in the amendment dealing with overtime work by FmHA employees, and allocating any additional temporary employees to States with the largest backlog. These are important steps the administration could take, but in the absence of any initiative in this regard, I believe it should be spelled out in the statute.

For all of these reasons, Mr. President, I support the pending amendment, and hope it is approved by the Senate. There are features of it that will help borrowers who get their money through private sources, and this is an extremely important and critical issue that we must deal with in an effective manner. We must help all producers in planting and harvesting this year's crops, and this amendment will help toward that end.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, the Democratic leader just read into the RECORD the letter dated February 26 from Secretary Block. While the letter is quite general in its terms on what it is discussing, it is obvious that the Secretary has dug in his heels and is not being conducive to the reasoning that we are following in our rather bipartisan discussions on the amendments which are pending.

I should separate out two of these paragraphs. One of them is the following:

> In reviewing the various legislative proposals before the Congress, it is clear that these important safeguards for farmers have largely been eliminated.

Let me respond to that particular sentence. One of the things that the Department of Agriculture has been advocating, and Secretary Block personally has been explaining to Members of the Senate, and I assume to the House also, is that he wanted in the provisions that opportunity by the Department of Agriculture through their regulations to require some sacrifice by the lending institution prior to a loan guarantee being applied to the distressed farm loan.

That is what we are attempting to accomplish in the very amendment I have offered today, that participation by the banks or PAC's before the loan guarantee is agreed to.

By participation, I mean a requirement of the current regulations of the department requiring a 10-percent adjustment in either the principal or interest.

To be clear on that, let me say that the option of that lies in the hands of the Secretary. Obviously, the most easy way to apply that would be a markdown in the interest rates that will be charged against the loan.

We do carry with this amendment the underlying Zorinsky amendment, the authorization for $100 million to be used by the Department of Agriculture in that interest buydown. That, together with the requirement that the lending institution itself participate by a like amount, clearly meets one of the previous objections of the Secretary of Agriculture.

So I would hope that the Secretary takes note of that in his thinking and judgment in the coming days.

To go on with the particular paragraph I was reading from:

> Clearly, I believe that we need to determine whether our primary goal is to provide sound assistance to farmers who are good managers and with proper assistance can be helped or if the goal is to insulate lending institutions from risk or incentive to continue to serve the agricultural community in their area.

Mr. President, I believe that clearly we have met that particular goal in the combination of amendments now pending.

The next paragraph of the Secretary's letter is as follows:

> Further, the proposed legislation turns an important tool for orderly marketing for farmers' CCC loans which has been in effect for 52 years into a multibillion dollar production finance bank. Such action is not in the best interest of farmers and will create new problems for producers at harvest.

That paragraph, Mr. President, refers to another proposal not contained in the underlying Zorinsky-Andrews amendment, nor contained in the amendment that I offered as a principal sponsor to the Zorinsky proposal.

What he is getting at there is another proposition which will be later offered by Senator DIXON of Illinois after these two amendments are disposed of.

The last line of the Secretary's letter throws down the gauntlet. That last sentence says:

> It is because of my concern that the proposed legislation is not timely nor in the best interests of farmers that I want to advise you that should these measures pass the Congress that I will strongly recommend that the President not sign them.

Mr. President, that is rather bald, rather vociferous on the part of the Secretary of Agriculture. He is suggesting that the President might veto any farm credit crisis legislation that we pass. I hope that the President does not adhere to that type of advice.

First, what we are doing is absolutely timely. If we do not do it now, time runs out on American agriculture; time runs out on many parts of rural America. It is for that reason that we are busily engaged in the Senate, and the House will do likewise, I understand, tomorrow or the next day, trying to provide, in a timely manner, something that is in the best interest of farmers.

The Secretary of Agriculture may have a differing view from the rest of us on these matters; he obviously does. But there are times when, in the course of the legislative action by Congress, we must respond to the stern warnings of imminent danger to a segment of our society. We have had those stern warnings. We have had plenty of signs of disaster in rural America.

I only ask the Secretary of Agriculture to answer these questions: How many more farm and ranch families must be dislodged from their operaton, must be taken off the land, thrown into liquidation, in order to convince the Secretary that justice demands that we take responsible action to provide them the opportunity to stay in place, to work out of a bad debt situation to continue the farm operation or the ranching operation so they can contribute to the economy of their communities, their States, and the Nation?

How many more rural communities, might I ask the Secretary of Agriculture, must be placed in jeopardy for their very continuation as a community—their schools, their hospitals, their service organizations, the very fabric of society in their communities?

Might I finally ask of the Secretary of Agriculture, when Rome was burning, when Rome was being destroyed, what purpose was Nero's purported violin-playing serving? I do not think this Secretary of Agriculture deserves to be cast in the mold of Nero's purported actions of ignoring the problems of Rome. I do not believe that this Secretary of Agriculture would be wise to recommend a veto of legislation designed to give some hope, another chance, another last opportunity for hundreds of thousands of farm and ranch operators.

Surely the President, if such is the case and the Secretary does advise him finally to veto it, surely the President will have more compassion, more understanding, and more common sense than to turn his back and the back of the administration on the most significant and tragic occurrence in rural America in this decade—not just this decade, but this last half of this century.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, let me speak very briefly, and I believe there are others who may want to discuss this and we shall discuss it in more detail tomorrow. Let me commend all Senators for their interest in address-

ing what is a very serious problem in rural America. Then let me indicate that I believe we have come a long way. In fact, the need for farm credit assistance was first addressed last August.

On September 18, the President announced the $650 million principal buydown program. It did not work because the banks did not want to participate in the principal writedown.

In January, this Senator and my colleague met with the distinguished Governor of Iowa. We met with Federal bank regulators and we called for a Presidential task force to study the problems in the farm economy and agricultural credit markets.

On January 22, 12 farm State Republican Senators wrote White House Chief of Staff Donald Regan requesting farm credit actions. These included allowing banks to write down interest rates as well as principal on farm loans under the September debt restructuring initiative; assuring that adequate loan guarantees would be provided if required above the $650 million earmarked in September; and, approving the request for additional personnel and equipment to reduce the Farmers Home Administration loan application backlog.

On January 31, a meeting was called by the distinguished chairman of the Agriculture Committee (Mr. HELMS). A number of us met with Secretary Block and Mr. Stockman and we talked about the long-range farm program and the short-term credit problem.

Then, on February 1, another meeting was held, again chaired by the chairman of the Agriculture Committee. Secretary Block was there, Mr. Stockman was there. We had a bipartisan group of Senators. We met with four State Farm Bureau presidents—the Farm Bureau president from my State and from Nebraska, Iowa, and Minnesota. Again, we talked about what we could do to make the program not only more acceptable, but one that would be used by the farmer. That discussion, I thought, was very helpful. I think Senator EXON was there, I think the distinguished junior Senator from Iowa was there, as was the distinguished senior Senator from Iowa and the distinguished junior Senator from Minnesota, in other words, a bipartisan meeting.

Then, on February 6, Secretary Block announced the farm credit relief package, including the interest writedown provision. It was made clear at that meeting that the $650 million was not a cap on the loan guarantee program, although there are still some people trying to tell us it is a cap. It is not a cap. And that was further clarified by Senate Resolution 57, the so-called Abdnor resolution we passed on Saturday after discussions all last week with Democrat and Republican Senators.

Then on February 11 Senator BOSCHWITZ of Minnesota and this Senator met with Federal bank regulators—the FDIC, the Federal Reserve System, the Comptroller of the Currency, USDA, and the Treasury Department—to discuss the administration-revised plans and how they affected bank forbearance policies.

We were trying to define what it means when you owe the bank money and we ask the banks to practice forbearance. What does that mean? I am not certain we learned what it meant at that meeting, but at least we raised the issue, that the banks are supposed to be a little more generous, a little more lenient. They are prepared to do that in my State and other States if they do not have the Federal regulators saying, "You have to do this, you have to do that, you have to foreclose, you have to tighten up, or you have to reclassify some of your loan portfolio."

On February 19, the distinguished Senator from Oklahoma [Mr. BOREN] and the distinguished Senator from Nebraska [Mr. EXON] started to discuss the farm credit issue on the floor of the Senate. Some would call it a filibuster. I think it was an extended debate. We also started negotiations with a number of Senators on both sides; 10, 15, 20 Senators. Then on February 22, we hammered out a bipartisan compromise which we put into a resolution. We again said that there is no cap on debt restructuring loan guarantees, that there is no cap on operating loans from the Farmers Home Administration. We provided for a 14-day turnaround from the time an approved lender makes a decision. We included a number of other things in the so-called Abdnor resolution, which then passed the Senate by a vote of 92 to 0. It would have been 100 to 0, but some Senators were necessarily absent.

I want to include this chronology in the RECORD because I was asked by one of my colleagues on the floor Saturday, "Why haven't we done something? Why wasn't this recognized weeks or months ago?"

The answer is that it was. It was not discovered last week. It was discovered by the media last week. But we have known there was a problem for months. It seems that the media—which tries to always report the facts—suddenly saw the issue as, "We are the bad guys and they are the good guys. We want to do less and they want to do more." I do not think that is the intent of anyone. And now we are finding we want to do more for the bankers. I thought we were here to do something for the producers, the farmers.

I have a letter I am going to put in the RECORD at this point from the Kansas Bankers Association endorsed by 17 members of the KBA's agriculture committee—bankers from small towns for the most part. If people know Kansas, they know Concordia is not quite as large as other towns in Kansas, but it is a nice community. Atwood, Garden City, Burlingame, Dodge City, Liberal, Woodbine, Eureka—they are all small rural towns. The bankers in each one of those communities are saying, "We are ready to go to work. We like the change. We like the fact that you have changed that cash flow provision," which I might indicate was originally suggested by my colleague from Kansas [Mrs. KASSEBAUM], and by a number of other Members on both sides. "We kind of like that." And here is what the letter says:

> We support the Kansas Bankers Association's steps to assist in the education and implementation of the loan guarantee program. It is essential that our agriculture borrowers receive some lending assurance as soon as possible, so adequate planning can occur on the part of both the lender and the borrower.

So they are going to conduct seminars in my State on March 5, 6, and 7 to explain the program.

I have to believe a lot of the frustration of the well-intentioned State legislators who have come to this town is because they did not fully understand this program. I do not know anybody who maintains we do not have a good program in place. Once we got around the cap question on debt restructuring and on operating loans and on servicing those applications, then I believe we addressed the principal problem.

Let me repeat what we accomplished in the Abdnor resolution. Remember, the vote was 92 to 0.

First, we provide that adequate loan guarantees will be made available under the September Debt Adjustment Program to meet demand by lending institutions to refinance farmers this spring. The cash-flow requirement for farmers to be eligible for commercial loan restructuring under the Debt Adjustment Program is reduced from 110 percent to 100 percent.

That does not help the producer; it helps the banker. But bankers have to participate, so we went along with it. They will take a little more from the producer, but again there was a lot of support for that.

Adequate credit will be made available under the Farmers Home Administration Insured Direct Operating Loan Program to meet demand in 1985. The percentage of loan guarantees under the interest concession option will be increased yearly to a maximum of 90 percent of principal. Applications for Farmers Home loans and loan guarantees will be expedited. Farmers Home has announced that 1,000 additional loan officers are being reassigned to work on the current case backlog.

Next, action on loan application decisions by approved lenders will be required within 15 days. That was a big sticking point, because in the past the lender would approve a loan and then somebody else in Farmers Home would have to review it, which took another 2 weeks or a month. Now it is down to 15 days.

Action on Farmers Home loan guarantee requests will be processed within 60 days to the fullest extent possible. And again, as I said, because of a lot of meetings we have had with Federal and State regulatory agencies, they are encouraged to exercise restraint and forbearance in making adverse classifications with respect to agricultural loans.

Mr. President, I ask unanimous consent that the letter from the Kansas Bankers Association and the provisions of the Abdnor resolution on farm credit be made a part of the RECORD, along with the farm credit chronology.

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

THE KANSAS BANKERS ASSOCIATION,
February 25, 1985.

Hon. BOB DOLE,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOLE: It is our understanding that the Credit Restructuring Plan being supported by you and agreed to by the Reagan Administration will include the following:

1. Cash flow requirements for qualified farm borrowers will be reduced to 100 percent rather than 110 percent.

2. A pool of funds will be made available for loans guarantees sufficient to satisfy agricultural demand.

3. Steps will be taken quickly to insure the plan's workability, and all approvals needed will be expedited.

We support the Kansas Bankers Association's steps to assist in the education and implementation of this loan guarantee program. It is essential that our agricultural borrowers receive some lending assurance as soon as possible, so adequate planning can occur on the part of both lender and borrower. The Kansas Bankers Association and Farmers Home Administration will jointly conduct six seminars to be held on March 5, 6, and 7 to assist the Kansas bankers in implementing the program.

Let us get on with it.

Sincerely,

Dru Richard, First Bank & Trust, Concordia; Earl McVicker, Central State, Hutchinson; Ray Purdy, Garden National, Garden City; Barney Horton, Farmers Bank & Trust, Atwood; Clyde Burnside, American State Bank, Great Bend; Bob Kustersteffen, State Exchange, Yates Center; Victor Olson, First State Bank, Burlingame; John Harding, First National, Dodge City; Larry Heyka, First National, Dodge City; Deryl Schuster, First National Liberal; Don Steffes, McPherson Bank & Trust; John Price, Merchants National, Topeka; Paul Richmond, Commercial National, Kansas City; Fred Dunmire, Commercial National, Kansas City; Kenneth Stout, Citizens State Bank, Woodbine; Ralph Jenson, Peoples State Bank, Sharon Springs; R.D. Rucker, Home Bank & Trust, Eureka.

FARM CREDIT CHRONOLOGY

1984

September 18.—President Reagan announces debt restructuring initiative, including:

FmHA debt set-aside of up to 25 percent (maximum of $200,000), with no accrual of interest for 5 years, for producers who can demonstrate a positive (110 percent) cash flow.

Commercial debt restructuring program under which lenders receive 90 percent FmHA guarantee in exchange for writing down loan principal by enough to provide borrowers a positive (110 percent) cashflow. Initial appropriation of $650 million in loan guarantees earmarked for the program.

Implementation of an approved lender program to expedite handling of loan and loan guarantee applications.

1985

January 11.—Senators Dole and Kassebaum and Iowa Governor Branstad meet with Federal bank regulators and call for Presidential task force to study problems in the farm economy and agricultural credit markets.

January 22.—12 farm state Republican Senators write White House Chief of Staff Regan requesting farm credit actions, including:

Allow banks to write down interest rates as well as principal on farm loans under the September debt restructuring initiative;

Assure that adequate loan guarantees will be provided (if required, above the $650 million earmarked in September);

Approve USDA request for additional personnel and equipment to reduce FmHA's loan application backlog.

January 31.—Meeting between Republican Senators and Administration officials (Block, Stockman) at which "tradeoff" between farm credit improvements and farm bill concessions is discussed and rejected.

February 1.—Meeting between four State Farm Bureau Presidents (Kansas, Nebraska, Iowa, Minnesota), Administration officials (Block, Stockman) and bipartisan group of Senators, at which the Administration commits to implementing a farm credit package.

Senators Boren and Exon notify the Majority Leader of their intention to hold up any Senate action after February recess until action on farm credit.

February 6.—Secretary Block announces farm credit relief package, including interest write down provision.

February 11.—Senators Dole and Boschwitz meet with Federal bank regulators (FDIC, Federal Reserve System, Comptroller of the Currency, USDA, and Treasury Department) to discuss Administration revised plans and bank forebearance actions.

February 19.—Senators Boren and Exon begin filibuster on farm credit. Negotiations open with the Majority Leader and other Republicans.

February 22.—Bipartisan compromise reached with Administration, including:

Adequate loan guarantees to be made available to meet commercial bank demand under September initiative;

Adequate FmHA direct operating loans to be made available to meet demand in 1985;

Producer cash flow requirement under commercial write-down part of September initiative reduced from 110 percent to 100 percent.

Bipartisan compromise rejected by Democratic caucus.

February 23.—Letter of transmittal from Secretary Block revised. S. Res. 57 passes Senate 92 to 0 following unanimous consent agreement on farm credit amendments.

PROVISIONS OF SENSE OF SENATE RESOLUTION ON FARM CREDIT

1. Adequate loan guarantees will be made available under the September Debt Adjustment Program to meet demand by lending institutions to refinance farmers this spring.

2. The cash-flow requirement for farmers to be eligible for commercial loan restructuring under the Debt Adjustment Program is reduced from 110 percent to 100 percent.

3. Adequate credit will be made available under the Farmers Home Administration Insured (Direct) Operating Loan Program to meet demand in 1985.

4. The percentage of loan guaranteed under the interest concession option will be increased yearly to a maximum of 90 percent of principal.

5. Applications for FmHA loans and loan guarantees will be expedited (FmHA has announced that 1,000 additional loan officers are being reassigned to work on the current case backlog).

6. Action on loan application decisions by approved lenders will be required within 15 days; action on FmHA loan and loan guarantee requests will be processed within 60 days, to the fullest extent possible.

7. Federal and State regulatory agencies are encouraged to exercise restraint and forebearance in making adverse classifications with respect to agricultural loans.

Mr. DOLE. Mr. President, I believe that once it is understood we have a good package in place, we will not need anything else. The longer we talk about it, the longer we debate on the floor, the more somebody out there is going to be confused. They start thinking, "Maybe we are going to get a little better deal," or "Maybe we are not going to get a little better deal."

It is my view we have a good deal. If it is not a good deal, then we ought to change it. I have not heard anybody condemn it. I have heard people who do not understand it. I have heard it misrepresented by some. I have heard a lot of talk about a cap by some. I would say, very candidly, that part of that may be in response to whoever puts together the radio speech at the White House, who put in $650 million, but it did not say it was a cap. That was the program last September, which is a fact. That is not the program in February 1985.

I know my colleagues are well-intentioned. I have been on the Agriculture Committees as long as I have been in the Congress, 8 years in the House and 17 years in the Senate. I believe my record will reflect responsiveness to American agriculture, and I believe we have been responsive now. When we complete debate on this, I hope we can dispose of these amendments and move on to something else. The long-range farm program is what we ought to be addressing: How do we get a price for the American farmer? The

farmer may have to have credit, but he is never going to be any better off if he does not get a price. We are not going to get a price until we reduce the Federal deficit, until we moderate the strength of the dollar, which I think in turn will happen if we reduce the deficit; it will bring down interest rates. It will make people on the farm a lot happier.

Let me conclude, Mr. President, and then I will be happy to yield the floor.

If we pass all of the amendments that are going to be proposed—I guess they total two or three—we are going to see a lot of delay. I do not say it is going to be intended delay. It is just going to take some time for everything to go through conference. I am prepared to say the President would not sign a bill with this amendment on it.

I cannot make that flat statement. I should have said "I am prepared to guess" instead of "prepared to say."

Regulations and instructions to local offices would have to be issued to implement the new program and therefore would not realistically be operational until April, too late for many farmers.

All it does is confuse what we have in place. It seems we are always trying to change the programs all the time.

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

Mr. DOLE. I would like to complete my train of thought.

Lending institutions, not the farmers, would be the major beneficiaries of this amendment. The $100 million we are talking about in this amendment is new Federal spending, and we do not have any money. We have a $1.8 trillion debt, and the interest on that this year is $143 billion.

So we are talking about starting the year that way, after making speeches all last year about reducing the deficit. We are proposing to pass a new $100 million spending program. If that starts this year, it will never end. It will be one of those temporary programs that is so good and so attractive it keeps going up.

The $100 million of new Federal spending for interest buydown is unwarranted, given that we already have a pretty good program.

The provisions permitting a lender to write off principal or interest works to the lender's advantage as well as to the producer's. The Government would be forced to underwrite losses, with little or no change of repayment.

So I suggest that we already have a good program in place. Has the distinguished Senator from Illinois offered his amendment yet?

Mr. DIXON. No. I was going to discuss that when the majority leader yielded.

Mr. DOLE. I have said about all I wanted say. I have to go to Peoria a little later. I will say "Hello" to everybody for you.

Mr. DIXON. I say to the majority leader, first, that I understand that we cannot vote tonight because the distinguished majority leader is going to Peoria, in my State. He is well thought of in my State, and we are delighted and honored that he would visit us tonight, in one of the great cities in Illinois, where many people respect the contributions he has made, particularly in the Agriculture Committee, to which he referred a moment ago.

I just wanted to carry on a dialog with the majority leader. I appreciate everything he has said about what has been done. All of us who are involved in the discussions, entirely or partially, are truly appreciative of what the majority leader has done.

I think I have been very open about my position from the first moment we were together, the first day, in my discussions with the majority leader; my warm friend the chairman of the Agriculture Committee, who is on the floor; and my dear friend the Secretary of Agriculture who is from Illinois, not far by automobile from Peoria.

I have said to John Gordley, who I think the majority leader knows has been very close to my former legislative assistant, Scott Shearer—in fact, they car-pooled for some time—but I have the amendment here, which I have shown to Republican colleagues—the Senator from Iowa [Mr. GRASSLEY], the Senator from South Dakota [Mr. PRESSLER], and the Senator from North Dakota [Mr. ANDREWS]—who indicate their support for it. I will make it available to John Gordley in a moment.

It is the advance in the spring against what you would get in the fall, with a number of protective devices in the amendment. I say to the majority leader that I am prepared to discuss this amendment today.

Frankly, I do not want to offer the amendment, because there might be a little change or two that might attract some passerby in the Senate who is a little on the fence right now. This side is ready to vote. We appreciate that we have taken up considerable of the majority leader's time. I am delighted that he is going to Peoria tonight. I wish I could be there with him, because I know he will be a great success.

Mr. DOLE. I could check. There may be a seat open.

Mr. DIXON. We all appreciate the majority leader's concerns about having his folks here, but what would be the matter with voting on this sometime tomorrow, after we have all our discussion today? I know that the majority leader is not for this, but the majority leader must understand that on this side we are, and we want to have our opportunity for a vote. That was part of all the discussions.

The majority leader was very honorable in all our discussions, and our final understanding was with respect to the Zorinsky-Melcher amendment, and now we have the Dixon amendment, as it is commonly known.

Unless the Senator has some responsive amendments on his side, that is the end of the ball game. If you win, fine; and if we have the votes, OK. Then it is a question of whether it will pass the House of Representatives and whether the President will heed the request of my warm friend, the Secretary of Agriculture, whose letter I have seen in which he hopes the President will veto it.

That is the way in the Goverment functions. If the President wants to veto it, he will in time do so.

I do not see where we are gaining anything any more. There is no new light to be shed on this issue. My amendment is clearly understood by everybody on both sides, so far as I know. It has been thorougly discussed in the Democratic conferences, to the point where I have made experts on agricultural questions of several industrial urban State Senators.

So I wonder whether the majority leader is not tiring of it, too, and whether we might get this over sometime tomorrow. I have no particular time in mind. I do not want to hurry the majority leader back from Peoria, where he will find wonderful people, and I could recommend a nice place for breakfast, where the pork sausage is fresh every morning.

Mr. DOLE. I will be back tonight.

Mr. DIXON. What does the majority leader say?

Mr. DOLE. It is not just that I am going to Peoria. I do not want the world to stop because I am going to Peoria. But also have the entire Armed Services Committee meeting with the President now. That meeting will not conclude until after 5 o'clock. Then, I understand, there are some on both sides of the aisle who have to depart. Everyone is coming back tomorrow.

Obviously, we do not want to delay a vote, but it would be helpful if we knew precisely what the Senator from Illinois will propose. We already know what the Senator from Montana and the Senator from Nebraska propose.

Mr. DIXON. I say to the majority leader that my amendment does several things. It advances in the spring 50 percent of the basic crops you could obtain from CCC by going to the ASCS after the harvest in the fall. It covers wheat—is the majority leader listening?—corn, other feed grains, upland cotton—is the distinguished chairman of the Agriculture Committee listening?—tobacco, rice, peanuts, sugarcane, and sugar beets, and beans.

It provides that no farmer can obtain more than $50,000, or half, whichever is smaller.

It provides that the Secretary of Agriculture will issue the rules and regulations inside of 15 days, and it gives the farmer 30 days from enactment of the amendment or the bill itself, which would be the overriding bill, the Ethiopian relief bill, 30 days to sign up.

That is all it does, and there is nothing complicated about it. As the majority leader knows, it is an advance in the spring. There is nothing fancy or complicated about it, and everybody understands it.

I say, in all candor, that there will be differences of opinion, but that is true in this place or any other place we go.

I am the first to respect the leader's position, having been one myself at one time, in the State legislature. I understand his need to have his people here. Is there some time tommorrow, when all the Senators are here, that we can get it over with?

Mr. DOLE. That sounds much like a speech I made last week.

Mr. DIXON. That is where I got it. In fact I read it and just changed the name. [Laughter.]

Mr. DOLE. I thought it had a nice ring to it. [Laughter.]

In any event, let me assure the Senator from Illinois that we will try to dispose of—that means defeat—[laughter]—the Senator's amendment at the earliest possible time. If we cannot dispose of it, we will probably talk at length—but not because we have any quarrel with the Senator from Illinois.

Mr. DIXON. I understand.

Mr. DOLE. If we start talking about real numbers, USDA is going to be making a $2 billion advance in deficiency payments, including $1.7 billion for feed grains, which can be paid in April 1985; $700 million for cotton; and, $300 million for rice. Wheat producers received $1 billion in 1984 deficiency payments in December 1984.

In addition, considering the potential loan repayments in fiscal year 1986, it could raise CCC outlays. As I understand it, you can be a multimillionaire farmer and still get an advance. Is that correct?

Mr. DIXON. You can get an advance but not more than, I say to the majority leader, half of what you get at the harvest time or $50,000, whichever is smaller.

May I say to the majority leader what I say to the Secretary of Agriculture. It will cost you the same in the fall unless you are trying to get rid of some of these poor farmers in the spring so they cannot put in a crop.

Mr. DOLE. Well, it is pretty hard to say to the American farmer who is out there hanging by his fingernails that someone who has no problem at all should be able to borrow or get up to $50,000 at a low interest rate and just reinvest the money and make money.

So I think there are a number of things about this amendment we want to discuss. Hopefully we can do it tomorrow.

I know there are members of the Banking Committee here who would like to discuss the pending amendment. We have discovered what the Banking Committee has known right along. I think they wonder why all this talk about banking changes is going on among Agriculture Committee members and others when the Banking Committee has jurisdiction. And the Senator from Illinois is a member of that committee.

So I would ask my friend if he is willing to circulate his amendment——

Mr. DIXON. I have given it to John, standing right behind the majority leader.

Mr. DOLE. I will take it with me this evening, read it carefully, and I will be here late this evening.

Mr. DIXON. May I say to the majority leader I appreciate what he has said. I do not know there is any area of insuring that could be arrived at between the two sides on this. But may I say that I hope this Senator has achieved a reputation over a lifetime in public service which spans my entire adulthood of being a reasonable man who likes to enter into an accommodation if one is possible. So if there is an area of understanding between our side and his side, I would certainly want to take that to my friends on this side.

Otherwise, I would again say to the majority leader and again appreciating his circumstances, why do we not just vote at noon tomorrow on these two amendments? They are there; they are clear. Everyone has seen them. And you know it seems to me that no useful purpose is served beyond that unless the majority leader wants to candidly say "Look, we have a body missing," in which case the majority leader has the power to hold off until he is ready anyway.

I am talking quite openly and saying if the majority leader has all the bodies here, why do we not get it over with?

Mr. DOLE. There are a few bodies coming in this direction. One body is going up in space. We might get a live pair for that one.

I appreciate what the Senator is saying.

Mr. MELCHER. Mr. President, will the majority leader yield momentarily before he departs the Chamber?

Mr. DOLE. I am happy to yield momentarily, but I do need to catch an airplane.

Mr. MELCHER. I know the majority leader would not leave anyone in doubt on this point. But I hope I heard incorrectly.

The majority leader seemed to be saying that under the conditions set out by the Zorinsky amendment, modified by the amendment I offered, the Department of Agriculture would be forced into participating on loans that are not creditworthy; in other words, the discretion of the Department of Agriculture to determine whether or not the cash flow and the terms of the loan made the restructured loan a creditworthy vehicle. That discretion, I think, the majority leader understands, remains with the Secretary of Agriculture.

Mr. DOLE. As I understand the amendment, it does require the Secretary to use up to $100 million in fiscal year 1985 to offset one-half of any reduction in interest rates by commercial lenders. Is that correct? I cannot see the discretion in that.

Mr. MELCHER. It authorizes the Secretary of Agriculture that those loans that are restructured to the satisfaction of the Secretary, that amount of interest buydown or principal buydown is available.

Mr. DOLE. Why do we have to have a buydown? What good does it do the producer?

Mr. MELCHER. The lower interest rates, I might respond, is what is attractive to the producer. The sacrifice, I might respond, is on the part of the lender for half of any potential buydown.

Mr. DOLE. Right. Again, we are going into this debt restructuring. We are taking the loan as it is. We are going to restructure that loan and the Government is going to guarantee 90 percent of it. It seems to me that is going to be of tremendous benefit, and it is not going to be capped at $650 million. That is going to be a big shot in the arm all across the area where we are having difficulty, as the Senator knows.

Mr. MELCHER. I might respond that without the interest reduction there is not a whole lot of goodies as far as the farmer is concerned. If he is paying 15 percent, he wants to see that interest rate reduced. This requires, before the Secretary of Agriculture will enter into the matching of that buydown of interest, the bank or the PCA must advance a like amount, and that is, I think, a very pertinent point that cannot be lost in our debate here nor by some stretch of the imagination because of a debate on reading the record that the Secretary of Agriculture does not anticipate that and borrowers do not know about it.

I know the majority leader would not want to create that impression.

Mr. DOLE. Whatever impression I created, I want to leave one: I think it is a bad amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I thank you very much.

I wish to return this discussion and the debate to the amendment which is

before us, the amendment introduced by the distinguished Senator from Nebraska. I associate myself with most or all of the comments of the distinguished majority leader with respect to the general lack of desirability of that amendment.

I wish, however, at this point to focus my comments on one specific subsection of the so-called Zorinsky amendment because it has wide implications for the future of bank supervision and examination.

Section 207(b) of the amendment reads, in part, as follows:

> Notwithstanding any other provision of law . . . Federal bank regulatory agencies shall ensure that examiners in carrying out their duties exercise caution and restraint in making adverse classifications with respect to agricultural loans.

This amendment goes to the heart of the bank examination process which has permitted both the prosperous operation of banks and the public confidence in our banking institutions which is necessary to their survival. So in a discussion of what amounts to a profound change at least in this limited field, we must start our inquiry with a determination of the purpose of bank examinations.

In that respect, I should like to quote from the Federal Deposit Insurance Corporation's Manual of Examination Policies, and I do so:

> Although many answers to this question [i.e., the question of the purpose of bank examination] could be given, several fundamental reasons can be identified. The first relates to the maintenance of public confidence in the integrity of the banking system and in individual banks. Such confidence is clearly essential because the system's customers serve as the source of funding, without which banks would be unable to meet their most fundamental objective of providing financial services. The existence of unhealthy or deteriorating conditions, which may threaten this integrity, should be disclosed through the examiner's evaluation of the bank's capital adequacy, asset quality, management, liquidity position, and earnings capacity. Second, the periodic on-premise examination provides the best means of determining the bank's adherence to laws and regulations. Compliance with statutory and regulatory requirements has traditionally been given high priority by bank supervisors, and this posture has frequently been reaffirmed by Congress. A third response to the question concerns the role examinations play in protecting the financial integrity of the deposit insurance fund. That is, the examination process can help prevent problem situations from remaining uncorrected and deteriorating to the point where costly financial assistance by the Corporation, or even a payoff of depositors, becomes unavoidable. Finally, the examination supplies the supervisor with an understanding of the nature, relative seriousness and ultimate cause of a bank's problems, and thus provides a factual foundation to soundly base corrective measures, recommendations and instructions. The examination thus plays a very key role in the supervisory process itself.

For the purpose of discussing this amendment, of course, it is the first of those answers, those fundamental reasons, which is particularly vital: confidence in the integrity of the banking system and in individual banks. The proposal contained in the Zorinsky amendment is simply inconsistent with that fundamental purpose of bank examination.

The amendment is inconsistent with those purposes and would prevent regulatory agencies wisely designed to preserve confidence in banking and the security of the banking system from properly carrying out their tasks for at least the following reasons: These regulatory agencies are charged with preserving the safety and soundness of the financial system. That responsibility requires that they accurately report the condition of all financial institutions and the loans in those financial institutions which have a distinct possibility of not being repaid in full; in effect, the regulatory agencies are essentially the messenger and reporter of actual conditions within the financial services industry. And this amendment attacks the reporter instead of the source or the cause of the distress.

The proposition is as ancient as recorded history, that we often kill the messenger bringing bad tidings rather than to deal with the substance of those bad tidings itself. This is a case in which we must deal with substance and not disguise or hide the message.

Finally, of course, thousands of highly professional examining staff members would view any such legislation as a political directive that they should not do their job.

Next, Mr. President, in addition to being a violation of the principles of bank examination, principles designed to secure our financial services business, this proposal is in the long-run and probably in the short-run as well of real benefit neither to banks nor to farmers. Certainly, it has nothing to do with the problems of agriculture itself. If regulatory agencies do not adversely classify a loan, that failure to act does not change the loan's inherent strengths or weaknesses, and does nothing to aid the borrower. Lenders, not these regulatory agenices, make the credit decision, decisions as to who receives the loan, what its amount will be, how long the borrower has to repay, what collateral will be required and the like.

Regulatory agencies do not tell bankers how to handle a particular credit once it is classified. They do not tell the bank to foreclose. These are decisions which bank management makes. To emphasize, once again the failure to classify a questionable loan as a questionable loan does not remove the question. It does not strengthen either the borrower or the lending bank.

Parenthetically, Mr. President, even apart from these points, this legislation would have all kinds of practical difficulties in ensuring any kind of consistency in application, even with respect to agricultural loans; in determining compliance, both with the requirements of the amendment itself and with the more general statutes relating to bank examinations; and of course, in evaluating the results of any such change in policy or of the performance of the banks in question.

Mr. President, it is vitally important that we maintain the integrity of the examination and supervision policies which stand at the heart of our bank regulation system. Tampering with the process is unwise at any time, but is particularly so when we do in fact face a situation in which there are questions about the status and security of a regrettable number of our financial institutions.

It is at exactly times such as this that it is most important that we have objective bank regulation standards and objective examinations. The last thing in the world this Congress should wish to do now is to send a signal to private markets that we are going to weaken the bank examinations or bank supervision. It will be of aid and assistance to no one whatsoever. This proposal should be rejected along, I suspect, with the entire amendment to which it is attached.

Mr. President, I speak on this narrow ground on behalf of myself, and the distinguished chairman of the Senate Committee on Banking, Housing, and Urban Affairs. While this is a relatively minor part of the Zorinsky amendment, at least in length, it is illustrative of the very, very difficult problems that we can cause by an approach to a complicated problem which does not consider all its possible implications in advance.

If there are to be any changes in the standards of bank examinations, those changes should be only made after long and careful consideration both by the Banking Committee itself an on this floor, and not as an incidental add-on to an instantaneous reaction to a problem which is probably not helped by the entire amendment, but which is certainly hurt by this portion of it.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I respectfully appreciate the comments just made by the Senator from Washington. I have a great deal of admiration for his expertise in the field, and I know that he gives his reasoning with restraint and comity.

It is apparent that there is a credit crisis involved without the loan guarantees and their availability to banks in the manner that they could use them.

We are advised conservatively that some 1,300 banks have a real problem. I do not anticipate that no action would mean that number of banks by any stretch of the imagination would fail. But certainly a portion of those more than a thousand banks that have a portfolio with sufficient agricultural loans in jeopardy demand that Congress respond and respond quickly. The package that we have before us is the one, after careful consideration over the past several months in review of the availability of loan guarantees, that the Independent Bankers Association has recommended. We go one step contrary to their recommendation. Their druthers are that we would not require the matching of the interest or principal debt reduction. We do, however, do that because we believe there should be some sacrifice by the lending institutions, and with the exception of that which is indeed a sacrifice on their part, their participation assures when they do participate in the loan guarantee that they do make a sacrifice. Aside from that, all the rest of the features of the amendments before us are those strongly adhered to, and recommended by the American Independent Bankers Association.

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

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

Mr. BYRD. Mr. President, it is my hope that we can begin to close the debate on the pending amendments and bring these matters to a vote.

As I indicate on yesterday to the distinguished majority leader, and as I indicated again today, we on this side of the aisle are ready to vote.

The farmers need to know now whether they will get the kind of help they need to see them through spring planting. Without that planting, they may as well close up shop.

We heard yesterday that the Zorinsky amendment was a "big bank bailout." A short time ago we heard that the Melcher amendment was still a bailout for the little banks. We are not talking about bailing out banks. We are talking about saving the rural economy—farmers, bankers, small business, and the thousands of jobs that are at stake.

The survival of the farmer is intertwined with that of the banks and the rural economy in general. The Melcher amendment is a responsible attempt to meet the crisis in the farm economy and I would hope that we could vote on that amendment and the underlying Zorinsky amendment soon.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to exceed the hour of 5:30, with statements limited therein to 5 minutes each.

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

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

NEW ZEALAND-UNITED STATES RELATIONS

Mr. COHEN. Mr. President, 2 weeks ago I introduced a Senate resolution concerning the state and future of relations between the United States and New Zealand.

Since that time, my colleagues from both sides of the aisle have shown strong support for this resolution and the message it expresses. Today I am adding to the growing list of cosponsors the names of Senators BIDEN, NUNN, GLENN, EVANS, TRIBLE, CHILES, ZORINSKY, DIXON, JOHNSTON, DENTON, HECHT, HELMS, KASTEN, MCCLURE, DOMENICI, ROTH, EAST, and NICKLES.

This brings to 46 the number of cosponsors of this resolution, and I anticipate that additional cosponsors will join in the coming days.

Because the resolution has attracted such strong bipartisan support and is likely to be acted upon by the administration, I believe that it is important that the people of both the United States and New Zealand understand exactly what the resolution says—and what it does not say. I wish to take this opportunity to dispel several incorrect nations concerning this issue and this resolution which unfortunately have arisen.

Some have said that the cosponsors of this resolution are attempting to interfere with the democratic processes of New Zealand. This is not the case. We respect the right of the duly elected government of New Zealand to make sovereign decision on matters such as these.

Decisions, however, have consequences. In this case, those consequences affect the United States. It is certainly the right—and in fact the duty—of Members of the U.S. Senate to express themselves on the implications of New Zealand's decision to alter its relationship with the United States.

If New Zealand chooses to grossly impair the functioning of the ANZUS alliance, then it must recognize the strains its actions place on United States-New Zealand relations and on the viability of the alliance. If New Zealand chooses to violate its obligations under the GATT subsidies code, then it is choosing to forego the benefits provided by the code. We do not attempt to interfere with New Zealand's making its own decisions, but we should not participate in the illusion that those decisions are inconsequential.

This resolution simply calls on the President to recognize the practical realities of the new situation created by the New Zealand Government.

It is argued by some that the New Zealand Government's actions need not alter United States-New Zealand relations if we would only denuclearize ANZUS into a conventional alliance. This seems to be an attempt to avoid facing the diffcult ramifications of a difficult decision.

ANZUS is an alliance among three nations—not between Australia, New Zealand, and some small portion of the U.S. Navy, as the New Zealand Government would seem to portray it. This argument is even less tenuous since New Zealand's policy effectively bars visits by all U.S. Navy ships. An alliance of seafaring nations which bars free naval cooperation rings rather hollow.

Since the viability of ANZUS, our only alliance in the South Pacific is in doubt, I believe it is only prudent to explore with Australia the possible need for expanding our bilateral security cooperation. The resolution calls on the President to explore the desirability and feasibility of a bilateral security treaty. It may be the case that the appropriate level of bilateral security cooperation can be established without a formal bilateral treaty. But we will not determine this without discussions with Australia, which is what the resolution calls for.

The provisions of this resolution have unfortunately been mischaracterized as sanctions or an attempt to punish New Zealand. Let me repeat, this resolution simply calls on the President to recognize some of the practical and predictable implications of New Zealand's decision to alter the relationship between our two nations.

In the past, New Zealand has enjoyed special consideration from the United States in matters of trade. This special consideration has been justified as appropriate given our close, cooperative alliance relationship. By calling into question that relationship—as New Zealand has—the basis of this special consideration is necessarily called into question as well.

Recently, New Zealand has asked the United States to grant it a favor on a particular trade matter, which I shall explain shortly. Under the previous relationship between our countries, this might have raised few questions. In view of New Zealand's recent actions, however, the appropriateness of extending to that nation preferential treatment is certainly doubtful; in

my judgment. I shall repeat the specifics of this particular trade matter in the hope that this will dissipate the incorrect notion that it constitutes some sort of sanction.

When New Zealand became a signatory of the GATT subsidies code in 1981, it agreed to completely phase out its export subsidies by March 31, 1985, the end of next month. As a signatory of the code, the United States agreed to require a showing of injury by domestic petitioners during any countervailing duty investigation on these subsidized New Zealand exports. Under the injury test requirement, domestic petitioners must show not only that New Zealand is subsidizing these exports, but also that these subsidies have resulted in injury to domestic producers.

Let me tell you, Mr. President, as a practical matter, trying to establish a causal connection between a subsidy and ultimate injury is extremely difficult under our trade laws.

It is my understanding that New Zealand has decided to not phase out its subsidies by the March 31 deadline and thus will be in noncompliance with the code after that date. I also understand that New Zealand has requested that the United States retain the injury-test requirement for subsidized New Zealand exports. We, of course, are under no obligation to continue extending to New Zealand the benefit of the injury test after that nation violates the subsidies code.

As I have noted, in the past, we did not treat trade matters with New Zealand simply as trade matters. Rather, we gave that nation special consideration because of our close, cooperative alliance relationship. Under those circumstances, we might have granted this request, in keeping with this special consideration. The New Zealand Government, however, has chosen to call into question the cooperative alliance relationship which was the basis for that special consideration. If we are to respect the New Zealand Government's decision, we cannot pretend that this is not the case.

My contacts with the administration lead me to believe that were we to approach this matter solely from a trade perspective, we probably would not grant this New Zealand request.

This resolution simply calls on the President, under the present circumstances, to not grant this request. Far from being a sanction, this recommended step recognizes the right of the New Zealand Government to determine what form its relations with the United States will take. Those who insist on mischaracterizing this as a sanction apparently believe that New Zealand does not have the right or ability to make decisions with awareness and acceptance of the ramifications of those decisions.

In my view, it would be in the best interests of the ANZUS nations to return to the situation of a few months ago, when the ANZUS alliance and United States-New Zealand relations were in good health. It is my sincere hope that the present impasse can be resolved in a manner acceptable to both Governments. Indeed, the first recommendation of the resolution is that the President continue discussions with the New Zealand Government to achieve this. Such an outcome would not only serve the interests of our two nations and Australia, but also, though strengthening the democratic alliance, contribute to efforts for genuine and durable arms reduction accords.

I believe that this resolution, which was offered in this spirit, can contribute toward achieving this objective which I believe is shared by both nations.

In closing, Mr. President, let me repeat that if, in fact, New Zealand gains the benefit of our protection through the support of the American taxpayer and if, in fact, New Zealand shares in the benefit of having access to free and open seas, thereby prospering as a free and open society, it cannot take action which undermines the ability to help deter conflict, to help protect those sealanes, and to help protect the benefits of a free and prosperous economy and expect the United States to simply turn and look the other way.

I simply call to the attention of my colleagues that when nations such as New Zealand undertake to act in a neutral manner, they should not expect preferential treatment at the hands of either the administration or the U.S. Congress.

I thank the Chair.

Mr. SIMPSON. Mr. President, I thank the Senator from Maine. I have joined him as a cosponsor on that measure, and I appreciate the attention he has given to it. It is very helpful, indeed.

TRIBUTE TO KEITH MAINLAND

Mr. HATFIELD. Mr. President, I rise today to pay tribute to the clerk and staff director of the House Appropriations Committee, Keith F. Mainland, who will be retiring soon from Government service.

The position of clerk of the House Committee on Appropriations is something of an institution. The title itself dates from the earliest days of staff presence in Congress, when "clerks" were hired to keep minutes of committee meetings. And it is worth noting that Mr. Mainland is only the eighth clerk of the House Appropriations Committee in its 120-year history.

Keith first came to Congress to serve on the House Appropriations Committee in 1962, and after 4 years on the Independent Agencies Subcommittee, served for 6 years on the staff of Representative George Mahon of Texas. Since 1972, he has been the clerk and staff director of the committee.

Mr. President I have had the pleasure of serving as chairman of this body's Appropriations Committee since 1981. One of the great rewards of that experience has been the working relationship I have enjoyed with Representative JAMIE WHITTEN, chairman of House Appropriations, Representative SILVIO CONTE, the ranking minority member, and their staff. The professional staff of the House Appropriations Committee is a very able group of men and women with whom I have been proud to work, and no one better exemplifies the professionalism and capability of that staff than Keith Mainland. True to his "semper fi" tradition as a U.S. marine, he has always been faithful to his chairman, his committee, the House, and the appropriations process. He has always been honest, forthright, and nonpartisan in a way that we all appreciate but all too rarely experience.

I am sure all the members and staff of the Senate Appropriations Committee join me in heartily thanking Keith Mainland for his contribution to the work of the Congress, and wishing him success in future endeavors and good luck in his fishing.

ESTONIAN INDEPENDENCE DAY

Mr. THURMOND. Mr. President, I am pleased once again to participate in the Senate's commemoration of Estonian Independence Day.

This month marks the 67th anniversary of the establishment of the Republic of Estonia. The country's unlawful incorporation by force into the U.S.S.R. in 1940 has never been, nor should it ever be, recognized by the United States. We uphold the right of Estonians, like all peoples of the world, to determine their own national destiny.

Despite almost 45 years of Soviet subjugation, the courageous Estonian people continue to display an indomitable spirit which, I am confident, will one day set them free. Today, we rise to pay tribute to Estonia and remind its people that the United States has not forgotten, nor will it ignore, the political injustice, religious persecution, economic exploitation, and cultural deprivation they continue to suffer at the hands of an oppressive Soviet Government and military.

Mr. President, I sincerely pray that one day soon the people of Estonia will regain their independence and begin anew to enjoy the freedom they so rightfully deserve.

JAPANESE TRADE

Mr. BAUCUS. Mr. President, I rise to applaud Commerce Secretary Baldrige's decision not to send Under Secretary Olmer to Japan until the Japanese are willing to get down to serious negotiations.

Yesterday I met informally with Secretary Baldrige. He told me of his dismay when Japan's Vice Minister of Posts and Telegraphs told him they wished to discuss again the basic theory and framework instead of specific issues—in direct contradiction of the original schedule.

Secretary Baldrige is a straight-shooting and dedicated public servant; he is not constrained by rigid ideology. But he is also frustrated—frustrated by the lack of straight talk by his Japanese counterparts.

Mr. President, I have visited Japan three times. I have met with their businessmen and their farmers. I have met and talked with Government officials.

In my State of Montana, we care a great deal about the United States-Japanese relationship; Mike Mansfield provides a special emotional tie for us. I have a great deal of respect for the Japanese. And I have come to believe that their respect for us depends on our willingness to be tough, on our willingness to see past polite words to actions. It is only when the Japanese negotiators see we are prepared to insist on results that talks will bear fruit.

And so I commend Secretary Baldrige's decision. He correctly sensed that the Japanese Vice Minister's attempt to delay the substantive talks was the beginning of an old ploy: Prevent any serious concessions by discussing the framework while time passes and the deadline approaches. The Secretary wisely decided to stop this game before it could begin.

Mr. President, we in Montana have a special interest in the forest products negotiations currently proceeding in Tokyo. I am glad they are going forward, but I note they have run up against the Japanese insistence on protection.

It would, however, be a mistake for anyone to think that I or my constituents care only about forest products. I—and others in this body—are watching for progress in all areas under discussion.

The Japanese cannot have it both ways. They cannot expect the United States to permit Japanese companies to certify their products as meeting our standards while Japan does not permit U.S. companies to certify their products meet Japanese standards.

When AT&T broke up, Japanese telecommunications exports to the United States jumped from $600 million to $2 billion. We expect the right to compete in their market as well, yet they use licensing and other nontariff barriers to keep our sales at $300 million.

Mr. President, I'm sure my colleagues join me in supporting Secretary Baldrige's decision. He is walking a fine line: Making it clear we hope to resume real talks, but refusing to engage in phony ones.

Although this approach heightens trade tensions, it seems to be the only approach that will result in significantly increased sales for U.S. exporters.

THE INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT

Mrs. HAWKINS. Mr. President, on February 14, 1985, the State Department released a document which addresses a very important aspect of our Nation's continued efforts to stamp out illegal narcotics. The "International Narcotics Control Strategy Report" is, in effect, a "report card" of illicit drug eradication efforts worldwide.

The report is a major component of the diplomacy against drugs amendment, which would cut off U.S. aid to foreign nations that do not take steps to eliminate their illicit drug crops.

In this report, detailed information is provided on the drug-production of every major nation where drugs are grown. The disturbing news that the marijuana, coca, and opium poppy crops were larger in 1984 than in the year before is also revealed in this document.

The United States currently has diplomatic relations with 10 of the 13 major drug producing nations, and in seven of those countries, drug crops increased in the last year. All seven of these nations receive U.S. aid.

That is why I introduced and gained enactment of the diplomacy-against-drugs amendment. I realized we were wasting a potentially important weapon in the war against drugs. The diplomatic leverage supplied by calling for a cut off of foreign to any nation refusing to take steps to cut its illegal narcotic production is a necessary legal tool.

This is illustrated in the example of Colombia. The report delineates that efforts made by this brave nation, formerly the primary producer of both marijuana and coca, to eradicate its drug crops. As a result of Colombia's self-declared "War Without Quarter," their marijuana crop has been reduced by one-third. Colombia continues to make inroads in reducing its narcotics production, accompained by the sustained aid and support of the U.S. Government.

An unfortunate fallout of the crackdown of the Colombian Government on drug production is the flight of drug traffickers to other South and Central American nations. As revealed in this report, for example, Ecuador was discovered to have become a major coca producing nation. This is a great surprise, since in the last State Department report of this kind Ecuador was seen as having no "significant coca or cannabis cultivation." The new report indicates that Ecuadorean drug-enforcement officials have discovered in the past year 2,500 to 7,500 acres of coca bushes, making this nation the world's third largest producer. Peru and Brazil are reported as having also increased their coca and marijuana production, and Bolivia is condemned in the State Department report for not having eradicated a "single coca plant." Despite large-scale assistance from the United States, the report describes Bolivia as a major disappointment. Jamaica was also singled out in this document as a nation not making sufficient eradication efforts; and Belize was newly classified as one of the world's largest marijuana producers.

In Asia, promises made to the United States by officials of the Thai Government have begun to pay off, and the same situation is true for Pakistan. Though modest reductions were, in fact, seen in both countries, determination has been displayed by Government authorities of both countries to achieve substantial results in eradication efforts.

Mr. President, as we continue in our efforts to achieve the eradication of drug abuse in our Nation, we can see that the diplomacy against drug amendment is something that could break the vicious cycle of foreign drug production, and domestic drug consumption. The example of Bolivia can attest to the logic of this. Between 1981 and 1983, Bolivia received $105.4 million in foreign aid from the United States. During that same time, this nation inundated America with between 80 to 100 metric tons of cocaine. This situation, unfortunately, has not significantly changed. The results of this report should be viewed by Bolivia as a warning: Cut off your drug production, or the United States will cut off its aid. It is as simple as that, Mr. President, and continued such implementation of the diplomacy against drugs amendment will guarantee its success. Mr. President, I ask unanimous consent that the attached article from the New York Times, entitled, "Drug Crops Are Up In Export Nations," dated February 14, 1985, be inserted in the RECORD.

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

[From the New York Times, Feb. 15, 1985]

DRUG CROPS ARE UP IN EXPORT NATIONS, STATE DEPARTMENT SAYS

(By Joel Brinkley)

WASHINGTON.—The State Department's annual report on worldwide narcotics production shows that in most of the major

drug-producing countries, marijuana, coca and opium-poppy crops were larger in 1984 than the year before.

The report, issued today, takes on added significance this year because of a new law that says President Reagan must cut off foreign aid to countries that in his view have not made adequate progress in reducing such crops.

The United States has diplomatic relations with 10 of the 13 known major drug-producing countries, and in seven of those countries narcotic crops increased in the last year. All seven receive United States aid.

COCA OUTPUT UP A THIRD

The production of coca, used to make cocaine, grew by more than one-third over all in the three traditional coca-growing countries: Bolivia, Peru and Colombia. In addition, the State Department said it had discovered a fourth major coca-producing country, Ecuador.

At the same time, worldwide production of opium, used to make heroin, and marijuana declined slightly, even though most of the countries producing those drugs had crops as large or larger than in 1983.

GOALS SET FOR 6 COUNTRIES

The world's opium crop dropped by about 11 percent because of poor weather in Afghanistan, which severely reduced the harvest. The marijuana crop also fell by about 11 percent as a result of what the Government called the most significant achievement in drug enforcement last year, Colombia's war on drug trafficking.

Colombia, the world's largest producer of marijuana for export to the United States, eradicated as much as one-third of its marijuana crop last year. At the same time, its coca crop increased slightly.

In last year's report, the first under the new law, the State Department set reduction goals for six countries, as the law requires. Four countries failed to meet their goals while a fifth, Colombia, met the target for one crop but not for the other. The new report sets goals for all the countries.

Senator Paula Hawkins, the Florida Republican who was the principal sponsor of the new law, said today, "I am going to put a hold on the aid to all the countries that have not made progress."

Representative Charles B. Rangel, the New York Democrat who sponsored the bill in the House, called the report "blatantly honest" and called on President Reagan "to take a leadership position" on the foreign aid question.

BOLIVIA IS CONDEMNED

A senior White House official said it was unlikely that the Administration would propose eliminating aid. But he also said, "If after careful consideration it was considered advisable for a given country, you would have support for it here."

The Government's praise for Colombia in the new report was in marked contrast to the descriptions of the year's drug-enforcement efforts in most of the other major drug-producing nations, where the appraisals ranged from neutral to cold condemnation.

Bolivia, the second-largest producer of coca leaf, came in for the harshest criticism. That country's failure to eradicate a single coca plant, despite large-scale assistance from the United States, was "a major disappointment," the report said.

In Jamaica, the third largest known marijuana producer, the crop remained stable and the Jamaican Government failed to offer any assurance that it would be reduced in the year ahead. The report said Jamaica "must soon undertake a more vigorous campaign."

Mrs. Hawkins said Bolivia and Jamaica topped her list of countries where she will urge that aid be reduced or eliminated if significant progress is not made before the new foreign aid legislation is approved, later this year.

Representative Dante B. Fascell, the Florida Democrat who is chairman of the Foreign Affairs Committee, which has jurisdiction over foreign aid legislation, said after reviewing the report today: "The trend is clearly up on cocaine and at best we are holding our own on marijuana. The bottom line is that, despite some encouraging developments, particularly in Colombia, the war is being lost."

He did not offer an opinion on how foreign aid requests would fare in his committee.

The report does not offer any recommendations on the aid question either, but it does provide this general assessment of the worth of foreign aid as a bargaining agent: "Economic and other non-narcotic assistance does affect positively each recipient's disposition to cooperate with the United States in achieving significant progress in illicit drug control."

To Mrs. Hawkins, the biggest surprise in the report was Ecuador. Last year's report said, "There is no evidence of significant coca or cannabis cultivation within the country." But in the last year, the new report said, Ecuadorean officials have found 2,500 to 7,500 acres of coca bushes.

OUTPUT HARD TO MEASURE

Some of the bushes are 12 feet tall, three times as tall as the average coca bush in other countries. Although the estimations are "extremely tentative," the report said, Ecuador could be producing as much as 15,000 tons of coca leaf. That would make it the world's third largest producer. A more thorough assessment is expected soon, a State Department official said.

The discovery in Ecuador underscores a problem with this report and others: Since drug production is an illegal, clandestine enterprise, it is exceedingly difficult to measure its extent. The new report, like the earlier one, says "much of the production data in this report should be considered preliminary, some even speculative," especially the estimates of coca production.

In Peru, for example, even though the State Department settled on a figure, the report acknowledges that estimates of acres under coca cultivation range from 125,000 to 450,000.

Numerous other countries not dealt with in detail in the report are believed to be major drug producers. Most of them have never been surveyed, and it is not known how much of their crops is exported to the United States.

In Brazil, for example, "marijuana cultivation is relatively widespread" and coca has become "a new cash crop," the report said.

The Venezuelan National Guard recently found and destroyed more than 7,500 acres of marijuana, the report added, and significant marijuana cultivation has also been found in Costa Rica, Panama, Indonesia, Laos, the Philippines, India, Morocco, Lebanon and Nigeria.

"Worldwide illicit production of illicit opium, coca leaf and cannabis is many times the amount currently consumed" by the world's drug users, the report said.

The supply "is so great, and trafficking channels to the United States so diverse," it concluded, "that interdiction and eradication, when achieved in only one or two producing areas," will at best cause a temporary setback for the world's drug traffickers.

BELIZE

So much marijuana was being grown in Belize last year, and so little of it was eradicated, that the State Department now includes the tiny Central American country among the major marijuana producers.

In 1983, Belize produced about 700 tons of marijuana but the government eradicated almost all of it, leaving only about 35 tons for export, the report said.

But in 1984 "marijuana became increasingly generalized throughout the country," the report said, and "growers have become increasingly sophisticated." They are now irrigating and fertilizing their marijuana crops, and acreage planted in marijuana doubled last year.

The report put annual production at just over 1,000 tons. About 85 percent of that is believed to be exported to the United States, making Belize the fourth largest supplier of marijuana to this country. Last year it was not even ranked.

The State Department, in consultation with the Belizean Government, set an ambitious target last year. The strategy report said "the Belizeans have already proven that, with assistance, up to 95 percent of its cultivation can be destroyed," adding that "the Belizeans are expected to take similar action" in 1984. Belize did not meet its target.

United States aid to Belize is not high in comparison with other countries in the region. But with only about 150,000 residents, Belize receives more American aid per capita than almost any other country.

BOLIVIA

Bolivia is the only nation that has lost United States aid largely because of its failure to fight drug trafficking. The aid was cut off in 1980, during the Carter Administration, but was resumed in 1983 after a change in government in La Paz.

But Bolivia has failed to make even the smallest dent in coca production, drug enforcement officials say. And if any nation is in jeopardy of losing American aid, the officials say, Bolivia is it.

In August 1983 Boliva signed agreements with the United States to begin eradicating the coca bushes that flourish in several jungle regions. Coca has been grown in Boliva for centuries; Bolivian Indians chew it. But in the last few years, as cocaine abuse in the United States has multiplied, the coca cultivation has doubled and redoubled and doubled again.

Last August, the Bolivian Government sent the army into the Chaparé region, where up to one-third of the world's coca leaf grows. The army was to restore order so coca eradication could begin. But to date, the State Department said, the Bolivians have not pulled up a single plant.

Bolivia's Government and economy are in turmoil and Bolivian officials say the drug enforcement program is partly to blame. Coca, they say, has become Bolivia's most important foreign exchange commodity.

Just after the army marched into the Chaparé region, the value of the Bolivian peso fell from 2,000 to the dollar to 5,000 in one day. Since then, inflation has worsened. Last week the Bolivian Government announced that the peso's exchange rate was now 50,000 to the dollar.

The State Department's 1984 report set Bolivia's eradication target at 5,000 to

10,000 acres last year, a goal the Bolivians did not meet.

BURMA

United States officials are accustomed to saying they have nothing good to report from Burma, the world's largest producer of opium poppies. But the new report says, "Very significant developments occurred in 1984."

The size of the opium-poppy crop continued to increase, by about 5 percent last year. But for the first time the Government said it would begin testing equipment for aerial spraying of opium plants with herbicides.

Senior Burmese Government officials came to the United States to discuss drug enforcement last year and the report said the visit was "very successful." The visit was unusual; Burma does not often seek outside advice.

"While precise timetables for progressive elimination of opium production in Burma are not projected," the report said, the United States is optimistic, for the first time.

Burma's problem is that most of the opium-growing regions are controlled by rebel armies. These armies once had political objectives but are now believed to be dedicated for the most part to drug trafficking, State Department officials said.

The Burmese Government has not been able to seize control of much of the rebel territory, but officials there are hoping they can begin spraying some of the farms from the air.

Last year's report said no opium-poppy reductions could be expected. This year the State Department, in consultation with the Burmese, has set as a target a 20 percent reduction in opium production.

COLOMBIA

Colombia was the single most significant success story in worldwide drug enforcement last year. Still, the assessment is far from uniformly positive.

Despite increasing violence, including assassinations, the Colombian Government began eradicating its huge marijuana crop, reducing it by one-third, according to estimates by the United States and Colombia.

The reduction was large enough that the State Department's estimate of marijuana production among countries that export to the United States dropped for the first time in years.

Colombia also extradited four drug traffickers to the United States last month, an action applauded by American officials.

Colombia still remains the largest marijuana producer, supplying more than half the imported marijuana consumed in the United States. It is also the third largest coca producer among those surveyed and it is the largest manufacturer of refined cocaine.

In addition, the Government found several experimental opium poppy farms last year, and the State Department said opium poppy cultivation was expected to continue, though not on a large scale.

The Government also seized 500,000 dosage units of methaqualone, used to make Quaaludes. Colombia had been the world's largest producer of illicit methaqualone, but production had declined significantly since 1982. The State Department called the latest raid an anomaly.

Coca production increased marginally last year, but the Government said it would begin large-scale coca eradication this year.

Last year's target for coca reduction was about 600 metric tons. The Colombians exceeded that, eradicating 1,920 tons, the State Department said. Still, because of new plantings, overall coca production increased.

The Colombians exceeded their marijuana target, too. The goal was 1874 metric tons, and 10,000 were eradicated, resulting in the overall decline in marijuana production.

JAMAICA

Jamaica, the third-largest marijuana producer, made no promises to reduce its marijuana crop last year and almost none was eradicated, the State Department reported. Production remained stable.

Again this year, the report said, "the Jamaican Government has not set any targets or timetables with regard to cannabis eradication."

Jamaica remains one of the few major drug-producing nations that has no drug-eradication agreement with the United States. As a result, the United States offers little drug-enforcement aid.

For Reagan Administration officials, Jamaica presents a quandary. The nation is a cornerstone of the Reagan Administration's Caribbean Basin Initiative, designed to foster democracy and economic growth among the poor nations of the region. Under that initiative, the island receives large-scale American aid.

The report said, "Jamaica must soon undertake a more vigorous campaign to eradicate narcotic crops." But if Jamaica does not, it is unclear what the United States might do.

Under the Government of Prime Minister Michael N. Manley, Jamaica became increasingly friendly with Cuba. But that association ended in 1980 with the election of Prime Minister Edward P.G. Seaga.

Jamaica is now a close American ally, and United States officials are afraid that harsh sanctions over the marijuana problem might drive Jamaica back toward Cuba.

A senior Administrator official said: "What can we do with Jamaica? I don't know."

Mexico "continues to maintain its dual position as a major supplier of heroin to the United States and a significant producer of marijuana," the report said. The size of the opium and marijuana crops continued to increase last year despite large seizures of both crops.

As in previous years, Government corruption was a major problem, drug enforcement officials said. The report also said drug production and distribution "is facilitated by Mexican Mafia-type organizations" that work with "corresponding groups in the principal U.S. cities."

In addition, the report said that the traffickers had developed "institutions that wield economic as well as political power," adding that "drug traffickers have attained at least the potential to become a potent political entity in Mexican affairs."

Mexican authorities conducted the largest drug raid in history last fall when they raided several plantations and seized 10,000 tons of marijuana plants. That was eight times more marijuana than American officials had believed was produced in all of Mexico in a year.

Since the raid, American officials have scaled down their estimate of how much saleable marijuana was seized, saying the 10,000 tons of plants may have produced only 2,400 tons of marijuana. But Mexican Government estimates are higher.

Regardless, the United States Drug Enforcement Administration says up to 2,000 tons of marijuana from those plantations had already been smuggled into the United States when the farms were raided. Last year's estimate of total marijuana production for Mexico had been 1,300 tons.

Mexican authorities now say they have no idea how much marijuana is being grown.

No eradication targets were set for Mexico last year. The Mexican Government said it would destroy any marijuana or opium it found, and it repeated that promise this year.

PAKISTAN

Opium production declined slightly in Pakistan last year and the crop, at about 45 metric tons, is small in comparison with those of Pakistan's neighbors, Afghanistan and Iran.

Still, the report said, "despite declining opium production, Pakistan remains very much a factor in the production of heroin exported to the United States."

Its northern neighbor, Afghanistan, produced 140 to 180 tons of opium last year—a significant drop due largely to poor weather—and Iran produced about 500 tons, the same as last year.

Although its own crop is small, Pakistan is used for refining much of the other countries' opium to make heroin and it is also a major trafficking center. Half the heroin consumed in the United States is believed to come from that region, known as the Golden Crescent.

Although Pakistan plans to eradicate large quantities of poppies next year, if rains come, the report said, the total opium crop could increase. "This would be especially true if prices were to rise significantly," the report said.

Last year's report said Pakistan could be expected to eradicate 1,250 acres of opium, but the new report said only 175 acres were eradicated. This year's report sets as a target a 10 percent reduction in the opium crop.

PERU

Peru is the world's largest grower of coca leaf and the Government agreed to eradicate almost 10,000 acres last year. The target was not met, but American officials still praise Peru for trying.

Nearly 7,500 acres of coca plants were eradicated in an American-financed program "despite continued violence," the report said. In November, 19 coca-eradication workers were slain. The killers were presumed to have been hired by drug traffickers, and after the slayings the eradication program was suspended.

The Government announced this month that the program would be resumed. As a result, the State Department expects Peru to eradicate just over 3,000 metric tons of coca leaf this year. Still, the obstacles are large.

"Coca is a very important cash crop in Peru," the report said. Much of it "is now being grown on marginal land for which there is no suitable substitute crop."

In addition, the Peruvian Government has been preoccupied with fighting the Shining Path guerrillas, a brutal terrorist group operating in rural areas.

"Army efforts to stamp out the terrorism were not accompanied by narcotics enforcement," the report said. At year end, it added, peace had been established in the largest coca growing region "at the price of allowing narcotics traffic to flourish again."

The reports said "the United States is looking to Peru for a renewed commitment to crop control" this year.

THAILAND

The best news from Thailand for drug-enforcement officials in the last year was the Thai Government's promise that it would begin eradicating significant quantities of opium poppies in the months ahead.

Poppy cultivation grew by 20 percent last year and without eradication, or poor weather, the State Department said, the crop is likely to be even larger next year.

The report said the Thai Government had developed plans "that could increase eradication to as much as" 1,500 to 2,000 acres next year. Opium poppies now grow on about 20,000 acres, the report said. To date, it added, "the amount of opium produced has been largely functions of price and weather."

Thailand has a large marijuana problem, too. According to the report, marijuana has become "an increasingly important cash crop, with greatly amounts of it moving into the export market."

The Thais are concerned about opium production, but marijuana has not "received the attention placed on opium cultivation," the report said. The Thais have never surveyed the marijuana crop, believed to be large, and so "it is not possible to estimate the amount that can be reduced in a given year."

Last year's report gave a modest opium-reduction goal for Thailand—one-half ton of opium in one area. Eradication for the year totaled nine-tenths of a ton, the new report said.

HUNGER IN AMERICA

Mr. KENNEDY. Mr. President, over the past 2 years there have been many national and State-level studies on hunger in the United States. These studies have been conducted by such diverse entities as Federal agencies, national church groups, universities, and policy organizations. The most striking feature of these studies is that they all reach the same conclusion: hunger in our Nation is widespread.

The Physicians Task Force on Hunger in America has just completed its investigation of the extent of hunger in our country and has released a report today which documents their findings.

This study finds that hunger in America is a public health epidemic. This independent body made up of prominent physicians estimates that at least 20 million U.S. citizens suffer from hunger and that hunger continues to grow rather than decline despite improvements in the economy. "Hunger in America: The Growing Epidemic" provides solid documentation and compelling clinical evidence that Americans, particularly our most vulnerable citizens, women and children, are experiencing serious health problems due to hunger.

In 1983 I conducted a series of hearings across the country on the problem of hunger and witnessed firsthand the suffering of our citizens because they did not have enough to eat. I heard testimony from medical professionals and individuals working in soup kitchens and food pantries who told me that Americans are enduring severe hardship and experiencing critical health problems as a result of the cutbacks in Federal food programs. I spoke with mothers who denied themselves food so that their children could eat that day, and with senior citizens who only ate one meal a day.

Hunger as a national problem has returned. It did not return overnight but has been growing and spreading over the past 4 years. The policies and cutbacks imposed by President Reagan on Federal food programs have taken away vital help for our people in need. Along with this help, Mr. Reagan has taken away our citizens' dignity and plummeted thousands and thousands of Americans into poverty.

The solutions to this critical national problem are not new. The Federal programs which once virtually eliminated hunger have been severely weakened. The Physician Task Force, after 10 months of investigation across the country, has concluded that the epidemic of hunger can be eradicated by strengthening these existing Federal programs.

Our Nation has the ability and the resources to solve this national problem. Our responsibility to this large and rapidly growing number of Americans is clear. Food stamps, school meals, WIC, and elderly feeding programs have worked in the past and they can work again.

We cannot continue to ignore this epidemic. We cannot continue to allow the churches and private organizations providing emergency food services to shoulder the responsibilities of the Federal Government. The thousands of soup kitchens and food pantries across the country are already overburdened and unable to serve all those who come to their doors.

I call on my distinguished colleagues in the Senate to read this study carefully and to keep in mind the devastating evidence of hunger in our country during the upcoming debates on the Federal budget.

We cannot allow this administration to realize its hope of further cutting Federal food programs. We must fight hard to maintain what we now have for these programs. And, we must fight even harder to restore what has been lost over the past 4 years so that our babies, our children, mothers and fathers across the country will be afforded the basic human right of having enough to eat in this land of plenty.

Mr. President, at this time I would like to place the executive summary of the report "Hunger in America: The Growing Epidemic" into the RECORD.

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

HUNGER IN AMERICA: THE GROWING EPIDEMIC

CREATION AND PURPOSE OF THE TASK FORCE

The Physician Task Force on Hunger in America is an independent fact-finding body of twenty-two persons, primarily physicians, established to assess the extent of hunger and malnutrition in the nation, to anlayze why hunger is a problem, and to make recommendations to end it. The Task Force is funded entirely by grants from private foundations, including the Field Foundation and the New World Foundation.

The Physician Task Force grew out of the work of the Citizens' Commission on Hunger in New England which in February, 1984, released a study entitled "American Hunger Crisis: Poverty and Health in New England." That study, which documented the scope of hunger and malnutrition in one region of the nation, troubled members of the medical profession and the foundation world. If the problem was so extensive in one region, many asked, what must it be like in other regions of the nation. Dr. J. Larry Brown, of the Harvard School of Public Health, was asked to convene a panel of prominent physicians from around the country to determine the seriousness of hunger and malnutrition in other regions of the country.

The Physician Task Force used a field investigation model much like that employed by earlier panels of doctors sent by the Field Foundation to investigate hunger in 1968, and again in 1977. The Task Force carried out its work over a ten-month period, going into four regions of the United States to gather and analyze a rich mixture of statistical and descriptive data. The doctors reviewed health data on population groups, analyzed emergency food program records, monitored federal nutrition programs, and went into hundreds of homes in each of the regions to talk to families, take dietary recalls, and look into pantries and refrigerators.

SYNOPSIS

Hunger in America is a public health epidemic. The fact that hunger is spreading so rapidly and afflicts so many citizens may well make it the most serious epidemic presently facing this nation.

According to the Physician Task Force on Hunger in America, at least 20,000,000 U.S. citizens suffer from hunger. (See Appendix A). Moreover, all evidence suggests that hunger continues to grow as a problem rather than decline, despite economic improvements enjoyed by some segments of the nation's population.

Hunger has returned to America as the result of federal policies, some of relatively long duration and others adopted within this decade. Private sector initiatives and voluntary emergency food programs have not been adequate to curb the growth of hunger in the nation, or to prevent malnutrition and other forms of ill-health associated with hunger.

Hunger can be eliminated as a serious problem in America within six months. The federal programs which once virtually ended hunger (food stamps, school meals, WIC and elderly feeding) still exist; they have simply been weakened. By strengthening proven programs, the nation's political leaders can eradicate the epidemic of hunger which afflicts such a large proportion of the population of the United States.

MAJOR FINDINGS AND CONCLUSIONS

Based on its research and field investigations, the Harvard-based inquiry has made these findings:

(1) *Hunger is a problem of epidemic proportions across America.*—Hunger in the nation is so widespread and serious that it has been documented by fifteen national studies during the past two years, and an even greater number of state-level studies (listing, Chapter 2). The most striking feature of these studies is that they all reach the same conclusion, even though they were conducted by entities as diverse as agencies of the federal government, national church groups, universities and policy organizations.

In the 1960s, before the expansion of federal food programs, hunger was a constant problem for millions of citizens. Today many people who are hungry suffer from several days to a week or two each month, due to inadequacies which have developed in these once-successful programs.

While no one knows the precise number of hungry Americans, available evidence indicates that at least 20,000,000 people suffer from hunger. Moreover, while the face of hunger has regional variation, the dimensions of the problem seem to hold quite steady from region to region of the country.

(2) *Hunger in America is getting worse.*—In 1983, Second Harvest, the national organization for some seventy food banks across the nation, received and distributed 45,800,000 pounds of food. By the end of 1984, that number had grown to 70,000,000 pounds, an increase of more than 700% in less than five years. This rapid and continuing increase reflects a growing demand for food assistance by hungry Americans in every region of the country, a fact borne out by data from state to state (Chapters 2, 3).

In Mississippi, for example, the food bank in Jackson saw a 900% increase in pounds of food distributed in 1984 alone. In Alabama, as another example, the Birmingham Community Kitchens saw a nearly 200% increase in meals provided from 1982 to 1984. In Nashville, Tennessee, the increase in emergency meals provided for the same period (1982-1984) was more than 300%, a pattern reflected in other programs across the state. The food bank in Fayetteville, North Carolina distributed 206,000 pounds of food in 1983, and 592,000 pounds in 1984, while the Winston-Salem food bank increased from .335 million to 1.057 million in the same two-year period.

Half the emergency food programs in Albuquerque, New Mexico started within the past two years in response to increasing hunger. In Houston, Texas, the local food bank distributed 3.7 million pounds of food in 1984, up 600% over the previous two years. A Chicago Food Pantry survey shows a 300% increase in the number of people served from 1981 to 1984; and in Peoria and other areas served by the Central Illinois Food Bank, food distribution is up over 300% from 1983 to 1984. The Central Missouri Food Bank has experienced an almost 400% increase in the last two years, and emergency food programs in St. Louis show a similar pattern. (See Chapter 3).

Governors, mayors, and emergency food providers all report that the number of hungry citizens in their cities and states is increasing at an alarming rate.

(3) *Malnutrition and ill-health are associated with hunger.*—Compelling clinical and epidemiological evidence indicates that members of vulnerable population groups, particularly children and the elderly, are at increased risk of adverse health outcomes due to hunger.

Surveys conducted in several states have found unexpectedly high levels of growth retardation among poor children. They are also at sharply increased risk of low birthweight, anemia, and other nutrition-related problems. Rsearch indicates that poor nutrition among poor children is associated with behavioral and cognitive impairment, and is associated with some chronic diseases in the elderly.

Of further concern, the U.S. infant mortality rate, after a period of steady decline, leveled off during the first half of 1984, with the U.S. already behind other industrialized nations on this critical index. Whether or not the plateau continues, infant mortality among some high-risk populations is increasing, going up in eleven states in 1982, and several cities in 1983.

Clinical reports from a number of states show serious nutrition-related disease. Most striking, several doctors have reported cases of marasmus, the condition of severe protein calorie malnutrition associated with Third World hunger (see Chapter 4).

(4) *Hunger is the result of federal government policies.*—Hunger is the product of a series of governmental policies enacted during the past decade or so, policies which have had their most dramatic impact in the past several years.

America may be unique among industrialized nations in the manner in which it cares for vulnerable citizens. Its safety net is weak and incomplete; protection for its jobless is minimal. During the first half of 1984, less than 36% were covered by unemployment compensation. In half the states a family cannot qualify for AFDC if the father remains in the home, no matter how destitute they are. Furthermore, poverty in the nation is at its highest level in twenty years (35,000,000 citizens, 1983).

Government policies have weakened the safety net at the time it is needed most. Purchasing power for AFDC families, nationally, declined 33% from 1970 to 1984. The purchasing power of food stamp households is down 18.3% since 1975. And at the time that these problems were having their greatest impact, the government enacted the most far-reaching cuts in nutrition programs in our history.

Compounding the negative impact of policy changes and program cuts is the manner in which the federal bureaucracy has been employed to keep many needy and eligible people from qualifying for assistance programs. Many of the same mechanisms used to terminate thousands of recipients from the Social Security Disability Insurance program (SSDI) (a practice finally halted by the Congress in 1984), are still employed in the food stamp, AFDC and other programs.

These administrative practices, along with the cutbacks, came at the time in which the general vulnerability of Americans was at a decade-long peak. The props were knocked from under many families who reappeared in the soup kitchens of the nation. (See Chapters 5,6).

(5) *Present dangers are not eliminating hunger.*—The fact that hunger is worsening indicates that present policies are not sufficient to respond to the present crisis.

Poverty increased from 34.4 million citizens in 1982 to 35.3 million in 1983. Purchasing power declined for the poorest 40% of the population from 1980 to 1984, (with only the two wealthiest quintiles experiencing significant gains). And some 473,000 more citizens are unemployed today than in 1980 (See Chapter 5).

That policies which supposedly were to help the poor have not done so is depicted most vividly in soup kitchens and food pantries serving the hungry of the nation.

RECOMMENDATIONS

America has both the resources and experience to end hunger.

During the 1960s, the nation effectively ended hunger by the creation and utilization of programs which still exist today, but have been weakened. By strengthening these programs again, we can eliminate hunger in America within six months. (See Chapter 7).

Hunger is an epidemic which causes serious health problems, even death. But it cannot be solved solely by the medical community or by religious and charitable organizations. Hunger is a political problem, and we believe that our government leaders must end their laissez-faire attitude, and take the steps necessary to end hunger and the suffering which attends it.

NATIONAL SCIENCE FOUNDATION

Mr. BRADLEY. Mr. President, if we are to maintain an international leadership position in science and technology, we must build a strong research base. I am pleased that the State of New Jersey will be taking a leadership role in that effort. The National Science Foundation and the New Jersey based Consortium for Scientific Computing, are launching a major project to expand our lead in the rapidly evolving field of advanced super computing.

The National Science Foundation has taken a major step to ensure that scientists and engineers throughout the country have the supercomputing capacity they need to improve our research efforts in this crucial technology. This has been accomplished by selecting four National Advanced Scientific Computing Centers. One of these, the John Von Neumann Center, named in honor of the pioneer of modern computing, is to be established by the Consortium for Scientific Computing in the central New Jersey area. The Consortium is a collection of 12 leading national research universities from Princeton to Colorado. In addition, to giving our scientists and engineers advanced research capability, the new center will train graduate students in the use of new, fast, and powerful computing tools.

The facility is an excellent example of what can be accomplished through cooperative efforts by the Federal Government, private industry, universities, and States, such as New Jersey. I applaud the efforts of Mr. Erich Bloch, NSF director and Dr. Steven A. Orszag, the project director for the Von Neumann Center. I look forward to the impact this effort will have on our international competitiveness and on improving the quality of life for all Americans.

THE "LIBERATION" MONUMENT

Mr. BRADLEY. Mr. President, the Liberty Park Monument Committee of Livingston, NJ, has dedicated its efforts to the establishment of a monument on the point of Liberty State Park in Jersey City, NJ, only 1,000 yards from the Statue of Liberty and Ellis Island.

The monument, named the "Liberation," was created by the acclaimed artist, Nathan Rapoport, and features a 15-foot bronze statue depicting an American War II soldier carrying a concentration camp survivor to freedom. This monument is a fitting example of the compassion of the American soldier and epitomizes the spirit of freedom and liberty that runs through America.

This statue will serve to remind citizens of the sacrifices made by our veterans who served in World War II, especially those who were subjected to the horrors of the Nazi-controlled concentration camps. This monument is a lasting tribute to the American soldier who has made freedom become a reality to millions of people.

The "Liberation" will send a message to all who see it, that the strength of America is through its people and their willingness to care for their fellowman. I commend the Liberty Park Monument Committee for their efforts to establish a permanent monument to the American soldier. The committee will hold an exhibit from February 28 through March 7 in the Russell Rotunda, featuring a replica of the statue and a photo montage. I encourage my colleagues to visit this exhibit during the week to show their support for the American soldier.

URGENT ACTION ON S. 457

Mr. SIMPSON. Mr. President, let me say that I, too, join the minority leader in hoping that we can proceed with this issue. Indeed, there is a sense of urgency, and yet it must be fully assessed. It is the fond hope of this particular Senator that we meet the needs of American farmers but that those who are the recipients of our largesse and our funding are those who truly need it.

That is one of the problems with some legislation. If we get to a means test, perhaps we can reach that. I hope so. But this Government is taking on some extraordinary financial burden. It is in essence taking on loans that are substandard and classified. That is what we are doing with loan guarantees. It may be perhaps referred to as a bankers' bill. Maybe we should not drop that, but when we see what is occurring, we want to be refreshing ourselves that these are classified loans; that we are dealing with the 15 percent of the American farm economy that is on the ropes and may well be on the ropes regardless of what we do.

I think it is critical that we keep that in mind. I will say more in debate rather than transgress upon the time that would be reserved.

BIRTHDAY OF WILLIAM F. (BUFFALO BILL) CODY

Mr. SIMPSON. Mr. President, let me make one final remark that has to do with a totally provincial and yet national commentary that upon this very day, February 26, it is the birth date of William F. (Buffalo Bill) Cody. Many in this Chamber and out there in the land will remember his impact on this country.

I was raised in the town which is his namesake: Cody, WY. I am not one who places into the RECORD cranberry recipes, mind you, or old saws, and pieces of eight from "back home." I have a letter that goes out to my constituents to that effect. Here I am not, however, violating that. But I would remind you, Mr. President, that this is the birthday of that grand and remarkable gentleman who died in Denver, CO, in 1917, and was later interred in Colorado, much to the anguish of the citizens of Wyoming.

I see the Senator from Colorado rambling through the Chamber. He knows what happened—that Buffalo Bill Cody died in Denver and his sister sold his body to the city of Denver; that he was then interred high in the peaks outside of Denver and on top of the grave are railroad ties and concrete, the purpose being to prevent the people of Cody, WY, from ever going there and removing their finest citizen. A tough chapter for the "Great Scout." All that is forgiven and largely forgotten. But the memory of the man lives on and will for centuries more. He was a very real and unique part of Americana. We cherish his memory. America salutes his life of adventure and spirit.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following joint resolutions:

On January 9, 1985:

S.J. Res. 6. Joint Resolution extending the time within which the President may transmit the Economic Report to the Congress and extending the time within which the Joint Economic Committee shall file its reports.

On February 11, 1985:

S.J. Res. 36. Joint Resolution to designate the week of February 10, 1985, through February 16, 1985, as "National DECA Week".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

ROUTINE MILITARY NOMINATIONS WHICH HAVE BEEN PENDING WITH THE SENATE ARMED SERVICES COMMITTEE THE REQUIRED LENGTH OF TIME AND TO WHICH NO OBJECTIONS HAVE BEEN RAISED

*1. Lt. Gen. Bernard T. Mittemeyer, U.S. Army, (age 54) to be placed on the retired list. (Ref. No. 41)

*2. Maj. Gen. Quinn H. Becker, U.S. Army, to be The Surgeon General. (Ref. No. 42)

*3. Colonel John F. McMerty, Air National Guard, to be brigadier general. (Ref. No. 89)

**4. In the Air Force and Marine Corps there are 4 promotions to the grade of colonel and below (list begins with Loren J. Shriver). (Ref. No. 90)

**5. In the Marine Corps there are 135 promotions to the grade of captain and below (list begins with Terrance C. Brady). (Ref. No. 91)

**6. In the Navy there are 376 promotions to the permanent grade of captain (list begins with Hugh Reeves Adair). (Ref. No. 92)

*7. In the Army there are 2 appointments to the grade of permanent brigadier general (list begins with Frederick W. Bussey). (Ref. No. 98)

Total, 520.

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

(The nominations ordered to lie on the Secretary's desk were printed in the Record of January 21, February 19, and February 20, 1985, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself and Mr. MATTINGLY):

S. 506. A bill for the relief of Dr. Henry H. Wall; to the Committee on the Judiciary.

By Mr. NUNN:

S. 507. A bill to amend the Highway Improvement Act of 1982 to provide additional funds for the completion of certain priority primary projects; to the Committee on Environment and Public Works.

By Mr. BRADLEY (for himself, Mr. DODD and Mr. SARBANES):

S. 508. A bill to provide a program of planning grants, demonstration grants, and formula grants to assist local educational agencies to improve the basic skills of economically disadvantaged secondary school students, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LEVIN (for himself, Mr. SPECTER, Mr. DIXON, Mr. HEINZ, Mr. MOYNIHAN, Mr. RIEGLE, Mr. METZENBAUM, and Mr. SIMON):

S. 509. A bill to extend the Federal Supplemental Compensation Act of 1982; to the Committee on Finance.

By Mr. MATTINGLY:

S. 510. A bill to provide for reciprocal interstate acquisitions of certain depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHILES:

S. 511. A bill to change the name of the Loxahatchee National Wildlife Refuge, Florida, to the Arthur R. Marshall Loxahatchee National Wildlife Refuge; to the Committee on Environment and Public Works.

By Mr. BAUCUS:

S. 512. A bill for the relief of Yuk Chuen Leung; to the Committee on the Judiciary.

By Mr. NICKLES:

S. 513. A bill for the relief of Winfried Heinrich Willi Grasing and Leona Ellen Grasing, husband and wife, and their children Holger Michael Winfried Grasing and Sandra Grasing; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 514. A bill to amend the Internal Revenue Code of 1954 to permit a charity to own stock in an S corporation.

By Mr. D'AMATO (for himself, Mr. BOSCHWITZ, Mr. HELMS, Mr. EAST, and Mr. ABDNOR):

S. 515. A bill directing the President to conduct a comprehensive review of United States policy toward Bulgaria; to the Committee on Foreign Relations.

By Mr. RIEGLE:

S.J. Res. 64. Joint resolution to designate the week beginning May 5, 1985, as "National Correctional Officers Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. MITCHELL, Mr. STAFFORD, Mr. SPECTER, and Mr. SASSER):

S. Con. Res. 20. Concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation; to the Committee on Finance.

By Mr. D'AMATO (for himself, Mr. BOSCHWITZ, Mr. HELMS, Mr. EAST, and Mr. ABDNOR):

S. Con. Res. 21. Concurrent resolution concerning Bulgaria's abuses of the Customs Convention of the International Transport of Goods under Cover of TIR Carnets in facilitating the transportation of illicit narcotics, smuggled arms, and terrorists; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN:

S. 507. A bill to amend the Highway Improvement Act of 1982 to provide additional funds for the completion of certain priority primary projects; to the Committee on Environment and Public Works.

FUNDS FOR COMPLETION OF CERTAIN PRIORITY HIGHWAY PROJECTS

● Mr. NUNN. Mr. President, today I am introducing legislation which is of tremendous significance to the economic development of my State of Georgia, as well as 22 other States in the Nation. This measure will provide special additional funding for the completion of a vital highway project in Georgia, the so-called Corridor Z Route. Specifically, it will earmark 5 percent of Federal primary highway funds over the next 3 fiscal years to be applied to design and construction currently in progress on priority projects in many States, including those routes composing the proposed Kansas City, MO, to Brunswick, GA, multimodal corridor. This legislation does not provide for the establishment of any new projects, but will permit those previously authorized and designated as priority primary projects by Congress to proceed.

The Corridor Z Priority Primary Route from Columbus to Brunswick, GA, is an important segment of the proposed multimodal transportation corridor from Kansas City to Brunswick. The economic potential of the region is significant but development in this area is now stymied by poor land transportation. The possibility of the Corridor Z Route opening up the Nation's agricultural heartland to international trade through southeastern seaports certainly enhances the economic significance of this project. In the area encompassing the six States of Alabama, Arkansas, Mississippi, Missouri, Tennessee, and Georgia, the provision of a major transportation corridor would encourage industrial growth and stimulate the region's economy.

Corridor Z in Georgia was approved as part of the Priority Primary System through Federal legislation enacted in 1979. This legislation set aside $125 million for each of the fiscal years 1979-82 from the Federal Primary Program. These sums were made available for obligation at the Transportation Secretary's discretion for large projects which require long periods of time for their construction.

Georgia took advantage of these discretionary funds and embarked on an ambitious course to expand and improve a highway route to fulfill the need for an East-West connector between the southwest portion of our State and the Atlantic coast. This project enjoyed—and still enjoys—the widespread and enthusiastic support of not only the Georgia congressional delegation, but also local officials, business leaders and residents in the areas which the highway would serve. In particular, I would like to thank Tom Moreland, Georgia Commissioner of Transportation and his fine staff; State Senator Ed Perry, who represents the Seventh District of Georgia; J.W. Feighner, mayor of Columbus; and Ed Bodenhammer, executive director of the Southeast Georgia Area Planning and Development Commission who have expressed their strong support for this project and have assisted in developing this legislation.

Unfortunately, the 1982 Surface Transportation Assistance Act ended special funding for the Priority Primary Program. The elimination of this funding category disappointed the hopes of those who believed that a fulfillment of the economic potential of south Georgia was within reach. South Georgians understandably feel that, since the STAA of 1982 increased the highway fuel tax by a nickel per gallon for all users of the system, they are entitled to the same quality transportation facilities as those residing in other sectors of the Nation.

Under current law, any future funds for Corridor Z must come from Georgia's apportionment of Federal-aid primary funds which are available for primary work throughout the entire State. With the critically urgent need for repair and improvement of Georgia's primary road system, it will be simply impossible for the State department of transportation to redirect primary funds in a manner which would provide for the timely completion of Corridor Z.

Mr. President, approximately one-half of this project has been completed. The measure I introduce today will make it possible for this vital highway project to reach completion. It will reinvigorate the local economies of many small towns and cities across the State of Georgia which are underserved, and will also establish a safe, efficient, and sophisticated highway network which will promote interstate commerce and respond to the transportation needs of the citizens of several States. I believe that the economic, social, and political changes that

will result from the continuation of this multimodal corridor linking Kansas City to Brunswick and the growth that it will bring to the whole Southeast makes this transportation corridor essential as one of the Nation's major transportation goals for the future.

It is my hope that, in the weeks ahead, other Members of Congress representing the States involved in this ambitious endeavor will join me in cosponsoring this legislation and working toward its enactment.

Mr. President, I ask unanimous consent that a complete list of the States involved, and the highway projects in those States be printed in the RECORD.

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

DESIGNATED PRIORITY PRIMARY ROUTES

State, and Route:

New Jersey—Route 55 from Port Elizabeth to the interchange of Route 42 and the New Jersey Turnpike.

California—Long Beach Freeway between I-405 and Ocean Boulevard in Los Angeles County. S.R. 101 from the intersection of I-280 in San Francisco to the Oregon border. Manteca Bypass. S.R. 20 Bypass. Highway 86 between I-8 and I-10. State Route 99/70 from I-5 to the split of Routes 99 & 70. State Route 101 from Monterrey Street in Gilroy, California, to Russell Road in Salinas, California.

Pennsylvania—Route 220 from the Tyrone Bypass in Blair County to I-76 in Bedford County. Route 30 in Bedford County from Everett to the intersection of Route 220. Southern Expressway in Allegheny County. Route 219.

Alabama—Highway 72 from Huntsville East and North to the Tennessee State Line.

Minnesota—Highway 60 from St. James in Watonwan County to Worthington in Nobles County. Highway 15 from New Ulm in Brown County to Winthrop in Sibley County.

Michigan—U.S. 131 in Mecosta County. U.S. 131 in Osceola County.

Missouri—South Midtown Roadway (U.S. Highway 71) 10.2 miles road running from Interstate 70 east of downtown Kansas City, Missouri, to Bannister Road to join U.S. Highway 71.

Arizona—Kolb-Valencia Road, Tucson.

Arkansas—U.S. 71, I-40 to Missouri.

Florida—U.S. 19. S.R. 9A. Venice Connector. Overseas Highway.

Georgia—Route Z.

Illinois—U.S. 51, Rockford to Decatur. I-180 to Quincy.

Iowa—Route 61.

Louisiana—Alexandria to Monroe.

New Hampshire—Route 101.

New Mexico—U.S. 70 Amarillo to Las Cruces.

New York—Elm-Oak Arterial U.S. 219.

N. Carolina—Benson to Wilmington.

S. Carolina—U.S. 276, I-85 to Mauldin.

Texas—Lubbock to I-10. Amarillo to Las Cruces. U.S. 69. Ninth Avenue in Port Arthur.

Wisconsin—Stadium Freeway.

Tennessee—The State of Franklin Road in the vicinity of Johnson City. Foothills Parkway.

Kentucky—Route 841 (Jefferson Freeway).●

51-059 O—86——24 (Pt. 3)

By Mr. BRADLEY (for himself, Mr. DODD, and Mr. SARBANES):

S. 508. A bill to provide a program of planning grants, demonstration grants, and formula grants to assist local educational agencies to improve the basic skills of economically disadvantaged secondary school students, and for other purposes; to the Committee on Labor and Human Resources.

SECONDARY SCHOOL BASIC SKILLS ACT

Mr. BRADLEY. Mr. President, last January, I was pleased to be part of the Children's Caucus Forum on the causes and consequences of dropping out of school. This forum was held because we know that dropping out of high school is a serious problem, both with respect to the increasing numbers of students dropping out and the long-term social and economic consequences of these decisions. In my home State of New Jersey, 16,600 youths dropped out of school last year. During that same year, only 90,000 young people graduated from our public schools. In some urban schools in this country, the dropout rate is greater than 50 percent, and that does not count the many students who are officially enrolled in school but attend irregularly.

The consequences of dropping out for the individual student, and the costs to this Nation, are well known. Nearly 4 out of every 10 16- to 24-year-olds in this country who have dropped out of school are unemployed. A recent study completed by the Educational Testing Service found that students completing high school scored substantially higher on a series of tests measuring abilities linked to good job performance than did those dropping out after junior high or early in high school.

We could force young people to stay in school. But this is clearly not an adequate solution. First, it's only likely to increase truancy. Second, unwilling students do not learn, and they often disrupt the learning of others. We obviously need to go further, examine the causes, and then to formulate public policy that goes to the source of the problem.

Mr. President, I am convinced that one of the reasons students drop out of high school is that they lack basic skills. They are—to use the current jargon—"functionally illiterate" and they can't even get to first base with the high school academic curriculum. Considering the frustration, discouragement, and humiliation that many of these students must experience, it's not surprising that leaving school seems like an appealing alternative. The problem of functional illiteracy is widespread. It is estimated that 23 million American adults and about 13 percent of all 17-year-olds have inadequate reading, writing, and comprehension skills for everyday functioning. Functional illiteracy among minority youth may run as high as 40 percent. An estimated 800,000 New Jersey residents have been described as functionally illiterate. Thus, a fair proportion of our youth have trouble reading a newspaper, a recipe, instructions on a package of prepared food, or filling out a job application. Many lack the computational skills needed to balance a checkbook. Imagine how intimidating a tax form must be.

Results from the congressionally mandated National Assessment of Education Progress reinforce this rather bleak picture: Between 1970 and 1980, the educational achievement of 17-year-old students declined in every basic skills area. The situation is particularly dismal for low-achieving secondary school students. While 9- and 13-year-old low-achieving students have shown substantial gains in reading and mathematics, 17-year-old low-achievers showed a decline in reading ability and a negligible increase in mathematics. Similarly, while younger students in disadvantaged urban schools showed gains in reading scores between 1971 and 1980, 17-year-olds in these schools showed a loss, and lagged well behind students in advantaged urban schools.

Even among students who go on to college, there are many who have not fully mastered basic skills. In New Jersey last year, of over 50,000 entering freshmen who took the New Jersey College Basic Skills Test, less than a third were proficient in verbal skills and basic math, and only 12 percent were proficient in elementary algebra.

So far, most of the important educational reforms that are being implemented across the country have not addressed directly the problems of the high school student who has not mastered basic skills. Many States, including my own State of New Jersey, have increased academic course requirements for graduation. At last count, 39 States have developed minimum competency tests for purposes of remediation or promotion, and in 19 States, passage of a test is a requirement for graduation. New Jersey is developing a more rigorous higher level basic skills test which will replace their minimum competency examination next year.

I strongly support setting high standards for our students. Excellence in education cannot be compromised. But I am also concerned that without sufficient support, the higher standards will discourage the educational involvement of some students, rather than inspire their greater effort. We could see an even greater rise in the number of students who drop out of schools, because they consider their prospects for meeting the standard too remote to keep trying. Indeed, evi-

dence exists which suggest that this is occurring.

Throughout the country, considerable efforts are being made to provide remedial instruction to high school students who are achieving at a low level. In New Jersey, for example, a group of teachers in Middlesex County developed a comprehensive basic skills program designed to help teachers manage classrooms, evaluate students' skill levels, and plan education programs to meet individual students' needs. Repeated evaluations of this program—Project Climb—show that it is successfully raising students' basic skill levels. The program is currently being disseminated to high schools in other States. But such efforts to develop and disseminate basic skills training are grossly underfunded at the secondary level. Less than 5 percent of Federal compensatory education funds are currently spent at the high school level.

The hard work has to be done in the schools themselves. But I believe that the Federal Government can and should support local efforts by making sure that schools have access to information about approaches that work, and by providing funds to enable schools to effectively implement these approaches.

Mr. President, our experience with chapter 1 has shown us that considerable achievement gains are made by disadvantaged children at the elementary school level when Federal funding is provided to assist schools in meeting these students' special needs. I am convinced that the same gains would result from an equivalent commitment to our Nation's high school students. I propose that we make that commitment.

My bill would provide funds to develop approaches to teaching basic skills at the high school level, and then to disseminate those techniques to all schools. In the first phase, for each of the next 2 years, $100 million would be made available on a competitive basis to secondary schools with large concentrations of low-income students to help them find the most effective means of teaching basic skills to high school students who haven't mastered them. These programs would be carefully evaluated.

The techniques used in the most successful programs would be widely disseminated in the second phase. During the second phase, $800 million would be made available to State departments of education to distribute to schools with disadvantaged populations on a formula basis. This is approximately the amount of money that is needed to bring high schools up to the same level of Federal funding for basic skills that is currently provided in chapter 1 for elementary and junior high schools.

But I don't plan to provide the funds without some strings. Schools will be required to demonstrate that they are making progress. Thus, continued funding after the first 2 years would for a time be contingent upon an increase in the number of students passing a State-approved minimum competency test or a decrease in their dropout rate. After an initial period, continued funding would be contingent upon maintenance of earlier gains.

Some schools are doing a great job in making sure that all students master basic skills. They deserve our praise. Some schools have been less successful. They need to have access to the expertise others have developed, and they need financial support to implement programmatic changes that will result in improved academic skills. I believe that this legislation will help meet these needs.

Mr. President, I ask unanimous consent that a summary of the bill and the bill itself be printed in the RECORD at the close of my statement.

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

S. 508

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 "Secondary School Basic Skills Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to furnish financial assistance to local educational agencies having especially high concentrations of children from low income families to enable such agencies to provide more effective instruction in basic skills for economically disadvantaged secondary school students.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "basic skills" includes reading, writing, mathematics computational proficiency as well as comprehension and reasoning;

(2) the term "economically disadvantaged secondary school students" means students, aged 14 to 17, inclusive, who are counted under section 111(c) of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981;

(3) the term "institution of higher education" has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

(4) the term "local educational agency" has the same meaning given that term under section 198(a)(10) of the Elementary and Secondary Education Act of 1965;

(5) the term "panel" means the national secondary school basic skills panel of the National Institute of Education of the Department of Education established under section 12;

(6) the term "secondary school" has the same meaning given that term under section 198(a)(7) of the Elementary and Secondary Education Act of 1965;

(7) the term "Secretary" means the Secretary of Education;

(8) the term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands; and

(9) the term "State educational agency" has the same meaning given that term under section 198(a)(17) of the Elementary and Secondary Education Act of 1965.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There are authorized to be appropriated to carry out the provisions of this Act—

(1) $100,000,000 for the fiscal year 1986 of which—

(A) $100,000 shall be available for the activities of the panel under section 12;

(B) $2,000,000 shall be available for planning grants described in section 7;

(C) $1,000,000 shall be available for the national assessment under section 13(a); and

(D) $96,000,000 shall be available for demonstration grants under section 8;

(2) $100,000,000 for the fiscal year 1987 of which—

(A) $1,000,000 shall be available for activities of the panel under section 12;

(B) $1,000,000 shall be available for the national assessment under section 13(a); and

(C) $98,000,000 shall be available for demonstration grants under section 8;

(3) $800,000,000 for the fiscal year 1988 of which—

(A) $1,000,000 shall be available for the national assessment under section 13(a);

(B) $10,000,000 shall be available for the dissemination activities described in section 13(b); and

(C) $789,000,000 shall be available for formula grants pursuant to section 9; and

(4) $800,000,000 for each of the fiscal years 1989, 1990, 1991, and 1992 of which—

(A) $10,000,000 shall be available for dissemination activities described in section 13(b); and

(B) $790,000,000 shall be available for formula grants under section 9.

ELIGIBILITY

SEC. 5. A secondary school is eligible to receive assistance under this Act for planning grants, for demonstration grants and for formula grants only if at least 10 children aged 14 to 17, inclusive, are enrolled in such school and are counted under section 111(c) of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981.

USES OF FUNDS

SEC. 6. Funds made available under this Act for planning grants, demonstration grants, and formula grants, shall be used for the planning for, the development of new approaches to, and for carrying out educational services and activities designed specifically to raise the basic skills of low achieving economically disadvantaged secondary school students.

PLANNING GRANTS

SEC. 7. (a)(1) From funds appropriated pursuant to section 4(1)(B) for fiscal year 1986 the Secretary is authorized, in accordance with the provisions of this section to make grants—

(A) to local educational agencies on behalf of eligible secondary schools, and

(B) to institutions of higher education and other public agencies and nonprofit private organizations on behalf of eligible secondary schools,

for the purpose of assisting eligible secondary schools to prepare proposals for demonstration grants.

(2) The Secretary shall carry out the functions of this section through the National Institute of Education.

(b) No planning grant may be made under this section unless—

(1) an application is submitted at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary; and

(2) each local educational agency, institution of higher education, public agency, or nonprofit private organization submits a separate application for each eligible secondary school.

(c) No grant made under this section may exceed $2,000.

(d) Any local educational agency, institution of higher education, public agency, or private nonprofit organization which receives a planning grant under this section and does not submit a demonstration proposal in accordance with section 8 shall within 60 days after the end of the fiscal year 1986 refund the amount received under this section to the Secretary.

DEMONSTRATION GRANTS

SEC. 8. (a)(1) From the amounts appropriated pursuant to section 4(1)(D) for fiscal year 1986, and section 4(2)(C) for fiscal year 1987, the Secretary is authorized, in accordance with the provisions of this section, to make demonstration grants to enable eligible secondary schools to develop new approaches to achieving improved basic skills instruction of low-achieving economically disadvantaged secondary school students.

(2) The Secretary shall carry out the functions of this section through the National Institute of Education.

(b) No grant may be made under this section unless—

(1) an application is submitted at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary;

(2) the application is made—

(A) by the local educational agency on behalf of an eligible secondary school, or

(B) by an institution of higher education, a public agency, or a private nonprofit organization on behalf of an eligible secondary school if the institution, agency, or organization will provide educational services or will conduct educational activities for educationally disadvantaged students subject to the proposal for which the assistance is sought;

(3) the application contains assurances that the applicant will participate in the national assessment required by section 13(a);

(4) the proposal described in the application was prepared with the paticipation of administrators and teachers in the eligible secondary school; and

(5) the application was submitted to the appropriate State educational agency for review and comment prior to submittal to the Secretary under this subsection.

(c) In approving applications under this section the Secretary shall assure that—

(1) at lest one demonstration grant is made in each State in each fiscal year; and

(2) no demonstration grant made under this section exceeds $500,000 in any fiscal year.

FORMULA GRANTS; ALLOTMENTS

SEC. 9. (a) From amounts appropriated pursuant to sections 4(3)(C) and 4(4)(B), the Secretary shall, in accordance with the provisions of this Act, make formula grants to States to enable local educational agencies within the State to carry out educational programs and activities to improve the basic skills of low-achieving economically disadvantaged secondary school students in eligible secondary schools.

(b)(1) From the sums available for formula grants under this Act for each fiscal year, the Secretary shall reserve—

(A) not to exceed 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, and

(B) 0.5 percent for payments for children enrolled in Indian schools,

to be allotted in accordance with their respective needs.

(2) The remainder of the amount available under this Act for formula grants for each fiscal year, the Secretary shall allot to each State an amout which bears the same ratio to such percent as the number of the children aged 14 to 17, inclusive, who are counted for the purpose of section 111(c) of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981, for the fiscal year preceding the fiscal year for which the determination is made in the State bears to the number of such children in all States.

(3) For the purpose of this subsection, the term "States" includes the fifty States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) Each State educational agency shall allocate from the State allotment to local educational agencies and to institutions of higher education, public agencies, and private nonprofit organizations within the State having applications approved under section 11 on behalf of eligible secondary schools based upon the relative number of the children aged 14 to 17, inclusive, in such schools who were counted for the purpose of section 111(c) of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981.

STATE ASSURANCES

SEC. 10. Each State which desires to receive formula grants under this Act shall file with the Secretary an application containing assurances that—

(1) the State educational agency will be designated as the State agency responsible for the administration and supervision of programs assisted under this Act;

(2) the State will use formula grants made under this Act—

(A) so as to supplement the level of funds that would, in the absence of such grants, be made available from non-Federal sources for the purposes of the program for which assistance is sought; and

(B) in no case to supplant such funds from non-Federal sources; and

(3) the State educational agency will furnish technical assistance necessary to local education agencies, institutions of higher education, public agencies, and private nonprofit organizations applying on behalf of eligible secondary schools within the State to carry out their responsibilities under this Act;

(4) that the State will expend not more than 1 percent of the State's allotment for the purpose of administration, technical assistance, coordination, and planning;

(5) the State shall, subject to clause (6), distribute its allotment under section 9(b) of this Act to local educational agencies, institutions of higher education, public agencies, and private nonprofit organizations applying on behalf of eligible secondary schools within the State in accordance with the provisions of section 9(c);

(6) the State will not expend more than 10 percent of the allotment of the State to make payments to institutions of higher education, public agencies, and private nonprofit organizations submitting applications on behalf of eligible secondary schools; and

(7) the application of each local educational agency, institution of higher education, public agency, and private nonprofit organization applying on behalf of eligible secondary schools for funds under this Act will not be denied without notice and opportunity for a hearing before the State educational agency.

(b) The Secretary shall not disapprove the application filed by the State educational agency without affording notice and opportunity for a hearing.

LOCAL APPLICATIONS

SEC. 11. (a) Each local educational agency and each institution of higher education, public agency, and private nonprofit organization applying on behalf of an eligible secondary school may receive payments for any fiscal year in which it files with the State educational agency an application. Each such application shall—

(1) describe the eligible secondary schools and the programs to be conducted at the eligible secondary schools for carrying out the purposes of section 6;

(2) provide assurances that the program for which assistance is sought is of sufficient size, scope, and quality as to give reasonable promise of substantial progress toward improving the basic skills of low-achieving economically disadvantaged secondary school students;

(3) provide assurances that the program for which assistance is sought was designed and will be implemented in consultation with parents and teachers of the low-achieving economically disadvantaged secondary school students;

(4) describe, in the case of a local educational agency, the procedures which the local educational agency will follow with respect to subcontracting to any private nonprofit organization, any program or activity to be conducted in an eligible secondary school for low-achieving economically disadvantaged secondary school students if the agency determines that the alternative education program to be offered by such organization will best serve the interests of such students;

(5) provide assurances that the agency will cooperate with State efforts to evaluate the effectiveness of the programs assisted under this Act; and

(6) provide such other assurances as the State educational agency may require.

(b) An application filed under subsection (a) of this section may be amended annually as may be necessary to reflect changes without filing a new application.

NATIONAL SECONDARY SCHOOL BASIC SKILLS PANEL

SEC. 12. (a) There is established in the National Institute of Education of the Department of Education a national secondary school basic skills panel of 12 members appointed by the Secretary. The panel shall be composed of—

(1) a secondary school teacher,

(2) two individuals who serve as principals, guidance counselors, and similar personnel in secondary schools,

(3) one individual representative of the National Diffusion Network, and

(4) the remaining members shall be representative of educational researchers who have established reputations in the area of

basic skills education of the secondary school level.

(b) The panel shall meet as soon as practicable after the appointment by the Secretary.

(c) Each State panel shall—

(1) identify specific models throughout the United States which show promise of being effective in teaching basic skills to low-achieving economically disadvantaged secondary school students and identify the individuals associated with the successful models identified under this clause;

(2) furnish requests for proposals directly to local educational agencies in which there is at least one eligible secondary school;

(3) review and advise the Secretary with respect to planning grants under section 7; and

(4) review proposals for demonstration grants under section 8 and advise the Secretary with respect to—

(A) the feasibility of the proposal;

(B) the promise for effectiveness in raising achievement levels of students lacking basic skills;

(C) the level of concentration of economically disadvantaged secondary school students;

(D) support from teachers and parents; and

(E) the cost effectiveness of the proposal.

(d) The provisions of part D of the General Education Provisions Act, relating to secretarial advisory councils, shall apply to the panel authorized by this section.

ADMINISTRATION

SEC. 13. (a) The Secretary shall, through the National Institute of Education, conduct a national assessment of the effectiveness and the implementation of the demonstration grants made under section 8.

(b) The Secretary shall disseminate to local educational agencies having eligible secondary schools the results of the assessment made under subsection (a) of this section.

(c) The Secretary, through the National Institute of Education, shall monitor grants made under this Act and shall carry out procedures for the coordination of activities assisted under this Act with other research activities conducted by the National Institute of Education and through the Office of Educational Research and Improvement in the Department.

PAYMENTS; RESTRICTIONS

SEC. 14. (a) The Secretary shall make payments under planning grants and distribution grants as expeditiously as possible after the approval of applications under section 7 and section 8.

(b)(1)(A) No formula grant may be made to any local educational agency or to any institution of higher education, public agency, or private nonprofit organization with respect to any eligible secondary school for the third or fourth fiscal year in which the school is, but for this subparagraph, eligible to receive such a grant unless there is an improved performance of the economically disadvantaged secondary school students at such school on a State approved basic skills test or there is a decrease in the dropout rate at such school.

(B) No formula grant may be made to any local educational agency or to any institution of higher education, public agency, or private nonprofit organization with respect to any eligible secondary school for the fifth such fiscal year unless the performance of economically disadvantaged school students at such school is maintained at the highest level of performance achieved during the period of the first three fiscal years in which a formula grant was made with respect to that school or the lowest dropout rate during such period.

(2) The Secretary shall prescribe regulations to carry out the provisions of paragraph (1) of this subsection.

SECONDARY SCHOOL BASIC SKILLS ACT

SUMMARY

Purpose

To provide additional assistance to local secondary education agencies with especially high concentrations of children from low-income families so that they may provide more effective instruction in basic skills. (Basic skills includes reading, writing, and computational proficiency, as well as comprehension and reasoning.)

Use of funds

Funds would be used for efforts directed specifically at raising the basic skills of low-achieving students. Schools would identify specific changes or additions in the educational program brought about by these funds. Any use of the funds must be for the benefit of low-achieving, disadvantaged students. However, funding does not need to be targeted exclusively at specifically identified students. (Thus, for example, funding could be used to develop an in-service training program for all low-achieving students, or to supplement teachers' salaries for providing after school or evening instruction to students in need of basic skills.)

PHASE 1: DEMONSTRATION GRANTS (YEAR 1 AND 2; $100 MILLION EACH YEAR)

Proposal planning grants

Planning grants will be made available only during the first year of funding to assist schools in preparing demonstration grant proposals.

Planning grants, not to exceed $2,000, will be given to the first 1,000 eligible schools or other agencies or organizations requesting such grants.

Demonstration grants

School districts will submit a separate grant application on behalf of each eligible school within that district desiring to apply for a demonstration grant. Administrators and teachers in the school must participate in the preparation of the proposal.

Public agencies and private organizations are eligible to apply for demonstration grants if they provide educational services to a disadvantaged adolescent population.

PHASE 2: FORMULA GRANTS (YEARS 3-7; $800 MILLION ANNUALLY)

Funding mechanism

Funding will be channelled to local schools through State Departments of Education. State Departments of Education can receive no more than 1% of the state allocation for purposes of administration, technical assistance, coordination and planning.

Up to 10% of the state's allocation can be used to support public agencies and nonprofit organizations providing basic skills training to disadvantaged adolescents.

Funding distribution

Funding will be distributed according to the same formula used by Chapter 1 (although limited to secondary schools and youth aged fourteen to seventeen, inclusive).

Requirement for continued funding

After the first two years of funding, continued funding will be contingent upon the school's improvement in the pass rate of a state-approved basic skills test, or a decrease in the school's drop-out rate. The Secretary of Education shall determine an appropriate level of improvement. Following the fourth year of funding, continued funding will be contingent upon maintenance of gains made during the first three years of formula funding.

Subcontracting

Schools may subcontract with non-profit organizations to provide educational programs for those students who are believed to be best served by an alternative education program.

National assessment

NIE will conduct a national assessment of the implementation and effectiveness of the demonstration programs.

By Mr. LEVIN (for himself, Mr. SPECTER, Mr. DIXON, Mr. HEINZ, Mr. MOYNIHAN, Mr. RIEGLE, Mr. METZENBAUM, and Mr. SIMON):

S. 509. A bill to extend the Federal Supplemental Compensation Act of 1982; to the Committee on Finance.

FEDERAL SUPPLEMENTAL COMPENSATION AMENDMENTS

● Mr. LEVIN. Mr. President, unless we act soon for hundreds of thousands of unemployed individuals this coming April Fools' Day will be all too real. On March 31, they may be receiving Federal supplemental compensation [FSC] unemployment benefits, or they may be about to exhaust the 26 weeks of benefits available under their State unemployment insurance system, which precedes their eligibility for FSC. But in either case, they will be unemployed and looking for work. On April 1, the FSC Program will go out of existence. Will this mean there is no longer a need for the FSC Program? Will this mean they are no longer out of work? Will this mean that for them things got better, literally overnight? The termination of the FSC Program would imply that all of this is true. April fool.

In my home State of Michigan, 11 percent of the work force is still unemployed. This is higher than was the nationwide rate during the depths of the recession when the FSC Program was established. Each week about 2,000 individuals in Michigan exhaust their 26 weeks of State unemployment benefits. Nationwide, the figure is 35,000.

During previous periods of high unemployment, these individuals could have turned to the Extended Benefits Unemployment Program, which would have provided them with 13 weeks of benefits on top of the 26 weeks of State unemployment benefits. However, due to changes in that program which were proposed by the Reagan administration in 1981, the Extended Benefits Program has developed into a virtually meaningless shell. As of now, 48 of the 50 States do not qualify for extended benefits, including States

with very high unemployment rates such as those in Michigan and Illinois.

Currently, most individuals exhausting their 26 weeks of State unemployment benefits can only look to the FSC program for up to an additional 12 weeks of benefits in Michigan and from 8 to 14 weeks in other States. As of now, more than 16,000 individuals in Michigan and 320,000 individuals nationwide are receiving FSC benefits. But starting April 1, even the FSC program will cease to exist. Unless—unless, the Congress enacts legislation such as the bill I am introducing today along with Senators SPECTER, DIXON, HEINZ, MOYNIHAN, RIEGLE, METZENBAUM, and SIMON. This legislation builds upon the basic features of the current law, at the same time that it updates and improves certain aspects of it.

As with the current FSC program, the range of weekly benefits would be 8 to 14 weeks. It only makes sense that if a State has a very serious unemployment problem, then it should be eligible for 14 additional weeks of benefits, even if the unemployment rate on a nationwide basis has declined. The legislation I am introducing today modifies the measure by which to determine the number of weeks of a State's eligibility in order to reflect more accurately, where possible, that State's current unemployment picture. For those States for which the statistical sample is large enough to compile the total unemployment rate [TUR] on a seasonally adjusted month-by-month basis, this legislation would allow that total unemployment rate to be used to determine the number of weeks of eligibility. The TUR represents the percentage of the work force that is unemployed and actively looking for work. As such, it is the measure which most accurately reflects the unemployment picture in a State at any one moment, and it is the figure which is most commonly thought of as "the unemployment rate." The States for which the TUR is based on a large enough sample to be used to determine the number of weeks of eligibility are: California, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas. In this regard, I would also like to thank Senators MOYNIHAN, BYRD, HEINZ, DIXON, RIEGLE, and SPECTER among others for their work in past years to have the TUR included as a measure for determining a State's eligibility for unemployment benefits.

Under this legislation, these States could also look to the long-term insured unemployment rate [LIUR] as an alternative measure to determine the number of weeks of eligibility. The LIUR was developed by the Finance Committee at the time that the FSC program was reauthorized in late 1983. It was designed by the committee to reflect the unemployment pictures in States suffering high unemployment over a period of time. In particular, it is a useful measure of the unemployment situation in those States where individuals, faced with a continuingly dismal employment picture, have become "discouraged workers." These workers were once actively looking for work, and, therefore, would probably be included in the LIUR data, which has a job search component. However, since they no longer see a reasonable prospect of employment, and, therefore, have stopped looking for employment, they are excluded from the TUR.

This legislation would determine the number of weeks of eligilibity by looking to the higher of the LIUR or the monthly seasonally adjusted TUR. As such, it recognizes that neither of these measures is perfect.

This legislation does make one modification to the LIUR from current law. As originally enacted in 1983, the LIUR was determined by looking to a State's cumulative insured unemployment rate starting with January 1982. The insured unemployment rate—IUR—represents the percentage of indiviudals receiving State unemployment benefits as compared with the number of individuals covered by a State's unemployment insurance system. This bill updates the LIUR so that its cumulative measure starts on January 1983.

For the remaining States, there are also two alternatives for determining the number of weeks of eligibility for FSC. As with the States mentioned above, the LIUR would be one method for determining eligibility. In addition, as with current law, these States could qualify for a specific number of weeks based on their IUR. The IUR, since it is a 13-week rolling average, would afford some measure of the immediate unemployment situation. In this way, it would approximate the goal of using the TUR for States with larger populations of providing a snapshot of a State's unemployment picture. Admittedly, where sufficient data is available for it to be reliable, the TUR is the preferred measure. However, until the time when the TUR is reliable on a seasonally adjusted monthly basis for States other than the largest States, the IUR is the best measure available to them for this snapshot view. As with the larger States, the higher of the two measures—in this case, the IUR and LIUR--will determine the number of weeks of eligibility for the remaining 39 States.

This reauthorization would be for 18 months. As such, it would balance the need for some stability in the system, with the recognition that conditions 2 years hence may require further modification.

Finally, we all recognize the need for substantial deficit reduction. This is not the beginning of a new program but rather the continuation of an existing program. In that sense, it is consistent with the concept of a spending freeze. I have asked the Congressional Budget Office for a cost estimate, which should be available shortly. If the budget numbers indicate that a more modest program is called for in order to meet the overall budgetary objective, then modifications can be made in a subsequent proposal. What is clear at this point is that the need for action is still real. I hope that this legislation will start the process in the Senate which will lead to the reauthorization of the FSC program so that this need can be met.

Mr. President, I ask unanimous consent that the text of this legislation appear in full following my remarks. I also ask unanimous consent that a table detailing the number of weeks each State would be eligible for, based on current data be printed following my remarks.

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

S. 509

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Supplemental Compensation Amendments of 1985".

EXTENSION OF PROGRAM

SEC. 2. (a) Section 602(f)(2) of the Federal Supplemental Compensation Act of 1982 is amended by striking out "March 31, 1985" and inserting in lieu thereof "September 30, 1986".

(b) Section 605(2) of such Act is amended by striking out "April 1, 1985" and inserting in lieu thereof "October 1, 1986".

NUMBER OF WEEKS FOR WHICH COMPENSATION IS PAYABLE

SEC. 3. (a) Section 602(e) of the Federal Supplemental Compensation Act of 1982 is amended—

(1) by striking out paragraphs (2), (3), and (4);

(2) by redesignating paragraph (5) as paragraph (7); and

(3) by inserting after paragraph (1) the following new paragraphs:

"(2)(A) In the case of an account from which Federal supplemental compensation is first payable for a week beginning after March 31, 1985, the amount established in such account shall be equal to the lesser of—

"(i) 55 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined under the State law) on the basis of which such individual most recently received regular compensation, or

"(ii) such individual's average weekly benefit amount (determined in the same manner as it is determined for purposes of section 202(b)(1)(C) of the Federal State Extended Unemployment Compensation Act of 1970) for such benefit year, multiplied by the number of weeks in such indi-

vidual's benefit period as determined under subparagraph (B).

"(B) An individual's benefit period shall be the benefit period in effect in the State, as determined under paragraph (3), for the first week for which Federal supplemental compensation is payable from such individual's account.

"(C) In the case of an account from which Federal supplemental compensation is first payable for a week beginning prior to April 1, 1985, and from which such compensation would have been payable for any week beginning after March 31, 1985, under the provisions of this title as in effect prior to the amendment made by the Federal Supplemental Compensation Amendments of 1985, disregarding subsection (f)(2) and the April 1, 1985 date in section 605(2) as then in effect, the amount established in such account shall be redetermined in accordance with subparagraph (A). If such redetermination results in a reduction in the amount of compensation payable to such individual to an amount less than the amount which had already been paid to such individual for weeks beginning prior to April 1, 1985, no repayment shall be required of amounts already paid.

"(3)(A) For purposes of this subsection, but subject to paragraph (6), a benefit period is, with respect to any State, the period which—

"(i) begins with the third week after the first week for which the applicable trigger is on, and

"(ii) ends with the second week after the first week for which the applicable trigger is off.

"(B) In the case of any benefit period, the applicable trigger is on for any week if—

"(i) the triggering long-term rate of insured unemployment for such State (determined in accordance with paragraph (5)(A)) falls within the applicable range determined under paragraph (4)(A), or

"(ii) in the case of a State for which the Bureau of Labor Statistics compiles data on a month-to-month basis with respect to the seasonally adjusted total civilian rate of unemployment, the triggering seasonally adjusted total civilian rate of unemployment for such State (determined in accordance with paragraph (5)(B)) falls within the applicable range determined under paragraph (4)(B), or

"(iii) in the case of a State not described in clause (ii), the triggering rate of insured unemployment for such State (determined in accordance with paragraph (5)(C)) falls within the applicable range determined under paragraph (4)(C).

"(C) In the case of any such benefit period, an applicable trigger is off for any week if—

"(i) no applicable trigger is on for such week, or

"(ii) an applicable trigger is on for such week for a benefit period having a greater number of weeks.

"(4)(A) For purposes of paragraph (3)(B)(i), the applicable range is as follows:

"In the case of a:	The applicable range is a long-term rate of insured unemployment:
14-week benefit period	Equal to or exceeding 5.5 percent.
12-week benefit period	Equal to or exceeding 4.5 percent, but less than 5.5 percent.
10-week benefit period	Equal to or exceeding 3.5 percent, but less than 4.5 percent.
8-week benefit period	Less than 3.5 percent.

"(B) For purposes of paragraph (3)(B)(ii), the applicable range is as follows:

"In the case of a:	The applicable range is a seasonally adjusted total civilian rate of unemployment:
14-week benefit period	Equal to or exceeding 10 percent.
12-week benefit period	Equal to or exceeding 9 percent, but less than 10 percent.
10-week benefit period	Equal to or exceeding 8 percent, but less than 9 percent.
8-week benefit period	Less than 8 percent.

"(C) For purposes of paragraph (3)(B)(iii), the applicable range is as follows:

"In the case of a:	The applicable range is a rate of insured unemployment:
14-week benefit period	Equal to or exceeding 6 percent.
12-week benefit period	Equal to or exceeding 5 percent, but less than 6 percent.
10-week benefit period	Equal to or exceeding 4 percent. but less than 5 percent.
8-week benefit period	Less than 4 percent.

"(5)(A) The triggering rate of long-term insured unemployment for a week shall be the rate of insured unemployment in the State for the period consisting of the last week beginning in the second calendar quarter ending before the week for which the trigger determination is being made and all weeks preceding such last week which began on or after January 1, 1983, For purposes of this subparagraph, the rate of insured unemployment shall be determined in the same manner as it is determined for purposes of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970; except that such rate shall be determined by reference to the average monthly covered employment under the State law for so much of the period described in the preceding sentence as does not fall in the last six months thereof.

"(B) The triggering seasonally adjusted total civilian rates of unemployment for a week shall be such rate for the State for the month immediately preceding the month in which such week begins.

"(C) The triggering rate of insured unemployment for a week shall be such rate for the State for the period consisting of such week and the immediately preceding 12 weeks. For purposes of this subparagraph, the rate of insured unemployment shall be determined in the same manner as it is determined for purposes of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

"(6)(A) No benefit period which is in effect for any week beginning after March 31, 1985, shall last for a period of less than 13 weeks beginning after such date.

"(B) The number of weeks in the benefit period of a State shall not be reduced or increased by more than two during any 13-week period beginning with the week for which such a reduction or increase would otherwise take effect. The preceding sentence shall not apply to any increase or decrease which takes effect for the first week beginning after March 31, 1985.".

(b) Section 602(d)(3)(B) of such Act is amended by striking out "the applicable limit under subparagraph (A)(ii) of subsection (e)(2)" and inserting in lieu thereof "the benefit period determined under subsection (e)(3)".

EFFECTIVE DATE

SEC. 4. (a) The amendments made by this Act shall apply to weeks beginning after March 31, 1985.

(b) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which the Secretary has in effect an agreement under section 602 of the Federal Supplemental Compensation Act of 1982 a modification of such agreement designed to provide for the payment of Federal supplemental compensation under such Act in accordance with the amendments made by this Act. Notwithstanding any other provision of law, if any State fails or refuses within the three-week period beginning on the date the Secretary proposes such modification to such State, to enter into such modification of such agreement, the Secretary shall terminate such agreement effective with the end of the last week which ends on or before the close of such three-week period.

(c) For purposes of determining whether any benefit period is in effect during weeks beginning after March 31, 1985, the amendments made by this Act shall be treated as in effect during all periods before the first week beginning after March 31, 1985.

COMPARISON OF THE LEVIN-SPECTER PROPOSAL WITH CURRENT LAW AND WITH THE ADMINISTRATION'S BUDGET

[Data current as of Feb. 1, 1985]

State	Current law	Administration's budget	Levin-Specter proposal
Alabama	12	0	10
Alaska	14	0	14
Arizona	8	0	8
Arkansas	12	0	10
California	10	0	10
Colorado	8	0	8
Connecticut	8	0	8
Delaware	8	0	8
Florida	8	0	8
Georgia	8	0	8
Hawaii	8	0	8
Idaho	14	0	12
Illinois	12	0	12
Indiana	8	0	8
Iowa	8	0	8
Kansas	8	0	8
Kentucky	12	0	10
Louisiana	12	0	12
Maine	8	0	10
Maryland	8	0	8
Massachusetts	8	0	8
Michigan	12	0	14
Minnesota	8	0	8
Mississippi	12	0	12
Missouri	8	0	8
Montana	12	0	12
Nebraska	8	0	8
Nevada	8	0	10
New Hampshire	8	0	8
New Jersey	8	0	10
New Mexico	8	0	10
New York	8	0	8
North Carolina	8	0	8
North Dakota	8	0	10
Ohio	12	0	10
Oklahoma	8	0	8
Oregon	14	0	12
Pennsylvania	14	0	14
Rhode Island	12	0	10
South Carolina	8	0	8
South Dakota	8	0	8
Tennessee	8	0	8
Texas	8	0	8
Utah	8	0	10
Vermont	10	0	10
Virginia	8	0	8
Washington	14	0	12
West Virginia	14	0	14
Wisconsin	12	0	10
Wyoming	8	0	10

● Mr. DIXON. Mr. President, it has been a long time since we have had to

discuss the issue of unemployment compensation in this place, 16 months to be exact. In that time, no remedial legislation has been passed to address the system's structural inadequacies. The Senate passed the 18-month Federal Supplemental Compensation Program on October 21, 1983. Since that time, for some States, the unemployment problem has improved. For my State, it has not improved noticeably. The total unemployment rate for Illinois in October 1983 was 9.7 percent—534,000 people out of work and counted. In January 1985, Illinois' total unemployment rate was 9.1 percent—516,000 people out of work and counted.

Now, according to these figures, which do not reflect a true measure of suffering since they do not take into account the thousands of discouraged workers and those whose benefits have been exhausted, 18,000 people have found work since October 1983. But a half a million still have not, or have lost their jobs due to circumstances which are still present, regardless of a recovery which has benefited some.

After March 31, these people will be entitled to only 26 weeks of unemployment benefits, through the State system. Because of changes that took place in reconciliation in 1981, the extended benefits tier is, for all practical purposes, nonexistent. Only two States currently qualify for that 13 weeks of Federal-State funded coverage. So, we have 48 States that have people out there looking for work, and in some cases, being retrained for jobs, who will only be able to count on 26 weeks of unemployment compensation. That is deplorable. We cannot stand by and allow the minimal amount of additional assistance, through the Federal Supplemental Compensation Program, to expire.

In 1971, under President Richard Nixon, there were 52 weeks of benefits available when the national unemployment rate was only 6 percent.

In 1974, under President Ford, there was a 26-week Federal Supplemental Compensation Program, again making 52 weeks of coverage available, at a time when the national unemployment rate was 7.1 percent.

In 1975, the number of weeks was increased to 65 when the unemployment rate rose to 8.8 percent.

The Senate has rejected many attempts to address the system in a more organized, logical fashion. I have personally cosponsored several attempts to change the triggers for extended benefits; to change the way States qualify for programs from the insured unemployment rate to the total unemployment rate; to abolish the whole current system and start from scratch with a recession-sensitive program that takes into account the financing mix between the State and Federal Government, and the number of weeks available.

All of those attempts by several Members of this body have failed. What we have left is a Federal supplemental compensation system which attempts to provide immediate help to people. This system is about to expire, and we haven't done one thing in 16 months to address the system itself. Without some changes, 26 weeks will be all that is left to most unemployment compensation recipients.

This is a modest proposal, Mr. President. It doesn't even address those who have exhausted benefits. It is only for the current recipients of regular benefits.

When the FSC Program was passed in October 1983, I said that I found it a little perplexing that we couldn't apply common sense to this program. We are reasonable men and women, representing the people of our States. We should not be using the needy as a political football. At that time there was a vehicle which made sense, which had bipartisan support and a great deal of merit. The bill was S. 1784, introduced by the distinguished Democratic leader, and Senator Heinz. A hearing was held on the bill, and that was as far as it went. No other proposals were forthcoming.

I ended my remarks in October 1983 by saying that I hoped this would not be the last word on the subject until March 1985. There remain critical issues which must be considered, problems which must be solved, and people who must be served. I see no reason to change my statement in that regard. The same is still true today.●

● Mr. HEINZ. Mr. President, I am pleased to join my distinguished colleague, the Senator from Michigan, and other colleagues in introducing legislation to extend Federal supplemental unemployment for 18 additional months. While some claim that 1984 was a banner year for the economy, hundreds of thousands of our neighbors know only the continuing agony of long-term unemployment. According to the Department of Labor, 325,000 people, who lost their jobs through no fault of their own, receive supplemental unemployment compensation as their main source of income. They will lose all unemployment benefits when that program, which has kept their hopes alive, automatically expires on March 31.

Mr. President, this legislation addresses urgent needs throughout our Nation. Many unemployed persons receive benefits for only a short time before finding another job, but many live in regions where there has been no recovery. Long-term unemployment has been on the rise, up from 1,266,000 persons out of work 6 months or longer in January, 1981, to 1,402,000 in December 1984. During that same period, the average length of unemployment nationwide rose by more than 20 percent.

The ripple effects of unemployment on our National, State, and local economies are tremendous. Local business is particularly hard hit, as unemployed persons become unable to purchase even the most basic commodities. The assistance these benefits have provided are of critical importance. I urge my colleagues to join me in cosponsoring this urgently needed measure.●

● Mr. RIEGLE. Mr. President, I rise to cosponsor the legislation offered today by my colleague from Michigan. This bill extends the Federal Supplemental Compensation [FSC] Program which provides supplemental benefits to long-term unemployed individuals. Since the present program is scheduled to expire on March 31, this bill requires our immediate attention.

A critical need for the FSC Program continues to exist. While economic recovery from depression-like conditions has brought a heartening drop in the official unemployment rate, unemployment remains a serious problem in our country today. Nearly 8½ million people remain unable to find a job despite their search. Although Michigan's economy has improved markedly under the leadership of Governor Blanchard, the State's seasonally adjusted unemployment rate of 11 percent remains unacceptably high. To suggest that the need for a FSC Program no longer exists is simply wrong. I find it appalling that the administration seeks to cut off funding for this program.

Many misperceptions about Federal unemployment programs abound. One I sometimes hear is that unemployment claimants are freeloaders waiting at home for a handout. I reject that notion. That belief reflects an ignorance of the unemployment insurance system. It is an insurance system because it provides insurance for economic survival between periods of employment. These unemployed Americans receiving benefits are people who have toiled to provide products and services for their fellow citizens. In order to be eligible for the benefits, they have had to work a requisite number of weeks during their most recent employment and must continue to seek employment actively.

Some argue that providing benefits to these individuals will not help them in the long run. Unfortunately, it is true that some of these long-term unemployed individuals may never return to jobs for which they were trained. Training programs that teach new skills are consequently very important for many of them. Thus, I cannot understand why the budget submitted by the President makes severe cuts in title III of the Job Training and Partnership Act, the pro-

gram that provides employment and training assistance for dislocated workers. Indeed, the Northeast-Midwest Institute has noted that this budget reduces funds for major employment and training programs by 21 percent.

Drastically reducing the record budget deficits is a necessary and immediate objective. However, to attempt to balance the budget on the backs of these individuals who have endured weeks of fruitless job searches, while permitting defense costs to escalate unrelentingly, is not an acceptable solution fiscally or morally. By slashing funds for training and eliminating funds for FSC, the Reagan administration has turned its back on the long-term unemployed.

I believe that the Congress must not adopt this attitude. Senator LEVIN's bill will aid the long-term unemployed in a responsible manner. As unemployment is not expected to decline markedly in the next couple of years, the bill extends the FSC Program through March 31, 1987. Moreover, different tiers of benefits are provided to States to reflect the unemployment problem in each State. Alternatives to the insured unemployment rate [IUR] are included because, as the Senate Finance Committee recognized when it reported out the FSC extension in 1983:

> When a State experiences a prolonged period of extremely high unemployment, the validity of the current insured unemployment rate as an indicator of its relative unemployment situation compared with other States is weakened. . . .

Representing a State that has just suffered through its 61st consecutive month of double digit unemployment, but which has a rather low IUR, I readily concur with that conclusion.

Mr. President, less than 40 percent of the officially unemployed people in our Nation receive unemployment benefits today. That figure is drastically lower than that found in many comparable industrialized nations today. If we fail to extend the FSC Program, that percentage will drop even further. These benefits are critical to the thousands of unemployed workers in my State, and the hundreds of thousands across the country, who are unable to find a job despite the economic recovery. Senator LEVIN's bill addresses their plight in a responsible fashion. I urge my colleagues to support this bill and to act before the March 31 expiration date.●

By Mr. MATTINGLY:

S. 510. A bill to provide for reciprocal interstate acquisitions of certain depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

INTERSTATE BANKING ACT

Mr. MATTINGLY. Mr. President, during the first session of the 98th Congress, on November 17, 1983, I introduced S. 2113, a measure designed to congressionally sanction regionally reciprocal banking statutes. Since that time, the pace of change in the banking industry has accelerated, particularly with regard to the geographic expansion of banking organizations. And it is the States who have taken their rightful role in directing this expansion.

Section 3(d) of the Bank Holding Company Act of 1956—the Douglas amendment—continued the Federal policy of delegating to the States the right to determine the nature and extent of bank expansion within and across each State's borders. In consonance with this policy, nine States (Massachusetts, Rhode Island, Connecticut, Georgia, Florida, North Carolina, South Carolina, Kentucky, and Utah) have enacted regionally reciprocal banking statutes. Simply put, these laws permit bank expansion across State borders by specifically allowing reciprocal expansion within a geographically defined region, as is permitted—and was intended—under the Douglas amendment.

The regional banking movement has gained tremendous support in the past year. In addition to those 9 States which have already enacted regional banking laws, at least 20 others are likely to consider similar measures in 1985. Present State laws and anticipated future State action includes:

BREAKDOWN OF BANKING LAWS AND POTENTIAL LEGISLATION IN THE 50 STATES AND DC

1. States With Regional Banking Statutes: (9 States)

Connecticut: New England regional reciprocity.

Florida: Southeast regional reciprocity.

Georgia: Southeast regional reciprocity.

Kentucky: Contiguous-state reciprocity.

Massachusetts: New England reciprocity.

North Carolina: Southeast regional reciprocity.

Rhode Island: New England reciprocity with trigger.

South Carolina: Southeast regional reciprocity.

Utah: Western regional reciprocity.

2. States With Nationwide Interstate Banking Statutes: (3 States)

Alaska: Nationwide non-reciprocal.

Maine: Nationwide non-reciprocal.

New York: Nationwide reciprocal.

3. (A) States Where Regional Banking Legislation is Most Likely in 1985: (20 States)

Alabama: Regional reciprocal in Southeast.

Arkansas: Regional reciprocal or contiguous state reciprocal.

District of Columbia: Regionally reciprocal in Southeast.

Idaho: Contiguous-state reciprocity.

Illinois: Contiguous-state reciprocity.

Indiana: Contiguous-state reciprocity.

Maryland: Regionally reciprocal in Southeast.

Michigan: Contiguous-state reciprocity with 2-year trigger.

Minnesota: Contiguous-state reciprocity.

Missouri: Regionally reciprocal.

New Jersey: Regionally reciprocal with trigger.

New Mexico: Contiguous-state with trigger.

Ohio: Contiguous-state with trigger.

Oregon: Regional (possibly non-reciprocal).

Pennsylvania: Regionally reciprocal with trigger.

Tennessee: Regionally reciprocal.

Texas: Regionally reciprocal.

Virginia: Regionally reciprocal in Southeast.

West Virginia: Contiguous-state reciprocity.

Wisconsin: Contiguous-state reciprocity.

3(B). States Where Reciprocal Banking Legislation is Possible in 1985: (9 States)

California: Regionally reciprocal with a trigger.

Colorado: Contiguous-state reciprocal.

Delaware: Regionally reciprocal.

Iowa: Regionally reciprocal.

Nebraska: Regionally reciprocal.

Nevada: Regionally reciprocal.

New Hampshire: Nationwide reciprocal.

Vermont: Nationwide reciprocity.

Washington: Nationwide reciprocity.

4. States Where Nationwide Interstate Banking is Likely in 1985: (1 State)

Arizona: Nationwide non-reciprocal.

5. States Where Action Is Unlikely in 1985: (9 States)

Hawaii, Kansas, Louisiana, Mississippi, Montana, North Dakota, Oklahoma, South Dakota, and Wyoming.

Mr. President, the Federal Reserve Board approved seven regional banking transactions in New England during 1984, and in early January of this year approved a Georgia/Florida merger. The propriety and constitutionality of regional banking laws were upheld by the Federal Reserve Board and the Court of Appeals for the Second Circuit, whose logic was supported by the Justice Department. And the Senate passed a regional banking sanction as title IX of S. 2851, Senator GARN's banking bill which was overwhelmingly passed by this body at the close of the 98th Congress.

On January 7, 1985, the Supreme Court announced that it would hear the case of Northeast Bancorp et al. versus The Board of Governors of the Federal Reserve. I draw no inference that this in any way suggests that Northeast and Citicorp (another party to the case) have the Supreme Court's support on this issue. The case is merely one of first impression for the Court. I am firmly convinced that the Justices will agree that these laws are constitutional and beneficial to the States, and the Court will uphold the right of each State to decide questions of banking geography.

Yet ultimately it is the Congress that should take the leadership in this issue, as it did nearly 30 years ago with passage of the Douglas amendment. My bill is intended to clarify the intent of the Douglas amendment and thereby end any question as to the propriety of regional banking laws. Without the legislation I am introducing, even if the Supreme Court decided in favor of the States in this particular instance, I am convinced that

the New York money center giants would continue to litigate any and every other aspect of regional banking laws. In this fashion, they hope to break the will of the States to assert their traditional banking rights.

My bill provides that the States, particularly those with the least capital and the greatest desire for regionally funded economic development and growth, will not be intimidated in this fashion. It continues the Federal policy of leaving the decision on geographic bank expansion to the States. Enactment of this bill will alleviate much of the uncertainty facing those banks hoping to expand among those States that permit regionally reciprocal banking.

The bill imposes no Federal timetable for nationwide interstate banking. Some States have included or will include a trigger for nationwide interstate banking in their reciprocal banking laws. This is their decision and should be respected.

My bill does not impose a nationwide interstate banking trigger. Rather, this measure recognizes that it is the individual States, rather than the Federal Government, which are uniquely able to determine the optimal approach to bank expansion within each State.

This bill will benefit consumers since growing banks which are sensitive to unique local conditions can provide new and better services, and it will benefit businesses as expanding banks with a particular expertise attempt to better serve important industries elsewhere in the region. Competition will be enhanced, while concentration of bank resources will not be significantly affected. The bill assures the evolutionary, rather than revolutionary, geographic expansion of banks.

The regional banking concept has been supported by the Comptroller of the Currency, the Chairman of the Federal Deposit Insurance Corporation, the Conference of State Bank Supervisors, the National and Southern Governors Associations, the Coalition for Regional Banking and Economic Development and by the decisions of the Federal Reserve Board. It has been upheld in the courts thus far. It has overcome two Senate filibusters and been overwhelmingly approved by the Senate during the last Congress.

I am hoping that both the Senate and the House of Representatives will act quickly to enact this measure into law and I look forward to the continued leadership of Chairman GARN on this most important matter.

By Mr. CHILES:

S. 511. A bill to change the name of the Loxahatchee National Wildlife Refuge, FL, to the Arthur R. Marshall Loxahatchee National Wildlife Refuge; to the Committee on Environment and Public Works.

ARTHUR R. MARSHALL LOXAHATCHEE NATIONAL WILDLIFE REFUGE

● Mr. CHILES. Mr. President, today, I am introducing legislation to honor an individual who has contributed greatly to the enhancement and protection of my State's natural resources. This bill renames the Loxahatchee National Wildlife Refuge in south Florida after Arthur R. Marshall. Art's academic work and personal efforts in the field of environmental protection have had tremendous impact on south Florida's ecosystem, particularly the Everglades. It is fitting that the Loxahatchee National Wildlife Refuge bear the name of Arthur Marshall in that this area is, in fact, a small portion of the Florida Everglades and is one of the largest freshwater marshes on the North American Continent.

The Loxahatchee National Wildlife Refuge was established in 1951 for the purpose of managing and protecting a portion of the Florida Everglades and its native species of wildlife. It is an area where one will find shallow water flats interspersed with dense strands of sawgrass encompassing 220 square miles in Palm Beach County. The primary objective of the wildlife refuge is to maintain the habitat for a full spectrum of wildlife native to the Florida Everglades so that they might be preserved for the enjoyment of future generations.

Art Marshall is highly regarded as an early champion of theories regarding the impact of growth on south Florida's natural system, particularly the Everglades. He designed and advocated policies aimed at restoring the Everglades system to permit the sheet flow of water across them as once had occurred naturally. He supported acquiring the lands now known as the Big Cypress National Preserve, an area purchased by the Federal Government in order to ensure protected sheet flow of water necessary for the survival and livelihood of Everglades National Park.

Art Marshall was a pioneer in environmental conservation and has justly earned the respect and recognition of major environmental organizations in the State of Florida. He has received countless awards and commendations from organizations including the Florida Wildlife Federation, the Florida Audubon Society, Izaak Walton League and the Sierra Club. He served as adviser to three Florida Governors and worked for 15 years for the U.S. Fish and Wildlife Service in south Florida.

Art felt the protection of our south Florida ecosystem was worth fighting for. He waged one conservation battle after another and was fortunate to see many of his ideas and initiatives put into constructive action. Art died on February 18. His death will be a loss to the fighters of conservation battles yet to be waged, and it is highly appropriate that an example of the habitat and natural systems he worked so diligently to preserve bear his name. For this reason, I am pleased to offer this legislation to rename the Loxahatchee National Wildlife Refuge in honor of the contributions of Arthur R. Marshall. I hope the Senate will move quickly on this bill as a tribute to an individual who has contributed so much to his State and his country.●

By Mr. D'AMATO:

S. 514. A bill to amend the Internal Revenue Code of 1954 to permit a charity to own stock in an S corporation; to the Committee on Finance.

LEGISLATION TO ALLOW A CHARITY TO OWN STOCK IN AN S CORPORATION

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation that would amend section 1361(b) of the Internal Revenue Code to permit a charitable organization to own stock in an S corporation.

Under present law, charity may own stock in a regular corporation and a charity may own an interest in a partnership. An S corporation, however, is not permitted to have a charity as a shareholder. Thus, if a potential donor happens to own stock in an S corporation, he is precluded from making a charitable contribution of the stock—and the charity is deprived of the contribution—merely because of the form of the business organization in which the donor has an interest.

This different treatment for S corporation stock is particularly unsound because the income of an S corporation is taxed directly to its shareholders in essentially the same manner as the income of a partnership is taxed directly to its partners. Accordingly, notwithstanding the virtually identical tax status of partnerships and S corporations, charities are being deprived of the opportunity to share in the income of S corporations.

There is no significant reason to continue the existing difference in treatment among partnerships and regular corporations, on the one hand, and S corporations on the other. As a matter of tax policy, a charity should not be deprived of the opportunity to be the beneficiary of an income producing business interest merely because the form of the business organization is an S corporation.

The Economic Recovery Tax Act of 1981 revised many of the provisions of the Internal Revenue Code relating to subchapter S corporations so as to eliminate many of the differences between partnerships and S corporations. My bill will merely eliminate an oversight in the reform of S corporation law by allowing charities to own similar interests in both partnerships and S corporations.

The bill also contains a technical conforming amendment in order to

maintain symmetry between partnerships and S corporations. Present law provides that if a trade or business regularly carried on by a partnership in which a charitable organization is a partner is an unrelated trade or business with respect to the charity, in computing its unrelated taxable income the charity must include its share—whether or not distributed—of the gross income of the partnership from the unrelated trade or business and its share of partnership deductions directly connected with the gross income. The same rule should apply to charities that own stock in S corporations. Thus, in the case of ownership of stock of an S corporation engaged in an active business unrelated to the purpose of the charity, the charity would be subject to the unrelated business income tax in the same manner as charities that own interests in business partnerships.

Inasmuch as a charity's share of the income of an S corporation would generally be subject to the unrelated business income tax, there should be no significant revenue loss to the Government associated with this legislation. In some cases there would be a revenue gain because the Government would collect the unrelated business income tax on income which otherwise would have been deducted from the income of a donor.

Mr. President, I ask unanimous consent that my bill be reprinted 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. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1361(b)(1)(B) of the Internal Revenue Code of 1954 (relating to permitted shareholders of a small business corporation) is amended to read as follows:

"(B) have as a shareholder a person (other than an estate, a trust described in subsection (C)(2), or an organization described in section 501(c)(3)) who is not an individual,".

(b) Section 512(c) of the Internal Revenue Code of 1954 (relating to the tax on unrelated income of charities) is amended to read as follows:

"(C) SPECIAL RULES APPLICABLE TO PARTNERSHIPS AND S CORPORATIONS.—If a trade or business regularly carried on by a partnership or an S corporation of which an organization is a member or a shareholder is an unrelated trade or business with respect to such organization, such organization in computing its unrelated business taxable income shall, subject to the exceptions, additions, and limitations contained in subsection (b), include its share (whether or not distributed) of the gross income of the partnership or S corporation from such unrelated trade or business and its share of the partnership or S corporation deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership or S corporation, the amounts to be so included or deducted in computing the unrelated business taxable income shall be based upon the income and deductions of the partnership or S corporation for any taxable year of the partnership or S corporation ending within or with the taxable year of the organization."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years of S corporations beginning after the date of enactment.●

By Mr. D'AMATO (for himself, Mr. BOSCHWITZ, Mr. HELMS, Mr. EAST, and Mr. ABDNOR):

S. 515. A bill directing the President to conduct a comprehensive review of United States policy toward Bulgaria; to the Committee on Foreign Relations.

BULGARIAN INTERRELATION REVIEW ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to turn the spotlight of world and national opinion on the international drug trafficking, gun-running, and terrorism practiced by the Eastern-bloc, Soviet-dominated nation of Bulgaria. Through its front corporation, KINTEX, Bulgaria has immersed itself deeply in the operation of an international network, which even attempted the assassination of Pope John Paul II.

On May 13, 1981, Mehmet Ali Agca, acting at the behest of the Bulgarian secret service, shot, and nearly killed, Pope John Paul II. Italian State Prosecutor Antonio Albano's report, filed on May 8, 1984, states that the Bulgarian secret service recruited Agca to assassinate the Pope; this was supposed to destroy the Solidarity Union movement in Poland, and to crush any hope of freedom's emergence there. This report also documents the active involvement of the Bulgarian Embassy in Italy.

In October 1981 I visited Italy and met with high-level Vatican officials who told me of their conclusions that there had been a plot to assassinate Pope John Paul II and that Mehmet Ali Agca had not acted alone. Upon my return, I reported these facts to the Central Intelligence Agency. In September 1982 I spoke before the Helsinki Commission on Bulgarian and Soviet Complicity in the Plot to Murder the Pope. In February 1983 I returned to Italy to look into the U.S. role in the investigation of the papal assassination plot. To all of those who then accused me of seeing a Communist conspiracy where none existed, I can now say that recent discoveries have proved me correct.

There is no doubt in my mind that the Soviet Union was the moving force behind the attempted assassination of the Pope. It is naive to believe that a plot of this magnitude could be carried out by a Soviet satellite nation without the full knowledge and support of the Kremlin. No Warsaw Pact nation is more closely allied to the Soviets than Bulgaria. The management of the Bulgarian agency that moved Agca through Europe, KINTEX, is top-heavy with officers of the Bulgarian secret police, which answers directly to, and takes orders from, the Soviet KGB.

The same underground network operated at KINTEX to move Agca through Europe is also a front for Bulgaria's illicit narcotics and weapons trafficking. The Drug Enforcement Administration has testified that 25 percent of all heroin reaching the United States comes through Bulgaria at some point in its travels. The DEA also states that KINTEX continues to engage in international narcotics and weapons trafficking. Bulgaria certainly does not engage in these endeavors without the direction and approval of its Soviet masters.

The Drug Enforcement Administration cites four motives for Bulgarian support of international drug trafficking:

First, to use drugs as a weapon to destabilize Western societies. Unfortunately, they are achieving this goal today. Sixty percent of the violent crime that plagues our communities is caused by drug abuse. Drug abuse is spreading throughout Western Europe. It handicaps our military readiness and imposes enormous costs on our economy, damaging our national health and productivity;

Second, to obtain hard Western currencies, always in short supply in Communist bloc nations;

Third, to support and supply Middle Eastern revolutionary and terrorist groups, who pay for their arms with drugs; and

Fourth, to gather intelligence via a network of agents and drug smugglers operating under the cover of an official export-import agency.

On June 28, 1984, the Senate overwhelmingly approved an amendment to the Commerce, Justice, State and Judiciary Appropriations bill to prohibit the use of State and Commerce Department funds to promote trade with Bulgaria. This amendment also expressed the sense of the Congress that Bulgaria should be declared to be engaged in state-sponsored terrorism.

The legislation I introduced today—one bill and one concurrent resolution—Senate Concurrent Resolution 21 follows directly from this action by the Senate. My bill directs the President to conduct a comprehensive review of U.S. policies with respect to the Government of Bulgaria in light of that government's participation in, and support for, international narcotics trafficking, arms smuggling, and terrorism, including its role in the attempted assassination of Pope John Paul II. Among the options to be considered are:

Suspending diplomatic relations with the Government of Bulgaria;

Terminating bilateral agreements with the Government of Bulgaria;

Imposing stricter controls on exports to Bulgaria;

Encouraging other countries to review their policies regarding Bulgaria;

Requesting the United Nations Security Council to review Bulgaria's involvement in arms trafficking, drug smuggling, and terrorism; and

Requesting the Secretary General of the United Nations to convene a review conference, in accordance with international conventions, to pressure Bulgaria to end its abuses of international transportation agreements.

The companion concurrent resolution covers this sixth point in hopes that it can be passed immediately, in order to bring the issue of Bulgarian state terrorism before the world community at the earliest possible time. Through KINTEX, Bulgaria has exploited the TIR International Customs Convention, which allows sealed vehicles to cross borders without Customs inspection. Under cover of this international agreement, Bulgaria has smuggled heroin, arms, and terrorists throughout Europe using sealed trucks carrying TIR certification.

We cannot condone Bulgaria's violation of the TIR Convention, or allow it to continue its criminal practices. This resolution calls upon the Secretary General of the United Nations to convene a review conference to study and, if necessary, to end Bulgaria's abuse of the TIR Convention. The Customs Service strongly supports this concurrent resolution which is the first step in mobilizing the international community of nations against Bulgaria.

I urge the Senate Committee on Foreign Relations to give the legislation I am introducing today a high priority. I urge my colleagues to give this legislation their full support. The time to speak the truth about Bulgarian criminality is now.

It is time to demand a thorough examination of Bulgaria and the threat this captive nation poses to world peace. It is time for us to tell our cautious bureaucrats in the executive branch that this issue is alive and that it will have to be faced. Let us pass the legislation I have introduced today and send a clear message to Bulgaria and its masters in Moscow: We will not forget the papal assassination attempt, or any of the other criminal activities which Bulgaria prides itself in practicing, and we will see to the end of these activities, if it takes our last ounce of effort to do so.

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

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

S. 515

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 "Bulgarian Interrelation Review Act."

SEC. 2(a). The Congress finds that—

(1) United States Government officials have testified before Congress that the Government of Bulgaria has established a policy of encouraging and facilitating trafficking in illicit narcotics through its official import-agency, KINTEX;

(2) Those officials also testified that KINTEX has assisted the illicit flow of arms and ammunition to insurgent groups; and

(3) an Italian Government state prosecutor has concluded that the Government of Bulgaria was involved in the attempted assassination of Pope John Paul II.

(b) Therefore, the President shall conduct a comprehensive review of United States policies with respect to the Government of Bulgaria in light of that Government's participation in and support for narcotics trafficking, arms smuggling, and terrorism, including its role in the attempted assassination of Pope John Paul II. This review, to be conducted utilizing the staff of the National Security Council, shall include, but not be limited to, an assessment of the feasibility and advisability of the following options:

(1) Suspending United States diplomatic relations with the Government of Bulgaria.

(2) Terminating United States bilateral agreements with the Government of Bulgaria, including the maritime transport agreement.

(3) Imposing stricter controls on United States exports to Bulgaria.

(4) Encouraging other countries to review their policies with respect to Bulgaria in light of the Bulgarian Government's involvement in narcotics trafficking, arms smuggling, and terrorism.

(5) Requesting that the United Nations Security Council place on its agenda the question of Bulgaria's involvement in arms trafficking, drug smuggling, and terrorist acts.

(6) Submitting a request to the Secretary General of the United Nations that a review conference be convened, in accordance with the 1975 Customs Convention on the International Transport of Goods under Cover of TIR Carnets, in order to determine what steps should be taken to end Bulgaria's abuses of that convention in facilitating the transportation of illicit narcotics, arms, and terrorists.

(c) Not later than three months after the enactment of this Act, the President shall report to the Congress on the results of the review conducted pursuant to this Act. Such report shall discuss the options that were considered, the reasons why each option was approved or disapproved, and the actions the United States Government is going to take as a result of the review.●

By Mr. RIEGLE:

S.J. Res. 64. Joint resolution to designate the week beginning May 5, 1985, as "National Correctional Officers Week;" to the Committee on the Judiciary.

NATIONAL CORRECTIONAL OFFICERS WEEK

● Mr. RIEGLE. Mr. President, today I am introducing a joint resolution to designate the week beginning May 5, 1985 as "National Correctional Officers Week." My colleague, Mr. TRAXLER has introduced identical legislation in the House of Representatives.

Similar legislation was introduced in 1983, received 33 cosponsors, and was enacted by the Congress. A commemorative week was held in August of that year, and it was of great value to correctional officers around the country.

Our Nation's correctional officers work under highly stressful conditions, where exposure to risky or dangerous situations is a daily part of their jobs. Presently, these officers are responsible for the safety and welfare of over 600,000 inmates in the country, and are also integral to the protection of surrounding communities. I feel strongly that National Correctional Officers Week can enhance the image of correctional officers and urge all of my colleagues to join me in this legislation which shows our support and appreciation for these dedicated men and women.●

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. HEINZ, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 11, a bill to amend the Steel Import Stabilization Act.

S. 71

At the request of Mr. DOLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 71, a bill to amend the Internal Revenue Code of 1954 to clarify the application of the imputed interest and interest accrual rules.

S. 140

At the request of Mrs. HAWKINS, the names of the Senator from Utah [Mr. HATCH], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 140, a bill to amend the Child Abuse Amendments of 1984 to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of sexual child abuse cases.

S. 209

At the request of Mr. D'AMATO, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 209, a bill to amend chapter 37 of title 31, United States Code, to authorize contracts retaining private counsel to furnish collection services in the case of indebtedness owed the United States.

S. 408

At the request of Mr. WEICKER, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 408, a bill to amend the Small Business Act to provide program levels, salary and expense levels, and authorizations for the Small Business Administration's programs for fiscal

years 1986, 1987, and 1988, and for other purposes.

S. 425

At the request of Mr. GOLDWATER, the names of the Senator from Illinois [Mr. DIXON], and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of S. 425, a bill to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases.

S. 426

At the request of Mr. WALLOP, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 426, a bill to amend the Federal Power Act to provide for more protection to electric consumers.

S. 467

At the request of Mr. ROTH, the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 467, a bill to amend title 10, United States Code, to authorize the President to award prisoner of war medals in appropriate cases.

S. 479

At the request of Mr. DENTON, the name of Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 479, a bill to prohibit any act of violence or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor.

S. 490

At the request of Mr. PRYOR, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 490, a bill to limit the employment by government contractors of certain former government personnel.

SENATE JOINT RESOLUTION 17

At the request of Mr. D'AMATO, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Joint Resolution 17, a joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1985, as "Jewish Heritage Week."

SENATE JOINT RESOLUTION 24

At the request of Mr. BRADLEY, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Joint Resolution 24, a joint resolution to designate the month of October 1985 as "National Make-A-Wish Month."

SENATE JOINT RESOLUTION 28

At the request of Mr. HOLLINGS, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from Kentucky [Mr. FORD], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 28, a joint resolution to designate the week of September 8–14, 1985, as "National Independent Retail Grocer Week."

SENATE JOINT RESOLUTION 31

At the request of Mr. BURDICK, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. WILSON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Mexico [Mr. DOMENICI], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. HATCH], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 31, a joint resolution to designate the week of November 24 through November 30, 1985, as "National Family Week."

SENATE JOINT RESOLUTION 33

At the request of Mr. MATTINGLY, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of Senate Joint Resolution 33, a joint resolution to authorize and request the President to designate May 12, 1985, to June 16, 1985, as "Family Reunion Month."

SENATE JOINT RESOLUTION 35

At the request of Mr. GORTON, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Illinois [Mr. SIMON], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 35, a joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 27, 1985, as "National Organ Donation Awareness Week."

SENATE JOINT RESOLUTION 50

At the request of Mr. RIEGLE, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 50, a joint resolution to designate the week of April 1, 1985, through April 7, 1985, as "World Health Week," and to designate April 7, 1985, as "World Health Day."

SENATE JOINT RESOLUTION 52

At the request of Mr. MOYNIHAN, the names of the Senator from Illinois [Mr. DIXON], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of Senate Joint Resolution 52, a joint resolution to designate the month of April 1985 as "National School Library Month."

SENATE JOINT RESOLUTION 53

At the request of Mr. DENTON, the names of the Senator from South Dakota [Mr. ABDNOR], the Senator from Rhode Island [Mr. CHAFEE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Florida [Mrs. HAWKINS], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Louisiana [Mr. LONG] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to authorize and request the President to designate the month of June 1985 as "Youth Suicide Prevention Month."

SENATE JOINT RESOLUTION 58

At the request of Mr. CHILES, the names of the Senator from Utah [Mr. HATCH], the Senator from Illinois [Mr. DIXON], the Senator from Ohio [Mr. METZENBAUM], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 58, a joint resolution to designate the week of April 21, 1985, through April 27, 1985, as "National Drug Abuse Education and Prevention Week."

SENATE JOINT RESOLUTION 60

At the request of Mr. NUNN, the names of the Senator from Texas [Mr. BENTSEN], the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Illinois [Mr. DIXON], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of Senate Joint Resolution 60, a bill to designate the week of May 12, 1985, through May 18, 1985, as "Senior Center Week."

SENATE JOINT RESOLUTION 63

At the request of Mr. RIEGLE, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 63, a joint resolution to designate the week of April 21, 1985, through April 27, 1985, as "National DES Awareness Week."

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. MOYNIHAN, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of Senate Concurrent Resolution 14, a concurrent resolution to express the sense of the Congress that Josef Mengele should be brought to justice.

SENATE RESOLUTION 34

At the request of Mr. D'AMATO, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Resolution 34, a resolution condemning the government of the Union of Soviet Socialist Republics for 5 years of forced and oppressive military occupation of Afghanistan in the face of popular resistance to Soviet imperialism.

SENATE RESOLUTION 62

At the request of Mr. BRADLEY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Resolution 62, a resolution to oppose cuts in education programs.

AMENDMENT NO. 10

At the request of Mr. LEVIN, his name was added as a cosponsor of Amendment No. 10 proposed to S. 457, a bill to authorize the President to furnish assistance to alleviate the human

suffering in sub-Saharan Africa, and for other purposes.

SENATE CONCURRENT RESOLUTION 20—RELATING TO THE TAX EXEMPT STATUS OF VETERANS DISABILITY PAYMENTS

Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. MITCHELL, Mr. STAFFORD, Mr. SPECTER, and Mr. SASSER) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 20

Whereas the Department of the Treasury, as part of its tax reform initiative, has proposed to tax Veterans' Administration compensation paid to veterans who suffer from service-connected disabilities;

Whereas this benefit is the means through which a grateful Nation seeks to recognize and repay the sacrifices made and hardships incurred by those who have suffered disabilities in the line of duty;

Whereas compensation benefit levels have been provided on a tax-exempt, wage-replacement scale, based on the average earning impairment caused by the disability, and disruption of this relationship by taxing these benefits would inevitably lead to consideration of the need for raising the payment levels, which could consume any revenues raised by taxing the benefit; and

Whereas the Treasury Department's proposal to tax compensation would place a higher tax burden on more severely disabled veterans and would violate the policy of compensating veterans with greater degrees of disability at sufficiently higher rates to reflect those veterans' disproportionately greater needs: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (1) it is the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation, and (2) the President is urged to reject any proposal to tax such payments in connection with any tax reform legislation that the President submits to the Congress.

Mr. CRANSTON. Mr. President, this morning the House and Senate Veterans' Affairs Committees held a joint hearing to receive the legislative recommendations of the Disabled American Veterans. As ranking Democratic member of the Senate committee, I had the privilege of participating in this hearing and of learning of the goals of this fine organization as they were so eloquently and effectively presented by its National Commander, Chad Colley.

At this time, Mr. President, I wanted to bring to my collegues' attention, the portion of Commander Colley's remarks that relate to a proposal about which I am deeply concerned—the Department of the Treasury's proposal to tax compensation paid to service-connected disabled veterans. In this connection, Commander Colley stated:

[M]y final comments will focus upon a proposal not contained in the VA budget itself. It is not yet even before the Congress * * * and we most definitely hope to keep it that way.

The Treasury Department's Tax Simplification Plan is officially titled, "Tax Reform For Fairness, Simplicity and Economic Growth."

I haven't reviewed the entire Plan and I'm no tax expert so I'll concede that, in the broadest sense of the term, it may represent reform of the Tax Code. Also, it very well may stimulate economic growth. And it may be that IRS can argue that it is simple—I'll leave that to the experts.

But, Messrs. Chairmen, I am a disabled veteran, wounded in the military service of my country . . . and on behalf of all such veterans I can tell you emphatically that the taxation of VA disability compensation benefits is certainly not fair!

It is nothing more than a "back door" approach to a "means test" for the program * * * one that—paradoxically—would reduce benefits in direct proportion to the severity of disability. The greater the disability, the greater the tax liability.

Mr. President, I totally agree with Commander Colley.

Thus, as I announced this morning at that hearing and stated in a floor statement last Friday—CONGRESSIONAL RECORD, February 22, daily edition, S1786—I am submitting today a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation and urging the President to reject any proposal to tax such payments in connection with any tax reform legislation that the President submits to the Congress. Joining with me as cosponsors is the distinguished chairman of the Veterans' Affairs Committee [Mr. MURKOWSKI], as well as my fellow committee members from Maine [Mr. MITCHELL], Vermont [Mr. STAFFORD], and Pennsylvania [Mr. SPECTER], and the distinguished Senator from Tennessee [Mr. SASSER]. A companion resolution is being introduced today by the very distinguished chairman of the House Veterans' Affairs Committee [Mr. MONGOMERY].

Mr. President, the Department of the Treasury's proposal to tax veterans' service-connected disability benefits is, as I stated this morning, a ridiculous one. It is truly an idea whose time has not come and one which would produce an inequitable, unjust, and totally unacceptable result.

As I noted in my statement last Friday, I have communicated my concerns about and opposition to this proposal to the President and to the new Secretary of the Treasury, James A. Baker.

But I also believe, as do those who are joining me in this effort today, that it is time to put the entire Congress on the record on this issue and to make clear to the President that this is not an acceptable proposal—and that, if it is presented to us as part of a tax reform package, it will be soundly and flatly rejected.

Mr. President, I will not reiterate the reasons why this proposal is not acceptable. The text of the resolution sets forth those reasons quite clearly. I urge my colleagues in the Senate to study and consider it carefully and to join with me and our colleagues in the Senate and the other body who are already cosponsoring this measure. We must make most emphatically clear that this proposal is one whose time will never come.

Mr. President, I ask unanimous consent that the text of my opening statement at today's hearing be printed in the RECORD at this point following the text of the resolution.

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

OPENING STATEMENT OF SENATOR ALAN CRANSTON, RANKING MINORITY MEMBER, COMMITTEE ON VETERANS' AFFAIRS—LEGISLATIVE RECOMMENDATIONS OF THE DISABLED AMERICAN VETERANS

I am delighted to join with the new Chairman of the Senate Committee, Senator Murkowski, the Chairman and Ranking Minority Member of the House Committee, and my other very good friends and colleagues on the two committees, in welcoming the Disabled American Veterans' National Commander, Chad Colley. We look forward to your testimony setting forth this great organization's goals for 1985.

It is also a pleasure to welcome the distinguished Californians who are here this morning: First Junior Vice-Commander Ken Musselmann, Department Commander Paul Seneshen, Department Senior Vice-Commander Glen Halsey, Department Junior Vice-Commander Don Pouliot, Department Adjutant Stu Cody, and National Service Officers Bob Jordan, O.J. Brooks, and Johnny Burns, as well as Darrell Camp and Dick Cosgriff.

At the outset, I congratulate Immediate Past Commander Dennis Joyner on his outstanding work last year as the top spokesman for those who have served the Nation so well and at such great personal sacrifice. I enjoyed very much working closely with the DAV under Dennis' fine leadership during the past year on a wide variety of issues of mutual concern. I also want to take special note of the excellent work done by the staff of your national office, which is of great help to those of us working in this field: Dale Adams, Butch Joekel, Ron Drach, Art Wilson, Jesse Brown, Rick Heilman, Steve Edmiston, and Dave Gorman. I'm also delighted that Oliver Meadows is with us this morning. He is a particularly good friend of mine and a valued advisor.

Commander Colley, I congratulate you on your election as National Commander and your decision to move to Washington during your tenure as National Commander in order to devote yourself fully to the service of disabled veterans.

One of the first tasks for our Committees each year is to evaluate the Administration's proposed budget for the VA for the coming fiscal year and make our recommendations to our respective Budget Committees. This year, that task, which is always important, has taken on even greater significance. Decisions made in the context of this year's budget will likely determine the way in which the VA meets the needs of veterans for years to come.

My primary areas of concern about the VA's fiscal year 1986 budget are as follows:

First, it appears clear to me that the proposal to consolidate the Department of Veterans' Benefits Regional Offices by transferring most functions out of the existing 58 offices into 3 large centers is, at best, a half-baked concept. It could effectively deprive of basic due process many veterans seeking compensation, pension, GI Bill, vocational rehabilitation, loan guaranty, or other benefits administered by DVB. Also, as I stated in a February 8 letter to the administrator, I do not believe that, under section 210(b)(2) of title 38, the VA can lawfully take any action to implement this reorganization during fiscal year 1985 or fiscal year 1986. This is because the VA has not yet provided the "detailed plan and justification" for it that the law requires be submitted by the time the President submits the budget for the fiscal year in which the reorganization is to be initiated.

Second, OMB has used several arbitrary devices to mask some very significant reductions in health-care personnel positions and funding for them. These devices included not using in the current fiscal year all of the FTEE provided by the Congress; the forced, arbitrary reduction in the numbers of GS-11 to GS-15 slots; and the one-percent so-called "productivity" increase. At the heart of these actions is OMB's air to impose arbitrary reductions in the numbers of VA health-care staff providing direct health-care services to veteran-patients.

Particularly offensive is the sharp reduction being proposed in the number of staff positions for medical programs in fiscal year 1985 and fiscal year 1986. Congress appropriated funds for 193,941 FTEE under the VA's medical care account for fiscal year 1985. Under the Administration's budget, the VA now proposes to use 2,092 less than were provided for. This ostensibly voluntary DM&S plan to use less staff than has been provided is a first in my experience. I am firmly convinced that it is a plan that has been secretly imposed by OMB, which is required by law to authorize the VA to hire all the staff for which Congress appropriated funding.

For fiscal year 1986, after deducting the staff positions for new activations, the VA's request is for only 189,980. That's a drop of 4,000 from what Congress had provided for essentially the same VA health-care program level in fiscal year 1985. Such personnel reductions threaten to bleed the overall system to the point where its capacity to provide quality health care for eligible veterans is substantially reduced.

I also strongly oppose the proposed, across-the-board 5-percent reduction in federal employees' pay. That reduction is not warranted and I don't believe Congress will inflict it. Thus, in my opinion, the reductions in various VA accounts attributable to the proposed pay cut should be restored.

Third, from what I have seen of the proposal for a means test to restrict eligibility for certain nonservice-connected disabled veterans—combined with the proposal to eliminate VA health-care eligibility based on being over age 65—the type of spend-down means test being proposed could result in the VA turning away many sick veterans who are actually unable to afford the care they need and who would today be cared for. In addition, this means test could become a bureaucratic nightmare that would ensnarl sick and disabled veterans in an overly complicated procedure superimposed on the admissions process. It also threatens to consume massive amounts of VA personnel time that would be far better spent in providing care. I'm mystified that an administration that says its goal is to cut federal paperwork is here proposing to spin a web of red-tape around thousands of sick veterans.

Finally, the proposal to increase from one to five percent the VA loan guaranty user fee appears to have the potential for negating the value of the loan guaranty program for vast numbers of veterans and making it impossible for them to acquire homes. Among veterans of wartime service, the burden of the higher fee would fall disproportionately heavily on Vietnam-era veterans who are likely to be in the market for their first homes and be most in need of the assistance that the guaranty provides.

Although I will help pursue reasonable measures to shore up the loan guaranty revolving fund, I cannot support the fee-increase proposed by the Administration.

These and numerous other aspects of the administration's budget must be a major cause for concern—especially in terms of the implications beyond fiscal 1986.

As I look to the future, I find that the various elements of the annual pull-and-tug of the budget process on the VA health-care system is becoming unduly disruptive and antithetical to any attempt to develop and implement sound health-care strategies for the future. The current budget proposal for DM&S is just the latest manifestation of this incapacity to look beyond the current fiscal year and to plan for the future. We need to try to find a better way to do the job. The time is now ripe for a consensus among all the major parties that would lead to stability and a far more effective use of available resources for the VA health-care system.

In that regard, Commander Colley, I want to congratulate you on your very thoughtful prepared testimony this morning. You have concentrated on the big picture very effectively, very realistically, and very helpfully. I agree with your thesis and your focus.

One final point about an issue not included in the budget but which has been much talked about in recent weeks—the Treasury Department's ridiculous proposal, in its tax reform package, to tax VA compensation payments. This is truly an idea whose time has not come—and will not ever come if I have anything to say about it. Like Sonny Montgomery and others, I have already written the President and I've also written to new Treasury Secretary Baker, setting forth my strong opposition to this proposal.

Also, I want to announce that this afternoon I will be introducing a concurrent resolution to express the sense of the Congress that the tax exemption for compensation should not be altered. At this time, I'd like to invite all of my colleagues on the Senate Committee to join with me in introducing this resolution, a copy of which is attached to my prepared opening statement.

I am delighted that Sonny Montgomery will be introducing a companion resolution this afternoon.

I hope that both Houses will quickly adopt this resoluton and thus make clear to the President that it would be futile to include a tax on disability compensation in any tax reform proposal he submits to the Congress.

In closing, I again welcome you and look forward to working with you to protect and improve the benefits and services our Nation has provided to those who have given so much.

Mr. MURKOWSKI. Mr. President, I rise in strong support of Senate Concurrent Resolution 20, a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation.

This resolution has come about in response to a possible Treasury Department proposal, which has been discussed that would place a higher tax burden on severely disabled veterans by providing that this longstanding exemption be deleted as part of a tax simplification proposal.

Yesterday, I wrote Treasury Secretary James Baker to share with him my deep concern regarding this issue. In my letter to him, I stated that although I am strongly dedicated to working with the administration to reduce the Federal deficit, I question the wisdom of this idea for several reasons. First, compensation benefits have always been paid to service-connected disabled veterans, without regard to income level, to replace average lost earning capacity caused by disability. Second, the disability compensation rates are based on the tax exempt status of this benefit. Thus, taxation of compensation benefits would reduce the net compensation benefits veterans receive and would require a revision of the entire compensation rate structure to offset the tax effect. This may ultimately cost the Veterans' Administration much more in the long run than any revenue increment received by the Treasury in tax receipts. I question whether taxing compensation benefits would achieve tax simplification. Third, it is important to explore carefully and thoroughly whether this proposal would reduce the Federal deficit, and if so, would the economic benefit derived from this sweeping policy change be sufficient to justify the impact this proposal would have upon the lives of our Nation's service-connected disabled veterans.

This so-called proposal has not been endorsed by either the President or his new Secretary of the Treasury, Jim Baker. In my view, it is an extremely poor idea and I believe that the President would agree with my position. The surge of emotion which has arisen in opposition to the mere idea of such a proposal warrants the introduction of this resolution to indicate strongly to our Nation's service-connected disabled veterans that the Congress is not in favor of such an idea—if it ever were to be proposed.

I believe the concern about such a proposal arose in response to some ideas which were circulated within the Treasury Department for possible inclusion in an administration so-called tax simplification plan.

I do want to reemphasize that no formal proposal to change the tax plan is forthcoming. I believe that when it does come, it will not include a change in the current exemption from Federal income taxation for those veterans who receive disability compensation. That is how it should be.

Mr. President, I salute Senator CRANSTON for his introduction of this resolution at this time, and I am honored to cosponsor along with a number of colleagues on the Senate Veterans' Affairs Committee as we join together to underscore our support for benefits to those veterans whose sacrifices in the line of duty are beyond all others.

SENATE CONCURRENT RESOLUTION 21—RELATING TO BULGARIA'S INVOLVEMENT IN THE TRANSPORTATION OF ILLEGAL GOODS

Mr. D'AMATO (for himself, Mr. BOSCHWITZ, Mr. HELMS, Mr. EAST, and Mr. ABDNOR) submitted the following concurrent resolution; which was referred to the Committee on Finance.

S. CON. RES. 21

Whereas the 1975 Customs Convention on the International Transport of Goods under Cover of TIR Carnets is designed to facilitate the international transport of goods by exempting sealed vehicles from customs inspections;

Whereas United States Government officials have testified before Congress that the Government of Bulgaria has established a policy of encouraging and facilitating trafficking in illicit narcotics through its official import-export agency, KINTEX, and the Government of Bulgaria has used the TIR Convention in carrying out this policy;

Whereas those officials also testified that KINTEX has assisted the illicit flow of arms and ammunition to insurgent groups;

Whereas it is clear that the Government of Bulgaria has repeatedly abused the TIR Convention in order to facilitate the transportation of illicit narcotics, arms, and terrorists;

Whereas the TIR Convention provides that any contracting party may, by notification to the Secretary General of the United Nations, request that a conference be convened for the purpose of reviewing the Convention, and further provides that a review conference shall be convened by the Secretary General if not less than one-fourth of the contracting parties notify him of their concurrence with the request;

Whereas the TIR Convention also allows countries to take certain steps in order to prevent abuses, including examination of vehicles by customs officials when irregularity is suspected and in other exceptional cases; and

Whereas the United States, and other contracting parties to the TIR Convention, should not allow the Convention to be used to facilitate the transportation of illicit narcotics, arms, and terrorists: Now, therefore, be it

Resolved by the Senate of the United States (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the United States should request, in accordance with the Customs Convention on the International Transport of Goods under Cover of TIR Carnets, that the Secretary General of the United Nations convene a review conference to determine what steps should be taken to end Bulgaria's abuses of that Convention in facilitating the transportation of illicit narcotics, arms, and terrorists; and

(2) the President should encourage other contracting parties to the TIR Convention to concur in this request and to otherwise use the procedures provided in the Convention to end Bulgaria's abuses of the Convention.

AMENDMENTS SUBMITTED

AFRICAN EMERGENCY FAMINE AND DROUGHT RELIEF

MELCHER (AND OTHERS) AMENDMENT NO. 11

Mr. MELCHER (for himself, Mr. ANDREWS, Mr. EXON, Mr. GRASSLEY, and Mr. PRESSLER) proposed an amendment to amendment No. 10 proposed by Mr. ZORINSKY (and others) to the bill (S. 457) to authorize the President to furnish assistance to alleviate human suffering in sub-Saharan Africa, and for other purposes; as follows:

TITLE II—EMERGENCY FARM CREDIT ASSISTANCE

SHORT TITLE

SEC. 201. This title may be cited as the "Emergency Farm Credit Assistance Act of 1985".

FINDINGS AND DECLARATION OF POLICY

SEC. 202. (a) Congress finds that—

(1) agriculture is the Nation's most basic industry, and its associated production, processing, and marketing sectors, together, provide more jobs than any other single industry;

(2) United States agriculture is the world's most productive and the world's largest exporter;

(3) United States agricultural producers are the basic element in the food and fiber system and their ability to make a profit and meet their financial obligations is critical to their remaining in business;

(4) technological developments have greatly increased the capital requirements of agricultural production;

(5) agricultural-related debt has risen from approximately $50,000,000,000 in 1970 to approximately $215,000,000,000 in 1984;

(6) a general decline in the financial condition of producers, as evidenced by increases in the average debt-to-asset ratio and debt-to-equity ratio, threatens the ability of many producers to obtain the credit needed to continue their operations;

(7) it is essential that producers be able to obtain adequate credit at interest rates conducive to debt servicing and profit making; and

(8) the foundation of the Nation's agricultural system will be adversely affected if producers are unable to obtain a return on their investment that enables them to service their debt and continue their operations.

(b) It is hereby declared to be the policy of Congress to assist United States agricultural producers in obtaining adequate credit at interest rates conducive to debt servicing and profit making so as to ensure the Nation of an adequate and dependable supply of food and fiber at reasonable prices.

IMPROVEMENTS IN THE PROCESSING OF APPLICATIONS FOR FARMERS HOME ADMINISTRATION LOANS

SEC. 203. (a) Congress finds that—

(1) persistently low farm income (due in part to weak export demand), high interest rates, and declining farmland values have created severe financial stress for many farmers.

(2) many financially-stressed farmers have turned to the Farmers Home Administration for assistance (including insured loans, loan guarantees, deferral of loan payments, and restructuring of debt) in coping with their credit-related problems; and

(3) it is essential for the national welfare that farmers' requests to the Farmers Home Administration for assistance be processed as expeditiously as possible, especially in light of the need of many farmers to resolve their credit problems in a timely manner to be able to plant and cultivate the 1985 crops.

(b) The Secretary of Agriculture shall immediately take steps—using authorities of law provided to the Secretary, including the Agricultural Credit Insurance Fund and the employment procedures used in connection with the emergency disaster loan program—to make personnel and other resources of the Department of Agriculture available to the Farmers Home Administration sufficient to enable the Farmers Home Administration to process applications from farmers for assistance expeditiously and in a timely manner with respect to farm operations relating to the planting and cultivation of the 1985 crops. In this connection, the Farmers Home Administration shall assign personnel to work overtime, including weekends and nights, to process loans and loan applications where necessary to meet the processing time schedules set by Congress or the Farmers Home Administration. The Secretary shall hire additional temporary employees (in addition to those authorized to be hired on February 19, 1985) to meet processing schedules, and shall assign such temporary employees to States (other than those receiving temporary employees under the February 19, 1985, authorization) in proportion to the total number of unprocessed applications on the date of enactment of this title.

COOPERATIVE INTEREST BUY-DOWN PROGRAM

SEC. 204. Effective for the period beginning on the date of enactment of this Act and ending September 30, 1986, the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 350 as follows:

"COOPERATIVE INTEREST BUY-DOWN PROGRAM

"SEC. 350. (a) To assist farmers and ranchers whose debts are restructured by commercial or cooperative lenders, the Secretary shall establish a program to reduce, for one or more years, the commercial or cooperative interest rate that a borrower would otherwise be required to pay.

"(b) Lenders agreeing to reduce the interest rate they would otherwise charge borrowers would be eligible to receive interest reduction payments from the Secretary, subject to such terms and conditions as may be specified by the Secretary.

"(c) To receive interest reduction payments from the Secretary under this section, lenders must agree to reduce the bor-

rower's interest rate by an amount that is equal to, and in addition to, such interest reduction payments.

"(d) The Agricultural Credit Insurance Fund established under section 309 of this Act may be used by the Secretary in implementing this section.

"(e) The total amount of funds used by the Secretary in making payments under this section shall not exceed $100,000,000.".

ADDITIONAL LOAN GUARANTEE AUTHORITY

SEC. 205. Section 346 of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new subsection (f) as follows:

"(f) In addition to any amounts heretofore authorized by law for loan guarantees under this Act in fiscal year 1985, there shall be made available to be guaranteed under the Agricultural Credit Insurance Fund $1,850,000,000 for loans under the debt adjustment program for guaranteed operating and farm ownership loans established under section 339 of this title on October 19, 1984, as revised and including the changes set out in the Emergency Farm Credit Assistance Act of 1985, in 1985.".

FMHA DEBT ADJUSTMENT PROGRAM: SPECIAL SET-ASIDES OF FMHA INDEBTEDNESS

SEC. 206. The Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 349 as follows:

"SEC. 349. Notwithstanding any other provision of law—

"(a) In implementing the debt adjustment program for guaranteed operating and farm ownership loans established under section 339 of this title on October 19, 1984, as revised, the Secretary—

"(1) shall provide that, for the purposes of the program, a cash flow for a borrower's operation that shows that anticipated cash inflows for a borrower's operation that shows that anticipated cash inflows during a year are 100 per centum of the year's anticipated cash outflows will be considered a positive cash flow; and

"(2) shall make guarantees available for up to 90 per centum of the principal and interest indebtedness on each loan guaranteed under the program.

"(b) In implementing the program for special set-asides of a portion of the indebtedness under Farmers Home Administration farmer program loans established under section 339 of this title on October 19, 1984, the Secretary shall provide that, for the purposes of the program, if a farm and home plan for the typical year shows a balance available of 100 per centum of the amount needed to pay all the year's debts due, including tax liability, the borrower will be considered to have a positive cash-flow projection. However, individual borrowers may elect to base their applications for assistance on a cash-flow protection of 110 percent."

LOANS MADE TO FARMERS AND RANCHERS

SEC. 207. (a) Congress finds that—

(1) high agricultural production costs, low prices for some commodities, and declining farmland values have combined to greatly reduce the income of many agricultural producers and to subject these producers, through no fault of their own, to severe economic hardship and, in may cases, to temporarily impair the ability of such producers to meet loan repayment schedules in a timely fashion;

(2) a policy of adverse classification of agricultural loans—that is, designating such loans as problem loans—by Federal bank examiners under these circumstances could trigger a wave of farm foreclosures and similar actions that would depress land values and the value of agricultural facilities and equipment; and

(3) liquidations of agricultural assets on a broad scale would have a devastating effect on farmers and the banking industry, and on rural United States in general.

(b) Notwithstanding any other provision of law, to guard against improper and untimely liquidations of agricultural assets, the Federal bank regulatory agencies shall ensure that examiners, in carrying out their duties, exercise caution and restraint in making adverse classifications with respect to agricultural loans. Examiners shall give due consideration not only to the current cash-flow of agricultural borrowers under financial stress, but also to factors such as loan collateral and ultimate repayment ability. Further, regulatory agencies shall continue this policy for so long as the condition of the agricultural economy and the effects of natural disasters temporarily impair the ability of agricultral borrowers to meet scheduled loan repayments.

(c) Not later than ninety days after the enactment of this title, the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Chairman of the Board of Governors of the Federal Reserve Board shall report to Congress on the actions they have taken to implement this section.

(d) Federal and State financial regulatory agencies shall ensure that examiners, in carrying out their duties, refrain from making adverse classifications with respect to agricultural loans that are restructured under the debt adjustment program established under section 339 of the Consolidated Farm and Rural Development Act on October 19, 1984, as revised and including the changes set out in this title.

PROTECTION OF FARM CREDIT SYSTEM BORROWER CAPITAL

SEC. 203. (a) The Farm Credit Administration shall conduct a study regarding the need for establishment of a fund to be used to insure System institutions against losses on loans or for any other purpose that would assist in stabilizing the financial condition of the Farm Credit System and provide for the protection of borrower capital. In conducting the study, the Farm Credit Administration shall consider the advisability of using the revolving funds provided for in section 4.1 of the Farm Credit Act of 1971 to provide startup capital for any insurance fund and estimate the amount and level of future assessments for System institutions that would be necessary to ensure the long-term liquidity of such an insurance fund.

(b) The Farm Credit Administration shall submit a report containing the results of the study required by this section to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry not later than one hundred and eighty days after the enactment of this title.

SMALL BUSINESS ADMINISTRATION DEBT ADJUSTMENT PROGRAM

SEC. 209. For the purpose of assisting financially-stressed farmers and ranchers, it is the sense of Congress that—to the maximum extent practicable and consistent with existing law—the Small Business Administration should establish a debt adjustment program comparable to the Farmers Home Administration's debt adjustment program established under section 339 of the Consolidated Farm and Rural Development Act on October 19, 1984, as revised and including the changes set out in this title.

REGULATIONS

SEC. 210. Notwithstanding any other provision of law, the Secretary of Agriculture shall issue or amend regulations to implement the provisions of sections 203, 204, and 206 of this title as soon as practicable, but not later than fifteen days after the date of enactment of this title.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold 2 additional days of hearings on S. 408, a bill to authorize funding for the Small Business Administration for fiscal years 1986 through 1988. The hearings will be held on February 28, 1985 and March 7, 1985, beginning at 9:30 a.m., in room 428A of the Russell Senate Office Building. For further information, please contact Mike Haynes, chief counsel of the committee, at 224-8487.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. QUAYLE. Mr. President, the Subcommittee on Employment and Productivity will hold a hearing on graduate medical education on Monday, March 25, 1985, at 9:30 a.m. in room 430 of the Dirksen Senate Office Building. The purpose of the hearing will be to discuss my proposal to reform the current system of graduate medical education which was published in the January 31, 1985, CONGRESSIONAL RECORD on page 1592.

It is my intention to develop this proposal into specific legislation based on the testimony received at the hearing. Individuals and organizations wishing to testify should submit a written request to Senator DAN QUAYLE, chairman, Subcommittee on Employment and Productivity, room 428 Dirksen Senate Office Building, Washington, DC 20510 to the attention of Mary McGrane.

For further information about the hearing, please contact Mary McGrane at 202-224-6306.

ADDITIONAL STATEMENTS

DEVELOPING CHARACTER: TRANSMITTING PRINCIPLES

THE WAY THE AMERICAN SCHOOL SYSTEM CAN FOSTER MORAL AND ETHICAL CHARACTER IN OUR STUDENTS

● Mr. MOYNIHAN. Mr. President, on last Thanksgiving Day, 27 eminent educators, social scientists, public officials, and psychologists issued a report on the state of American education entitled, "Developing Character: Transmitting Principles." This Thanksgiv-

ing Day statement addressed a very important matter, indeed; the way the American school system can foster moral and ethical character in our students.

In its introduction, the Thanksgiving statement declares, "What children become is largely the result of what adults expect—and the examples they set." The Thanksgiving statement asks why those expectations are not greater, or such examples clearer, and offers several proposals to correct a deteriorating situation in our Nation's classrooms described by the signatories.

Dr. Edward A. Wynne, professor of education at the University of Illinois at Chicago, edited the report, which includes among its signatories James Q. Wilson and Nathan Glazer of Harvard University. The conclusions and recommendations are of interest to all who are concerned about education and American youth. I commend the Thanksgiving statement to my colleagues' attention, and I ask unanimous consent that the statement be printed in the RECORD.

DEVELOPING CHARACTER: TRANSMITTING KNOWLEDGE

SUSTAINING THE MOMENTUM FOR REFORM IN AMERICAN EDUCATION

We, the authors of this Thanksgiving Day Statement, are an ad hoc group of twenty-seven scholars, educators, and policymakers. We assembled on our own initiative and developed this Statement because we fear our education system is not properly insuring the continuity of our country. We chose this occasion for our Statement because there is an important connection between the historic values of our country and what our schools are doing—or failing to do.

Readers are familiar with numerous reports and statements which itemize the deficiencies of our education institutions and recommend corrective measures. We generally sympathize with the themes of these reports. We especially laud the warning of the National Commission on Excellence in Education that we are threatened by a "rising tide of mediocrity." But, despite their diverse recommendations, the reports have bypassed the critical issue of youth character. When the issue has been addressed, the reports have failed to offer concrete, practical measures, applicable at all educational levels, to deal with the problems we identify.

AN EXECUTIVE SUMMARY: WHY IS THIS STATEMENT UNIQUE?

The general silence, or timidity, about the topic of youth character is especially incongruous at this time. Our national rates of youth death by suicide and homicide and levels of adolescent out-of-wedlock births, are at, or near, the highest points in American history—since 1607. (When we call such statistics "rates," we mean they allow for changes in population size, or the comparative proportions of youths and adults.) Other data about youth disorder are equally distressing.

Our Statement analyzes the critical challenge implicit in such statistics. The analysis recommends specific steps which can be taken to deal with the existing deficiencies in our schools' character policies. Many schools are now using some of the measures we recommend, but the measures have not become a matter of popular concern. Our proposal bypasses a number of controversial and problematic topics such as values education, sex education, and the proposed constitutional amendment facilitating school prayer. We believe other constructive steps can be taken which are more effective and less divisive.

In addition to its concern with youth character our Statement is directed toward a number of other important education topics and offers significant, often original, proposals for improvement. In the area of academic standards we urge that schools intensify their efforts to move pupils toward higher levels of learning. We make recommendations about promotion policies, revisions in pupil grading policies, the role of education research in curriculum decisions, and the essential part parents should—and must—play in assisting pupils' progress. We emphasize that the major cause for the notorious reading score decline has been the notable slackening in performance by presumably more able pupils. We propose that minimum competency tests not be used to excuse these pupils from learning demands, and we suggest the prudent application of pupil grouping by ability to assist better-targeted instruction. The development of differentiated high school degrees—such as the New York State Regents exam—is urged as another means of alleviating this vexing problem.

Our presentation on the state of teaching contains many trenchant and comprehensive recommendations. We call for a general increase in rigor in the curriculum and the adoption (or maintenance) of a core curriculum for all students. We recognize that there are inevitable differences in student interests and ability, especially at the high school level and that divergent academic programs are needed to allow for the expression of human difference. Our remarks include some critical observations about the textbooks provided to students and suggest steps for improvement. The matter of parent (and pupil) choice among schools—and the value of such choice as a means of monitoring school performance—is also a focus of our attention. That discussion concludes with a variety of suggestions for making parent choice more productive, and we give recommendations for various voucher and tax subsidy plans.

We level the serious charge of "inbreeding" against our current education administrators and researchers. The word is not synonymous with incompetence, but it does indicate a serious defect. And we offer solutions for that problem. The discussion about inbreeding also includes remarks about the present state of education research and how it may be improved.

Our educational concerns do not stop with high school. There are many serious deficiencies afflicting undergraduate schools. The defects relate to both academic and character priorities. As one corrective, we call for the creation of a Presidentially appointed Commission on Undergraduate Education. It is noteworthy that a comparatively "academic" group such as ours utters a plea of this nature.

Finally, the apparently esoteric topic of schools publicly distributing accurate information about their performance is, to us, a matter of importance. Too often, our schools, school districts, and states supply the public and media with inadequate, misleading, or inaccurate information—or no information at all. Our discussions on school information provide a number of simple, clear criteria—which can be applied by parents and policymakers—for evaluating such information. In conclusion, the discussion suggests policy changes which can increase the flow and quality of this information.

The Statement's concluding remarks are accompanied by a simple chart, which identifies the institutions and groups responsible for carrying out the numerous improvements we propose.

OUR ASSUMPTIONS

Our Thanksgiving Statement is addressed to all Americans. Its emphasis is national—but not primarily federal. We are issuing it during that brief period of introspection, imagination, rethinking, and analysis that characteristically follows a presidential election. It is aimed to affect the opinions of citizens and the policies of public and private institutions.

Another incentive for the Statement should be directly remarked: after long years of decline, it seems our schools are showing some signs of improvement. The annual reports of pupil SAT scores have shown two years of modest increase, after seventeen years of decline. We are pleased at such progress. But we also fear the public—at the behest of some educators—may declare "the war is over and won, and we can all go home!" But it took long years to get into our current distressing situation—in both the areas of academic standards and pupil character. Adequate correction of this serious decline will take an equally significant amount of time and great persistence. Reform is still a tender plant which requires deliberate nurture.

Our final assumptions are as follows: what children become is largely the result of what adults expect—and the examples they set. A proper education transmits not only cognitive skills and knowledge but also sound character and values. National leadership can be a constructive force in educational reform, but it must address many more issues than those associated with the limited role of the federal government. A decentralized education system looks messy and confusing. However, it is well suited to the needs and traditions of the United States. Decentralization is particuarly appropriate at this time of ferment. Its flexibility enables us to try new approaches to the solution of widespread and persistent problems. The demographic statistics show that Americans will have diminishing proportions of young people, as compared with our older population. And more of these youngsters will come from disadvantaged families, which require greater education support. Under these circumstances, it is vital for our social continuity that we improve the quality of our education systems.

We understand that educational institutions (like others) cannot function satisfactorily without money. Still, we insist that significant improvements are often feasible without additional spending. Furthermore, we do not believe that miserliness in tax payers is the principal cause of any school underfunding which may exist. Rather we believe the cause to be the relatively low credibility which education has acquired in the recent past. Our diagnosis leads to a simple prescription: the acceptance of proposals for reform and correction will establish a climate for increased funding. If the public is convinced that schools have shaken off their distressing lethargy, money will flow if needed.

Our Thanksgiving Holiday commemorates the courage and determination of America's earliest European settlers. Through the passage of time, it has evolved into a national occasion for all of us to recognize our unique benefits and to celebrate the toils and triumphs of our diverse ancestors, whose sacrifices led us to our present comparative security. But the holiday can also be an occasion for us to reflect on the profound debts we owe our predecessors. The spirit of that reflection is suggested by the words of the Athenian statesman Pericles, in his Funeral Oration in the fifth century B.C. The oration was delivered in the shadow of glorious buildings and statuary surrounding the Athenian public square. He said, "Feed your eyes on Athens from day-to-day, till love of her fills your hearts; and then, when all her greatness shall break upon you, you must reflect that it was by courage, sense of duty, and a keen feeling of honor that our forebears were enabled to win all this. . . ."

Similarly, we Americans, on this occasion of feasting and relaxation, dare not forget our obligations to our own ancestors—and how they can be repaid. We must form future generations who will display similar character and dedication. Our schools can—and must—continue to play a vital role in this process.

DEVELOPING GOOD CHARACTER IN THE YOUNG

[Chart not reproducible for the RECORD.]

THE ISSUE

There has been a long-term rise in many serious forms of youth disorder. In particular, young people today are more likely to commit suicide, or kill one another, and males are more likely to make unmarried females pregnant. Drug and alcohol use remains at disturbingly high levels. Of course, in our large country, there are many wholesome and competent young people and many well run schools. Nonetheless, schools in general are not doing enough to counter the symptoms of serious decline in youth character.

DISCUSSION

The formation of youth character has always been essentially a family responsibility. But in all societies using formal education, schools have also been assigned an important role in this process. This is especially true with regard to American public schools. Unfortunately, many signs reveal that our youth character formation policies have been increasingly ineffective.

Simple statistics put the matter into perspective. Since 1940, the rates of out-of-wedlock births to white females between the ages of 15-19 have increased 800%. The rate of death by homicide for white males, ages 15-24, have increased 315% from 1955 to 1981. The rate of death by suicide for white males, age 15-24, increased 238% from 1955 to 1981. These measures of youth disorder have increased far more quickly than the similar adult measures. The equivalent data about young blacks are also very distressing. However, they are not exactly comparable because of the different circumstances surrounding typical black and white youths.

The forms of disorder reported suggest sharp increases in other, not so easily measured symptoms of alienation: assault, severe depression, attempted suicide, inschool thievery, poor pupil discipline. None of this means all of our young people are alienated. But it is persuasive evidence that things are much worse than they were twenty or thirty years ago.

The final evidence of these patterns in the public's consistent rating—in annual Gallup polls—of pupil discipline as our top educational problem. That rating is congruent with the statistics just recited. We interpret the word "discipline"as not solely focussing on prohibition and obedience—though such matters are important. Most Americans hope our schools have a broader spectrum of concerns about pupil character. Public dissatisfaction with pupil discipline is only a way of expressing frustration with the whole situation.

The statistics are especially striking because the period from 1955 to the present has been marked with a number of apparent improvements in our youth environments: rising expenditures for public education; improved pupil/teacher ratios; more psychological services for students; increased rates of high school graduation and college attendance; general rises in real personal and family income; and greater court and institutional sympathy for what are called "adolescent rights." It would be simplistic to flatly label these "improvements" as the causes for the disorder; but it would be even more simplistic to disregard the possibility of any causual relationship.

One cause for the high level of youth disorders is the unsound policy of many schools to ignore character development and the formation of cooperative attitudes and skills in pupils. In contrast, it is widely recognized that skills and traits such as persistence, cooperation, and moral integrity are central to individual personal development and vocational success, and to the well-being of the commonwealth.

It is often proposed that schools can develop good character in their students if they stress academic learning and discipline. But this is not so. As researchers have observed, pupils attend schools for about 15,000 hours of their lives. It is their most important away-from-home experience during childhood and adolescence. The social interactions that occur during such a prolonged exposure inevitably affect student character. And good character is not generated solely by more homework, rigorous traditional grading, and better pupil discipline. Furthermore, we see no inconsistency between well-planned activities designed to stimulate good character and cooperation, and equally well-planned academic programs. A number of researchers and educators have designed, evaluated, and successfully carried out such activities. Character development and efficient cooperation are as much areas of excellence as academic learning.

Many foreign school systems, which stress academic rigor, also attend to pupil character development. Teachers are expected to act as wholesome role models and display conspicuous commitment and dedication; the curriculum is designed to foster respect for national traditions; and pupils are required to dress in a way that displays the seriousness of purpose associated with adult work. In all Japanese public schools, notwithstanding their academic emphasis, each day begins with a character-oriented address by the principal, and pupils are expected to help keep their school clean and in repair, and to display good manners to adults and other pupils.

The development of character in students has been weakened by the stress schools give to grouping and regrouping pupils for different subject classes through each school day. This process is called "departmentalization." It can be contrasted with the one-teacher-to-one-class for the whole day typical in most elementary schools. However, in many American schools, departmentalization is spreading to the sixth grade and lower. Such practices cannot be condemned out of hand. However, excessive grouping and regrouping, and superficial exposure to many teachers, means students have few or no significant contacts with consistent groups of peers or with particular teachers. Without continuity of relationships and knowledgeable adult direction, it is hard for pupils to test and develop good character traits. The problem of discontinuous relationships is aggravated by the comparatively large enrollment in many American secondary and elementary schools; our individual schools are usually larger than typical schools in most of the industrial world. Such size permits certain efficiencies. At the same time, in many ways, it also handicaps the evolution of pupil/teacher intimacy.

We also must recognize the relationship between good character and the development of each pupil's collective identity. Character is often revealed in the concern and affection we display toward other members of our group or country. These traits are fostered through the learning of what Sidney Hook called "the history of our free society, its martyrology, and its national traditions." Such learning encourages students to be patriotic; to be loyal to our society, and to care about the welfare of their fellow Americans. Anthropologists have emphasized that, in all cultures, wholesome collective identities are developed through participation in ceremonies designed by responsible adults. But in-school ceremonial life (e.g., assemblies, class opening ceremonies) has declined in quantity and quality. It is understandable why such a decline might be accompanied by an erosion of school spirit and a rise in pupil anti-social conduct.

Careful discussion of youth character must recognize that innumerable forces beyond schools help shape our young people. Families, media, neighborhoods, churches all play important roles—for both good and bad. In addition, researchers and scholars have paid insufficient attention to the topic of character as a matter of education policy. Thus, the research and analytic base for some potentially constructive practices is not as great as might exist for other education questions. But the topic of character in schools must be given greater priority. There are many specific measures to improve student character which we all feel would be beneficial, though we differ on the appropriate priorities to be assigned to each. And we applaud the fact that many schools already practice some of these activities.

Unfortunately, too many non-educators and educators alike do not appreciate the importance of these successful examples.

RECOMMENDATIONS

1. Students, at all grade levels, should more frequently be assigned group responsibilities for academic and school-related activities. The assignments should stress both individual and group excellence and be evaluated through grades and other forms of recognition. The activities should emphasize the theme of service to others. They might include students working with their own classmates; with students in other classes and with or for community members. Typical activities could be: student-to-student tutoring; "team" academic projects; students being assigned defined authority over other students (e.g., hall guard, class monitor);

many forms of extra-curricular activities; and school-to-school, class-to-class, or row-to-row academic competitions.

2. School and community service projects appropriately monitored by adults can be conducted by pupils at all grade levels. In the longer-run, such projects may moderate some tax-supported education costs. We do not envisage current service employees being terminated but gradually phased out through turn-over and retirement. States and districts might make such service a requirement for high school graduation.

3. Schools should maintain a relatively high continuity of relationships among pupils and among pupils and teachers. It is true that increasing discontinuity is appropriate as pupils mature. However, it is desirable, through high school, that each pupil be able to identify a supportive base group, that is frequently engaged with the same responsible adult. This adult should ideally act as a teacher for this group, leading them in significant intellectual and/or cooperative activities. Some schools now maintain homerooms, which, if properly managed, can help attain this end. But subschools, discrete programs in schools, and various extra-curricular activities can also be appropriate tools.

4. The subject matter taught should insure that students acquire the basic facts of American history: dates and sequences of important events, major figures and controversies, and the common experiences and diverse contributions of our ancestors, older contemporaries, and ethnic groups. Students, as they mature, will be expected to analyze and evaluate such information. But it is first essential that they learn a core of information.

5. Schools should maintain frequent and high quality ceremonial activities. These activities should stress the importance of group cooperation and individual effort. They should also focus on the theme of "contribution": the contributions which students have received from past and present Americans, and which students are making and will be making to our society and the human race. The occasions should be managed with taste and imagination, just like any semi-aesthetic activity. The adults involved should participate with enthusiasm and sincerity—basic requirements for good role-modeling.

6. The management of many recommended activities will usually be handled at the classroom, local school, and district level. But many "external" forces maintain policies which constrain such activities. Some court decisions, for instance, restrict public schools from considering pupil character as a criterion for graduation. Tenure laws and union contracts make it harder to require teachers to display strong commitment. State regulations may inhibit necessary flexibility in managing extra-curricular activities. Public opinion sometimes confuses effective extra-curricular programs with frills (though the distinction is occasionally tricky). To improve the situation, a combination of local initiative and external facilitation is necessary. Schools must strive to act to improve pupil character. Where there are external constraints, educators must solicit the agencies involved to reconsider their policies.

7. The federal government and other agencies should provide broader publicity about general youth conduct trends, especially the long-range trends in youth suicide, homicides and out-of-wedlock births. These data, in particular, have been too long buried in obscure statistical reports. Education researchers and policymakers should give greater attention to the topic of character development and the long-term rise in youth disorder. It is urgent for us to increase our understanding of this remarkable and distressing phenomenon.

IMPROVING ACADEMIC PERFORMANCE BY RAISING ACADEMIC EXPECTATIONS FOR ALL STUDENTS

[Chart not reproducible for the Record.]

THE ISSUE

Our students are learning far less than they should. Compared to students in other countries, American students have done poorly on recent tests on math and science; and, over the past twenty years, test scores of students have generally declined. It is urgent that these deficiencies be corrected.

DISCUSSION

Many nations do not share America's commitment to universal secondary education. As a result, cross-national comparisons are sometimes "unfair"—levels of pupil learning in American schools are compared to results from much more selective systems. However, Japan is as dedicated as the United States to universal high school education. Thus, cross-national comparisons between the educational systems of Japan and America are relatively justified. Such comparisons reveal that by fifth grade the mathematics test scores of the pupils in the worst Japanese classes exceed those of the best American classes; by high school, 98 percent of Japanese students excel the average American student. Furthermore, some international tests are administered to nine and thirteen year old pupils—and such tests cover almost the total youth populations of these ages. We compare poorly with many other nations in our results on these universal tests.

Comparisons of recent and former levels of American student learning also raise serious questions. For many years, a variety of standardized tests have been regularly administered to students in schools throughout America. The statistics from these tests reveal that pupil learning had been generally increasing until about 1965. Then the increase stopped and a steady, incremental decline began. The decline especially affected students at upper grades. In the past several years, the pattern has fortunately begun to be reversed. However, we have a long way to go to re-attain 1965 levels.

Insufficient resources for education fail to explain the relatively poor performance for American pupils since the 1960's. Expenditures have risen sharply in this period of time. Inflation-adjusted expenditures per pupil increased by almost five per cent per year between 1965 and 1978, twice the rate of growth of real per capita GNP, and faster than real expenditures per pupil from 1950 to 1965. As a result of this increase in funding, between 1960 and 1978, the number of students per teacher in American schools dropped from 29 to 21.

As the National Commission on Excellence in Education noted, educators have eased their expectations and lowered their standards. In the United States, minor subjects and "soft" electives have proliferated and displaced topics of enduring academic significance. There has been a decline in academic work. Such work is generated by: assigning pupils significant amounts of homework, which is collected and evaluated; administering frequent tests and quizzes to students; keeping parents well-informed about pupil performance; using grading systems which identify a variety of levels of pupil performance (e.g., letter grades with plus and minus differentiations, or two-digit numerical grades); and requiring students to attain predetermined levels of performance before promotion or graduation.

These contentions about decline are supported by recent national surveys of American high school graduates, which show they believe that they were not assigned sufficient homework. Data also disclose that American school grading has become inflated; pupils are earning much higher grades for work that is not notably superior. In 1969, the ratio of "A" to "C" students in high schools was 12 to 32; by 1984, with test scores generally declining, the ratio shifted to 21 to 20.

If we have the will, we have the knowledge to increase school learning. Hundreds of research studies show that increasing the amount of time for instruction during the regular school day and demanding purposeful educational activities during that time can bring large increases in achievement and maintain student interest in learning.

We also have other proven techniques, some of which have been aided by federal funds. Computer-assisted instruction, for example, is accumulating an excellent record of results. The post-Sputnik science and mathematics reform efforts in the 1960s proved highly effective in modernizing textbooks, laboratory materials, and teaching techniques. Only recently have investigators assembled the many evaluations that show high achievement in those schools that employed the modernized curricula.

In economically depressed areas, school-sponsored programs that assist parents to stimulate their children's academic development and to supplement classroom efforts have boosted achievement and motivation. Some carefully managed pre-school programs have also achieved lasting increases in pupil learning; such successes should be expanded.

Other effective techniques include new and old methods; student-team learning; student/teacher learning contracts; and programs that adapt lessons and activities to individual needs. Some older techniques that should never have been abandoned are also demonstrably effective; drill-and-practice; teacher lectures which promote active student participation and which are supplemented by quizzes and by higher-order, thought-provoking oral questions to students; and substantial homework (appropriately leveled and based on the academic needs of the students) which many educators, parents, and students neglect, and which is doubly effective if it is evaluated and returned to students. Leisure-time reading also enlarges knowledge and the capacity to think independently.

Most of the recommended activities require school plus parent commitment: working at school/home communications; setting time aside for homework; encouraging leisure reading; families eating and talking together; controlling television; and establishing at-home rewards and sanctions to spur children's school performance.

There are those who believe that the setting of standards in education is inherently elitist. They contend that the push for excellence in the nation's schools undermines their commitment to equality, and said that because of the differences among children, the very notion of rigorous standards is illusory. It does no good to dismiss these views

summarily, for such concerns are heartfelt. Still, their logic is flawed:

Children should be expected—and encouraged, provoked, and pressed—to learn as much as they are capable of, which is usually more than they realize.

Children can meet standards of knowledge and skills sufficient to become satisfied and effective members of American society (though some will take longer than others, some will need extra resources and attention, and those whose families do not actively cooperate in this effort will find it very difficult indeed).

Pupils who achieve minimum standards have usually not attained personal excellence, though how far a student goes depends on ability, motivation, and his life circumstances, as well as his schooling.

The beneficial effects on minority students of raising standards is beautifully illustrated by recent developments in Florida. The state determined to require high school graduates to pass a minimum competency test. Certain persons and groups objected, saying such tests would discriminate against minority students. After extensive litigation, the court ruled that the administration of such a test was a legitimate means for the state to determine whether the schools had properly covered the materials in a prescribed curriculum. On the first test, more than 80% of the about-to-graduate blacks failed. This indicated the existing instructional system was not responsive to needs of its total student population. The students who failed were provided with remedial instruction, and they retook the test a second or more times. Eventually, less than 10% of the black pupils involved failed to pass. If the state had not fought and won, tens of thousands of students would have received diplomas—but would have been unable to pass a relatively simple cognitive test. Would they have been advantaged by being freed from such a requirement?

RECOMMENDATIONS

1. Schools and agencies setting school policy should increase academic standards: in-school time should be directed toward purposeful, demanding, adult-monitored activities that advance learning; pupils should be regularly and frequently assigned homework that is collected, graded, and returned. Promotion and graduation standards should be clearly articulated and enforced. Grading systems that indicate numerous distinctions in attainment should be developed and applied (especially in higher grades); and excellence, or "A" work, should be regarded as an unusual accomplishment. Families should support school steps in these directions and carry out necessary and appropriate changes in their own lifestyles.

2. Neither the "newness" nor "oldness" of any educational technique should be a significant determinant in assessing its merits. All successful methods require effort and commitment from both staff and pupils during and after school hours.

3. Schools and agencies setting school policy should consider their current instructional techniques, and they should assess their effectiveness in the light of the available research.

4. More advanced pupils can be expected to assist other pupils (and teachers) via tutoring and other relevant activities. Such helping can foster both academic and character development goals.

MAINTAINING DEMANDS ON THE ACADEMICALLY TALENTED

THE ISSUE

Fifteen years ago, pupil tests scores stopped rising and suffered an apparent decline. Much of this well publicized shift is due to a dramatic fall-off in learning by the more able students. This decrease must be reversed.

DISCUSSION

Higher achieving pupils are not performing as well as their predecessors five to fifteen years ago. The decline at the top explains much of the stabilization or decline in "average" performance. Thus, between 1972 and 1982 the number of test-takers scoring above 650 (a relatively high score) in the verbal portion of SAT declined from 53,794 to 29,236—a 45% drop. The number of pupils taking the test only declined 3%. Over the same years, the proportion above 750 on the verbal test declined 47%. The equivalent declines on the math portion of the test were 23% and 16%. These rates of decline were far more severe than those for the lower-achieving takers. They suggest that average pupils have not slipped much. Good pupils—or those who should be good—have been performing poorly.

Our well-intentioned concern about the academic performance of poor and average pupils is an important cause of the decline. When classes and programs are structured so teachers' demands are aimed at below-average pupils, there is a danger that the above-average pupils will be subjected to fewer demands to excel.

The alternative of grouping pupils by ability or achievement level is a traditional and still widely applied educational policy. In some instances, its wisdom is self-evident: one cannot teach algebra to students who do not know arithmetic. In other, defining the appropriate pupil group is more difficult. However, if the abilities of a class in any subject are too varied, it is difficult to challenge an atypical student appropriately. Ask any teacher.

The decline at the top has also been aggravated by the misapplication of minimum competency testing. In general, such testing is desirable. But not when the tests are treated as minimum and maximum competency tests. This is a serious error. It is wise to identify a learning "floor" and use tests to check on individual attainment of that floor. But there is no reason for the floor to become the ceiling.

Some would improve the academic performance of potentially able pupils by funding special programs for the "gifted and talended." We have no hostility toward such programs. However, the general academic expectations held for able students are far more significant than specially funded programs. Twenty years ago, able pupils were performing better than they are now—usually without the support of special programs.

RECOMMENDATIONS

1. Schools should spur talented pupils to achievement by maintaining high expectations, by using instructional support aimed at the divergent academic needs of students, and through awarding appropriate recognition. (Indeed, average students can also benefit from such policies.)

2. Schools must take steps to heighten the academic demands on all pupils. Sometimes this will require the adoption or refinement of well-monitored pupil grouping policies. It is occasionally argued that ability grouping policies aggravate invidious distinctions among pupils. But there are other means, beyond unrealistic grouping, of dealing with this challenge. The discussion about cooperation and ceremony in the presentation on student character development suggests ways of fostering schoolwide cohesion while simultaneously recognizing academic distinctions.

3. Published test score tabulations—by states, localities, and private institutions—should do more than present average, or normal, patterns. The data should show changes (either up or down) in score results among the top scoring five or ten percent of pupils.

4. States and school districts should develop multiple forms of diplomas and competency measures to provide recognition for students of divergent abilities. Such arrangements would be equivalent to the New York State Regents, the planned California Golden State Examination, or the International Baccalaureate. In particular, serious exams for alternative diplomas should be administered at the end of the last year of high school to encourage students to continue studying and learning through that year. Court decisions should support systems of alternative degrees, and all students should be subject to continuous learning demands.

5. Districts should recognize that qualified teachers are sometimes reluctant to handle classes with talented students because of the unique challenge involved. If this problem arises, special incentives may be appropriate.

STRENGTHENING TEACHERS AND THE TEACHING PROFESSION

THE ISSUE

The heart of a sound educational system is the quality of its teachers. Good teaching comes from bringing able people into the profession and having them work in well-run schools. Today, as numerous research studies show, we are not attracting enough able college graduates into teaching. Furthermore, too many schools do not encourage or support good teaching. The central challenge is to establish professional standards for teaching as an ocupation, for the teacher role, and for instruction, and to create conditions in schools that allow these standard to be put into widespread practice.

DISCUSSION

All of the recent reports on education have emphasized the importance of good teachers and good teaching. The problems in achieving this goal are by now familiar: the occupation cannot attract enough able recruits to meet the coming demand; turnover in teaching is high, with the brightest tending to leave soonest; teaching's rewards and incentives fail to offset the discouragements of low prestige, low salary, lack of career advancement, and demoralizing working conditions.

Too often, teachers face disrespectful and unmotivated students, and they cannot secure parental or administrative support for their efforts. Too often, court and legislative efforts to increase the "rights" of individual students have left teachers and schools unable to maintain disciplinary or academic standards. Too often, tenure laws, union contract provisions, and limited advancement prospects make it difficult for schools to maintain realistic rewards and sanctions for teachers. Too often, teachers labor in isolation with no opportunities during the workday for collegial exchange on professional matters. And too often, administrators fail to acknowledge the central-

ity of teaching to the mission of the school: teachers must cope with constant interruptions (such as too-frequent use of public address systems) and a school climate that is not conducive to learning.

The education of teachers also begs for need of major reform, and with it, the relationship between universities and the schools. In most universities that conduct teacher training, the liberal arts and professional teacher training vie with one another, such that both are short-changed. Few teacher training programs skillfully blend a strong grounding in the liberal arts with a professional curriculum drawing on the best available research and with carefully guided practical experiences in the schools. The liberal arts are divorced from professional training, the university from the school, and scholarship from practice. It is also problematic whether it is wise to restrict formal entry into the teaching field to persons taking a prescribed curriculum. Even if that curriculum were ideally designed, there should be some room for compromise and the admission of able, energetic adults who would be excessively burdened by such requirements.

Setting standards for teaching constitutes a major problem as well. Contemporary efforts to regulate the profession rely on licensing and certification measures, college program accreditation, monitoring of program graduates via tests, and evaluation within schools for purposes of tenure, promotion, and dismissal. However, many of the present efforts focus on minimums. These floors then become the sole standard. We tend to confuse standardization with minimum standard-setting. Underlying these policy problems lies the historical domination of standards by fluctuations in the teacher job market: efforts to raise standards at any point dissolve in the face of teacher shortages and the costs of attracting better people or improving teacher education. Any serious effort to raise standards in teaching must begin with the education of the public on these problems and will require political will to carry through.

RECOMMENDATIONS

1. States, localities, and schools should experiment with comprehensive career ladder arrangements for teachers. Such ladders should expand professional responsibilities for master teachers, introduce variety and new responsibilities into teaching work, and provide substantial salary increases in the later stages of the teaching career. Master teachers should be largely selected on the basis of their on-the-job performance, be subjected to a regular evaluation, and not receive permanent tenure in their jobs. They should be involved in teacher training and evaluation, staff development, and curriculum development. New relationships with universities, better access to technical resources, and changes in the policies of professional associations will be necessary to support the new positions.

2. States and localities must establish school conditions that permit effective teaching. These include the provision of adequate learning materials, firm but fair discipline codes for students, appropriate criteria for selecting and monitoring principals, and a school-wide dedication to teaching and learning as the top priority. Tenure laws, union contracts, and court decisions should be modified to remove unrealistic barriers to discharging or warning uncommitted teachers who undermine their colleagues to fail to display evident dedication.

3. School management must emphasize norms favoring greater intellectual engagement with educational policy and practice at the school and classroom level. Time should be available during each teacher's workday for collaborative efforts, work on special projects, and regular observation and reaction to colleagues' teaching.

4. Recruitment into teaching must become a state and local priority. It is evident that the most urgent shortages are in the areas of science and math. This recruitment must include formal mechanisms such as scholarship and loan forgiveness programs where needed, but also informal influence (aimed at heightening the prestige of teaching) through the media and among business, political, and educational leaders. Simultaneously, school districts must scrutinize their teacher application procedures to ensure that the most promising applicants are chosen.

5. States should transform formal teacher education into a graduate level professional program featuring solid course work in education, psychology, clinical experience, and a paid part-time internship in the schools prior to the first year of teaching. Students enrolling in such programs should possess university degrees in standard academic majors. Coincident with this reform must be attention to accreditation standards, so teacher formal education occurs only in professional schools with proven capacity to blend research with teacher education and to forge enduring links with the schools.

6. States should establish an alternative career route into teaching, to parallel the formal academic process. This route should give appropriate weight to academic credentials, previous work experience, and general competency. It could be developed as a serious option for mature adults exploring a second career, teachers aides with long and noteworthy in-class experience, or select B.A. graduates. Master teachers could play an important part in assisting such initiates.

UPGRADING CURRICULUM AND TEXTBOOKS

THE ISSUE

The decline in student achievement already described was coupled with a general loosening of pupil curriculum requirements. Furthermore, the textbooks assigned to pupils have lowered their levels of demand for learning. If we want to raise current levels of learning and offer more opportunities to pupils we must reconsider our current practices.

DISCUSSION

The past twenty years in American secondary education have been marked by a sharp downturn in student enrollments in major subject areas. Far too few students study any foreign language or any mathematics and science beyond the most basic required course. Nor is it coincidental that high school graduation requirements and college entrance requirements have fallen substantially during this same period. These phenomena are mutually reinforcing a negative fashion. The abandonment of high school and college foreign language requirements has contributed to a shortage of teachers of foreign language; the lowering of requirements in other areas has contributed to the decline of student achievement. These events were not inevitable; they were brought about by human actions and by conscious policies. The can be reversed in the same way.

When we speak of curriculum, we speak not only about what the schools offer as courses but also of the policies that move children into the course of study. In the past two decades, the trend toward lowered requirements and increased electives in the high schools has fragmented the curriculum. In "hard" subjects like mathematics and sciences, students have been permitted to elect unchallenging alternatives in order to ease their way to the diploma. In "soft" subjects like English and social studies, students in many schools have become consumers. They may choose among ethnic studies, diluted social science programs, trendy minicourses, and nonrigorous personal service courses. By now, the minicourse boom seems to have subsided, but no coherent approach to the curriculum has emerged to take its place.

One effect of this focus on pupil choice has been to force many teachers to enter into pupil-hunting competitions in order to maintain enrollment in their courses. Often such contests lead to the presentation of watered-down materials and pop presentations. Of course, good teachers usually engage their pupils' interests. However, the current process often forces teachers to cultivate such engagement by promising less homework and nonrigorous grading.

It would not be fitting for one group to spell out the specifics of what should be taught to all children. But certain principles can be derived from our national experience in the recent past. It has been unwise to provide pupils with wide ranges of choice among diverse, weakly structured curricula. And too often the plea of choice is an adult copout. The plea frees adults from the responsibility of making demands on pupils and pressing them toward higher performance. None of this is to totally deny student choice, perhaps at the high school level. By adolescence, serious differences in human interests and ability became apparent. Pupils—in consultation with faculty and parents—can participate in making informed choices among well-planned options. But all such options must represent serious, organized sequences and make appropriate demands on pupils.

Course and school choice decisions—or assignments—affecting adolescents are often decried. They supposedly "freeze" pupils into lifetime career decisions. But our country has—and will continue to have—a variety of post-high school educational options: two year colleges, four year colleges, and myriads of other alternatives. And many of these institutions are filled with adults, indeed, who have decided to return to school. If a youth, at fourteen, fifteen or sixteen, is unable to handle some academic material and is counselled—or flunked—into an alternative, it does not necessarily follow that his career has been determined for the next fifty years. Such decisions should not be taken lightly; however, they should also not be overdramatized.

Still, when all is said, pupils must be confronted with certain uniform requirements, since we are—and should stay—a common society. These demands should be supplemented with aspects of choice. Our recommendations strive to balance these divergent themes.

Research in recent years has demonstrated that the literacy level in textbooks has been substantially lowered to reflect and respond to the falling literacy level of pupils. This cycle has become self-reinforcing. The absence of challenge in the textbooks feeds declining literacy. The economics and expectations affecting textbooks are also relevant. There is an emphasis on "pretty,"

well-illustrated books, with much white space. This increases the cost of each book. It generates pressures for books to be sold and purchased on a volume basis. Such mass market textbooks are then written for median or low median pupils. There is nothing wrong, per se, with attractive books. But we should recognize that such a focus generates hidden costs.

But not all textbook publishers have succumbed to the pressure to "dumb-down" their content and language. Some books are still available which are knowledge-based. In the areas of science and mathematics, "knowledge-based" means that the content reflects the best that is currently know in the field, free from error. "Knowledge-based" in literature means that textbooks contain unabridged works by outstanding authors, selected on the basis of literary merit and without giving undue weight to novelty. "Knowledge-based" in history means that textbooks reflect, in an appealing literary style, the excitment and intrinsic interest of the great achievements, dastardly deeds, remarkable individuals, and crucial events of or past. Classroom teachers often do—and should—have input in textbook purchase decisions. Unfortuantely, such decisionmaking too often becomes a popularity contest, and the "winners" are the texts considered easiest to teach.

RECOMMENDATIONS

1. All able pupils in elementary and secondary school should be expected to complete a curriculum that stresses competence in the use of language and numbers; the literature and important ideas of our society; the history of our own and other societies; the principles an practice of science, mathematics and technology; and an appreciation of the arts.

2. Substantial proportions of students should also complete work generating competency in a foreign language, familiarity with significant literature, and mathematics perhaps up to calculus. Other students, after appropriate advisement and consultation with parents, should be counselled or referred to alternative curriculm areas.

3. Good teachers of science, math, history, and literature should not have to display their wares on the high school student marketplace. A school or system dedicated to fostering learning should scrupulously constrain the casual exercise of pupil choice.

4. Textbook selection should aim to make constructive demands on all pupils and focus on knowledge-based materials. It may be appropriate to give greater weight to more diverse and less elaborately illustrated texts to moderate the cost of providing differentiated materials for students of varying competencies. Districts and schools, in making textbook purchase decisions, should give substantial weight to the opinions of their better-trained (or master) teachers and the criteria developed by teacher subject matter organization, such as the National Council of Teachers of Mathematics.

PROVIDING CHOICE FOR PARENTS AND PUPILS

THE ISSUE

There is increased interest in providing parents and pupils with greater choice among different forms of schools and school systems. Plans to facilitate such options have attracted growing attention, and some systems for choice have been put into effect. But heated controversies also have arisen around the design and adoption of these plans.

DISCUSSION

An enlarging body of research has demonstrated that substantial differences in efficiency exist among schools serving approximately similar families and students. In other words, schools differ in the energy and skills of their leaders and staffs, the policies they apply, and the ethos they establish. Some do better jobs than others.

This recognition contrasts with earlier beliefs that better or worse run schools made little or no difference to pupil learning, or the obverse—that we all knew how to run good schools and were generally doing so. Thus there was little interest in developing—or even in studying—schools organized around significantly different premises or patterns. The belief was that there was One Best System for education.

This view was always belied by the covert school ranking systems applied by some educators and sophisticated parents. In practice, fast-track academic institutions existed in both the public and private sectors. The celebrated schools were not necessarily the "best" schools of their eras. Often, the thing they did best was select students.

In recent years, many citizens have been dissatisfied with the evident inflexibility and bureaucratic defects of their particular public schools. Others have wanted their children enrolled in schools that more effectively reinforced parents' values—and such values were not necessarily religious.

Some parents have also been frustrated by the relative impersonality of many large public schools—especially high schools. As a result, they have generated pressures for the formation of discrete, more communal sub-programs, carved out from the total schools. Such shifts may be congruent with our discussion regarding student character. There we urged the development of persisting and more intimate, contacts among persons regularly in the school. Sub-programs can foster such contacts.

Another pattern of choice was revealed in a recent study conducted by the Chicago Reporter. It showed that 46 percent of Chicago public school teachers who live in the city and have school-age children send them to private schools, paying the required tuition. That is the exercise of choice—by both black and white teachers—with a vengeance. Finally, the research finding already mentioned also argued for allowing individual public schools, and their principals, greater leeway in applying policies diverging from their system's norms. The wisdom—or flaws—of such variations could be monitored by market-economy tests: did parents enroll their children in these schools and keep them there? An educationally sophisticated population did not always need the government to designate their children's schools.

A variety of parent choice plans have been proposed: magnet schools within the public system; voucher systems providing parents with chits (obligating public funds) to "buy" education for their children in either public or private schools; schemes for partial tax forgiveness so that some of the out-of-pocket costs of schooling can be credited against a parent's tax payments; and subschools, or "houses," where pupils enroll in a separate and distinct unit that is part of a larger operating school. Undoubtedly, other examples of choice arrangements can and will evolve.

Some choice plans operate within individual schools, others in school districts, some on the state level. Proposals have been made to assist choice from the federal level. Complications often arise about how much such schemes can—or should—assist private, church-related schools; assistance provided to church-related schools may lead to government intrusion into religious matters. However, such state assistance for church schools has apparently "worked" in some European countries. But one cannot simply draw a parallel between the European and American situations. No one can insure that government dollars will not be accompanied by legislation affecting internal policies. And this possibility may be another argument for incremental, state-based programs of assistance.

Another perplexing problem has been the matter of clarifying exactly what parents are to choose from: what is to be unique about the "selected" schools. Many schools have sought to distinguish themselves in terms of particular vocational or educational foci, e.g., music and art, computers, science. Interestingly enough, we cannot identify any recently established single-sex school of choice, although research data suggest this a viable approach for enhancing adolescent male or female achievement.

There is surely some merit to making "programs" the point of focus. But it is our belief that many parents, in seeking school alternatives, are seeking schools or subschools which have a strong academic press and which strive to develop good character in pupils. In other words, many of the reputedly best American public schools simply were well-managed institutions with dedicated teachers and high levels of parent/school cooperation. Perhaps, over time, the better alternative schools will simply be those whose policies facilitate such patterns.

RECOMMENDATIONS

1. The development of different patterns of school operation in different schools, or in programs in a particular school, is an important form of experimentation and a stimulant to healthy diversity. Parent choice among such patterns provides greater fairness to parents and will help monitor variations which occur. Furthermore, facilitation of choice can actually help strengthen our public schools; the current unsatisfactory status is due partly to the lack of inter-school competition, even between public schools. Without choice, we may only see more stagnation and decline.

2. The development of variation and choice will proceed best on the local school, school district, and state level. Varied policies can be tested at these levels, and the consequences of inevitable mistakes will be moderated. But even at the district level, incremental development will be necessary to provide quality programs.

3. There are numerous impediments to developing significant diversity among public schools in many states and communities: state laws, union contracts, judicial decisions, and districtwide policies. If we are sincere in praising diversity and greater freedom for parents, we must modify many of these constraints.

4. As a group, we have deliberately considered the potential virtues and drawbacks of systems of providing public support, via subsidies of tax credits, for private schools. The issue is admittedly complex. However, the majority of our signers believe changes in this direction are appropriate within particular school districts and states.

5. Public and private schools entering into the competitive choice environment should not be especially attracted to gimmicky

packages. The motto of one well-regarded New York City private high school is simply, "We give homework." Perhaps the message communicated by such a motto is more significant than that communicated by a school advertising its computers or pretty building.

6. Choice is a two-way street. If parents can choose among schools, than schools (and programs) should be able to make significant demands on parents to support school policies. After all, in a choice situation, it is not as if parents have no place else to go. Further, the parents of a school-of-choice presumably come there because they want certain commonalities in school policies. Parents who seek policy exceptions for themselves and their children in schools of choice undermine the reason for the school's existance, and they can be properly referred to other schools.

7. Schools are not simply a family matter. Much education is paid for by taxpayers; and even private education bought by parents cannot create schools entirely free from social constraints, especially if such schools become tax-assisted. The appropriate forms of government supervision will be determined by a complex process of experiment and negotiation. Private schools which hope to receive, directly or indirectly, significant government benefits without government intervention may be deceiving themselves and should, perhaps, reconsider their priorities.

8. Education interest groups should not be hostile to all pro-choice measures. Without some increase in competitive forces, especially within and among public schools, the overall stability of our school system may be endangered.

REVITALIZING EDUCATION POLICYMAKING AND RESEARCH

THE ISSUE

The quality of education policymaking in general, and research in particular, is significantly affected by the energy and abilities of the persons committed to such careers. The available evidence supports the charge that the professions in these two fields have become excessively inbred. As a result, they are less able to approach their critical responsibilities with appropriate vision. Furthermore, although the United States has for several decades spent public money to conduct and improve education research, these activities have been handicapped by political and interest group politics, and too often they are carried out at low conceptual levels.

DISCUSSION

Some blunt words must be uttered about the persons who now participate in education policymaking. Almost all persons—over 95 percent—now holding administrative positions in school systems entered the field via the teaching profession. This uniformity is largely due to the certification requirements established by state and local laws. To become a school principal in most states, for example, one must have been a classroom teacher for at least three years. Much the same pattern prevails in state education agencies and, to a lesser extent, in regional organizations, professional associations and federal agencies concerned with education. Though elected policymakers are infrequently ex-teachers, nearly all of the administrators, appointed leaders, and professional "movers and shakers" have come up through the ranks.

A high proportion of education researchers also began as teachers and moved up as their talents and interests were refined. Other researchers, who enter the field from other directions, such as the social sciences, often make only passing commitments to education per se.

The career patterns and interests of these policymakers and researchers bear little resemblance to the broad-gauged qualifications of persons who shaped education policies during earlier periods of American and world history. Thomas Jefferson was deeply engaged with education issues. Benjamin Franklin drafted a plan which eventually became the University of Pennsylvania. Horace Mann came into education after a career as a lawyer and state legislator. John Dewey was a professor of philosophy who chose to found and direct an experimental school.

The breadth and dynamism of such persons gave extra quality to their diverse visions for education. Today, we do not seem to believe that developing education policy can be a spare time activity. Yet, the field still needs ambitious and broadgauged people. The education profession, to put it bluntly, has become inbred and needlessly defensive. Many current education administrators and researchers are able and dedicated. But existing explicit and tacit restraints on the recruitment into education administration and research have made for unhealthy inbreeding. Conversely, the career incentives now prevailing in America are not encouraging enough ambitious young people to commit themselves to education, not only as teachers but also eventually as administrators, executives, and reseachers. One barrier to such commitment are the current norms which assume that all such persons must first begin as teachers and perhaps continue such work for a number of years.

We should also consider the conduct of education research, itself. Many Americans assume that research will generate better answers to complex education problems. In the early 1970s, these aspirations led to the development of the federal government's National Institute for Education to facilitate such research. Significant education research is also supported by other government agencies and private foundations. Finally, the teaching budgets of many public and private universities actually subsume much research cost.

Undoubtedly, aspirations for these activities have been too high. The nature of human learning in schools is enormously complex. It is more difficult to be scientifically certain how to improve schools than to put someone on the moon. We may be able to analyze how one person causes another to learn some discrete piece of knowledge. But one school can be comprised of a hundred adults working for a living and 2,000 students living at home with the families. The school is affected by diverse and conflicting government and union policies, plus public expectations and neighborhood factors. Understanding what levers to pull to transform such an institution into an optimum learning environment involves far more than a theory of human learning.

Even when good quality research identifies some relationships as "statistically significant," those relationships may not be very "robust." For example, smaller class sizes, or other revised practices, may slightly improve pupil learning, but is such extra learning worth the substantial increased cost involved? And how do we know that there are not other, better ways of spending our limited education dollars? Beyond the matter of complexity, there lies ideology. We cannot know everything. Thus, preferences and value-based opinions must guide the choice of research and funding targets. Since our findings are usually incomplete, people put different interpretations on inconclusive information. Furthermore, the proponents of such interpretations often preface their contentions with the sacred phrase "research shows." Finally, scholars often conclude that their hopes for more funding may rest partly on the support their findings provide for certain preferred policies and ideologies.

American impatience also complicates the matter. Complex institutions such as schools often absorb new discoveries slowly. Thus, developing well-conceived innovations, and seeing them into effect, may take decades. Such a process may dishearten legislators and parents who wrongly but understandably hope for more direct results. As a result, researchers and funding agencies may focus excessively on short-range, dramatic activities—whatever is currently "hot."

RECOMMENDATIONS

1. States should eliminate all requirements that school administrators must be former teachers, or that they must possess formal training in education per se. Instead, states should be prepared to "certify" as school administrators men and women of diverse backgrounds who can demonstrate outstanding leadership potential, broad-gauged intelligence, and general understanding of organizational dynamics and educational processes. Such "demonstration" should take the form, initially, of tests, interviews, proof of prior leadership experience and other evidence of "likely" success. This examination should lead to an interim license that can be converted into a periodically renewable regular license upon at least one year's successful performance in a leadership role (or completion of a suitable apprenticeship).

2. State and local school systems should develop traineeships, apprenticeships and internship programs, complete with suitable opportunities for advanced study in universities or elsewhere. Then, promising young and mid-career non-education trainees can more easily be "developed" as education leaders.

3. Education research organizations, institutes, agencies and centers, as well as the faculties of schools of education themselves, should make sustained efforts to attract outstanding scholars (and graduate students) from many fields to join their staffs, to participate in their work, even to lead them.

4. Our political leaders should decide to insulate some education research from the political process, so more long-range efforts can be attempted. The early history of the RAND corporation may serve as a model. The caliber of RAND's research during the 1950s was high because (a) the federally funded research center was sited 3,000 miles away from Washington; (b) RAND was provided with reasonably secure funding for nearly ten years and put under no pressure for demonstrable results; and (c) the researchers were well qualified people who deliberately selected their own priorities after consulting with Air Force staff. Education, like the military, is important enough to justify such a risky research enterprise, and it should be able to attract quality people.

5. The numerous constituencies now debating the future of more short-range re-

search (such as that sponsored by the NIE) must engage in profound compromises to develop more stable funding bases and principles. The persistent pursuit of ideological goals, on both the left and the right, and the protection of institutional bases have lowered the credibility of the entire endeavor.

REEVALUATING UNDERGRADUATE EDUCATION

THE ISSUE

The quality of American undergraduate education is as much in need of careful scrutiny as that of elementary/secondary schooling, and so are public policies bearing on undergraduate education. But deliberate consideration is needed to see what is wrong, and what can be done about it.

DISCUSSION

The nation has been obsessed in the last two years with "excellence" in the primary and secondary schools, but until very recently little attention has been paid to analogous issues in two- and four-year colleges. Yet there are many signs that higher education has not satisfactorily recovered from the excesses of the late sixties and early seventies. Indeed, new erosion is occurring, much of it the result of the panicky effort to maintain enrollments by admitting (and often recruiting) students of low ability and weak preparation.

Some colleges and universities have tried (or been compelled) to raise their entrance standards as part of the effort to elevate high school exit standards. But the number is small. Furthermore, the new standards ordinarily relate to formalistic criteria such as the number of years of particular courses that applicants must take, rather than objective indicators of knowledge or intellectual prowess.

Almost all nationally normed college "exit" examinations, such as the Graduate Record Exams, have shown steadily declining average scores over the past decade. (The G.R.E. verbal average has fallen farther and faster than the S.A.T. verbal score, implying that colleges not only are failing to make up for the inadequacies of entering students, but also are, in a sense, accelerating the deterioration.) Few colleges have pre- and post-test systems for students or comprehensive exit exams required of all students. At an aggregate level, there are not yet any general measures of young adult learning to correspond to the National Assessment of Educational Progress. A few undergraduate colleges have impressive "core" curricula. In most, however, a "smorgasbord" of elective courses is the dominant pattern of curricular organization.

The disorder which has afflicted many secondary schools has extended into some campuses. Informed observers report frequent problems with student cheating, disorderly conduct in poorly monitored dorms, and generally lax direction of students by supposedly responsible adults. Some of the laxity may be attributed to court decisions excessively restricting the power of college authorities. But the role of education in developing youth character does not end with high school, although the forms of instruction necessarily vary.

Other problems besetting many colleges and universities include: procedures for selecting administrators that militate against the designation of strong leaders and persons with clear ideas, slipshod standards of teaching and research among faculty, and a loss of the sense that controversial issues should be examined and discussed on campus without regard to politics or ideology.

Meanwhile the cost of higher education continues to soar and the public is asked to pay a larger share of it through various means, ranging from institutional subsidies to student grants and loans. With increased dependency on public funds, of course, comes increased regulation and diminished academic sovereignty. It is true that a number of these problems are familiar. Furthermore, in the recent past, there have been several reports to the public which have demonstrated constructive concern with some of the dissatisfaction just recited. Still, there is little evidence that the "academic community" is assuming sufficient responsibility for quality control. The external scrutiny which has occurred needs to be continued, intensified, and given broader focus.

RECOMMENDATIONS

1. A National Commission on Excellence in Higher Education, consisting primarily of distinguished laymen, should undertake the fact-finding and analysis that can lead (if warranted) to clear policy recommendations for the improvement of American undergraduate education. The Commission should be concerned with both the academic and character development aspects of higher education. It would be appropriate for the President of the United States to appoint such a commission.

2. State and private support for student scholarships and other aid to higher education should be related more closely to standards of student performance than has recently been the case.

3. The projected extension of the National Assessment of Education Progress to cover young adults should be developed and put in operation. We need more feedback from this important research tool.

4. More two- and four-year colleges should apply their own forms of quality control. Such control might consist of requiring uniform comprehensive exit exams for students, or pre- and post-tests that appraise student learning through their college years.

5. Federal student aid policy should be reexamined with an eye to giving greater weight to the matter of financial need and to recognizing individual achievement. Conversely, less weight should be given to broad distribution of aid to high proportions of applicants who do not display significant financial need or academic potential.

RECEIVING ACCURATE INFORMATION ON SCHOOLS AND PUPILS

THE ISSUE

Clear, well-organized statistics on school operations and school effects in indispensable for improving education. Unfortunately, data usually made available to the media, parents, and policymakers are inadequate.

DISCUSSION

Schools and districts publish a great deal of information. However, the format and the substance of such statistics are often of little help in discovering what is really going on. Many commentators believe that the inadequacy of the current information systems is not accidental—they know that many school administrators try to hide or obscure embarrassing information. Furthermore, good quality education data, collected on state and national levels, can also permit interdistrict and interstate comparisons. Such varied and regular assessments can help parents, voters, and the media to evaluate local school, school district, and state policies. But, to improve such statistics, we must recognize more clearly what we want to measure and how.

We first need measures of whether the goals of schooling are being met. There are three such goals: pupils learning things valuable for use after graduation; pupils completing school; and pupils choosing to continue education after high school. These goals are ordinarily measured by standardized test scores, dropout rates, and the college-going rate of graduating seniors. Regrettably, there are problems in measuring all of these goals.

Standardized tests are increasingly used to measure school performance. However, they were originally designed to measure individual student performance. As school efficiency measures, they have a number of limitations. The same or directly comparable tests must be used in different schools in a district; and comparability across districts is also desirable. Comparable tests should be used over a period of years. Test should be relevant to curriculum goals established for the next stages in the student's life, in college, or on a job. Tests should have national norms to allow comparison of the school with the national average. Both dropout rates and college-going rates are difficult to measure. Schools do not regularly follow up on those who graduate, leave, or transfer during school. However, present or exstudents who request transfers or transcripts are a good proxy. Such requests can be compared across schools from year to year. As with achievement testing, the value of these data in improving (or evaluating) the school depends on their public use of inter-school and inter-district comparisons.

The internal functioning or efficiency of a school can also be described by statistical measures. But this is more difficult than measuring a school's goal-attainment. Still, some measures can serve as indicators. These measures ought to be maintained by each school on a yearly basis. One of these is the proportion of students taking each of certain well-defined courses. Specific high school courses in mathematics and science, such a first-year algebra, second-year algebra, geometry, calculus, chemistry, and physics, are easiest to record, along with first-, second-, and third-year foreign language courses. Other indicators of functioning are teacher absenteeism and turnover, pupil failure rate by grade, and transfer rate.

There is an important limitation on using performance and functioning measures for comparative purposes. Pupil performance and conduct are strongly affected by home background and prior academic preparation. Many schools do routinely obtain some information about such factors; this information can sometimes be adapted to permit meaningful comparisons among schools, or over time.

The National Assessment of Education Progress is a different, and potentially valuable, yardstick at local and higher levels. Unfortunately, pressure groups have prevented policy-relevant comparisons, and few school districts have linked their districtwide testing to the Assessment.

If the different forms of data described are more available, they can affect school, district, state and national education policy decisions and the findings of education researchers. They can also improve parent decisions about where to live or which magnet schools to select. And the media can engage in more informed reporting.

RECOMMENDATIONS

1. School districts should collect and make public data on student achievement on a school-by-school basis for at least two of the grades covered by each of the typical schools in the district, preferably grades toward the beginning and end of the school span, e.g., in a K-8 school, grades two and eight. The data should include information about student background and preparation to allow for warranted comparisons. The reports should be based on national norms. Administrators should design and monitor the testing process so it is fairly managed. The media should appropriately report and analyze such data.

2. The testing administered should be linked to standardized international tests where possible (such tests now exist for mathematics for age 13 and high school seniors, and sciences at ages 10, 14, and high school seniors). This permits comparison to international as well as national standards.

3. Achievement testing should move towards measuring specific subject matter competencies, in other words to measure pupils' learning of the curriculum.

4. School districts should maintain yearly school-by-school records of dropout rates as each grade level, and the rate of college-going for graduating seniors. They should also maintain records of teacher turnover, student turnover, teacher absenteeism, student failure rate by grade, and rates of student enrollment in well-defined courses.

5. These measures of school goal-attainment and school functioning should be publicly available, both for parental use and for research and policymaking use. Florida and California, for example, are carrying out exemplary state level efforts at the compilation and publication of such information.

6. State legislatures, school boards, and school administrators should take measures to carry out these procedures. Researchers and companies developing standardized tests could also assist in the design of appropriate instruments. In particular, state education departments, and possibly the U.S. Department of Education, should develop diverse, but standardized, evaluative systems—since districts usually lack the capability for such efforts. Districts, or schools, with different curriculum priorities could then choose among technically adequate systems. Federal agencies should cooperate with international agencies to facilitate the selective development and application of internationally standardized tests.

7. The National Assessment of Education Progress is an important tool for describing the current state of cognitive learning in the United States. The U.S. Department of Education can and should improve the quality of the information collected by combatting the tendency to conceal data which disclose differences in performance among schools, districts, and states. One measure which might advance this end would be for the Secretary of Education to delegate the supervision of both national education data collection and research policy to an Assistant Secretary of Education, selected for his nonpartisan professional stature.

PARTIAL DISSENTS BY SOME SIGNERS

David A. Bennett: I believe the statement represents the mainstream of responsible education reform in this country. My endorsement is qualified only by my concern about its sympathy for "providing public support, via subsidies or tax credits, for private schools." I fully appreciate the value of educational alternatives. Indeed, I was principal architect of a "voucher" program for the Milwaukee Public Schools, under which all parents had choices from a wide variety of public school programs. However, I do not believe such programs should be extended to provide public support for non-public schools. I support the view found in the statement, that "private schools which hope to receive, directly or indirectly, significant government benefits without government intervention may be deceiving themselves . . . "

Allan C. Carlson: In developing the Statement, the signers decided to by-pass the education approaches of "values education" and "sex education." (And sex education usually goes far beyond transmitting simple biological facts.) The decision was a useful device for building consensus. However, it avoids confronting two areas where student's moral values and character-formation are often systemically under-mined. Progress in assisting character formation can be made through many means, as the Statement outlines. But full success cannot be achieved until these two approaches are removed from the curriculum.

Stanley M. Elam: The Statement recommends "substantial salary, increases in the later stages of the teaching career", and scholarships and loans as inducements for bright students to enter teaching. These are the only ways in which the Statement recognizes that teaching is so poorly rewarded in our society that not enough good people will enter or remain in the profession. I would add that the economic rewards of teaching must equal those of other major professions requiring similar ability and preparation for success. This will take a lot of tax money. The Statement also suggests that "the majority of signers" approve of subsidies and tax credits for private schools" in order to promote choice and competition. I believe such subsidies and credits would be a major error, not only weakening public education but eventually subjecting "private" schools to state authority and destroying their freedom to do some of the things they now do (not all of which I approve). The common public schools are still the greatest bulwark of democracy we have, and they must not be undermined. I am a strong supporter, however, of competition and choice within the public school system. It can be achieved if the public insists upon it.

William H. Schreiner: I find it comfortable to support the major tenents of the Statement, however, I disagree with some of the ideas advanced in the discussion about parent and pupil choice.

Richard Stephenson: Increasing the school choices available to parents and pupils is desirable. But, considering the appearance of neo-conservatism in America, it is difficult to view tax credits for private schools as other than instruments for making "good" schools better, or richer, and "poor" schools poorer, or worse. It understandably goes against the grain for middle or upper class parents to consign their children to second-rate schools, if a better one is available. Similarly, most lower class parents, if possible, will opt to send their children to schools with demonstrably good programs. As the prime receptacle for minority and lower class students, urban public schools do not enjoy a high reputation. As a consequence, it is likely that tax credits would further widen and deepen race and class segregation. Thus, such a revised policy would imperil the existence of urban public schools.

SIGNERS

Edward A. Wynne (Editor), professor of Education, University of Illinois at Chicago. He is the author or editor of six books, and over 70 articles, reports, and chapters. He is also Editor of Character II, a bi-monthly newsletter about the public and private policies shaping the character of young Americans, and Coordinator of "For Character", a Chicago area school recognition program.

Herbert J. Walberg (Co-editor), is a psychologist and Research Professor of Education, University of Illinois at Chicago. He has written over 300 articles and chapters, and written or edited 21 books on educational productively and related topics. He has served as advisor to the Illinois Office of Education, the U.S. Department of Education, the Office of the President, and the national boards of education in Singapore and Sweden.

Donald A. Bennett, Ph.D., Superintendent of Schools, St. Paul, Minnesota. Prior to assuming his position in October, 1984, he served as Deputy Superintendent, Milwaukee Public schools for eight years. He has written numerous articles on school integration, educational equity and adequacy, and is consultant to many school districts on school desegregation and the use of magnet schools in that process.

Urie Bronfenbrenner, Jacob Gould Professor of Human Development and Family Studies, Cornell University. He was cited as Outstanding Researcher, American Education Research Association. 1975; recipient of the Kurt Lewin Award, American Psychological Association, 1977; and received the Anisfied-Wolf award in Racial Relations in 1981, for his book, The Ecology of Human Development. He is a member of numerous national and international commissions on children, the American Academy of Arts and Sciences and the National Academy of Education.

Allan C. Carlson, Ph.D., Executive Vice President, The Rockford Institute (Rockford, II), and Editor of its publication Persuasion at Work. His articles on education and family policy questions have appeared in The Public Interest, Policy Review, Education Week, Regulation, Current Issues in Education, and other journals.

William D. Coats, Ph.D., President, Youth Enrichment Services (St. Clair Shore, MI), and Executive Director, Education Voucher Institute. He was formerly Superintendent, Groose Point Public Schools; Superintendent, Kalamazoo Public Schools; and Professor, University of Michigan. He is widely published in professional journals on education.

Paul De Hart Hurd, Professor Emeritus of Education, Stanford Univeristy. He has written extensively on the underlying policies and conditions of pre-college science education in the U.S. and the Peoples Republic of China. His most recent publication is Reforming Science Education: The Search for the New Vision. He is a member of the Six Hundred (the Northeast Asia-U.S. Forum on International Policy, sponsored by Stanford), and the Academy of Indpendent Scholars.

Stanley M. Elam, Contributing Editor, Phi Delta Kappan (Bloomington, IN). For over ten years, he served as Editor, Phi Delta Kappan, and Director of Publication, Phi Delta Kappan. The Kappan is a monthly magazine for education administrators, with a readership of over 100,000.

Raymond English, Senior Vice President, Ethic and Public Policy Center (Washing-

ton, D.C.). He was formerly director of a social science textbook series, Concepts and Inquiry; and Chair, Department of Political Science, Kenyon College. He is the author and editor of many publications on education and politics, including Constitutional Democracy versus Utopian Democracy and The Grenada Mission.

Jim Enochs, Assistant Superintendent of Schools, Modesto California. He developed an education program, "Academic Expectations and the Fourth R—Responsibility", which was featured in the Christian Science Monitor, the New York Times, Associated Press, CBS News, and public television. He is the consultant to numerous school disticts and state departments of education, and also the author of many articles in education periodicals.

Nathan Glazer, Professor of Education and Sociology, Harvard University. He is Coeditor of The Public Interest, a quarterly journal, and author of numerous books and articles on education and public policy. His most recent book is Ethnic Dilemmas.

Joseph C. Harder, Member, Kansas State Senate (Mound Ridge, KN). He is: Chair, Kansas Education Master Planning Committee; Commissioner, Education Commission of the States; and Member, Education Committee, National Conference of State Legislators. He is a former businessman.

Barbara Heyns, Professor of Sociology, New York University and Director, Center for applied Social Science Research. She was previously on the faculties of the University of California, Berkeley, and the Harvard Graduate School of Education. In addition to numerous articles, she is the author of Summer Learning and the Effects of Schooling, and co-author of Inequality—A Reassessment of the Effects of Family and Schooling in America.

Robert Hogan, McFarlin Professor of Psychology and Chair, Department of Psychology, University of Tulsa. He was formerly Professor of Psychology and Social Relations, Johns Hopkins University, and is Editor, Journal of Personality and Social Psychology. Among his many publications is Personality Theory.

Judith S. Kleinfeld, Professor of Psychology, College of Human and Rural Development, University of Alaska, Fairbanks. She is the author of Eskimo School on the Andreasfky, and over 30 articles and 60 research reports on youth and community activities.

Ernest W. Lefever, Ph.D. (in Christan Ethics, Yale University), Founding President, Ethics and Public Policy Center (Washington, D.C.). He served on the Values Education Committee of the State of Maryland (1979-1983). He is the author of hundreds of articles for the popular and scholarly press, and eight books, including Ethics and United States Foreign Policy, and Amsterdam to Nairobi: The World Council of Churches and the Third World.

Robert MacGregor, President, Chamber of Commerce of Greater Kansas City. He was formerly President, Chicago United; Vice President and Executive Director, Dayton-Hudson Foundation; Member, City Council of Minneapolis; and Chair, Morgan Park High School Parents Council.

William C. McCready, Associate Professor of Social Service Administration, University of Chicago, and Director, Cultural Pluralism Center, National Opinion Research Center. He is also editor of Culture and Ethnicity, and has written seven other books and numerous articles on the sociology of religion.

Michael Novak, Director Religion and Public Policy Project, American Enterprise Institute (Washington, D.C.). He is the author of numerous scholarly and popular books and articles on public issues. He has held teaching positions at Harvard and Stanford Universities. He was formerly Chief, U.S. Delegation, United Nations Human Rights Commission in Geneva, and is currently Member, Board of International Broadcasters (which governs Radio Free Europe).

Andrew Oldenquist, Professor of Philosophy, and Member, Mershon Center Faculty, Ohio State University. His recent publications include Normative Behavior, and articles on ethics, education, biology and society, and social philosophy.

Kevin Ryan, Professor of Education, Boston University, and Director, Boston University-Portugal Program to Develop a System of Education Colleges for Portugal. He is the author of twelve books on education issues focusing on teacher education and moral education. He has formerly been a member of the faculties of Stanford, Harvard, the University of Chicago and The University of Ohio.

Francisco D. Sanchez, Jr., Superintendent of Schools, Alburquerque, New Mexico. He is a Member, Board of Trustees, College Board, and a Member, Policy Board, University of California, Los Angelos, Center for the Study of Evaluation. He was formerly a Member, National Commission on Excellence in Education. He was selected as one of the One Hundred Top Executive Educators.

William H. Schreiner, Ph.D., Principal, Glenbrook South High School (Glenview, IL). In 1984 the school was selected, as an excellent school by the U.S. Department of Education, and he was designated as the outstanding principal in the State of Illinois by the National Association of School Administrators. Since 1970, he has also served as the President of the Central Suburban High School League.

Henrietta S. Schwartz, Dean, College of Education, San Francisco State University. She has been Principal Investigator on 26 grants for studying schools throughout the nation. She was formerly Dean, College of Education, Roosevelt University; faculty member, University of Chicago; and Assistant Principal of a Chicago public high school.

Richard Stephenson, Ed.D., Principal, Dunbar High School, Chicago public school system. He is a Member of the Boards of Directors of the Illinois High School Principals Association, and Bok House. He is also Vice President, High School Auxiliary, Chicago Principals Association, and a member of the Chicago Association of Black Educators.

Ernest van den Haag, Professor of Jurisprudence and Public Policy, Fordham University. He is the author of ten books and over 200 articles in learned journals. He was formerly Professor of Social Philosophy, New York University, lectured on sociology and psychology at the New School for Social Research. He is a practicing psychoanalyst.

James Q. Wilson, Shattuck Professor of Government, Harvard University, Author of numerous books and articles on public issues, including Thinking About Crime.●

THE PLIGHT OF JEWS IN THE SOVIET UNION

● Mr. BURDICK. Mr. President, this is my first opportunity as a participant in the congressional call to conscience to speak to my colleagues about the difficult situation of Jews in the Soviet Union.

When the United States signed the Helsinki accords, we pledged to guarantee certain basic human rights, including freedom of religion and the right to emigrate. If our signature means anything at all, we must not only guarantee human rights at home, but we must also speak out when these basic principles are violated by any nation which has agreed to uphold them.

The Soviet Union is a signatory to the Helsinki accords. As I mentioned, one of the rights guaranteed by the accords is the right to emigrate, but one look at the Jewish emigration numbers indicates a clear Soviet violation of this most important principle.

Jewish emigration has plummeted from a high of 51,320 in 1979 to a pathetic low of 896 in 1984. The reason for the decline is not that fewer Jews wish to emigrate. On the contrary, more than 350,000 Soviet Jews have begun the emigration process.

The United States has repeatedly raised this issue with the Soviets. Members of Congress have made a personal commitment to this fight for freedom by meeting with refuseniks when they visit the Soviet Union, and many American citizens have worked tirelessly on the issue for years. I have been particularly impressed by the dedication and commitment of those young Americans who are members of the Student Coalition for Soviet Jewry.

As the emigration numbers have fallen, our sense of frustration has deepened. Recently, this frustration has given way to real concern for the very safety of Soviet Jews.

There is evidence that harassment of the Jewish community has accelerated in the U.S.S.R. We have received reports of a campaign to stamp out Jewish religious and cultural practices, and have followed with alarm the creation of the Anti-Zionist Committee, and the showing of a virulently anti-Semitic program on Leningrad television.

The situation is especially precarious for Jews who make public their desire to emigrate. We know that once a Jew takes the first step in the emigration process, he is subject to harassment and intimidation; he loses his job, and in some cases, is arrested and tried on trumped up petty and criminal charges.

All of this points to a very dangerous pattern of discrimination against Soviet Jews. It is a pattern that no American in good conscience can ignore.

Last March, on the International Day of Concern for Soviet Jews, the President said:

We have no higher priority. Those who care about the fate of Soviet Jews should know that we are with them today, and will be with them tomorrow.

We in Congress are with them too. It is time to renew our commitment to Soviet Jewry, and make 1985 a year of progress on this most important human rights question.●

CONGRESSIONAL BRIDGE CLUB CELEBRATES 30TH ANNIVERSARY

● Mr. STAFFORD. Mr. President, it is appropriate that the Senate recognize the 30th anniversary of the Congressional Staff Duplicate Bridge Club.

The club, founded in 1955, has held weekly games, as well as quarterly and annual tournaments, in the House or Senate office buildings almost continually since that date.

While I am not a duplicate bridge player, I know that some of my colleagues in both the House and the Senate, as well as many staff members, have participated and enjoyed these club tournaments. They tell me they find the atmosphere relaxed and informal, and that these games are as enjoyable as those played anywhere.

The club games are open to all Members of the Congress, who are honorary members of the club, as well as to congressional staff, employees of the Library of Congress, and others who have at some point worked on the Hill. The club meets Monday evening at 7 p.m. in the South Cafeteria on the Dirksen Office Building.

Mr. President, I commend the club on this anniversary.●

TRIBUTE TO JOHN W. ANDERSON OF THE U.S. ARMY CORPS OF ENGINEERS

● Mr. PRYOR. Mr. President, on Friday of this week, March 1, we will witness the first day in 45½ years that the U.S. Army Corps of Engineers will be without the services of one of its most dedicated and effective employees, Mr. John W. Anderson of the Vicksburg District. John Anderson has been the executive assistant to the Vicksburg District Engineer since 1971 and in that capacity, he has played a major role in the development of the Lower Mississippi Valley. He will be sorely missed, both by his colleagues in the Army Corps of Engineers, and by the people he came into contact with frequently in the course of his work in the Lower Mississippi Valley area. I, too, will miss John.

John Anderson was born in Hope, AR, in 1916 and he began his career in Federal services as a boatman with the Corps of Engineers in Vicksburg in 1939. His career with the corps was interrupted by war twice, when he served with the U.S. Coast Guard in World War II and the Korean conflict. As he rose through the civilian ranks with the Corps of Engineers, he received two Meritorious Civilian Service Awards, in 1963 and 1973. His career has been punctuated by numerous letters of appreciation and commendations, both from Federal officials and from public sector civilian organizations.

I am particularly proud of the fact that both John and his wife, the former Mary Aleen Turner, are native Arkansans. Mary Aleen is a native of Magnolia, AR. I want to take this opportunity to publicly thank both of them for their contributions to our Nation. It has been a pleasure to work with John, and I can only wish him the best in his retirement in the years to come.●

YEAR OF SOCIAL SECURITY

● Mr. MOYNIHAN. Mr. President, 1985 marks the 50th anniversary of the passage of the Social Security Act of 1935. As my colleagues may know, I have introduced legislation, Senate Joint Resolution 23, to commemorate this important event by declaring 1985 as the "Year of Social Security."

Though this joint resolution has not yet passed the Congress, I wish to inform my colleagues that the celebration has started. Max Manes, president of the Amalgamated Clothing & Textile Workers Union's New York Headwear Joint Board retiree group, has recently written an article chronicling both the significance of Social Security for generations of Americans, and the necessity of protecting Social Security for the generations to come.

I urge my colleagues to read this article, "After 50 years, Social Security seen as one of nation's 'most significant' laws." I ask that this article be printed in the RECORD.

The article follows:

AFTER 50 YEARS, SOCIAL SECURITY SEEN AS ONE OF NATION'S "MOST SIGNIFICANT" LAWS

(By Max Manes)

(Max Manes, president of ACTWU's New York Headwear Joint Board retiree group, is also chairman of Seniors for Adequate Social Security, an affiliate in New York of the National Council of Senior Citizens.)

On Aug. 14, 1935, President Franklin D. Roosevelt signed the bill passed by Congress establishing the Social Security System (SSS). The importance of that event 50 years ago can hardly be overstated. A 1982 study by the Employees Benefit Research Institution states: "The Social Security Act of 1935 has proved to be one of the most significant pieces of legislation—if not the most significant piece—ever enacted by the Congress of the United States."

How much the system means to the American people is widely recognized, although opponents have tried to downgrade it and create an impression of Social Security as a problem rather than a solution.

Social Security is "A . . . system of protection in old age, survivorship, disability and sickness, touching the lives of practically every family in the United States," says J. Douglas Brown of Princeton University in An American Philosophy of Social Security.

"Entitlements to future Social Security benefits are the most important asset of most American families, and actual benefits have played a central part in reducing poverty among the aged," declares the Brookings Institute's Henry J. Aaron in Economic Effect of Social Security.

In 1937 the U.S. Supreme Court upheld the constitutionality of the Social Security Act. On the 40th anniversary of the system, the AFL-CIO pointed out that, based on the Constitution, "This legislation enunciated for the first time the principle that American citizens are entitled to safeguards in time of need."

Support for Social Security among the people was always strong and has ranked it as the most popular federal program in the nation since its inception. As *Business Week* (on 11/29/82) observed: "The American people . . . have carried on a love affair with Social Security." It is this great popularity which has been the main obstacle to the ceaseless efforts by opponents of the system to weaken and undermine it. The broad public support was manifested in election campaigns, surveys, mail to Congress, grassroots lobbying, public rallies and various other demonstrative actions whenever the system was threatened.

It is ironic that the 50th anniversary of this vital program should occur when we have a president in the White House who has a long record of enmity for Social Security and under whose Administration the system has been subjected to the most severe attack in its history.

Long before he became President, Ronald Reagan crusaded against Social Security along with foes of the system from the world of business, finance, insurance and extreme right wing groups. He joined Barry Goldwater in attacks on it during the Arizona senator's 1964 presidential campaign. He fought against the enactment of Medicare. Under his presidency, Social security benefits—and other programs for human needs such as Medicare, Medicaid, SSI, Food Stamps, etc.—have been drastically reduced in callous disregard for the millions of Americans who depend on them.

To disarm opposition to the cutbacks, Reagan and his Administration disguised the assaults on the system with the claim that they were only trying to "save it from bankruptcy." David Stockman, Reagan's budget director, confessed in an interview in *The Atlantic* magazine in December 1981 as to the purpose of this scare tactic: "It will permit the politicians to make it look like they are doing something for the beneficiary population when they are doing something to it."

In his '84 campaign Reagan promised not to cut Social Security benefits. But he had made similar promises in 1980, only to break them. We must not allow a repeat performance in his second term. We must not lose sight of the fact that, even as he was making these promises on the campaign trail, his Administration was continuing to scheme against Social Security, Medicare, Medicaid and all social programs.

"Top officials of the Social Security Administration," said a report from Washington in the New York Times last October 14, "have been studying proposals for changes in the retirement program, including some that would make participation voluntary, while encouraging reliance on private insurance, pensions and savings. . . ." Acting Commissioner of Social Security Martha A. McSteen, "confirmed" attending such a meeting.

"There have been recurrent reports of the Reagan Administration's designs on Social Security benefits," warns Elizabeth Wickenden, director of the Study Group on Social Security, which watches developments concerning the system closely. The studies encompass "reduction, postponement or elimination" of cost of living increases, "restructuring downward of the whole system . . . privatization . . . means testing . . . increasing Medicare charges," in effect reducing cash benefits, etc.

It would be both a farce and a tragedy if the 50th anniversary year of this historic legislation should be misused by the Reagan Administration to parade as a friend of Social Security while masking further attacks to undermine it. Preventing this from taking place must be a priority task for all of us who have a stake in the system, both old and young.

When F.D.R. signed the Social Security Act, he referred to it as "a cornerstone of a structure which is being built—but is by no means complete." Marking the Act's 40th year, the AFL-CIO stated: "In order to fulfill the proper role, the legislation must be constantly improved." But this not what Reagan wants. His course is detrimental to the system, and must be reversed. There must be no "Bi-partisan" cooperation with Reagan's course. No more cuts in any guise. Benefits that have been cut should be restored, and we must continue strong efforts to build and improve the structure of the system.

Our aim should be the goal visualized by the original architects of the system of Social Security—F.D.R.'s Cabinet level Committee on Economic Security. In its report proposing the Social Security System, which Roosevelt sent to Congress with a message urging enactment, the committee said: "A program of economic security as we vision it must have as its primary aim the assurance of an adequate income to each human being in childhood, youth, middle age of old age—in sickness or in health."●

HUNGER IN AMERICA

● Mr. KERRY. Mr. President, today I join with my senior Senator in recognizing the efforts of a group of physicians who are releasing an important study detailing the presence of hunger in America. The task force, organized by Dr. J. Larry Brown of the Harvard University School of Public Health, has found some profoundly disturbing evidence that hunger abounds in every region of the country and is increasing all the time. It is a study that demands careful consideration and action.

Last year, with Dr. Brown and some of his colleagues, I visited a ward of the Boston City Hospital where physicians are treating children suffering the effects of early food deprivation. These children, in a hospital in one of our major urban areas, have very little chance of full recovery for the deprivation occurred during important developmental years of their growth. It is particularly painful because it never had to happen. And, unfortunately, the numbers are on the rise.

The study not only documents the extent of the problem, but it also proposes some solutions—solutions, given the magnitude of the problem, we should consider immediately.

I am proud to represent a State that boasts two outstanding antihunger advocates in Larry Brown and Senator KENNEDY and I hope to join them in the session ahead to work to revitalize strong programs to help the many hungry people in our country today.●

EXPRESSION OF APPRECIATION TO GOVERNMENT OF ALGERIA

● Mr. SIMON. Mr. President, on the occasion of the coming state visit of Algerian President, Chadli Bendjedid, to the United States next month, it is appropriate that we express our appreciation to the Government of Algeria for the role they played in obtaining the release of the American hostages in Iran in January 1981.

The first soil that those hostages touched as free men and women was the soil of Algeria whose government's efforts in mediating the crisis between the United States and Iran led to their liberation. In recalling those trying days when there seemed to be little hope that the hostages would be freed, it should be kept in mind that the successful resolution of the hostage crisis could not have been accomplished without the scrupulously fair mediation efforts of Algeria.

In this connection, it was President Bendjedid's personal decision to embark on this humanitarian mediation effort. His action and the tireless, round-the-clock work of his late Foreign Minister, Mohamed Benyahia—one of the most impressive public servants I have met anywhere—culminated in the successful outcome of the negotiations between the United States and Iran. More important, it demonstrated to the world that the process of peaceful negotiation can effectively resolve international crises.

Therefore, I take this opportunity to thank President Bendjedid on behalf of the American people and to wish him the warmest of welcomes to our country.●

RETIREMENT OF NRA'S HARLON B. CARTER AND APPOINTMENT OF G. RAY ARNETT

● Mr. MURKOWSKI. Mr. President, last week Mr. G. Ray Arnett, former Assistant Secretary of Interior, was unanimously elected as the executive vice president of the National Rifle Association of America.

Mr. Arnett's election came at the January meeting of the NRA Board of Directors, after Executive Vice President Harlon B. Carter announced his decision to retire as the chief executive officer of the NRA.

Mr. Carter has been a member of the NRA for nearly 50 years, and for the last 8 has served as its executive vice president. During his association with the NRA he established the Institute for Legislative Action, the lobbying arm of the NRA, and became its first executive director. Although Mr. Carter is retiring as the association's chief executive officer, he will continue to serve the organization in an advisory capacity and will serve on the association's executive council.

During his tenure as executive vice president, Harlon Carter led the NRA to live by President Lincoln's words: "Important principles may and must be inflexible." As Mr. Carter said:

And so we are: Inflexible in protection and furtherance of our right to keep and bear arms in the interests of good citizenship for all of us. Our numbers ensure our credibility and reflect our commitment. This is what moves the mighty avalanche of good citizens who are the National Rifle Association. Dedication to principles.

Those of us who have known and worked with Harlon Carter over the years take the news of his announced retirement with sorrow. But, Harlon Carter can still match the vim, vigor, and vitality of any of our freshmen colleagues. In any event, I would like my colleagues to join me in paying tribute to Mr. Carter on his retirement.

The dedication to principles that Harlon Carter lived by so well will not be lost on his distinguished successor. G. Ray Arnett has long labored for proper wildlife management, for conservation of our natural resources, for strong support of hunting rights, and for uncompromising defense of the second amendment right to keep and bear arms. As a former NRA board member, his contributions to the organization have been so great, I am sure the organization has enhanced its own importance by electing him as its next executive vice president.

Mr. Arnett recently resigned from his position as Assistant Secretary of the Interior for Fish, Wildlife and Parks. My colleagues should know that Mr. Arnett is an internationally acclaimed authority on hunting and conservation.

It is impossible, in this short space of time, to capture the demonstrated abilities for leadership and great industry in his work that Ray Arnett has shown. Mr. Arnett, as was his predecessor, will be a credit to the NRA. I look forward to working with him and have been assured likewise he is anxious to hear the views of my colleagues.

I ask the Members of this body to join me in wishing G. Ray Arnett good luck and success in his new position as executive vice president of the National Rifle Association.●

ARGENTINA'S NEW BREED OF FARMERS ARE PARING U.S. GROWERS' MARKETS

● Mr. BOSCHWITZ. Mr. President, I ask that an article on the disadvantages American farmers face in the world market be inserted into the CONGRESSIONAL RECORD. This article, taken from the Wall Street Journal of November 15, 1984, illustrates how the embargoes of the Carter administration handed Argentina and other agricultural countries a large share of our traditional Soviet market. With their lower production costs and lower valued currency, the Argentines intend to increase their grain and oil seed production 50 percent by the end of the decade and sell much of this to other Latin American nations—a market dominated for the time being by the United States.

The article follows:

ARGENTINA'S NEW BREED OF FARMERS ARE PARING U.S. GROWERS' MARKETS

(By Lynda Schuster)

CARMEN ARGENTINA.—When the U.S. embargoed grain sales to the Soviet Union almost five years ago, Dino Toressi decided that his pigs were a thing of the past.

He sold the 2,000 hogs, planted his 450 acres with corn and wheat and started producing grain for export to Russia, grabbing what had been U.S. business.

"Grains are our future," he yells above the engine's din as he tears along a dusty country road in his new blue pickup. "I want more wheat and corn. I want new technology. I want to be modern. I want to be rich."

Meet the new breed of Argentine farmer. Long a backward country cousin of his U.S. counterpart, he is fast emerging as an aggressive and sophisticated competitor. Thanks to government aid, improved education on farming methods and a trend toward professional management. Argentine farmers have doubled annual grain and oilseed output over the past decade and turned this country into the world's fifth largest exporter of wheat.

Argentina's agricultural gains illustrate one reason that Yanqui farmers are losing their competitive edge abroad. Farming nations are stepping up production, scrutinizing U.S. policies for openings such as the Soviet embargo, undercutting U.S. prices—and gobbling up traditional U.S. markets.

Although the U.S. is still first in grain exports, its share of world wheat trade has slipped in just 10 years from nearly 50% to about 38%. Analysts warn that the squeeze on U.S. exports, already intensified by a strong dollar, could worsen as competing countries become even more productive. Argentina, for one, intends to increase grain and oilseed production 50% by the end of the decade, to 60 million metric tons, and sell much of it to other Latin American nations, a market now dominated by the U.S.

"If Argentina ever really gets going. It could knock the stilts out from under us," says John Urbanchuk, an economist at Wharton Econometric Forecasting Associates in Philadelphia. "Argentina has some of the best land in the world, it can produce a lot cheaper than the U.S. and it's just starting to use available technology," Mr. Urbanchuk says, "This is competition that's going to hurt."

Farmers here in Carmen, the heart of the fecund wheat plains haven't always been so keen on progress. Argentina reached annual grain and oilseed production of about 20 million metric tons in the 1930s—and stayed there for the next four decades. With exports taxed as high as 50%, and the government pursuing a policy of cheap food at home, there was little incentive to duplicate the big technical transformation of U.S. farms after World War II.

All this changed around the mid-1970s when a free-market-minded government scrapped export taxes and spread the welcome mat for multinational farm equipment and grain and seed companies. The moves worked: Farmers felt encouraged to invest more, and the multinationals stepped up their operations here, competing to buy grain from Argentine farmers and to sell them hybrid seed and tractors and other machinery. Production now has doubled.

IT MADE A LOT OF SENSE

Jorge Sibuet, who farms 270 acres of corn with his father, well remembers the beginning of the surge. The tall, whippet-thin Mr. Sibuet says that salesmen suddenly started beating down his door, pushing products that he never knew existed.

"In the beginning we didn't accept the hybrid seeds. We weren't used to them," Mr. Sibuet recalls. "But those salesmen kept on talking, taking us to lectures, sending us brochures, samples of the seeds. In the end, it made a lot of sense."

For the Sibuet farm, and the country as a whole, it has meant almost a 30% leap in corn yields in 10 years—and usually without fertilizer. Instead of fertilizer, most Argentine farmers rotate crops with livestock—generally eight years of crops followed by four years of pasture—to nourish and rest the soil. In a nation like Greece, which combined hybrids with fertilizer, the new seeds produced a dramatic threefold jump in yields. (Neither Argentina nor Greece, however, comes close to matching U.S. yields.)

Other benefits, too, have come to Carmen, a strikingly beautiful place of emerald-green undulating hills and a population of 3,000. Inspired partly by a television series on U.S. farming some years back, many people in this area started growing soybeans. The results are impressive.

Average yields have outstripped those of the U.S. by about 5%, thanks mostly to the fact that the soybeans are planted on only the very best land whereas those in the U.S. are planted far and wide. Here, soybeans and other oilseeds easily bring in more money than wheat or corn, Carmen's traditional crops. Soybean output nationwide has quadrupled in seven years, and Argentina now is a major exporter of soybean products and second only to the U.S. in soybean exports. Raimondo Garcia, who farms 250 acres here, is wild about soybeans. "I put them in the ground," he says, "and I just want to stand there and stare at them."

Farmers here are also latching on to the latest technology. While few countries boast so vast an extension-service network as the U.S. Department of Agriculture's, producers in places like Argentina are learning plenty nevertheless.

Pedro Bogard typifies the new, professional farm manager. He holds a university degree in agricultural administration, unheard of just 10 years ago. He is young, energetic and eager to make the most of the land. His goal is to mechanize the 3,000 acres of San Luis Rural, the *estancia*, or ranch, near Carmen that he has managed for three years.

Mr. Bogard, who looks like a country-and-western singer with his shaggy blond hair and cowboy boots, is well on the way to his goal. He stands in the middle of a vast field, watching a bright red tractor drag around his pride and joy, a new cultivator. The ranch bought about $1.5 million in new equipment this year, Mr. Bogard says, and he figures he will be able to raise his wheat, corn and soybean yields by about 15%.

"Good, good," he murmurs, bending down to caress an upturned clod of rich-smelling earth. "This is so much gentler on the soil. I feel like I'm giving it new life."

COUNCIL CHAPTERS

Wanting more than the government's overextended farm service can provide, some of the biggest and best producers rely on private groups like the Regional Council of Agricultural Experimentation. Based on a French group, it organizes 1,500 farmers into small local chapters, each headed by an agronomist. The agronomist extensively studies each farm, and members meet monthly to discuss his findings.

These council members have become agriculture's elite, commanding yields some 40% higher than the national average. Take Carlos Covernton, who runs the 7,600-acre Two Sisters estancia near Carmen. He spends hours one afternoon in deep discussion with his agronomist, Enrique Seminario. They sit in Mr. Covernton's elegant wood-beamed office, sipping cups of foamy coffee. Gauchos scurry about, garbed in traditional flat, broad brimmed hats, pantaloons and belts trimmed in shimmering coins.

Mr. Covernton is going to use fertilizer for the first time on his 3,700 acres of corn and soybeans. Mr. Seminario tries to talk him into more herbicides, too, but Mr. Covernton worries about the cost. One reason Argentine farmers can produce food cheaply is that they use fewer chemicals than American farmers. (Other reasons: They use less state-of-the-art equipment, too, and their land costs are lower.)

Mr. Seminario consults a thick notebook covered with calculations and assures Mr. Covernton that the increased costs should be offset by an estimated 25% increase in yields. Mr. Covernton stares into his coffee cup and says maybe.

Some incentives to increase production have had nothing to do with internal events. There was, for example, the January 1980 grain embargo imposed by President Carter in retaliation for the invasion of Afghanistan. Important grain growers like Argentina and Canada suddenly became primary suppliers to a huge customer—and continued to be, even after the U.S. said in 1981 that it was ready to resume sales to Russia.

The U.S. share of total Soviet grain imports has since fluctuated from 20% to 40%, compared with a range of 44% to 74% before the embargo. Argentina's share, meanwhile, immediately jumped to 32% from 16% and has since hovered well above the pre-embargo share. Last year it was about 21%.

This isn't the only instance in which the U.S. unintentionally helped promote foreign production and exports. The 1973 ban on its own soybean exports—an attempt to avert a domestic shortage—helped encourage Brazil to expand its fledgling soybean industry to fill the void. Ten years later, Brazil is the world's largest exporter of soybean meal (and third in whole beans).

Experience with world markets has contributed to a mood of quiet confidence in Carmen, an understanding that farmers

here can and will use foreign events to their advantage. This is reflected in the banter heard down at the Sportsman's Club, the local watering hole whose ancient pool table seems the only justification for its name. Saturday afternoons find the Formica tables filled with farmers drinking red wine cut with seltzer.

At one table a group huddles around Armando Barbien, the beefy manager of the local grain cooperative. He is expounding upon how best to benefit from the fact that this region's seasons, and hence its planting times, are opposite the U.S.'s. Read the papers and watch the gringos, he urges. If there is no market for wheat, then plant soybeans. No corn market, plant sunflowers. Noticing a North American visitor, he interrupts his discourse for a moment.

"We may not know where Cheecago is," he mispronounces proudly, "but we know that it's important to our grain."

Argentina seems ready to really give the gringo farmers a run for their money. Experts get starry-eyed when they talk about what the widespread use of fertilizers would do for yields and about how farmers could then easily meet the government's goal of a 50% jump in grain output by 1990. Fertilizer is currently used on only about 20% of Argentine farm land.

Most chemicals are prohibitively expensive because they are imported. But the government, bent on reaching its production goal, has slashed the high import duty on herbicides. It also is giving fertilizer to farmers who want to exchange part of their future crops for it.

PRICE STRATEGY

And it has a clear strategy for winning a large share of the Latin American market, which currently accounts for almost 20% of total U.S. grain exports. The U.S. has been able to dominate the Latin market by selling grain on credit. Cash-poor Argentina clearly can't do the same, but with average production costs some 30% below those of the U.S., Argentina could offer attractive deals to hungry nations like Brazil and Mexico.

"We can, and we will, undercut world prices," declares Nestor Stancanelli, a top official in the ministry of foreign commerce. "And that's how we will sell 20 million metric tons more of grain to our Latin neighbors."

But progress could be slowed by many things. For starters, the 25% tax on most grain exports is no incentive. The government recently cut the wheat export tax to 18%, but it isn't promising to do much more even though farm exports bring in about 70% of the country's hard cash.

Then there is Argentina's inflation. The uncertainty it creates is causing many farmers to think twice about making big investments. And even if farmers did produce 60 million metric tons of grain and oilseed, they would still face huge storage and transportation problems.●

RADIO LIBERTY

● Mr. D'AMATO. Mr. President, I rise today to cosponsor S. 141 and join with my distinguished colleague from Florida in an attempt to expand the currently limited broadcasting to Soviet Jews by Radio Liberty.

Recently, state-sponsored Soviet anti-Semitism has been stepped up. Cries from Soviet Jews in this oppressive state must be heard, and soon. The Soviet production, "The Hirelings and Their Accomplices," brings home the chilling fact of just how Soviet Jews are envisaged by their countrymen, and their government. Labeled "refuseniks" by their Soviet peers, Jews, from a Soviet perspective, are part of a global conspiracy against the Soviet Government and people. As Moscow airs more and more derogatory programs of this nature, the oppression and violence will continue, and worsen.

Last year, more than 350,000 Soviet Jews expressed interest in immigration; 896 were allowed to leave. This number is a 98 percent drop from just 5 years earlier, and the crackdown goes further than immigration. Jews are frequently harrassed, both inside and outside their homes, by Soviet authorities. Often they are imprisoned or relocated against their will for no apparent reason. They are forbidden to practice their religion in any form, and are not allowed to celebrate, or even recognize, their holidays.

This legislation will give hope to Jews living inside the Soviet Union, by consolidating Jewish-related broadcasts into "Radio Maccabee." As broadcasts such as these increase, it will become apparent to the Soviet Jews, if it presently is not, that we, in the United States, do care about their plight, and care greatly, and will continue to fight for them, until every last one is freed from Soviet tyranny and anti-Semitism.

Mr. President, I urge the promotion of this legislation.●

THE RETIREMENT OF SENATOR RUSSELL LONG

● Mr. ROTH. Mr. President, like probably all of my colleagues, I am surprised and saddened at the decision of Senator RUSSELL LONG to retire from the Senate at the end of his current term.

I have had the pleasure of serving with Senator LONG on the Finance Committee for the past 14 years, and hardly a session went by on that committee that I did not learn something from Senator LONG—either about the Senate, about taxes, or about people. In all my time in Washington, I have never met a more effective legislator, or a finer person.

I do not want this statement to sound like a eulogy, because Senator LONG will remain a major force in the Senate for the next 2 years, and beyond. But I am sure that the Finance Committee hearing room, and this Chamber, will be a far duller and less interesting place when Senator LONG heads off to his well-deserved retirement.●

THE 65TH ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE IN ESTONIA

● Mr. D'AMATO. Mr. President, February 24, marked the 65th anniversary of the proclamation of independence of the Republic of Estonia. On that day, Kalevipoeg, the hero of Estonia, came home to bring his people freedom.

On February 20, 1920, a treaty of peace was signed between Estonia and the Soviet Union. In this treaty, Moscow "voluntarily and forever" renounced its sovereign rights over the territory and people of Estonia. Concurrently, many nations accorded Estonia de jure recognition, including Japan and Germany. The Government of the United States followed just 2 years later.

On June 15, 1920, the sovereign state of Estonia established its constitution, which affirmed Estonia's independence and its republican form of government. In 1925, the young Republic, appreciating the importance of ethnic identity, became the first country in the world to grant its minorities cultural autonomy.

Estonia's independence and republican form of government was shattered during the very early days of World War II when an infamous nonaggression treaty was signed between Nazi Germany and the U.S.S.R. This treaty assigned Estonia to the Soviet orbit. In 1941, however, Estonia was occupied by the Nazis in their drive toward Moscow. For 3 years, Estonians were forced to work for Hitler's war effort.

In October, 1944, the Red Army reoccupied Estonia, and immediately purged tens of thousands of innocent Estonian citizens. The Soviet Union then took control of Estonia's Government, private institutions, farms, and transportation and communication networks. Moreover, Soviet law forbade citizens to travel to other countries, and often, to travel within their own country.

Today, Russian oppression of the Estonian people is severe. For the 1.5 million people who live in Estonia, a systematic Soviet policy of Russification and cultural genocide is being carried out. Estonians have been relocated by Soviet authorities, and Russians have infiltrated their country to replace them. The Soviet Union is consciously attempting to obliterate the Estonian language and all ethnic traditions which have made these people justly proud of their heritage. Further, traditional mores and values are being eroded; many places of worship have been closed.

The Estonian people have had a long history of resistance to the Soviet occupation, and today, as always, we stand behind them. Since the early 1970's Estonian self-determination has been sought through both the Demo-

cratic Movement of Estonia and the Estonian National Front. The early 1980's have witnessed strikes at factories and student demonstrations in at least five cities.

We must not deviate in our support for the self-determination of the Estonian people. We must, as urged by thousands of Estonian-Americans, continue to stand behind the people of this sovereign state, against the ruthless and imperialistic aggression of the tyranny directed from Moscow. We must look back on Estonia's brief encounter with independence 67 years ago as the glimmering light at the end of the tunnel: The road to freedom.

Thank you, Mr. President.●

TAX REFORM AND THE AGRICULTURAL ECONOMY

● Mr. BAUCUS. Mr. President, the Federal income tax system has a significant impact on the agricultural economy. In some cases, this impact comes from provisions that affect businesses generally, such as the accelerated cost recovery system and the favorable treatment of capital gains. In other cases, it comes from provisions that affect farms and ranches specifically, such as special cash accounting rules and soil conservation deductions.

Most of these provisions were designed to help businesses in general, and farmers and ranchers in particular, by encouraging investment and increasing productivity. However, some farmers and ranchers and some agricultural economists think that these provisions' cumulative impact is largely negative. They believe that many of the provisions have grown so complicated that farmers and ranchers are burdened with excessive paperwork. And they believe that tax incentives have sometimes attracted tax shelter investments that concentrate farm and ranch ownership, increase land prices, and otherwise distort the agricultural economy (see, for example, the December 21, 1984, report of the Congressional Joint Economic Committee).

TAX REFORM

In the same way that the current tax system has a significant impact on the farm economy, tax reform will have a significant impact on the farm economy, for good or ill. The most prominent tax reform proposal is the Treasury Department's, which would "combine lower tax rates, increase personal exemptions, and zero bracket amounts with the repeal or modification of a number of existing deductions, exclusions, and credits" (volume 1, p. VII).

At a time when the agricultural economy is reeling from heavy debt, low prices, and a record number of farm foreclosures, it's critical that we fully understand and openly debate the potential ramifications of tax reform for the agricultural economy.

THE CRS REPORT

To increase our understanding and focus our debate, I recently asked the Congressional Research Service to report on "the effect of the Treasury tax reform proposal on farm income taxation." In general, the report concludes that enactment of the Treasury proposal would increase the overall tax burden on agricultural income, that its effect would vary substantially among different types of agricultural operations (for example, wheat farming and cattle ranching), and that "some burden of the increase in farm tax burdens would fall on tax shelter operators and investors."

More specifically, the proposal identifies six major proposed changes that would have a significant effect on the taxation of agricultural income (in addition to the basic reduction in individual and corporate tax rates):

Modification of the cash accounting rules, which principally would affect livestock breeding, dairying, and orchard and vineyard operations;

Replacement of lower tax rates for long-term capital gains with the indexation of capital assets, which would principally affect sales of land and livestock;

Replacement of the accelerated cost recovery system and investment tax credits with a "real cost recovery system" based on estimated actual useful lives and an indexed basis, which would affect all agricultural structures and equipment.

The indexation of interest, which CRS say would "be good news for creditors but bad news for debtors" (and might also reduce interest rates).

Subjecting large limited partnerships to a separate corporate level tax, which would affect agricultural tax shelter operations; and

Limiting the deductibility of interest other than mortgage and direct business interest, which principally would affect agricultural tax shelter operations.

CONCLUSION

I hope that this report stimulates further study and debate. We must learn more about the current tax system, about the Treasury proposal, and about alternative tax reform proposals. And we must analyze not only the primary impact of reform (on the tax burden on agricultural income) but also the secondary impact (on the structure of the agricultural economy); not only the short-term impact but also the long-term impact. Thus informed, we can openly debate the proper relationship between the Federal tax system and the agricultural economy.

I ask that the full text of the CRS report be printed in the RECORD.

The report follows:

EFFECT OF THE TREASURY TAX REFORM PROPOSAL ON FARM INCOME TAXATION

(By Jack Taylor)

INTRODUCTION

In November 1984, the Department of the Treasury published a comprehensive plan for reforming the Federal income tax system.[1] The plan would bring into the tax base large amounts of income not now covered because of exclusions, exemptions, deductions, and credits. At the same time, it would reduce the tax rates applied to this broadened tax base. The system would be fully indexed for inflation. A major objective of the plan is economic neutrality in the tax system.

Such a tax system would be a profound change from our present system of subsidies and penalties. Some taxpayers' burdens would increase and some would decrease relative to what they pay under the present system. A more economically neutral tax system could be beneficial to particular taxpayers even though their own taxes actually increased if, for example, it produced substantially lower interest rates. A proposal as comprehensive as the Treasury's must be evaluated on many factors other than its effect on the tax burdens of a particular taxpayer or class of taxpayers.

However, understanding what groups gain and what groups lose in the initial redistribution of tax burdens is certainly an important criterion in judging a tax reform proposal. Many questions have already been raised about the effects of the Treasury proposal on particular industries. This paper assesses some of the possible impacts of the proposal on the taxation of income from farming.

As a tax-favored industry under the present system, farming would be faced with tax increases under a more neutral system such as the Treasury proposes. Different types of farm operations have different degrees of tax preference under present law, so they would face different degrees of tax increase.

The remainder of this chapter gives as background a brief overview of the Treasury proposals and a summary of the present tax rules most affecting farm income taxation. Chapter II gives a more detailed description of how the Treasury proposals change the tax rules most affecting farmers. Chapter II offers an assessment of how these changes will alter the tax burdens on farm assets. The final chapter summarizes the overall impact of the proposals on farm income taxation.

A. Overview of the Treasury proposal

Treasury's proposed tax reforms would result in a tax system with a greatly expanded tax base, redued tax rates for virtually all individual taxpayers, and a single rate of tax for all undistributed corporate income. Most business deductions would be revised to reflect the principle that only the actual expenses of earning income are legitimate tax deductions. Most of the special incentive provisions intended to influence economic decisions (such as the investment tax credit) would be repealed. Virtually the entire system would be fully indexed for in-

[1] U.S. Department of the Treasury. Tax Reform for Fairness, Simplicity, and Economic Growth, a Treasury Report to the President. Volume I, Overview. 262 p. Volume II, General Explanation of the Treasury Department Proposals. 408 p. Nov. 1984. Hereafter cited as Treasury Report.

flation, so that real tax burdens would not change because of the inflation rate.

The individual income tax base would be broadened by including many currently untaxed fringe benefits and other tax-exempt income, repealing itemized deductions for State and local taxes and limiting other itemized deductions, reducing the deductibility of mixed personal and business expenses such as entertainment, and restricting the devices available for tax shelters. Business deductions for depletion and depreciation would be based on estimated declines in the economic value of the assets, adjusted for inflation. Interest income and deductions (except limited itemized deductions for individuals) would be indexed for inflation, and the basis of non-debt capital assets would be indexed for purposes of computing gain on sales and for inventory accounting. Special capital gains provisions would be repealed. Most of the special rules for particular industries, such as insurance, banking, and mining, would be repealed. Corporations would be allowed a partial deduction for dividends paid.

The proposal is designed to be revenue neutral, meaning that it is intended to produce about the same amount of Federal tax receipts in 1986 as the present tax system would produce. Revenue neutrality (although possibly not very realistic in the face of the current persistent budget deficits) is a necessary convention for analytical purposes. The effect of raising taxes above their current aggregate levels is an entirely different question from the effect of rearranging the tax burden, however large it is, among taxpayers. The Treasury proposes a major rearrangement of tax burdens. This proposal deserves study for its own sake, quite apart from the question of how much money will be needed to fund the Federal Government.

It is obvious from even these few highlights that this is an extremely comprehensive proposal. Every taxpayer will be affected, and many will be affected by a number of different changes, perhaps going in a number of different directions. The overall impact of the proposal is supposed to be to reduce the tax burden on individuals and, to remain revenue neutral, increase the burden on corporations.[2] Taxpayers not presently taking advantage of the tax preferences being repealed or reduced will obviously fare much better than those now benefiting from the use of those preferences. So the effects of the Treasury proposal on a particular taxpayer or class of taxpayers depends in large measure on how they are treated under present law.

B. Income tax rules affecting agriculture

Anything in the tax code could affect the way a farmer is taxed. Farm families earn wages, have investment income, itemize deductions, and even engage in exotic tax shelter programs. Their total income tax bill is determined by these and other nonfarm tax provisions, as well as by the provisions specifically affecting farm income.

This report deals with the tax burdens on farm income, not necessarily the tax burden on farmers. The more dependent a taxpayer is on farm income, the more the analyses in this report will apply; but for many farm families, the changes in the other tax rules will have much more to do with their final tax liabilities under this proposal than the farm income tax rules discussed here.

A relatively few provisions of the present tax law make the taxation of farm income unique.[3] The right to use cash accounting for the costs of producing inventory and other capital assets, the special tax treatment of capital gains income, and the advanced recovery of capital afforded by the investment tax credit and the accelerated cost recovery system (ACRS) provide the principal tax benefits for farm income. There are also some penalties placed on farm income, since the farm tax privileges are often used in tax shelter operations.

The provisions particularly affecting farm income are all changed in the Treasury proposal. In addition, the indexation provisions, particularly the indexation of interest, will have a profound effect on the tax status of farm income. These changes are described in detail in the next chapter.

L. SUMMARY OF TREASURY PROPOSALS AFFECTING AGRICULTURE

A. General

The tax reform package was designed as an interrelated whole, with increases in tax burdens in one place fully or partially offset by rate reductions, indexation for inflation, or other changes. This section briefly summarizes some of the general changes proposed by Treasury that need to be taken into account in discussing the provisions specific to farm income.

For individuals, the proposal contains an increase in the personal and dependency exemptions and the zero-bracket amounts, which together establish the threshold below which income is not taxes. Exemptions would be worth $2,000 each and the zero-bracket amounts would be raised to $2,800 for a single individual, $3,800 for a married couple filing jointly, and $3,500 for a head-of-household return. Instead of the current 14 or 15 tax brackets with rates ranging from 11 to 50 percent, there would be only three brackets, with rates of 15, and 35 percent. Exemption and zero-bracket amounts and the rate brackets would be adjusted annually to reflect changes in the general price level.

An itemized deduction for contributions to charity would be allowed only for contributions in excess of 2 percent of adjusted gross income, the interest deduction would be restricted as discussed in section E, below, and the itemized deduction for non-business State and local taxes would be repealed. Medical expenses and casualty losses would continue to be deductible under the existing rules. The deduction for two-earner married couples would be repealed, but the deduction for contributions to an individual retirement account would be increased and expanded in scope.

For corporations, the present graduated rate structure of 15 percent on the first $25,000 of taxable income, 18, 30, and 40 percent on each of the next $25,000 increments, and 46 percent on all income over $100,000 would be replaced by a flat 33-percent tax on all taxable income. Corporations would be allowed to deduct 50 percent of the dividends they pay their stockholders, so the flat corporate rate of 33 percent would apply in full only to undistributed profits.

C. Modification of the cash accounting rules

Farmers are, to some extent, excepted from the current tax rules restricting the use of the cash method of accounting. Under the general rules of tax accounting, expenses that go to develop an asset that lasts and produces income beyond the current tax year are supposed to be capitalized and deducted when the income from the asset is reported. In the case of inventories, the costs are deducted in the year the goods are sold; in the case of a depreciating capital asset, the costs are deducted incrementally over the productive life of the asset. Farmers, with a few exceptions, are allowed to deduct the expenses of raising crops, livestock, fruit and nut trees and vines, and similar products in the year the bills are paid, regardless of when the crop or product is sold or when the livestock, trees, or vines start producing for sale (which could be several years later). Citrus and almond growers and tax-shelter organizations are not allowed this cash accounting option but must capitalize all development costs.

Under the Treasury proposal, the expenses incurred during the preproduction period of any product or asset that takes two years or more to reach the production stage would not be deductible currently. These expenses would have to be capitalized and treated as the price of a purchased asset is treated, that is, deducted from the sales price if the asset is sold or depreciated if the asset is used in production. The expenses required to be capitalized would be comprehensively defined and would include all expenses directly attributable to the activity and an allocable share of general and administrative expenses, including depreciation and interest. The capitalized costs would be indexed for inflation.

The rules allowing cash accounting for products and assets with preproduction periods of less than two years would not be changed by the Treasury proposal. Thus, all the expenses of producing most field crops, for example, would continue to be deductible on a cash basis.

These changes would apply principally to livestock breeding, dairying, orchards and vineyards (except almond and citrus groves), and similar ventures that have, in the past, been treated especially generously. The costs of producing these long-term assets have been deductible years in advance of there being any income to report, making the tax rates on them effectively negative. In addition, the income, when it was finally reported, was often taxed as tax-favored capital gains.

C. New treatment for gains on sales of assets

Under present law, gains on sales of property are divided into several types, depending on whether the property qualifies as a capital asset, on the length of time it was held, and on a number of special legal provisions changing the nature of the property just for purposes of tax treatment. All these legal distinctions are important because sales of capital assets held long enough to qualify as "long-term" are given more favorable tax treatment than other property sales. ("Long-term" means six months or longer for assets acquired after June 22, 1984, and one year for those acquired earlier, with the exception of livestock. Cattle and horses must be held for at least two years and other livestock for at least one year to qualify as long-term capital assets.) Individuals may exclude 60 percent of long-term capital gains from taxable income and corporations are given a reduced tax rate on

[2] Treasury Report, vol. 1. p. 254. See also U.S. Library of Congress. Congressional Research Service. A Comprehensive Analysis of Five Tax Proposals: Effects of Business Income Tax Provisions. Report No. 84-832 E, by Jane Gravelle. Washington, 1984. 24 p.

[3] For a more extensive discussion, see U.S. Library of Congress. Congressional Research Service. Farm Income Taxation. Report No. 85-13 E, by Jack Taylor. Washington, 1985. 52 p.

them. The gains are computed using nominal values, so the amount of taxable "gain" from any transaction depends on the inflation rate during the time the assets was held.

Treasury proposes to repeal the special exclusions and tax rate reductions for capital gains and to eliminate most of the distinctions between different types of property sales. Instead, virtually all property sales would be indexed for inflation. (Almost the only exception would be bonds and other debt instruments, for which the interest payments rather than the principal would be indexed.) For all assets except debt instruments, gain would be computed by first inflating the cost or basis of the asset to current dollars (using inflation adjustment factors provided by the Internal Revenue Service). The selling price would be in current dollars, of course, so subtracting the cost in current dollars would give a fully indexed gain or loss. Any resulting gain would be included in taxable income to be taxed at the standard rates, although there would still be restrictions on the deductibility of losses. Thus, at zero inflation rates, capital gains would be taxed as ordinary income, but gains on an asset held during a period of inflation would often be more favorably treated than under present law. An asset held for a relatively short time and appreciating at a relatively low rate during a period at high inflation would be more favorably taxed under the Treasury proposal.

These changes would affect the tax burden on farm income in several important ways. Land, perhaps the most valuable farm asset, frequently is expected to produce part of its return in the form of appreciation in value, which will not be taxed until the farmer sells out and retires. The present capital gains tax reductions are a significant advantage in this situation, but indexing the original cost of the land would frequently be just as valuable. Another important use of the capital gains provisions of present law, especially in tax shelter operations, is the sale of raised livestock held for draft, dairy, breeding, or similar use or of raised fruit or nut trees or vines. Under present law, it is frequently possible to deduct the costs of raising such assets over the several years it takes to reach the production stage and then to receive capital gains treatment when the assets are sold. The Treasury proposal would reduce the value of this type of an operation considerably.

D. Revised capital recovery system

The present capital recovery system for depreciable property consists of an investment credit against tax for a part of the cost of property other than buildings and rapid depreciation of the cost under the accelerated cost recovery system (ACRS). The investment credit ranges from 6 to 25 percent of the cost, depending on the type of property. ACRS recovery periods range from 3 to 18 years; farm machinery and equipment is assigned a 5-year recovery period and most farm buildings are assigned an 18-year life (except "single-purpose structures," such as greenhouses and milking parlors, which are written off over five years).

The Treasury proposes to scrap this system entirely and replace it with a "real cost recovery system" (RCRS). There would be no investment credit, and the annual deduction for depreciation would be based on schedules designed to reflect actual declines in economic value. However, the deduction would be computed on a depreciable basis that had been adjusted for inflation, not on historical cost.

RCRS would be implemented by assigning depreciable property to one of seven classes and assigning to each class a depreciation rate based on studies of the actual decline in value of assets in that class. The depreciation rate for a class would be applied each year to the remaining undepreciated cost of an asset inflated to current dollars. For example, the depreciation rate for buildings would be 3 percent a year; so each year the cost not already recovered through prior depreciation would be increased by that year's inflation rate (supplied by the Internal Revenue Service) and the result multiplied by .03 to compute the year's depreciation deduction.

Farm buildings would receive a depreciation rate of 3 percent. Most other farm depreciable assets would be assigned recovery rates of either 12 or 18 percent.

E. Indexation of interest

Present law allows the deduction of nominal amounts of interest paid and requires the reporting of nominal amounts of interest income received, without regard to the effects of inflation. However, inflation causes the value of the underlying debt, the amount of money on which the interest is calculated, to decline even as the interest accrues, so part or all of the interest merely goes to maintain the value of the principal. Payments of principal, of course, are loan repayments, not income or current expenses, and should not affect the calculation of the tax liabilities of either the debtors or the creditors.

The Treasury's proposal would separate the components of most interest, treating the portion representing inflation as repayment of principal and the portion representing true interest as taxable income or a tax deduction. For corporations, the Internal Revenue Service (IRS) would prescribe a fraction of all interest receipts and payments to be excluded as the inflation portion. For individuals, interest on the mortgage on a principal residence would be deductible in full, without adjustment, as an itemized deduction. All other interest income and deductions would be netted before any inflation adjustment was made. If this net was positive (interest income), a fraction would be excluded as the inflation portion. If it was negative (interest deduction), $5000 would be deductible in full without adjusting and all over $5000 would be reduced by the exclusion factor before being deducted. Personal, investment, and noncorporate business interest would apparently be aggregated for purposes of applying these rules.

The fraction of interest to be excluded as the inflation portion will be prescribed by the IRS based on a measured inflation rate and an assumed real interest rate. In the Treasury report on its proposal, the assumed real rate of interest is 6 percent.

Generally, indexation of interest is good news for creditors and bad news for debtors. How good or bad the news is depends on the inflation rate. One percent inflation means that 14 percent of interest income will not be taxed and that 14 percent of interest paid (above the limits) will not be deductible. (The 14 percent is derived as follows: 1 percent inflation divided by the sum of the 1-percent inflation rate and the 6-percent "real interest rate.")

Since farmers tend to be net debtors, this change, taken alone, would probably tend to increase farmers' taxes. The Treasury argues that these changes should also tend to reduce interest rates, because lenders will not demand, nor borrowers so willingly pay, high inflation premiums.[4]

F. Curbing of tax shelters

Under present tax law, many of the tax advantages accorded farm income also serve to reduce taxes on income earned outside the farming operation and thus "shelter" it from tax. This can be done by taking the early deductions allowed under the cash accounting and capital recovery rules and not recognizing the income generated by these expenses until a future year. The value of this tax deferral can be greatly increased if the expenses go to develop an asset whose sale generates capital gains income taxed at reduced rates.

The proposed changes discussed earlier would serve to reduce the attraction of farm tax shelters; in particular, capitalizing the expenses of raising assets with long preproduction periods, eliminating the capital gains exclusion, and reducing the value of the capital recovery provisions would curtail opportunities to profit by sheltering off-farm income. In addition, however, Treasury proposes some restrictions aimed at tax shelters in general.

A number of tax shelters, including some in farming, have been marketed through the use of limited partnerships. The limited partnership has the advantages of a corporation in that the investor's liability is limited and there is separate management divorced from ownership; and it has the partnership advantage of being able to pass along losses to investors. This latter feature is, of course, essential in a tax shelter operation. The Treasury's proposal would treat all partnerships with more than 35 limited partners as corporations for income tax purposes, making them liable for the corporate tax on any profits and making it impossible for them to pass losses through to the partners.

Interest deductibility would be limited for all interest "not incurred in a trade or business" to mortgage interest on a principal residence plus net investment income plus $5,000. These limits apply after netting interest income and expenses and adjusting any net deduction over $5000 for inflation, as discussed earlier. For purposes of this limit, a passive investors' share of the income of a subchapter-S corporation or a limited partnership would be treated as investment income (not as a trade or business). The use of borrowed funds is often an important element in tax shelter investing, so this limitation will make it more difficult to achieve economic benefits from a leveraged tax shelter.

II. CHANGES IN TAX BURDENS ON AGRICULTURAL ASSETS

A. Tax burdens on farm income

This chapter analyzes the effects of the Treasury tax proposals by relating the proposed changes to the sources of farm income. The sources of farm income are the labor of the farmer and his or her hired help and the various assets used in the farm operation. Because the current tax system treats different sources of income differently, the actual tax burden anyone faces depends on the sources of his or her income. The Treasury's proposal treats most sources of income more evenly than the present system, so the overall effect would ultimately be a more neutral tax system; but getting to that point will mean greater changes in

[4] Treasury Report, v. 2, p. 198.

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tax rates for some kinds of income than for others.

The effects of the Treasury proposal on farm income tax burdens depend on the interaction of the changes in tax rates, the indexation provisions, the other generally applicable provisions, and the provisions especially affecting farm income. In addition, individual farmers' positions will be affected by their own situations (such as their mix of assets or types of products) and by the general inflation rate. Only by considering all of these things together could one predict an individual's potential change in net tax liabilities.

The obvious impossibility of the task outlined in the previous paragraph does not often stop tax analysis from making a great many statements about changes in tax burdens, and this chapter will be no exception. The direction (if not the magitude) of the Treasury's proposed changes can be suggested for most farm income sources, at least under assumptions about inflation rates and other conditions.

The changes in the corporate tax rates, a change undoubtedly of considerable importance to part of the farm community, will be ignored in most of the discussions of income sources below. A final section in this chapter will bring the corporate rate changes into the discussion, along with a brief word about the taxation of labor income.

B. Inventories

The normal practice among most farm operators is to deduct production expenses in the year paid or incurred rather than capitalizing them as inventories. The Treasury proposal would continue to allow this practice for most farmers, so most farmers would experience no change in tax burdens due solely to inventory accounting.

The reduction in individual tax rates would alter the net tax burden on inventories; and the nature of farm income taxation is such that the reduction in tax rates may well increase the tax burden on farm inventories. The expenses of producing goods to be sold later are frequently deducted from off-farm income, giving a very low or even negative tax rate on farm inventories. Reducing the tax rates means that the value of the deduction against other income is reduced and the tax rate on the inventories is actually higher than it was before.

Non-family corporations with receipts of over $5,000,000 are currently required to use inventory accounting and would continue under this requirement under the Treasury proposal. These corporations could experience a decrease in tax burdens on inventories. If the corporation's current taxable income is more than $75,000, its overall tax rate might be reduced. (At $75,000, the current marginal corporate tax rate is 40 percent, which would be reduced to 33 percent under the Treasury proposal.) In addition, inventories would be indexed for inflation, which would reduce the effective tax rates on virtually all corporate inventories.

C. Livestock, trees, and vines

Productive assets that are raised on the farm, such as fruit and nut trees and vines and breeding or dairy livestock, would be subject to one of the most notable changes in treatment in the Treasury proposal. The costs of raising any such assets that do not become productive for two years or longer would have to be capitalized rather than deducted currently. Expensing the preproduction costs of these assets gives them very low or negative effective tax rates under the present tax system; capitalizing these costs would increase tax burdens substantially.

Since most of these assets require two years or more to reach a productive stage, most will come under the new capitalization requirements of the Treasury proposal. All will lose the special capital gains exclusion, which is repealed in the Treasury proposal. The capitalized costs would be recovered either when the asset is sold or through depreciation deductions during the asset's productive life. In either case, the cost would be indexed for inflation.

This change almost surely results in an increase in tax burdens on raised farm assets. Treatment under present tax law is so generous that almost any change is bound to be in the direction of higher taxation. Under existing law, the present value of the tax savings from deducting preproduction expenses plus the present value of the future after-tax income from the asset is typically greater than the present value of future pre/tax income; in other words, the investment is more profitable after taxes than it was before taxes (at least for those who have sufficient tax liability on other income to use the deductions). Indexation of depreciation could never be as generous as this advance expensing. The Treasury's proposal institutes a more neutral tax treatment, which in this case means higher taxes.

It is not possible to calculate the magnitude of these tax changes in the actual farm economy because no data is available on preproduction costs. Presumably, a very large portion of the expenses of raising certain productive assets, particularly trees, vines, and cattle, are never capitalized and so appear only as current deductions in IRS statistics. (If the asset is sold for use in production, its basis in the hands of the new owner establishes its capital value, but if it is never sold, it will usually not appear on any balance sheet as a capital asset.) How much of the currently deducted expenses shown in the farm income statistics are actually the costs of producing capital assets is simply unknown.

Since the tax rates on these assets have been historically so low, increasing them is necessary to Treasury's objective of equalizing the tax treatment of various investments in all sectors of the economy. More nearly equal tax rates could be beneficial to the farm economy in general if they discourage tax shelter operators. Many investments in livestock, trees, and vines are undertaken to take advantage of today's tax code, not because the investment is economically attractive; this contributes to overproduction of farm products and high input costs. The provisions requiring capitalization of preproduction costs would raise the taxes on many livestock and fruit and nut producers; but it could benefit them in the long run by helping produce a more economically sensible market in which to operate.

This change does, however, entail some potentially serious administrative problems. The cash accounting provisions for farmers in the present Code are not there solely to reduce farmers' taxes (although they frequently have that effect). They also avoid the problem of distinguishing ordinary operating expenses from capital expenditures, a problem that could be more serious for IRS than for the taxpayers. A single example can illustrate the point. The owner of a beef cattle herd maintains the herd by keeping some of the female calves (heifers) for future breeding stock and selling culled heifers and neutered male calves (steers) for beef. Thus, when a cow is bred, the result may be a heifer to be used for future breeding, which would be a capital asset, or another calf, which will be sold as ordinary stock in trade. (This would be inventory in another business, but the Treasury proposal does not require any additional farmers to use inventory accounting.) The problem can be envisioned by imagining the IRS and the farmer debating how to classify the breeding fee. Perhaps most farm expenses are of this nature, and in the past the Congress has decided that trying to force farmers to keep adequate books to properly classify them was not worth the cost.

D. Depreciable assets

Tractors and other equipment, barns and sheds, purchased livestock used for breeding or other production, and similar depreciating assets would be treated very differently under the Treasury proposal. The present system, designed to encourage investment in these types of assets, would be replaced by a system designed to be neutral, a system offering recovery of an asset's real inflation—adjusted cost over its economically useful life. In a world with no inflation, this change would cause a marked increase in the tax rates on depreciable assets. In a world with even moderate amounts of inflation, however, there could be an actual decrease in taxes because of the more netural cost recovery, especially taking the change in tax rates and other changes into account.

There are a number of other factors to be taken into account in trying to decide the actual effects of this change on an individual farmer or on the farm economy generally. One important factor is that the present cost recovery system (investment tax credit and ACRS) applies only to new purchases. Depreciable assets already owned are not affected. Under the real cost recovery system, however, all depreciable assets are adjusted for inflation each year. Thus a farmer with large investments in older depreciable assets is likely to be more lightly taxed on his total depreciable assets under the Treasury proposal, even if his marginal rate on new investments were higher.

The rate of inflation would, of course, be the most important determinant of the net change in tax liabilities on depreciable assets. At very high inflation rates, virtually everyone would face lower tax rates than at present, because the value of the inflation adjustment would outweigh the value of the more rapid recovery of historic costs. Under ACRS, a $10,000 piece of farm equipment can be written off over five years. The discounted present value of the amounts written off, at 5 percent inflation and a 4 percent real discount rate, is $8,370. At a 10-percent inflation rate, however, the future deductions would be worth only $7,660. Under RCRS, the same equipment would be written off at a rate of 12 percent of the indexed balance, the present value of which is $7,810 (also at a 4 percent real discount rate; since the RCRS is indexed, the present value is the same under any inflation assumption). At 5 percent inflation, the value of an ACRS deduction is greater (not considering the reductions in tax rates); but at 10 percent inflation, the RCRS deduction is worth more.

E. Land

Tax rates on land used as a productive asset are essentially the statutory rates, because in general write-offs against land are not permitted, not even write-offs representing the declining productivity of farm land. In many cases, however, part of the return

on an investment in land comes in the form of an appreciation in value that is taxed only when the land is sold, so the value of the deferral and the reduced capital gains tax rates on the sale do serve to provide some tax advantage to land. In addition, some capital expenditures that might add to the value of land, such as conservation expenses, are deductible from current income under present law.

The Treasury proposal changes the tax burden on land by eliminating the deductibility of capital improvements, by substituting indexing for capital gains on sales, and by the general changes in the tax rates.

Probably the dominant factor in these changing tax burdens is the change in the treatment of sales proceeds. To illustrate this change, assume a farmer buys a piece of land in 1985 for $100,000 and sells it exactly five years later for $127,628. The inflation rate is exactly 5 percent each year. Under present law, the farmer would report and pay tax on $11,051 ([$127,628 minus $100,000] times .40). Under the Treasury proposal, he would be taxed only on his real, after-inflation gain, which in this case would be zero. (An inflation rate of 5 percent a year would mean an IRS-proclaimed "adjustment factor" of 1.27628. $127,628 minus [$100,000 times 1.27628] equals zero.)

Obviously, this example was designed to yield a predetermined answer; it illustrates what happens when the property being sold has appreciated at a rate exactly equal to the inflation rate. If it appreciates less than the inflation rate, indexation would allow the deduction of the real, after-inflation loss the seller suffered. If the property appreciated faster than the inflation rate, whether the seller will be better off excluding 60 percent of the gain or being taxed on only the real gain would depend on the length of time the property was held as well as the inflation and appreciation rates.

F. Corporate tax rates and other changes

The Treasury proposal changes the corporate rate structure from graduated rates of 15 to 46 percent to a flat rate of 33 percent. Corporations would, however, be allowed a deduction from taxable income for one-half of dividends paid to stockholders. The current rules allowing "subchapter-S" corporations with 35 or fewer shareholders to elect not to be taxed as corporations would be continued.

These rate changes would result in some tax increases for corporations currently paying at the lower rates and not distributing considerable amounts of income. Allowing for the individual rate changes and the partial deductibility of dividends, however, there is no doubt that the tax rates on distributed corporate profits would generally decrease, even for those corporations experiencing tax rate increases at the corporate level.

The tax rate changes, therefore, will have little or no effect on those farm corporations that do not accumulate much in the way of undistributed profits, those filing under subchapter-S, and those with no profits, while those with large profits (over $75,000) will experience rate decreases. The only ones adversely affected are those with profits of under $75,000 who have relative large amounts of undistributed profits. (The tax status of the owners of the corporation, rather than that of the corporation itself, controls the ultimate tax effects, of course.)

A great deal of farm income is generated by labor, and with few exceptions labor income is taxed at the statutory individual income tax rates. Since those rates are reduced under the Treasury proposals, farmers could generally expect reduced taxes on their personal incomes. One potentially painful exception involves the deduction of mixed personal and business expenses. There are already some restrictions on some of these deductions, such as luxury automobiles and home computers, and the Treasury proposal would add more, notably on travel and entertainment expenses. Although these expenses probably do not mean much to the average farmer, it may be that some of the more "businesslike" farm operations are accustomed to take advantage of these deductions and so would experience a tax increase.

III. SUMMARY AND CONCLUSIONS

Agriculture is a tax-favored industry under present tax law; and, in any equalization of tax rates among industries such as proposed in the Treasury plan, it is certain to face tax increases. The Treasury proposal would eliminate some of the most important provisions that reduce the tax rates on farm income, notably by requiring capitalization of some expenses deductible under current law, by repealing the capital gains exclusion, and by substituting an indexed depreciation deduction for the current capital recovery provisions. On the other hand, tax rates would generally be reduced, there would be virtually full protection against inflation-induced tax changes, and some of the current tax advantages for agriculture, notably cash accounting for inventories, would be retained. Thus, the agricultural sector as a whole would almost certainly suffer an increase in taxes if the Treasury reforms were enacted, but for any particular farmer or group of farmers, the result might be quite different.

Within the agricultural sector, the tax advantages of today's law are not uniformly distributed, and the tax increases brought about by a reform proposal such as the Treasury's would not be uniform. Many kinds of livestock farms, orchards, and vineyards require two years or more of development before they become income-producers, and these would experience substantial tax increases from the requirement to capitalize development expenses. Field crop and vegetable farms and other agricultural operations with shorter development periods would still be allowed to deduct as current expenses the costs of inventories and many productive assets (e.g., poultry) and so would not face any tax increase due to this change.

Farming operations using large amounts of new depreciable assets might suffer large tax increases from the proposal to substitute indexed depreciation deductions for the current capital recovery system, but even this effect would vary with a farmer's particular circumstances. Single-purpose structures (a new milking parlor, for example) would experience very large tax increases, but an older hay barn would be taxed more lightly than under the present system in times of even modest inflation. Farm operations that do not replace their equipment very rapidly might find the depreciation deductions on the indexed basis of their older equipment to be more beneficial than the present system's subsidies to new purchases. The substitution of an indexed basis for computing gains and losses on sales of property for the current capital gains exclusion might raise taxes in certain cases (for example, livestock tax shelters, orchard and vineyard development, and farm land appreciating in value very rapidly because of urban development); however, in many cases it would actually lower taxes, because the inflation exclusion would be larger than 60 percent of the gain. Indexation of interest generally raises taxes for those with large net interest deductions, but it reduces taxes for persons with net interest income.

Some corporate tax rates would actually be increased under the Treasury proposal (from 15, 20, and 30 percent to 33 percent); but, since dividend distributions are 50 percent deductible, the 33 percent rate is halved for distributed profits. Taking into account the decreases in individual income tax rates, the combined corporation and individual income taxes on distributed corporate profits would be reduced in all cases except a few tax-avoidance situations (in which the corporate form is used to transfer income among family members).

Much of the increased tax burden in the agricultural sector would be borne by nonfarm income, because much of the current tax advantage that would be eliminated presently benefits nonfarm rather than farm income. The ability to profit by large tax deductions and credits depends on having tax liability to off-set, and in the farm area that tax liability frequently relates to nonfarm income. Restricting the deductibility of preproduction expenses, substituting indexation for the capital gains exclusion, and reducing the up-front capital recovery benefits in favor of indexed economic depreciation will undoubtedly raise the tax burden on many farm families; but these changes will all but destroy the value of most farm tax shelter operations.

If the generally accepted public finance theories are correct, Treasury's proposed new tax system should lead to a more efficient allocation of resources in the economy and a farm sector with more rational product markets, lower production costs, and lower interest rates. But the mechanism by which these boons are to come about is a sometimes drastic alteration in the distribution if tax burdens, and this process would necessarily be painful for the taxpayers on the losing end of the redistribution.●

ORDER FOR EXTENSION OF ROUTINE MORNING BUSINESS AND RECESS

Mr. SIMPSON. Mr. President, I have been in the chair to hear the remarks of the Senator from West Virginia, both while he was majority leader and as minority leader, as he shared with us the history of the United States Senate, which is a most moving and extraordinarily complete record of this body, some 70 or 71 segments. I have been privileged to hear personally at least three of those.

At this point, Mr. President, I ask unanimous consent that morning business be extended not past 6:30 p.m., and that the minority leader be recognized for a relation of the history of the Senate, as he has done in the past so capably, and that no time restriction apply to the minority leader.

I further ask that following the conclusion of the minority leader's remarks, the Senate automatically stand in recess until 12 noon tomorrow.

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

Mr. BYRD. Mr. President, I thank the distinguished majority whip for his courtesy and the kindness shown in his very gracious remarks with respect to the 70 speeches that I have made on the subject of the United States Senate.

Mr. President, may I say I will be glad to yield the floor at any time during my speech in the event another Senator comes on the floor and wishes to be recognized for the purpose of a statement only.

In that event, I ask unanimous consent that the RECORD show no interruption in my speech.

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

THE UNITED STATES SENATE

WOMEN SENATORS

Mr. BYRD. Mr. President, today, in my continuing series of addresses on the Senate's history, I shall discuss the history of women senators. Clearly, women have come a long way since the days when they could only view the Senate's deliberations from the galleries, where the rustling of their crinolines sometimes grew so loud that it drew stern remonstrances from the presiding officer. But, while women have moved from passive observers to active participants in the Senate, it is also clear from their small numbers among us that theirs has been, and continues to be, a long and rocky row to hoe.

I shall begin this discussion of women in the Senate by examining some of the facts and figures relating to their tenure here before looking at the personal stories that lie behind the statistics.

The arrival of the first women in Congress coincided with the height of the suffrage movement and the ratification in 1920 of the Nineteenth Amendment granting women the right to vote. The long struggle to win the vote brought many women to Washington for the first time—not yet as members of Congress but as vocal, militant protestors. Their actions, such as chaining themselves to the White House fence, were designed to get attention—and they did. They certainly got the attention of the senators and representatives assembled in joint session to hear President Wilson's annual address on December 5, 1916. Five suffragists, members of the National Woman's Party, had smuggled a huge yellow satin banner under their capes into the front row of the House chamber visitors' gallery. As Wilson was speaking, they dramatically unfurled the banner over the side of the railing. It demanded, "Mr. President, What Will You Do For Woman Suffrage?" The president was only momentarily distracted, but when he finished speaking, a herd of policemen hustled the women away while a page leaped up and tore down the offending banner as commotion erupted on the floor.[1]

The Nineteenth Amendment, stating simply that "The right of citizens of the United States to vote shall not be denied or abridged by the United States or any state on account of sex," became law in 1920, but the first woman member of Congress actually arrived four full years before its passage. Several states, Wyoming first among them, had already recognized women's right to vote and one of them, Montana, made history in 1916 when its voters sent suffragist and reformer Jeannette Rankin to the House of Representatives.

During her first term in the House, Miss Rankin dramatically cast her vote against American entry into World War I. After her initial term, Representative Rankin ran unsuccessfully for the Senate. A quarter of a century later, on the eve of World War II, she returned to the House as a member. Still an ardent pacifist, she opposed America's entry into the conflict. This time Representative Rankin was the only member of either house of Congress to vote against entering the war. In 1945, at the end of this second term, Miss Rankin retired from Congress and devoted the rest of her life to working for world peace.[2]

Since 1916, when the voters of Montana sent Jeannette Rankin to the House, a total of 115 women have served in Congress from forty states. Of this number, 15 have been senators, including our colleagues Senators Kassebaum and Hawkins. Margaret Chase Smith of Maine holds the distinction of being the only woman to serve in both chambers. Nearly every Congress since the 65th, when Miss Rankin arrived, has seen an increase in the number of women members. Nevertheless, their total of 116 represents less than one percent of the total number of almost 12,000 members of both houses of Congress.[3]

Women, like their male colleagues, have found their way into the Congress by a variety of means and for varying lengths of time. Of the fifteen women senators, for example, two were never sworn in because Congress was not in session between their election and the expiration of their terms. Another woman sat in the Senate for only one day—a record for brevity. Several women were appointed or elected to fill unexpired terms and served in Congress for less than a year. Only five women have ever been elected to full Senate terms. In an excellent, slightly macabre, article entitled "Over His Dead Body: A Positive Perspective on Widows in the United States Congress," historian Diane Kincaid notes that most women have made their way to Congress via the so-called "widows' mandate," the practice by which the widow of a deceased member is awarded his seat to keep it "safe" until the next general election. The "widows' mandate" has brought 70 percent of the women senators and 50 percent of all women representatives. Most were the widows of the members whose seat they filled.[4]

As women have become more active in politics at all levels, the congressional tradition of the "widows' mandate" has weakened. And, as we know today, both Senators Kassebaum and Hawkins were elected on their own.

The women who have served in Congress are remarkably diverse in their party affiliations, philosophy, and backgrounds, just as are their male counterparts. As Hope Chamberlin writes in her book on women in Congress entitled *A Minority of Members*:

> Most members of this numerically select group were reared in modest economic circumstances; almost all attended college; only a few never married. The majority have been white, Anglo-Saxon, and Protestant. Beyond hard work and the gift of intuition, however, they have had little else in common. The laws of chance, if nothing else, argue against parallels . . . . their pre-congressional careers, if any span a broad spectrum; teaching, stenography, journalism, social work, broadcasting, the theater, law—even cowpunching.[5]

Who are these fifteen women who have served in the Senate? After reading their names, states, and parties, I will speak briefly about each woman, and try to impart a sense of their diversity and their commonality. In chronological order they are Rebecca Felton, Democrat of Georgia; Hattie Caraway, Democrat of Arkansas; Rose McConnell Long, Democrat of Lousiana; Dixie Bibb Graves, Democrat of Alabama; Gladys Pyle, Republican of South Dakota; Vera Bushfield, Republican of South Dakota; Margaret Chase Smith, Republican of Maine; Eva Bowring, Republican of Nebraska; Hazel Able, Republican of Nebraska; Maurine Neuberger, Democrat of Oregon; Elaine Edwards, Democrat of Louisiana; Muriel Humphrey, Democrat of Minnesota; Maryon Allen, Democrat of Alabama; and Senators Kassebaum and Hawkins. The history of women in the Senate has clearly been a bipartisan one—the tally thus far stands at 8 Democrats, 7 Republicans.

Now let us go back and look at each of these women. In all of these brief biographies, I should note, I have been greatly aided by the work of many historians who have written about women in the Senate collectively and individually; most notably by Hope Chamberlin's book, and by Susan Tolchin's *Clout: Womanpower and Politics*, and by a document published by

Footnotes at end of article.

the House, for the 1976 bicentennial, entitled *Women in Congress.*[6]

I will begin with the very first woman senator, Rebecca Latimer Felton. Mrs. Felton actually holds three Senate records. Not only was she the first woman senator, but she holds the record for the shortest Senate service—one day—as well as the record for being the oldest person ever to be sworn into the Senate for the first time—she was 87-years-old. Obviously, this was no ordinary woman. Her biography, by John Talmadge, is aptly subtitled *"Nine Stormy Decades,"* and indeed they were.[7]

Rebecca Latimer Felton took her oath of office on November 21, 1922. But just two months earlier, on October 3, 1922, the date affixed to her senatorial commission, the likelihood that Mrs. Felton would be accorded this unprecedented honor seemed remote.

The sudden death of controversial Senator Thomas E. Watson gave Georgia Governor Thomas Hardwick an unexpected opportunity. While a member of the House in the 65th Congress, Hardwick had aroused female ire by voting against the Nineteenth Amendment. But now, if he were to name a woman, the first woman, to the Senate, he might recapture the favor of the newly enfranchised ladies. And, because the election to be held before the 67th Congress reconvened would surely return a man to the post, Hardwick was confident his action would not earn him the ill-will of his male constituents.

Hardwick announced that Mrs. Felton, a widow, was his choice, and he also announced that he would be a candidate for the unexpired term in the upcoming primary. He described Mrs. Felton as a "noble Georgia woman, now in the sunset of a splendid useful life." Almost as an afterthought, he added, "It is unfortunate that an elected successor will prevent her from being sworn in." [8]

Governor Hardwick obviously underestimated Mrs. Felton's vitality in her "sunset years." She had been in Georgia politics too long not to know a gentlemanly power play when she saw one. Her telegram of acceptance gave no clue that she had already made up her mind to reach the Senate floor. She simply expressed her appreciation for the honor "on behalf of the thousands of Georgia women who will reward you at the ballot box."[9]

Almost everybody in "Mother" Feltons's hometown of Cartersville turned out on October 7 for the official ceremony at which she received her certificate of appointment. In his speech, the governor admitted that he had been against suffrage for women, but, inasmuch as it was now the law of the land, he believed "it was right." Therefore, he said, he had selected Mrs. Felton to prove that Georgia had accepted the enfranchisement of women as a fact. He also noted again that he deeply regretted that Mrs. Felton's tenure must end before she could serve.[10]

Rebecca Felton ignored this last remark. Parchment scroll in hand, she claimed, "The biggest part of this appointment lies in the recognition of women in the government of our country. It means, as far as I can see, there are now no limitations upon the ambitions of women. They can be elected or appointed to any office in the land. The 'sex' had been obliterated entirely from the Constitution."[11]

Newspapers in the North and South praised Mrs. Felton as a women of exceptional ability and character, but, on the matter of the governor's motives, editors were not so complimentary. Calling his act "merely a pretty sentiment . . . an empty gesture," the *Pittsburgh Gazette-Times* stated, "He did not appoint a woman because he has respect for women in politics but actually to smooth his own path to the Senate," The *St. Louis Star* noted, "Other governors who may be studying the health charts of United States senators should take full note of Governor Hardwick's strategy."[12]

Behind the scenes, with Mrs. Felton's blessing, suffragists across the land launched a campaign to see that Mrs. Felton was officially seated among her peers in the Senate chamber. The appointment of the first women senator, they believed, must be acknowledged on a national stage. But how to unblock the road to Washington? There seemed only two alternatives. Either the president would have to be persuaded to call a special session of Congress or the Senate must consent to her being sworn in before her elected successor took his seat.

The women tried the presidential path first. President Warren Harding was inundated with messages beseeching him to permit Mrs. Felton to have her day in the Senate. But the president's refusal was curt: it would be too expensive, he claimed, to summon Congress back just to seat a single senator.

When Georgia Democrats chose Walter George, not Governor Hardwick as their candidate in the primaries (tantamount to election in Georgia at the time), the women shifted their tactics and tried to elicit from Mr. George a promise that he would defer presentation of his credentials. Mr. George pointed out several obstacles, most seriously the Seventeenth Amendment that stated that the term of an appointed senator ended the day a successor was elected, but if Mrs. Felton was willing to risk rejection, Mr. George said he was willing to step aside to allow her to precede him.

In late October, a throat ailment sent Mrs. Felton to the hospital. From her sickbed, she wrote to President Harding, asking him to reconsider his decision against calling a special session. On November 9, Harding issued a proclamation to convene Congress on November 20—not to seat her, but to urge immediate passage of the administration-sponsored ship subsidy bill. Mrs. Felton began to pack her suitcase.

Her decision to set off for an uncertain fate in Washington surprised no one in Georgia. Few expected her to change after more than fifty years of charting her own course. For more than five decades, she had stumped the state, campaigning against graft and bribery, skirmishing with state legislators over temperance, advocating prison reform, compulsory school attendance, vocational education, care for expectant mothers, and woman suffrage. Like many of her contemporaries, Mrs. Felton also shared the anti-Negro prejudice of her section to the point of obsession, and was well known as a champion of white supremacy and segregation. If anyone could convince the Senate to seat her, it was strong-minded "Mother" Felton.

Rebecca Latimer was born in DeKalb County, Georgia, in 1835, in the latter half of Andrew Jackson's second administration. Her father was a Whig leader in the area and instilled in his children a lively interest in current events. In her autobiography, entitled *My Memoirs of Georgia Politics,* she recalled visiting the local stage coach stop with her father to learn the latest news. After the stage coach departed, ". . . it was the most natural thing in the world for my father to read aloud /from the *Southern Recorder/* to the eager people, who learned all they knew of national politics in that way. I became familiar also with 'Tippecanoe and Tyler Too?' "[13]

Rebecca's father believed in the education of women and saw to it that his daughter received the best available in Georgia. When she was sixteen, she was enrolled in Madison Female College, a strict Methodist institution, which her mother had attended. Graduating with honors in 1852, she was on the committee that selected the commencement speaker, William Harrell Felton, an eloquent Methodist minister and physician. Fifteen months later, Rebecca Latimer and Dr. Felton, an advocate of rights for women, were married.

The Feltons lost their sons, their farm, and their fortune during the Civil War, and spent the years afterwards trying to regain their former prosperity. In 1874, Dr. Felton, bucking the "Bourbon" Democrats, ran for a House seat from the Georgia 7th district as an Independent. Mrs. Felton entered the fray with relish:

From the beginning to the end, I was in the thick of my husband's campaign. . . . I wrote hundreds of letters all over fourteen

counties. I wrote night and day, and for two months before the close kept a man and a horse at the door to catch every mail train three miles away. . . . At one time my health broke down, but I was propped up in bed with pillows and wrote ahead. I made appointments for speaking, recruited speakers, answered newspaper attacks, contracted for the printing and distribution of circulars and sample ballots. . . .[14]

The campaign's success proved a great tonic to Mrs. Felton's health. For the next six years, she served as her husband's secretary and clerk in Washington. Constant attention to their wishes and opinions earned her the title "our Second Representative from the Seventh" among her husband's constituents back home.

Her husband's campaigns for reelection in the autumns of 1876 and 1878 were bitter ones and her presence at his side became a campaign issue. Political rallies of that era were rough, coarse affairs, considered unfit for the ears of Georgia ladies. Consequently, her presence was denounced by the Democratic press in editorials that called her attendance a "disgusting spectacle." "There is a nobler, higher sphere for women," enemy editors thundered, "Fill it!"[15]

When Dr. Felton was defeated in 1880, he and his wife began a newspaper, *The Cartersville Free Press*, to push the reform measures they held dear. When, in 1884, Dr. Felton was elected to the first of three terms in the state assembly, his wife was again at his side, pushing her own agenda and garnering the support of women's groups for measures her husband introduced. When William Felton died in 1909, it was only natural that Rebecca Felton should travel the reformer's route alone.

Aboard the train enroute to Washington in November 1922, Mrs. Felton, 87-years-old, white haired and bespectacled, recalled the long road she had traveled and wondered about the reception that awaited her in the capital. What would be the disposition of those members of the Senate present for the third session of the 67th Congress? At the moment, no one was certain. The *New York Times* reported that a few senators planned to oppose her taking the oath because of the precedent it might set. On the other hand, the *Atlanta Journal* quoted a Republican as saying, "It will be a brave man that objects. I'm not a candidate for the job."[16]

Vice President Calvin Coolidge gaveled the senators to order at noon on November 20. Rebecca Felton, who had arrived more than an hour earlier amid cheers from the women crowding the galleries, had taken an empty seat to await her fate. But the Senate adjourned after only twelve minutes out of respect for the deceased Tom Watson. "I'll be back tommorrow," Mrs. Felton assured waiting reporters.

She was back the next day, and the galleries were again filled with women wearing the colors of their various feminine-rights organizations. As she walked down the aisle to occupy Watson's vacant seat, Mrs. Felton turned and blew the onlookers a kiss.

After three other new senators were sworn in, Mrs. Felton listened as senior Georgia Senator William Harris stated her case and expressed the hope that there would be no objections. Hardly had Harris finished speaking when a voice called out, "Mr. President!" It was Thomas J. Walsh of Montana, who arose to speak against Mrs. Felton's seating. It was not the lady herself, he made clear, whom he opposed, but the irregularity of her seating. Walsh was prepared to speak at length against the seating of Mrs. Felton, but a message came from the House that the president was ready to speak to the joint session on changes in the merchant marine. Mrs. Felton went along with the rest of the senators and sat through the president's address, then returned with them to the Senate chamber.

Once again, Walsh rose and delivered a long discourse citing the Constitution and a host of other authorities but acknowledging that he was not lodging a formal objection, only informing his colleagues of the gravity of the situation. Finally, he finished. There was silence. No one else moved to speak, so the president pro tempore asked the clerk to read Mrs. Felton's credentials. Mrs. Felton sighed and smiled. Lifting her floor-length black gown slightly, she took Senator Harris's arm and proceeded to the rostrum to be swron in.

Her "I do" as she swore to uphold and defend the Constitution was loud and clear. The president pro tempore chose to ignore the Senate rule forbidding outbursts from the gallery as the ladies present, and many of the senators on the floor, burst into applause. There was no opportunity for Mrs. Felton to speak that day, but, having spent weeks biding her time, she was willing to wait another day.

At the Wednesday session, Senator Felton proudly answered the roll call, then arose and was recognized as the "junior senator from Georgia." After thanking her colleagues, especially Senator George who would be sworn in as soon as she finished speaking, she addressed herself to the future. Looking gravely at the male senators who surrounded her, she said, ". . . . when the women of the country come in and sit with you, though there may be but a very few in the next few years, I pledge to you that you will get ability, you will get integrity of purpose, you will get exalted patriotism, and you will get unstinted usefulness."[17]

With that, her brief Senate career ended, but not her career as an activist. Until her death in 1930, at the age of 95, Rebecca Felton remained active, voting in every state, local, and national election and urging other women to do likewise.

Rebecca Felton was right in predicting that more women would follow her into the Senate and that they would be women of quality, and she was also correct in stating that their numbers would be few. An entire decade elapsed before the next woman arrived. This was Hattie Caraway, the first woman ever elected to this body. In the journal she kept while a senator, which has been edited by Diane Kincaid and is entitled *Silent Hattie Speaks*, Mrs. Caraway noted that she was told that she had been given the same desk Rebecca Felton had used for just a day. "I guess," she noted dryly, "they wanted as few of them contaminated as possible!"[18]

Hattie Caraway accomplished many Senate "firsts." In addition to being the first woman elected to the Senate, she was also the first woman to vote in the Senate, to preside over the Senate (on May 9, 1932), to chair a Senate committee (Enrolled Bills), and to preside over Senate hearings.

Hattie Wyatt Caraway was born in Tennessee in 1878. When she graduated from Dickson Normal College in 1896; she was engaged to Thaddeus Horatio Caraway. After their marriage in 1902, Thaddeus pursued a career in politics and law in Arkansas, while Hattie's life centered around their children and their home. In 1912, Thaddeus Caraway was elected as a Democrat to the first of his three terms in the House, and in 1920, the first election in which Hattie could vote after the Nineteenth Amendment, he was elected to the Senate. There he built a reputation as a champion of farmers, a foe of lobbyists, a die-hard Democrat, and a fierce opponent in debate. He was elected to the Senate again in 1926 and was making plans to seek a third term in 1932 when he suddenly died on November 6, 1931.

His death left Arkansas politicians faced with a sticky problem. Under state law, had Thad Caraway died three days later, leaving less than a year until the next general election, the governor could have simply appointed someone to serve out the remainder of the term. But since he had died leaving more than a year, an immediate appointment was necessary, to be followed by a special election.

Several candidates were considered, but all were more interested in the full six-year term up for grabs in the general election little more than a year away. All agreed with the governor that naming Thad Caraway's widow as the interim appointee as well as the Democratic candidate in the special election for the remaining year would

be the safest route to follow. It was assumed that Mrs. Caraway would have no interest in running for the full term. Hattie Caraway seemingly accepted these arrangements, returned to Washington still grieving, and on December 9, 1931, was sworn into the Senate.

While Senator Caraway set about familiarizing herself with the office routine, committee work, and parliamentary procedure, some of Arkansas' most prominent politicians announced their candidacies for what they presumed would soon be an empty seat. They had miscalcuated. On May 10, 1932, the very last day before the filing deadline for the primary, a special delivery letter arrived from Washington containing Senator Caraway's filing fee. Although the Arkansas newspapers had a brief field day—"Bombshell Explodes in Arkansas Politics", "Senator Springs Surprise by Announcing for Office," the seven men who had also filed were convinced that Mrs. Caraway was not a serious threat.

The assumption seemed sound. Hattie Caraway had no campaign funds, no campaign manager, and no campaign plans. But her opponents' nonchalance turned to concern, when, in July, Senator Caraway announced that popular Senator Huey Long of Louisiana, the father of our colleague Russell Long, was coming to Arkansas to help place her record before the people. An avowed enemy of Arkansas's senior Senator Joseph T. Robinson, Long proclaimed the "little widow woman" who sat beside him in the Senate the true heir to the egalitarian philosophy of her late husband.

On August 1, Senator Long roared into Arkansas in a long, black limousine, with two trucks wired with loudspeakers and fitted out with makeshift speaker's stands, four vans for transporting campaign posters and literature, and a host of energetic, young campaigners. Together, Long and Caraway stumped the state. Senator Long was a charismatic speaker and he electrified the crowds. He appealed to his listeners' provincial pride, their economic resentments, and the chivalry: "We've got to pull a lot of pot-bellied politicians off a little woman's neck." Mrs. Caraway spoke less often but in the same vein, appealing to the poverty-stricken farmers she represented. Their combined message was unmistakable: Senator Caraway had bravely and consistently stood by the common people and they should return her to Washington.

When Senator Long left one week later, he and Senator Caraway had traveled 2,000 miles, been to 31 counties, made 39 speeches, and personally reached over 200,000 people. In the primary, Hattie Caraway received 44.7 percent of all votes cast, a plurality, and went on to an election victory in November.[19]

While this election campaign was the most dramatic episode in Hattie Caraway's career, it wasn't the end of it. For the next six years, she devoted herself quietly to her Senate work. She rarely made public statements but strongly supported almost all of President Roosevelt's New Deal legislation, helped find jobs for depression-stricken constituents, and helped secure grants and loans for public works projects for her state.

Many assumed that Senator Caraway would announce her retirement before the 1938 Senate contest, but she again confounded the political prophets by filing for reelection. Huey Long had been assassinated in 1935, but with the support of organized labor, veterans, and women's groups, she narrowly defeated Representative John McClellan—whose slogan was "Arkansas Needs Another Man in the Senate"—by eight thousand votes, and won her second six-year term.

Senator Caraway's last six years in the Senate were much like her first seven. She continued to be one of President Roosevelt's most faithful supporters. She saw that constituents' requests were answered, assisted the successful effort to block a lessening of Arkansas' representation in Congress, and secured important public works projects for Arkansas. In 1943, she became co-sponsor of the proposed Equal Rights Amendment to the Constitution, the first woman member of Congress to endorse it. Like many male politicians, however, Senator Caraway failed to recognize that her methods were growing outdated, and her popularity and support declining. Her decision to run for a third term in 1944 was a mistake. She was beaten in the Democratic primary by former University of Arkansas president J. William Fulbright. (I should note at this point that Senator Caraway's nephew, J. Lewey Caraway, continues to serve the Senate as Superintendent of Senate Office Buildings.)

In February 1936, another "first" for women occurred in the Senate when Senator Rose McConnell Long of Louisiana was sworn in, bringing the number of women in the chamber to two for the first time. Unfortunately, the circumstances that brought Mrs. Long were tragic—the brutal assassination of her husband in the Louisiana state capitol building. The Long family holds an unmatched Senate distinction. Senator Huey Long, Senator Rose Long, and our colleague Senator RUSSELL LONG form the only father-mother-son combination in the history of this institution. We have the sons of several former senators in the Senate today: Senators SIMPSON, DODD, and GORE are all the sons of former senators but the parent in the Senate in each instance was their father. Only Senator LONG can claim both parents as United States senators.

Mrs. Long was not the first choice of the Louisiana Democratic machine to inherit her husband's Senate seat. The front runner, Governor O.K. Allen, died before he could be sworn in. His successor, Governor James Noe, acted quickly to prevent a fractious struggle within the party by promptly appointing Mrs. Long. Governor Noe claimed, "This is the proudest moment of my life." Hattie Caraway of Arkansas, who owned her first election in part to the sound trucks Mrs. Long's husband brought upriver, was delighted: "It will be nice to have a woman's company in the Senate."[20]

Succeeding her colorful and famous husband in the Senate was a hard act for Mrs. Long to follow. She chose not to adopt her husband's kinetic style, preferring instead to serve out her eleven-month term very much in the backgound. She found her niche in committee work. Of the five Senate committees to which she was appointed, she devoted the most time to Public Lands and Surveys, taking great pride in leading the efforts to enlarge Chalmette National Historical Park on the site of the Battle of New Orleans.

Mrs. Long understood politics well enough to accept her role for precisely what it was: the legatee of her husband's political estate. When the 74th Congress ended in January 1937, she unobtrusively left Washington, bound for Shreveport and home.

In mid-1937, another woman joined Senator Caraway in the Senate. Dixie Bibb Graves of Alabama arrived amid a storm of controversy. When Governor Bibb Graves appointed his wife to fill the Senate seat vacated by the appointment of Hugo Black to the Supreme Court, he argued that "She has as good a heart and head as anybody." But the governor's mansion was inundated with mounting criticism over the apparent flagrant abuse of personal patronage.[21]

Although her political power was clearly derivative, Dixie Bibb Graves boasted a long career in club and reform work, having campaigned hard for women's suffrage and temperance. A *New York Times* article described her as a woman who was "at home with deep-sea fishing tackle, a shotgun, a garden spade, or a silver ladle at the banquet table." The *Times* also credited her with drafting some of her husband's speeches and influencing his key decisions.[22]

Despite the skepticism and anger she left back home, Mrs. Graves, escorted by Alabama's senior Senator John Hollis Bankhead II, was sworn in and took her seat in the 75th Congress with Hattie Caraway looking on. As a freshman Democratic senator, Mrs.

Graves was assigned a seat at the rear of the chamber, in a section known as the "Cherokee Strip" because it was on the Republican side and accommodated the Democratic overflow. Because there were 75 Democratic senators in 1937, Democrats who were seated there were said to be "off their reservation," in an area reminiscent of Oklahoma's original Cherokee Strip that belonged neither to the Indians nor to the government. "I'm supposed to be seen, perhaps," Mrs. Graves told a radio audience on one occasion, "but certainly not heard." [23]

Mrs. Graves did speak, however, and spoke loudly enough on issues close to the hearts of voters in Alabama that a write-in campaign was launched to change her status from interim senator to full-fledged candidate. Mrs. Graves declined the honor, however, and, with an almost perfect attendance record to her credit, ended her Senate career after just five months in office.

In 1938, the first Republican woman senator, Gladys Pyle of South Dakota, came to Washington, In November 1938, she was elected to the Senate to fill the vacancy caused by the death of Senator Peter Norbeck. She was, in fact, the first woman elected to the Senate in her own right without prior service under appointment. In view of her distinguished political career (she was the first woman elected to her state's legislature), it was a shame that Gladys Pyle served only two months in the Senate—that was all that was left in the term—and was never even sworn in because Congress was not in session during those two months. She would have no committee assignments, not even a Senate seat, but she had no intention of passing up the opportunity to work for her constituents from a power base in the capitol. With her mother, a stenographer, and a clerk, the interim senator drove from South Dakota to Washington "because I wouldn't feel like a senator unless I did it." The first thing she did was to affix her nameplate on the door of her suite in the Senate Office Building. And then, in the two months during which she was a senator, she began calling on all the top government officials who might be able to aid depression-ravaged South Dakota.[24]

It was ten more years before another woman came to the Senate, and like Gladys Pyle, she was from South Dakota. "Honored that's how I feel," said Vera Bushfield in 1948 when South Dakota's governor informed her that she was his appointee to serve out the remainder of the term—just three months—in the seat vacant due to the death of her husband, Senator Harlan Bushfield, a former governor of that state. "The appointment is being made," the governor told the people of South Dakota, "with the understanding that shortly before the 80th Congress reconvenes she will resign and thus enable me to give seniority rights to the new senator-elect." The governor left no question; this was to be a short Senate career.[25]

Because Congress was in recess at the time of her appointment, Mrs. Bushfield was confronted with the same dilemma that Gladys Pyle had faced ten years earlier: to go or not to go to Washington. Since she would not be sworn in even if she went, Mrs. Bushfield decided to stay home in Pierre. "I can serve the constituency best," she believed, "by making myself as accessible as possible." After her three month term ended, as she had promised the governor, Mrs. Bushfield resigned on December 26, 1948, giving senator-elect Karl Mundt a few days seniority over the other freshmen in the 81st Congress.

The next woman to enter the Senate is one who many of us have been privileged to know personally. I vividly recall that she was the only woman in the Senate when I came here in 1959 and that she always wore a beautiful red rose. When I arrived, she had already been in the Senate for a decade. I refer to Margaret Chase Smith of Maine, who holds at least two Senate records. She is the only woman in history to be elected to both the House and the Senate, and she holds the record for the longest Senate service by a woman—four terms or twenty-four years. In 1960, she attained the highest vote percentage of all Republican senatorial candidates nationally. She was also the first woman elected to a leadership post in the Senate, being unanimously elected chairman of the Republican Conference in 1967 and again in 1969 and 1971.

"If I am to be remembered in history," said Margaret Chase Smith, "it will not be because of legislative accomplishments but for an act I took as a legislator in the United States Senate when on June 1, 1950 I spoke in the Senate in condemnation of McCarthyism at a time when the then junior senator from Wisconsin had the Senate paralyzed with fear that he would purge any senator who disagreed with him." Mrs. Smith is probably right. What came to be known as her "Declaration of Conscience" speech is probably the act for which she is most remembered, but it is only one important act of a very long and distinguished career.[26]

Declaration of Conscience is also fittingly the title of Margaret Chase Smith's autobiography and it stresses the importance the element of conscience has played in her political career. A quiet, business-like woman, she had rarely spoken in the Senate until that June day when she felt impelled to make her point. The first Republican to attack Senator McCarthy and his tactics, Senator Smith startled her colleagues with these words:

> I do not like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity. . . . I do not want to see the party ride to political victory on the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.[27]

Senator Smith's joust with Senator McCarthy, who was finally censured by the Senate four years later, served notice to her colleagues that she was going to be independent and tough-minded. She was no novice at politics. She had arrived in the Senate with almost a decade of experience in the House behind her. In 1940, she had been elected to the House to fill the vacancy caused by the death of her husband, Clyde H. Smith. She was reelected four times.

In the Senate, Margaret Chase Smith continued the battles for military preparedness she had begun in the House, winning the respect of her colleagues for her self-possession, self-reliance, and firm grasp of the federal budget. She had earned the nickname "Mother of the Waves" after introducing legislation to establish the women's branch of the Navy. She also worked indefatigably for increases in appropriations for medical research.

In 1964, Senator Smith announced her intention to capture her party's nomination for the presidency. "I have few illusions and no money, but I'm staying for the finish," she said. In the final tally at the convention, Senator Smith, Maine's favorite daughter candidate, rolled up more delegate votes than anyone else except the GOP nominee himself, our colleague Senator Barry Goldwater. Thus, she became the first woman in history to have been nominated for president of a major political party. Once, before her own bid for the presidency, an interviewer asked Senator Smith, "Suppose you woke up one morning and found yourself in the White House, what would you do?" "Well," said Mrs. Smith in her sober Down-East accent, "I'd go straight to Mrs. Truman and apologize, and then I'd go home." [28]

The virtues that were Margaret Chase Smith's trademark were also the causes of her eventual defeat after twenty-four years in the Senate. Proud of her perfect attendance record, and of answering to 2,941 consecutive roll call votes without a miss, she made it a practice never to campaign when the Senate was in session. She was also scrupulous about spending very little on her campaigns. But the year of her last primary, 1972, was not a good one for seniority as younger politicans ousted older incumbents all across the Nation. At seventy-four, it was more important that Mrs. Smith campaign than ever before, if only to counter charges that she did not have the stamina to keep pace with the Senate's grueling schedule.

Her opponent out-spent, out-traveled, and out-polled her.

"I hate to leave/the Senate/when there is no indication another qualified woman is coming in," Senator Smith lamented. "We've built a place here for quality service. If I leave and there's a long lapse, the next woman will have to rebuild entirely." Four women had come and gone in the Senate during Senator Smith's long tenure, and to her relief, she didn't have to wait too long for other qualified women to follow.[29]

Back in April 1954, Senator Smith wrote in her syndicated column, "Washington and You": "Governor Robert B. Crosby did the women of America, as well as the women of Nebraska, a great honor in appointing Mrs. Eva Bowring to the vacancy created by the death of Senator Dwight Griswold." Nebraska Republican leaders, aware of the precarious numerical balance in the Senate (47 Republicans to 48 Democrats with Oregon's Independent Wayne Morse voting with the Republicans on organization matters), were so anxious for Eva Bowring to get to Washington to take the oath of office that they offered to help "roundup" her affairs. And for Eva Bowring, a widow, and owner of a 10,000 acre cattle ranch, "roundup" meant just that. In addition to a long career of Republican party work, Mrs. Bowring was well known for her readiness to join her ranch hands whenever they needed her, even if it meant riding through blizzards to rescue stray cattle from freezing on the open range.[30]

At a press conference to accept the proferred Senate seat, Mrs. Bowring announced that she was going home to the Bar 99 "to kiss the cattle goodbye," and then she would be off to Washington to begin her six-month career as a senator. Upon her swearing in, she became the thirteenth woman member of the 83rd Congress. She did not consider the number unlucky at all: "Prepare yourself," she declared, "there will be more women." [31]

In her half year in the Senate, she was a conscientious worker and a firm supporter of President Eisenhower's farm policies. As she had promised, Mrs. Bowring ended her Senate career in November 1954, and returned to her ranch in time for the cattle roundup.

As Mrs. Bowring retired, for the first time in history one woman succeeded another as a United States senator. Hazel Abel had been elected to the two-month-long vacancy in Nebraska's Senate seat that a technicality in the state's election law had created. Considering the shortness of the term, it was surprising that anyone campaigned hard for it, but Mrs. Abel and sixteen others did. "Why bother?" she was asked. "To me it was more than a short term in the Senate. I wanted Nebraska voters to express their approval of a woman in government." [32]

The day Hazel Abel was sworn in, November 8, 1954, was a historic one. Mrs. Bowring had returned from Nebraska especially to escort her successor to the vice president's rostrum for the oath taking. Moreover, censure proceedings against Senator Joseph McCarthy were due to begin. The Senate was being asked to display its confidence in the subcommittee that had been assigned the task of investigating Senator McCarthy's actions. One of the members of the subcommittee was Margaret Chase Smith. Senator Abel studied all the evidence before becoming the first senator to answer the roll call. She cast her vote with the majority (67 to 22) to condemn Senator McCarthy's conduct.

In 1960, another woman joined Senator Smith in this chamber. The voters of Oregon elected Maurine Neuberger to succeed her husband, the late Senator Richard Neuberger. The decision to run had been a difficult one. Her husband had died just two days before the filing deadline for the upcoming election, and Governor Mark Hatfield had appointed former State supreme court justice Hall S. Lusk to serve in the interim. But petitions signed by several thousands Oregonians urging her to put her name on the ballot and a supportive telephone call from Senator Smith convinced Mrs. Neuberger to toss her hat into the ring.

A former two-term member of the Oregon House of Representatives, Mrs. Neuberger was recognized as a seasoned politician and campaigner, and as an advocate of the liberal Democratic politics espoused by her late husband. In the Senate, she served on the Agriculture, Banking and Currency, and Commerce committees, and on a special committee on the aging. Her interests revolved around consumer legislation, health and education, and conservation. Unafraid of controversy, she tackled the tobacco industry and initiated a nationwide no smoking campaign. As a result of her efforts, Congress gave the Federal Trade Commission the authority to regulate cigarette advertising. Disadvantaged like many other women candidates by the high cost of election campaigns, Maurine Neuberger decided not to run for another Senate term in 1966.

For three short months in 1972, there was another woman in the Senate: Democrat Elaine Edwards of Louisiana. Like Dixie Bibb Graves of Alabama, she was appointed by her husband, Louisiana Governor Edwin Edwards, to complete the term of the late Senator Allen J. Ellender, who had been elected in 1936 to succeed Louisiana's first woman senator, Rose McConnell Long.

In her three months in office, Senator Edwards was able to assist in laying groundwork for new highway construction in Louisiana, the inclusion of a provision in the Omnibus Rivers and Harbors bill easing the financial burden on local government, and a bill appropriating funds for the Allen J. Ellender Fellowships for needy high school students and teachers.

After Senator Edwards resigned in November 1972, and Senator Margaret Chase Smith left the Senate the following January, five years passed before another woman, soon joined by a second, sat in the Senate. The circumstances that brought them here, as many of us who were in the Senate at the time remember with great sadness, were the deaths of their beloved husbands. In January 1978, Muriel Humphrey was appointed by the governor of Minnesota to fill the vacancy caused by the death of Senator and former Vice President Hubert Humphrey. A few months later, in June, the death of Senator James Allen of Alabama brought his widow, Maryon, to the Senate.

Both Senators Humphrey and Allen left this body in November 1978, but that month also brought us another woman senator under happier circumstances. In the November elections that year, our colleague Senator NANCY KASSEBAUM became the fourteenth woman senator. She became only the fourth woman ever to win election to a full six year term, and the first woman to win election to the Senate who was not preceded in Congress by a spouse. In 1980, as I have also noted, Senator PAULA HAWKINS of Florida won her Senate seat and joined Senator KASSEBAUM as the fifteenth woman senator.

There have never been more than two women in the Senate at any one time. But surely it will be just a matter of time before this record, too, will be broken and another Senate "first" added to the record books.

Mr. President, I ask unanimous consent that footnotes to "Women Senators" be printed in the RECORD at this point.

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

FOOTNOTES TO "WOMEN SENATORS"

[1] Inez Haynes Irwin, *The Story of the Woman's Party*, New York: 1921, pp. 180-82.

[2] Hope Chamberlin, *A Minority of Members: Women in the United States Congress*, New York: 1974, pp. 5-18; "Jeannette Rankin," *Notable American Women*, Cambridge: 1980, vol. IV, pp. 66-68; Florence White, *First Woman in Congress, Jeannette Rankin*, New York: 1980; Hannah Josephson, *Jeannette Rankin: First Lady in Congress*, Indianapolis: 1974.

[3] Statistic made available by the Congressional Caucus for Women's Issues; "Women in the United States Congress," CRS Report No. 83-49 Gov, 1983.

[4] Diane Kincaid, "Over His Dead Body: A Positive Perspective on Widows in the United States Congress" *Western Political Quarterly*, 21, March 1978, pp. 96-104.

[5] Chamberlin, pp. 3-4.

[6] Susan Tolchin, *Clout: Womanpower and Politics*, New York: 1974; U.S. Congress, Joint Committee on Arrangements for the Commemoration of the Bicentennial, "Women in Congress, 1917-1976," 94th Congress, 2nd sess.

[7] John Talmadge, *Rebecca Latimer Felton: Nine Stormy Decades*, Athens: 1960. The best sources for information on the life of Rebecca Felton, and the sources from which the following biography are drawn, include Talmadge; Chamberlin, pp. 119-136; Joel Williamson, *Crucible of Race*, Oxford: 1984; and Felton's own two volumes of memoirs, *My Memoirs of Georgia Politics*, Atlanta: 1911, and *Country Life in Georgia In the Days of My Youth*, Atlanta: 1919.

[8] *Atlanta Journal*, October 2 and 3, 1922.

[9] Ibid.

[10] Ibid., October 7, 1922.

[11] Ibid.

[12] Chamberlin, p. 21.

[13] Felton, *Memoirs*, p. 18.

[14] Chamberlin, pp. 26-27.

[15] Ibid., p. 28.

[16] *New York Times*, November 18, 1922; *Atlanta Journal*, November 18, 1922.

[17] The account of Mrs. Felton's seating in the Senate is recorded in the *Congressional Record*, 67th Congress, 3rd sess., pp. 3-23.

[18] The best accounts of the career of Hattie Caraway are found in Chamberlin, pp. 86-95 and in Caraway's diary, edited by Diane Kincaid, *"Silent Hattie" Speaks: The Personal Journal of Senator Hattie Caraway*, Westport: 1979; Caraway, p. 44.

[19] "Hattie and Huey," *Saturday Evening Post*, October 15, 1932, pp. 6-7, 88-90, 92; *Arkansas Gazette*, August 1-9, 1932; T. Harry Williams, *Huey Long*, New York: 1969, pp. 583-618.

[20] Chamberlin, p. 118.

[21] Ibid., p. 121.

[22] "Women in Congress," p. 31.

[23] Chamberlin, p. 123.

[24] Ibid., p. 126.

[25] Ibid., p. 196.

[26] "Women in Congress," p. 75; The best sources of the career of Margaret Chase Smith include her autobiography, *Declaration of Conscience*, edited by William Lewis, Jr., New York: 1972 and Frank Graham, *Margaret Chase Smith: Woman of Courage*, New York: 1964.

[27] "Women in Congress," p. 75.

[28] Ibid., p. 76.

[29] Chamberlin, p. 351.

[30] Ibid., p. 240; "Women in Congress," p. 11.

[31] Chamberlin, p. 242.

[32] "Women in Congress," p. 3.

Mr. BYRD. Mr. President, I thank the Chair and I yield the floor.

(The following orders were entered prior to Mr. BYRD's remarks and are printed at this point by unanimous request.)

ORDERS FOR WEDNESDAY

ORDER FOR RECESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon on Wednesday, February 27, 1985.

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

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Further, Mr. President, I ask unanimous consent that following the two leaders under the standing order, there be special orders of not to exceed 15 minutes each for Senators PROXMIRE and INOUYE.

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

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period of routine morning business not to extend beyond 1 p.m. with statements therein limited to 5 minutes each.

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

PROGRAM

Mr. SIMPSON. Mr. President, following morning business, the Senate will automatically resume consideration of S. 457, the sub-Saharan African relief bill, and pending is amendment No. 10 offered by Senator ZORINSKY dealing with emergency farm credit assistance. Also pending is amendment No. 11 offered by Senator MELCHER in the second degree. Rollcall votes can be expected during Wednesday's session on amendments and possibly final passage of S. 457.

RECESS

The PRESIDING OFFICER [Mr. WALLOP]. Under the previous order, the Senate will stand in recess until 12 noon tomorrow.

Thereupon, at 6 p.m., the Senate recessed until Wednesday, February 27, 1985, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate February 26, 1985:

THE JUDICIARY

The following-named persons to the positions indicated:

Melvin T. Brunetti, of Nevada, to be U.S. circuit judge for the ninth circuit, vice Herbert Y.C. Choy, retired.

R. Allan Edgar, of Tennessee, to be U.S. district judge for the eastern district of Tennessee, vice H. Ted Milburn, elevated.

Howell Cobb, of Texas, to be U.S. district judge for the eastern district of Texas, vice a new position created by Public Law 98-353, approved July 10, 1984.

IN THE NAVY

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531.

Murphy, Mark E.

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Chaplain Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Matoush, Joseph R.

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

McNamara, Michael F.

The following-named limited duty officers, to be reappointed permanent lieutenant as limited duty officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Andaya, Carlos Deguzm
Anderson, Gerold Boyd
Argilan, John David
Armga, Charles Richard
Bailey, Don Franklin
Bailey, James Johnston
Bartlett, Francis I.
Battaglia, Anthony P.
Beaty, David Louis
Bennett, George Louis
Bird, Melvin Charles
Boyce, Richard A.
Bruce, Wardee Roland
Callahan, Edward Thomas
Cave, William Bernard
Chambers, James Thomas
Cirucci, Edward Joseph
Clark, Jimmy Cline
Cochran, Raymond Arthur
Coley, Brian Bernard
Davis, Cecil Llewellyn
Dawson, Millard Esmond
Day, James Lee
Dronette, Eugene J.
Eggleton, William W.
Ferreira, Robert W.
Finch, William Francis
Fitzgerald, Dennis C.
Fortuna, Leonard James
Galanides, Antonio M.
Garcia, Patrick, Jr.
Geiling, Rex Walter
Gilchrist, William R.
Gillip, Raymond Roger
Gunderman, George C.
Hall, Bertram Martin
Haney, Edward Patrick
Harden, Lawrence Ellis
Harman, James Allen J.
Hayes, Robert Philmore
Heidler, Edward J.
Hernden, Robert Lee
Hesketh, Gerald Harris
Hubble, Lester Harold
Hutsell, Edward Sheri
Jackson, Ronald C.
Jacobs, Robert J.
Jenkins, Willie James
Johnson, John Wesley
Jones, Joseph Berdell
Jones, Robert Leslie
Key, James Dennis
Kiniston, Kalum Eugene
Ladow, Louis Peter
Laffey, Thomas
Long, Lawrence Herbert
Lovin, Wallace T.
Lunsford, Jay William
Lynch, Raymond Richard
Maes, Thomas Wayne
Martin, Michael P.
McAllister, David G.
Miller, Ralph Fredrick
Moffett, Martin Charles
Morgan, Franklin H.
Ogg, Paul Richard
Overfield, Norman M.
Paoletti, Michael James
Randle, George Pa E.
Reagin, Albert Gene
Reeves, Christopher
Reeves, Richard Dale
Savino, Oronzo Joseph
Schmidt, Keith Leon
Shaw, Harvey J.
Simpson, Leonard W.
Skipper, William Herman
Slade, George Walker
Smith, James
Smith, Paul Reginald
Smith, William Sherman
Smythe, John Merton
Soriano, Ezequiel S.
Stith, Fred Eugene
Sturgis, Russell
Sutfin, Archie L.
Thayer, Michael Wayne
Torres, Joseph Henry
Tucker, Gary Dell
Vargas, Kenneth Lee

Vinson, Thurman Lavie
Ward, Joseph E.
Weir, Clayton Scott
Wicks, Walter Henry I.
Williams, Luther Otis
Wood, Ronald Lee
Zambrano, Ernesto Man

The following-named temporary limited duty officers, to be appointed permanent lieutenant as limited duty officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Africa, Galileo Afric
Alexander, Galen E.
Alley, Robert Douglas
Ames, Ronald Earl
Anderson, Raymond G.
Aniskevich, Stephen
Archer, Robert W.
Arthur, Douglas S.
Babich, Eugene V.
Bailey, Bruce C.
Baish, Frederick S.
Baker, Dennis O.
Ballard, Robert M.
Balvocius, Philip M.
Barton, David Bruce
Becklehimer, Jerrold
Bentley, Arnold L.
Bera, Michael O.
Berry, Dennis Ray
Bevill, James R.
Biddle, Raymond D., Jr.
Blair, Charles M., III
Blake, Michael Jerome
Blankenship, Maurice
Blauvelt, Everett A.
Block, Curt Douglas
Block, James M.
Blyth, Bert E.
Bodkin, David E., Sr.
Bogart, Michael J.
Boothe, Edward M.
Boudreaux, Lou Edward
Bowles, Donald W.
Boye, Robin D.
Braithwood, Edward G.
Brockway, Daniel Char
Brooks, William T., Jr.
Burba, Michael J.
Burns, Deborah Braddy
Burris, James E.
Calderwood, William
Canaday, Leon Patrick
Capiral, Pete G.
Carder, Ronald L.
Carroll, Richard V.
Carter, Linda Louise
Castiglione, Thomas J.
Casto, Lester M.
Castor, Robert John
Catullo, Arthur S.
Chambers, Danny Alvin
Chatten, Calvin R.
Chenault, Daniel M.
Chilton, Thomas E.
Cline, Jaer J.D.
Cline, Larry David
Cole, Andrew Vernon
Cole, William K.
Combs, William Wood
Cone, Gordon Kenimer
Connolly, Michael G.
Conover, Gerrit W.
Conroy, Patrick M.
Cose, James P.
Cowan, Brien M.
Crawford, Ivan L., Jr.
Cribbis, Richard J.
Cronin, Dennis Miles
Currivan, Paul B.
Curry, Robert Francis
Cushing, Paul R.
Cusick, Michael J.
Davidson, Dickie C.
Davidson, George W.
Deal, Jerry W.
Deck, Ervin C.
Defendi, Dennis C.
Dennison, Lee E.
Dienes, John NMN
Digangi, Charles Jose
Dimmick, Michael Alan
Dobbs, Willoughby B.
Dodmead, James M.
Dove, William L.
Downs, Robert L.
Eash, Dennis E.
Easton, Stephen C.
Edmondson, Paul Ernest
Edwards, Dennis E.
Elliott, William Craig
Elmore, William L.
English, Kenneth P.
Engman, Harold A., Jr.
Estela, Oniel Michael
Everett, Edward Walter
Everett, John C., Jr.
Fail, Robert Wesley
Fallon, Michael A.
Fathke, Donald D.
Faust, Donald B.
Fix, Bruce P.
Floyd, Benjamin Winch
Fox, Robert A.
Francoeur, Leonard C.
Frank, Randall W.
Franklin, Eugene NMN
Freeman, Kenneth Wayne
Fuchs, Louis G.
Fuller, Frank B., Jr.
Gallaher, Richard D.
Gallion, Lloyd E.
Gamber, John A.
Gambone, Ralph M.
Garletts, Donald R.
Gee, Carlton E., Jr.
Gentry, Michael Steven
Gerik, John L.
Glenn, William G.
Goldsworthy, David R.
Gould, Harrell L.
Gray, Michael Allyn
Green, Frank NMN, Jr.
Greene, Thomas M.
Grubbs, James W.
Guptill, William Carl
Gurath, Michael Warren
Gustafson, David B.
Guthrie, Donald W.
Hagan, Thomas M.
Hahn, Brant Elliott
Hahn, Robert Dean, Jr.
Haraldson, Gary L.
Hardy, Dallas S.
Harrell, Daniel T.
Harris, Roger Lee
Harris, Stephen H.
Harrison, Richard E.
Harrison, Robert M.
Hartington, William
Hartman, Ronald George
Hayes, Calvin NMN
Henderson, James Quinn
Hendy, William L.
Henninger Terence P.
Hermanson, Kenneth A.
Higgins, John Arthur
Higgins, Joseph Eugene
Highfill, James Joseph
Hill, Martin R.
Hill, Norman L., Jr.
Hollis, Rodney Earl
Hoover, Steven L.
Hostetler, Ricky D.
Howser, Thomas J.
Hublitz, Gary R.
Hulion, Cubie Vander
Ingram, Billy R.
Jackson, Robert E.
Janik, Louis A.
Johnson, Craig R.
Johnson, Peter F.
Johnson, Roy Allan
Johnson, Thad A.
Johnston, David Charles
Jones, Thomas E.
Josephs, Robert M.
Junkins, Carroll E.
Junkins, Richard C.
Kalinowski, Robert Z.
Keaney, Thomas E.
Kennerson, Michael A.
Kightlinger, Edward
Kincheloe, James T.
Kinsey, Luther D.
Knapp, Michael L.
Kobs, Paul I.
Kout, James P.
Krekeler, Adron D.
Kusmierz, Richard T.
Kuykendall, Jerry L.
Lamontagne, David E.
Lane, William R., Jr.
Langham, Jerry D.
Langley, Earl T.
Lavine, Michael L.
Lawson, Lawrence J.
Lee, Steven E.
Leonaitis, James A.
Letke, Thomas R.
Lewia, Bruce C.
Lieberman, Theodore W.
Little, Dale Eugene
Livingston, Ryan M.
Lupi, Sebastian A.
Machleit, Rickie L.
Magnuson, Franklin C.
Maguire, Bernard L. I.
Mallicoat, Duane W.
Mangiantini, Guido E.
Mangold, Leo B.
Mangus, Gregg R.
Marlette, William F.
Martin, Frederick F.
Martin, Michael R.
Massengill, Norman L.
Masterman, Howard W.
Mattern, Peter A.
Matthews, Jack A.
Maurer, James Dale
Mayes, Frederick W.
McCaffrey, George J.
McCall, David C.
McCall, Warren Butler
McCarthy, Donald James
McClintock, Elmer C.
McCready, Michael D.
McFarland, William E.
McGowan, Douglas F., Jr.
McGuire, Philip M.
McKimmy, Emery M.
McNally, Stephen
Mead, Michael E.
Megahee, William D.I.
Melton, Martin Michael
Mendoza, John NMN
Mikell, John S., Jr.
Miller, Douglas R.
Miller, Howard P.
Miller, John H.
Misconis, Leo A., Jr.
Moller, Carlos Eduard
Moore, Donald A.
Moore, Gregory NMN
Morgan, Kenny NMN
Morris, Robert Wayne
Mosley, David L.
Mount, Arnold A.
Murphy, Thomas F.
Murray, Robert H., III
Myers, Forest I.

Myers, Joseph O., Jr.
Newland, Robert E.
Nichols, Richard C.
Nolen, Larry E.
Novak, Jerome T.
Nussbaum, Jack V.
O'Brien, Patrick T.
Oderman, Carl W., Jr.
O'Keefe, Raymond Leo I.
Pait, Gerald L.
Parish, Benjamin A.
Penix, Larry D.
Perau, Monte R.
Perry, David NMN
Perry, Lorenz Meldrum
Peterson, James T.
Phelps, Kenneth A.
Piccus, David L.
Pickles, Norman W., Jr.
Pitcavage, Edward W.
Pitt, Richard F., Jr.
Pochel, Stephen R.
Prather, Larry J.
Presley, Richard G.
Prevost, Thomas Albert
Price, Dennis M.
Pulford, Michael J.
Pum, Joseph H.
Pyle, Ronald E.
Quiros, Freddie E.
Radke, Franklin B.
Ramirez, Orlando NMN
Re, Philip T.
Reaka, Michael W.
Reap, Daniel J.
Reichenberg, David M.
Renier, Clifford J.J.
Riley, Charles John J.
Ritarita, Edmundo L.
Rives, Richard S.
Roberts, Stephen L.
Robinson, Oscar J.
Rodkey, Joseph R.
Rodriguez, Richard N.
Rodriguez, Robert J.
Roe, Richard A.
Rogers, Troy M.
Rolfe, Patrick William
Rose, Jerald L.
Ruff, James R.
Ruth, Dennis B.
Sacks, Joseph C.
Savage, Earl E.
Scharf, Michael J.
Schmidt, Larry F.
Schwecke, James K.
Scott, Randall E.
Seiferd, Vincent L.J.
Senk, Stephen Michael
Shaunessy, Martin J.
Shervey, Bruce E.
Shirley, Calvin C.
Sinyard, William A.
Skube, Edward Anthony
Small, Noel A.
Smith, Clyde Francis
Smith, Dale D.
Smith, Gary D.
Snyder, Clinton T., II
Sourgose, Frank J., Jr.
Speirs, Douglas W.
Spradlin, Larry L.
Stenzel, Leonard C.J.
Stephen, David A.
Stevens, Alfred B., Jr.
Stevens, Leigh F.
Stevens, Mark W.
St. Jean, Michael A.
Stobart, Ralph Edward
Stonecypher, Maurice
Sullivan, Lawrence J.
Summers, Charles NMN
Sutton, Ronald C.
Swartz, Russell P.
Swift, Preston L.
Taber, Freeman Allen
Tabor, Daniel N., III
Tackett, Danny R.
Tangen, Larry A.
Tarrani, Joseph M.
Taylor, Michael J.
Taylor, Winford J.
Tessier, James J.
Thayer, Richard E., Jr.
Thompkins, Robert W.
Thompson, Robert A.
Thoms, Harry R., Jr.
Torell, Clark R., Jr.
Tostevin, Daniel C.
Townsend, Manning R.
Trahan, Theresa Jean
Trexler, Eric M.
Troyer, Daane Lee
Turner, Michael C.
Upshaw, James Ivon
Upton, Michael L.
Urello, Howard P.
Vajda, James E.
Vanderstine, Robert
Varga, John Karl
Venter, Dale A.
Ventura, Denis F.
Vilcheck, John R., Jr.
Walker, Anthony E.
Walker, Robert L.
Walter, Owen F.
Watkins, Steven Alan
Watts, Harold D.
Webb, Stephen C.
Weiss, Jannine Michel
Weselis, James A.
White, James S.
Williamson, James L.
Winston, Eugene NMN
Wood, David Wayne
Worth, Mary Luellen
Wright, David Howard
Young, Ricky Lee
Zalonis, James E.

The following-named U.S. Naval Reserve limited duty officer of the line, to be appointed permanent lieutenant in the line as a limited duty officer of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Anderson, Robert W.

The following-named permanent limited duty officers, to be reappointed as permanent lieutenant in the Supply Corps as limited duty officers of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Concepcion, Edwin San
Medina, Genelito Vale
Tumaliuan, Anniano T.

The following-named temporary limited duty officers, to be appointed permanent lieutenant in the Supply Corps as limited duty officers of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Aguinaldo, Angel G.
Baker, Ronald Allan
Bjelland, Robert E.
Bolger, Gregory R.
Bonnette, Michael R.
Carter, David A.
Collins, Timothy A.
Curry, Charles J.
Dalton, Elizabeth H.
Delmendo, Gerardo M.
Flores, Manuel A.
Grubbs, John F.
Hicks, Duane D.
Jessup, Daniel F.
Lambert, Otis P.
Laughlin, Richard F.
Laurent, Michael J.
Monahan, Richard Dee
Pagen, Samuel W.
Phenis, James C.
Plude, Douglas J.
Roberts, Richard D.J.
Sammons, Gloria Jayne
Sciancalepore, M.
Shank, Jeffery B.
Stangeland, Herbert
Stange, Vernon L.
Word, Samuel Beford J.

The following-named permanent limited duty officer, to be reappointed permanent lieutenant in the Civil Enginner Corps as a limited duty officer of the U.S. Navy, pursuant to title 10, United States Code, section 5589A:

Baker, Jess K., Jr.

The following-named temporary limited duty officers, to be appointed permanent lieutenant in the Civil Engineer Corps as limited duty officers of the U.S. Navy, pursuant to title 10, United States Code section 5589A:

Caldwell, Jack D.
Phillips, David C.

EXTENSIONS OF REMARKS

VISIT TO NORTHERN IRELAND

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MRAZEK. Mr. Speaker, last week, British Prime Minister Margaret Thatcher addressed this House in joint session. At that time, Mrs. Thatcher made passing reference to the problems in Northern Ireland, although she had no specific proposals to put forth.

It is my firm belief that the Thatcher Government should begin to work in concert with the Reagan Administration to bring about reconciliation between the parties involved.

Mr. Speaker, a generation has now been raised in Northern Ireland knowing only violence, discrimination, and repression. Since they know no other life, the threat of violence, becoming an institutionalized aspect of the political fabric of Northern Ireland becomes greater.

Peter T. King, the county comptroller of Nassau County, NY, recently returned from a trip to Northern Ireland and submitted a report of his observations to my office. The insights that he provides are unique. He is one of the few Irish-American activists who have had the access to visit with representatives of the loyalist community in Northern Ireland.

I believe his comments deserve the attention of my colleagues.

VISIT TO NORTHERN IRELAND

(By Peter T. King)

During the period of January 26–January 31, 1985, I was in Belfast, Northern Ireland at the invitation of Families For Legal Rights which is an organization comprised of relatives of loyalist defendants who have been charged on the uncorroborated testimony of "supergrass" informers.

The purposes of this visit were (a) to observe the current loyalist supergrass trial where 29 alleged members of the outlawed loyalist para-military Ulster Volunteer Force (UVF) are being tried on the uncorroborated testimony of supergrass James Crockard and (b) to meet with leaders and representatives of the loyalist community.

I had previously been to Northern Ireland five times. While I had met with loyalists on several of those occasions, my main contact had been with nationalists. It has been a fact of life and death in Northern Ireland that political and sectarian divides are not easily crossed.

In October 1983 I had been in Belfast to observe two supergrass trials (McGrady and Grimley) of nationalist defendants. At a news conference in Belfast and in a report which I wrote upon my return to the United States, I stated that these supergrass trials, where large numbers of defendants are tried together for unrelated crimes, without a jury, and are convicted on the uncorroborated testimony of a supergrass informer, are show trials reminiscent of Stalin's Russia. I charged that the judiciary of Northern Ireland had surrendered its independence and had become a mere adjunct of British military policy. I contended that the use of supergrasses was merely the latest abuse by England of Northern Ireland's criminal justice system. Previous abuses, some of which continue to date, include internment without trial, tortured confessions, the use of lethal plastic bullets against civilians, and indiscriminate searches of homes and arrests of civilians by security forces.

In January 1984 I participated in the filming of a television documentary on the supergrass system for the program "20/20 Vision" which is shown on Channel 4 in England. At that time I met with relatives of loyalist defendants in supergrass trials. While they made me aware of loyalist disaffection with British rule, I did not realize the actual extent of that disaffection.

I accepted the invitation of Families For Legal Rights because it has always been my position it is just as wrong when loyalists have their rights violated as it is when nationalists' rights are violated. Human rights are universal and cannot be allowed to be restricted by political or sectarian boundaries. I also believed it was significant that a hard-core loyalist group, which was fully cognizant that I was a Catholic and supported the nationalist cause, would invite me to assist it. This signalled to me a considerable change in loyalist thinking.

The Crockard trial is as violative of due process and civil and human rights as were the McGrady and Grimley trials. In virtually every particular this loyalist trial equalled the nationalist trials in its perversion of justice. Even if any or all of the 29 defendants are acquitted, justice will not have been done because the lives of the defendants and their families will have been devastated because of a criminal prosecution and trial which were fatally defective *ab initio*. In fact, the supergrass trials are a sophisticated version of internment because whether or not the defendants are convicted—bowing to international pressure, the judges have been acquitting defendants on evidence which would have been more than sufficient for conviction just one year ago—large numbers of them are imprisoned from the time of their arrest until trial. This time "on remand" often exceeds two years.

The prevalent thinking in Northern Ireland today is that the use of supergrass has just about run its course with only two significant cases remaining—Kirkpatrick (nationalist) and Gibson (loyalist). This, however, should provide little solace because recent history has demonstrated that England replaces one draconian system with another—e.g., internment was succeeded by Diplock Courts which were characterized first by tortured confessions and then by supergrasses.

What has made the supergrass system unique is the extent to which it has been imposed upon the loyalist community. Internment, tortured confessions and plastic bullets were directed primarily against the nationalist community and this caused England considerable public relations problems. England attempted to avoid this problem with the supergrass system by charging loyalists as well as nationalists, thereby giving the appearance of even-handedness.

This had outraged the loyalist community for several very basic reasons. First, in their frenzied pursuit to erect the facade of impartiality, the British have charged loyalists on evidence which, in some instances, is even less credible than the evidence against nationalists. Second, the "terrorist" offenses for which the loyalists are now being charged are the very type actions which, in the past, the British security forces condoned and even encouraged them to commit against the nationalists.

Third, while the British have moved against the loyalists in the past, it has never been on this scale or to this extent. Indeed, the loyalists have historically viewed themselves as the ultimate defenders of British rule in the six counties. For loyalists to witness the British system of justice being so horribly perverted with themselves included among its victims is psychologically shattering to growing numbers of loyalists.

The extent to which many working class loyalists feel alienated from England was made clear to me in my meetings with Families For Legal Rights and with loyalists politician George Seawright and with Andy Tyrie who is the commander of the loyalist para-military Ulster Defense Association (UDA).

At this juncture, I believe that my terminology should be defined. In the context of Northern Ireland, "loyalist" is interchanged with "Protestant" and "nationalist" is interchanged with "Catholic". It has been, however, and continues to be my firm belief that the tragedy of Northern Ireland is in no sense a "religious" conflict. The loyalists historically were Scotch or English settlers who happened to be Protestant and the nationalists were native Irish who happened to be Catholic. It has also been my belief that the loyalist and nationalist communities have far more in common with one another than they do with England. The British, however, have succeeded in dividing the communities and pitting one against the other by according the loyalist majority a status superior to the nationalists. Among the working class, however, where, ironically, the animosity is most bitter, the loyalist superiority is often marginal. As Andy Tyrie stated to me: "The Catholics have always claimed they have been second class citizens in Northern Ireland. That is not true. The loyalists were the second class citizens; the Catholics were third class citizens."

Because of the traditional loyalist attachment to British rule, however, loyalist politicians generally refrain from any criticism of British policy. Thus many loyalist politicians support the use of supergrasses because they believe that to attack any part of the British system would give credence to the nationalist movement. Thus, while loyalists are being illegally imprisoned, their elected representatives have been silent and, accordingly, have lost touch with many of their constituents.

George Seawright is an elected member of the Belfast City Council and the Northern

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

Ireland Assembly. Some of his remarks, such as his desire to "incinerate" Catholics, can only be described as undisguised bigotry. He does, however, demonstrate an intellectual consistency uncommon among loyalist politicians. For instance, he has sided with Sinn Rein in the Belfast Council when he believes nationalist representation are being denied their rights. He is also an outspoken opponent of the supergrass trials and is opposed to the strip-searches of women in Armagh Prison even though few loyalists have yet been victimized by this degrading process.

Andy Tyrie heads a para-military organization which has killed many nationalists. For several years, however, he has advocated independence from Britain in the form of a six-county Ulster. Understandably, the nationalists reject Tyrie's proposal because they believe—quite rightly in my opinion—that a loyalist controlled six-county state would result in the same type of government sanctioned oppression of the nationalists that characterized Northern Ireland from 1920-1968. Tyrie is, however, very much opposed to supergrasses and strip searches and is anxious to set forth his positions on these issues to Irish-Americans. Indeed, my meeting with him at the UDA headquarters in East Belfast went on for more than 3 hours.

What most vividly demonstrated to me the dramatic change in loyalist attitude and thinking, however, was my meeting with accused UVF members and their relatives which Seawright also attended. The meeting was held in the Loyalist Club on the Shankill Road which is the embodiment of the most bitter hatred between loyalists and nationalists. Yet, as a Catholic and professed nationalist supporter, I was graciously and politely received. Quite frankly, I could not imagine such a meeting taking place several years ago. These most dedicated loyalists were willing to ignore my Catholic religion and republican sympathies in an attempt to reach agreement on matters such as supergrasses which are of concern to both loyalists and nationalists.

I do not for a moment minimize the extent of the breach between the communities. Nonetheless, I believe that there now exists a unique diplomatic opportunity which should be seized before the moment passes. The ideal role for the United States to play is as an honest broker. Every effort should be made by the United States to encourage meaningful dialogue between the two communities on issues of mutual relevance and importance. Supergrasses and strip-searches are two such issues. Additionally, the United States must not only permit but indeed encourage loyalist and nationalist representatives to set forth and articulate their positions to the American people. In short, the United States must discard its visa denial policy and allow all Northern Ireland representatives into our country including nationalists such as Gerry Adams, Danny Morrison and Owen Carron and loyalists such as Andy Tyrie, George Seawright and Ian Paisley.

The time has also long since come to acknowledge that a war situation exists in Northern Ireland and that peace will never come until all parties to the conflict including para-militaries such as the Ulster Defense Association, the Ulster Volunteer Force and the Irish Republican Army are permitted to take part in whatever negotitations are ultimately held.

My own views on Northern Ireland are unchanged. I believe that Northern Ireland is a failed political entity and that the only viable, long-term solution is a united 32 county Ireland wherein the legitimate rights of loyalists and nationalists would be guaranteed. The precise framework and time table for a united Ireland would be arrived at after honest and meaningful diplomatic initiatives by London and Dublin and negotiations among all parties including para-militaries.

Ideally, the United States would set this process in motion by furthering the dialogue between loyalists and nationalists. Even, however, if the dialogue does not bring about a long-term political solution, it could nevertheless result in the alleviation of human rights violations by the British against both communities and that in itself would be a very meaningful achievement.

Finally, London and Dublin can be expected to resist any effort to achieve nationalist-loyalist dialogue because that will limit their influence. The English and Irish governments have, however, failed miserably over the past 65 years in Northern Ireland. Each has cynically manipulated and abandoned the communities whose interests it supposedly represented. In short, the bankrupt policies of London and Dublin cannot be allowed to once again frustrate the hope of progress.

The people of Northern Ireland have suffered too long and too hard for the United States to ignore the potentially historic diplomatic opportunity which presently exists. The time for action is now. The judge is history.●

RABBI EDGAR GLUCK: A MAN OF VISION AND ACTION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SOLARZ. Mr. Speaker, I rise today to pay tribute to an outstanding religious leader and community activist, Rabbi Edgar Gluck whom I have been privileged to know for over a decade. Rabbi Gluck is one of those extraordinary men who are blessed with enormous energy and personal commitment which enables them to work tirelessly for the good of others.

Rabbi Gluck has served the people of New York not only as a religious leader, but as an effective civil servant who knows the intricacies of our local and State government. But he is also no stranger in Washington, where he has come over the years to lobby and to testify on the importance of community anticrime programs, juvenile justice services, and the need for improved health and mental health services. You are as liable to see Rabbi Gluck in Albany, as at the city council, or in the Halls of the Congress, for he is a community leader who understands the importance of taking one's message wherever the decisions affecting a community are made.

Sometime ago Rabbi Gluck's enormously creative mind dreamed up the concept of the Hatzohol, a volunteer rescue squad that would be equipped with the most modern medical technology and staffed with trained community people. As usual with Rabbi Gluck, he was able to communicate his concept and work with other community leaders until this important auxiliary emergency health service became a reality. Thanks to the trailblazing of Rabbi Gluck and his associates, many other Jewish communities have now organized similar Hatzohol units.

Rabbi Gluck has also worked to improve the health care services for the Borough Park area by serving as a member of the board of directors of Maimonides Hospital's Mental Health Board and chairman of its Political Action Committee. Because of his many years of experience with public safety issues, Rabbi Gluck now serves as chairman of the Rabbinical Police Liaison Committee of New York State. In that role, Rabbi Gluck serves as an important interpreter of the needs and concerns of the community to our State and local law enforcement officials.

Mr. Speaker, President Reagan has constantly reminded us all of the important role that dedicated community leaders like Rabbi Edgar Gluck play in improving the quality of life of our cities, towns, and neighborhoods. It is a marvelous indication of the vitality of American democracy that so many of our citizens remain willing and eager to work for the good of their communities.

May the good example of men like Rabbi Gluck inspire our youth to continue this important tradition of volunteer service. For, without the dedication and philanthropic commitment of people like Rabbi Gluck, our communities would be far less hospitable places in which to live and raise a family.●

THE KRASNOYARSK RADAR

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. COURTER. Mr. Speaker, discussion of future arms control agreements with the Soviet Union naturally includes the matter of compliance with past agreements. Recently the President has made public a list of seven Soviet violations of existing arms control agreements which he deems certain, and the General Advisory Committee report finds nine positive violations. Both surveys detail many other violations of less certainty. The most notable violation, and some of its political implications, was reviewed by the Washington Post's editors in an editorial of February 5, 1985, which I commend to the attention of my colleagues:

The editorial follows:

THE KRASNOYARSK RADAR

A year's further discussion of whether the Soviet Union is respecting its arms control obligations has produced more of a consensus than most people had thought possible. The release of President Reagan's latest congressionally mandated report on "Soviet noncompliance with arms control agreements" makes this clear.

The main thing that has happened since the last report is that public attention has focused on one alleged violation—the Krasnoyarsk radar. Most of those who previously hesitated to call it a violation of the 1972 Antiballistic Missile Treaty (ABM) have stopped hesitating. It has become very hard to deny that the Soviets set out shortly after the treaty was signed on a course specifically blocked by the treaty, that they stonewalled through years of American efforts to induce them to admit it or correct it and persist on that course to this day. Fewer people remain to say that it really doesn't matter all that much and that, in any event, it's wrong to talk about it in public.

Some Americans feared—others hoped—that official efforts to nail the Kremlin on this violation would unravel the whole arms control process. This has not happened: President Reagan and the Russians are headed back to full-scale negotiations at Geneva. But there have been other major consequences. The American standards for verification of new agreements have been toughened. And major impetus has been given to the idea of an American defense against ballistic missiles—this is the idea embodied in the president's Strategic Defense Initiative. Unlike the Soviet radar at Krasnoyarsk, this program, in its current, research phase, is entirely consistent with the ABM Treaty.

A few Soviets have hinted that, if Moscow felt it could avoid public embarrassment, it might find a way to halt construction on the radar or otherwise signal that it understood American sensitivities. But of course Moscow had years to do just that, and so far has chosen not to, even though it was being discreetly pressed on the matter by Americans of very different political persuasions.

Is there not someone in the Kremlin with the wit to recognize the immense Soviet interest in quietly unfolding a few tarpaulins at the Siberian construction site? What a pity that its political radar is so inferior to that huge electronic radar being built at Krasnoyarsk.●

EXEMPTION FROM TAXATION OF FRINGE BENEFITS

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. VALENTINE. Mr. Speaker, I am today introducing legislation that amends the Internal Revenue Code of 1954 to correct the treatment of nontaxable fringe benefits for law enforcement and other vehicles. My amendment adds to the list of those entities already excluded from taxation of fringe benefits. It would include drivers of law enforcement, fire and rescue vehicles.

My office has received many inquiries from throughout my district and the State of North Carolina concerning the proposed new Internal Revenue Service [IRS] regulations. If these regulations were to stand, they would adversely affect firemen, police officers, emergency service personnel and perhaps other public service employees who are assigned motor vehicles for what the IRS apparently holds to be "off-duty" use. For purposes of taxation, the IRS regulations would compute the value of such vehicles to be $4 per day and the employee would be required to pay income tax on this amount. This would increase taxable income by some $1,040 per year.

The Internal Revenue Service has published new "temporary proposed" regulations in the Federal Register which provides for a number of modifications and alternatives. Although the clarification of the fringe benefit regulations include definite improvements, the regulations cannot be regarded as either fair or equitable. Unfortunately, the IRS continues to assert the premise that all commuting in a company vehicle is a taxable noncash fringe benefit. Employees who make themselves available to respond to a call while at home and employees securing vehicles in the evening are clearly performing employment responsibilities. It is unfair to tax them on these activities.

Mr. Speaker, take, for example, a police officer who is assigned a vehicle and is on call 24 hours per day. The officer is subject to be called to duty at any time and takes home a vehicle which is marked, equipped with a police radio, and equipped with emergency items such as additional weapons, flares, first aid equipment and other materials. When the officer leaves his home, he actively begins patrolling and frequently passes the scene of an automobile accident, is directed by radio to an accident scene, or from time to time, a robbery scene. The officer may also have taken home civil or criminal process papers to be served after hours or on his way to work. Despite these clearly demonstrated needs, the IRS would hold that the use of such vehicles would be a cash benefit worth $4 per day to those persons and therefore subject to tax withholding requirements.

Since police officers are available for duty at all times, I do not believe they should be taxed for the use of the vehicles. In addition, the mere fact that a police automobile is in the neighborhood represents a strong deterrent to crime.

Mr. Speaker, my legislation would further clarify the regulations by adding to section 132(a)(3) a more concise definition to include public vehicle drivers to the list of those already eligible for exclusion from gross income.

Further, this same situation can also be applied to fire and rescue personnel. They are required to respond, but are we to tax them when they are provided with car? I believe it would be unfair—extremely unfair—to tax those persons who are required to perform, in many instances, emergency functions in life and death situations.

My legislation would exclude police, fire and emergency personnel from the regulations. I consider this essential in order to assure continued protection of our citizens. The regulations, as they now stand, are unclear and act as an intrusion, into the ability of the States and municipalities to effectively protect our citizens.

While I support reducing the deficit and closing certain tax loopholes, as described in the Deficit Reduction Act of 1984, I do not believe that doing so warrants taxing our public service organizations as a part of the means to achieve the reduction of the deficit.

Mr. Speaker, I urge my colleagues in the House to support the legislation to correct this situation.

Thank you.●

SALE OF CONRAIL

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. FOGLIETTA. Mr. Speaker, among the most important issues before the House this year will be the sale of Conrail. The Philadelphia Inquirer on Sunday, February 24, 1985, ran an article by Mr. Tom Belden discussing the important questions we will have to resolve. Today, I want to call my colleagues' attention to this thought-provoking article and enter it into the RECORD.

The article follows:

FOR BUYER OF CONRAIL: TAX CREDITS

(By Tom Belden)

The potential for Norfolk Southern to reap $1.4 billion in tax benefits in buying Conrail could become a key issue in congressional hearings scheduled to begin this week.

Some members of Congress are concerned that if Norfolk Southern, the company supported by Transportation Secretary Elizabeth H. Dole for the purchase, were to reap those savings, the transaction would amount to a net loss for taxpayers—not a net gain, say staffers on the House and Senate Commerce Committees.

That prospect and another issue—whether it is possible to ensure that Conrail continues to operate as it is new and is not looted by its new owner—will likely be topics of strong debate, according to the staffers.

In addition to those questions, say the staffers—whose committees must pass the legislation to return Philadelphia-based Conrail to the private sector—the hearings will consider how a sale would affect rail competition and employment, both within Pennsylvania and throughout the nation.

While most of the debate over the Conrail sale thus far has focused on its possible consequences on competition and employment,

the tax-benefit aspects of the sale have received practically no attention.

The only mention of the subject that Transportation Department officials have made was to say that Norfolk Southern would not be allowed to keep the almost $2.4 billion in potential tax deductions now on Conrail's books. These benefits resulted from Conrail's past operating losses and equipment investments.

Transferring those tax benefits to a buyer clearly would amount to double-dipping in the federal treasury and would be a windfall to Norfolk Southern, all involved in the process agree. The government has spent $7.6 billion since the bankruptcy of the Penn Central-Railroad in 1970 to support rail service in the Northeast and buy property for Conrail.

But what would be handed over to Norfolk Southern under the terms of Dole's proposal, in exchange for the $1.2 billion cash it has offered for the 85 percent interest in Conrail that the government owns, are Conrail assets—primarily property and equipment—valued for tax purposes at about $3.1 billion.

By using the so-called accelerated cost-recovery system of the 1981 federal tax code, businesses can more rapidly write off the cost of the assets they own.

Through the accelerated cost-recovery system, or ACRS, as it is popularly known, Norfolk Southern theoretically could recover about $1.4 billion in tax savings alone in as little as five years. Such a rapid recovery of Norfolk Southern's investment assumes the Virginia-based rail-holding company had to pay taxes at the nominal corporate tax rate of 46 percent.

Norfolk Southern executives acknowledged that they would be buying substantial tax benefits in Conrail's assets, but that they believed it would take them far longer than five years to use them up.

Although Dole and Norfolk Southern officials vigorously defended the tax benefits of the sale as a normal part of business transactions today, the matter comes up at a time of widespread concern over federal budget deficits.

Congressional staffers and government analysts believe there are members of Congress who will contend that, after having already invested billions of dollars in Conrail, the federal government will lose more than it gains in the sale, if all the deductions are used.

"I know I've got a curious bunch of members here on that issue," said one Senate aide. "There's no question we'll be looking at it."

In an interview last week in her Washington office, Dole said that if Conrail were to be sold without the inclusion of those tax deductions, it would depress the railroads value and place it at a severe financial disadvantage compared with other railroads.

Dole said she had cleared the inclusion of the tax deductions in the proposed sale agreement with David Stockman, director of the Office of Management and Budget.

At one time Stockman had argued with Transportation Department officials against letting the new owner of Conrail use the tax deductions because of their potential long-term effect on the federal budget, according to several congressional and government sources.

John R. Turbyfill, Norfolk Southern's executive vice president for finance, said that his railroad had taken the value of Conrail's tax benefits into account in deciding that $1.2 billion was a fair price to bid for the railroad.

"The tax base of Conrail is an asset, just as are its locomotives or lines," Turbyfill said in a telephone interview from Norfolk Southern's headquarters in Norfolk, Va. "That is one of its characteristics we took into account in valuing Conrail. Using them [the assets for tax purposes] will depend largely on Conrail's income. There's nothing out of the ordinary or nefarious about getting the tax bases. It's just like getting locomotives or track."

HEARINGS START WEDNESDAY

The first hearings on Dole's sale proposal are scheduled for Wednesday and Thursday in Washington before the Senate Committee on Commerce, Science and Transportation. The hearings will chaired by Sen. John Danforth (R., Mo.).

A hearing of the House Energy and Commerce Committee, chaired by Rep. James J. Florio (D., N.J.), who has promised a through inquiry into the process Dole used to select Norfolk Southern, was postponed last week when Dole's schedule precluded her appearance.

Also due to come under scrutiny are the so-called protective covenants contained in the memorandum of intent that Dole signed Feb. 8 with Norfolk Southern.

Dole has emphasized time and again that the covenants—requiring such things as keeping Conrail's headquarters in Philadelphia and specifying minimum levels of capital investment in the railroad—are part of what make the sale to Norfolk Southern the best possible deal for Conrail and the country.

"I think the covenants are key to the deal," Dole said. "If you are concerned that this railroad be very, very strong on into future, as far as you can see, it seems to me the way you do that is by assuring that cash is going to remain in the company."

Yet, as the covenants are drafted in the memorandum of intent, the secretary of transportation is granted substantial power to waive any of the covenants. The memorandum contains no definition of precisely how the secretary would make such a determination.

CAPITAL SPENDING

Among the covenants that could be examined closely in Congress is one that would allow capital spending on Conrail to fall to as little as $350 million a year. In 1984, Conrail had capital expenditures of more than $500 million.

Another covenant says Norfolk Southern is required to "continue to operate from its headquarters in Philadelphia" and "retain its locomotive shop and car-repair facilities" at Altoona, Pa., but it provides no more detail than that.

Norfolk Southern chairman Robert B. Claytor, in an interview in Norfolk last week, repeated his earlier statements that there are no present plans to substantially reduce employment in Philadelphia.

"Not only do we not have any intention of closing the Philadelphia offices . . . it's not economically feasible to do it," Claytor said.

Even before any debate comes on such issues in the Senate and House, there will be other opportunities for those who oppose Dole's plan to express themselves on any number of subjects, starting tomorrow, when Sen. Frank Lautenberg (D., N.J.) holds an informational meeting in New York City.

Scheduled for an appearance at Lautenberg's meeting are, among others, Federal Railroad Administrator John H. Riley, one of Dole's top lieutenants, and Conrail chairman L. Stanley Crane, a staunch opponent of a sale to Norfolk Southern. Crane wants to see his railroad sold through a public stock offering.

Crane also is to be one of at least a dozen witnesses before the Senate committee Thursday. Among others that day will be Lautenberg; Sens. John Heinz and Arlen Specter, Pennsylvania's two Republican senators, who also favor a public stock offering, and representatives of other railroads, of Conrail's labor unions, of investment banking firms and of companies that ship freight on Conrail.

The Senate panel on Wednesday will hear not only from Dole but a host of others who favor a Norfolk Southern deal, including Claytor.

Despite the new challenges to her plan and the continuing clamor for a public offering, Dole last week was still brimming with confidence that the almost two-year-long sale process would result in passage this year of the Conrail legislation she is proposing.

"I don't think there's really any comparison" between a single-buyer sale and the public offering "in terms of what would really benefit the public the most," she said. Support in Congress for a public offering "will fall of its own weight when we go into hearings," she declared.●

RIGHT TO LIFE WEEK

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SMITH of New Jersey. Mr. Speaker, I would like to take this opportunity to commend Councilman Randy Corman and his colleagues, the mayor and council of the borough of Sayreville, NJ, for declaring the week of January 20, 1985, through January 26, 1985, to be "Right to Life Week" in the borough of Sayreville. These good citizens have resolved to urge the people of the borough to "respect the sanctity of innocent human life."

In a nation where nearly 4,000 lives are snuffed out daily by abortion—about 15 million unborn children are killed each year—and where more than 5,000 children were killed through child abuse last year, it is encouraging to see a community stand up and be counted in support of life. Let the borough of Sayreville be an outstanding example of pro-life leadership to its surrounding communities, both in New Jersey and across these United States.

Mr. Speaker, I am proud to insert the text of this resolution for consideration by my colleagues. My hope is that this will serve as a model to be emulated by towns, boroughs, and cities nationwide.

RESOLUTION

Whereas, on January 22, 1973, the United States Supreme Court legalized abortion with its now infamous Roe v. Wade decision; and

Whereas, since that fateful day, the number of unborn lives that have been brutally extinguished in America has exceeded the number of people who perished in Hitler's concentration camps; and

Whereas, if our civilization is to survive, it must once again protect the sanctity of innocent human life, whether born or unborn;

Now, therefore, be it resolved by the Mayor and Council of the Borough of Sayreville that the week of January 20, 1985 through January 26, 1985 is hereby declared to be "Right to Life Week" in the Borough of Sayreville and all borough citizens are urged to respect the sanctity of innocent human life; and

Be it further resolved that a duly authenticated copy of this resolution be forwarded to the Knights of Columbus Council 2061.

RANDY CORMAN.

Approved:

JOHN B. MCCORMACK, *Mayor.*

I, Margaret V. Hahn, Borough Clerk of the Borough of Sayreville do hereby certify that the foregoing is a true copy of a resolution adopted at a regular meeting of the Mayor and Borough Council held on the 16th day of January, 1985.●

FULL EMPLOYMENT WITHOUT INFLATION: TOP SOCIAL GOAL FOR THE 1980'S

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. COURTER. Mr. Speaker, with unemployment still at unacceptable levels, a program is emerging in Congress to reach the cardinal economic and social goal of the decade: full employment without inflation. This program includes three progressive legislative initiatives: First, urban enterprise zones to rebuild our depressed inner cities and assimilate minorities into the mainstream of the American economy; second, tax reform and further marginal tax rate reduction to boost output, economic and income growth; and third, monetary reform to lower interest rates and stabilize the value of the dollar in terms of commodity prices and other currencies.

Enterprise zone legislation gives special tax incentives for working, hiring, investing and starting up new business ventures in cities with areas officially defined as "pockets of poverty" where unemployment is high and despair even higher.

The second initiative would be a complete overhaul of our complex and unfair tax system; a radical base-broadening and rate-reducing effort designed to surge the economy toward the end of the decade. One such proposal, the Kemp-Kasten fair and simple tax, would remove 1½ million of the working poor from the Federal income tax rolls, double the exemptions for families, drop the top personal rate to 25 percent, an reduce and index the capital gains tax. The Treasury Department tax reform proposal and the Bradley-Gephardt fair tax have similar features. Another sharp drop in tax rates would be an ideal way to reignite the 1983-84 recovery.

Finally, there has been a great deal of debate and confusion over why we have experienced the economic ups and downs of the last 15 years. The Congress is beginning to put the spotlight on our monetary authorities in the realization that the Federal Reserve Board's interest rate and price rule policies are central to achieving the high levels of growth and output needed to achieve full employment.

The Fed's proper role should be to provide for the stability of the purchasing power of the dollar. No more elusive visions of a steady growth in the money supply, no more bumping interest rates at will with no signs of inflation in the financial markets.

Instead of having the philosopher-kings at the Fed and Treasury guessing at the future supply of money, we should let the market itself find the equilibrium between the supply of money and the demand for it. The balanced monetary policy and Price Stability Act would direct the Federal Reserve Board to maintain price stability in terms of an index of commodity prices devised by the Federal Reserve Board and the Treasury.

Under this price rule the roller coaster ride that prices, interest rates and exchange rates have been on since the early 1970's would have been mitigated. When the index of commodity prices rises, this would be a signal for the Fed to tighten policy. When the index falls, policy would be loosened. This guideline would have stopped the inflationary fall of the dollar in the 1970's as well as the debilitating rise of the dollar and high interest rates of the 1980's.

The success of these programs will free us from the most pernicious idea that has gripped official Washington in our time: that you fight inflation with unemployment and you fight unemployment with inflation.

The supposed tradeoff between unemployment and inflation, the Phillips curve, is an idea and a policy that Congress should finally and officially reject. Full employment, as embodied in the Humphrey-Hawkins Act, must become the paramount goal of economic and social policy.

It has been far too long since this country has had noninflationary economic growth. Not since President Kennedy's tax cuts and commitment to the Bretton Woods fixed exchange rate system have we had both rising production and employment. It is the triumph of President Reagan's first term that the noninflationary expansion of 1983-84 has almost matched President Kennedy's boom, proving once again that prices can be stable while people are going back to work.

In his second term, President Reagan should strive to bring the unemployment rate down well below 5 percent. The President can realize this end by advancing a monetary reform that will insure us against future inflation and credit crunches by the Federal Reserve Board. A combination of tax reform, enterprise zones, and price-oriented Fed policy would be the proper fiscal and monetary mix to achieve this end.

It is imperative that economic growth be the first priority of our economic policy not because it is inherently more important than other personal or social goals, but because without growth, progress toward one goal can only be achieved by the impoverishment of something or someone else.

Whether our efforts are geared toward cleaning up toxic wastes, rebuilding our national defenses, lifting our struggling minorities out of poverty or balancing the Federal budget, growth must come first. It is the linchpin of what Wilhelm Roepke, the economist who designed the post-war German economic miracle, has called the socially responsible free market economy.●

NICARAGUA: FORBES SAYS IT IN A NUTSHELL

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. STUMP. Mr. Speaker, in the February 25, 1985, issue of Forbes magazine, Malcolm Forbes, Jr., expressed clearly and concisely the reasons for which the United States must renew its support for the Nicaraguan democratic resistance. I urge my colleagues to read the Forbes editorial, which follows:

NICARAGUA

(By M. S. Forbes, Jr.)

Congress in coming weeks will decide whether to resume funding for the Nicaraguan Contras, who are fighting the Cuban-like Sandinista government. Money ran out last fall and the House of Representatives refused new appropriations.

Our legislators should reverse this foolish action.

The true nature of the Sandinistas should be clear by now to every objective observer. Democratic elements are being systematically quashed. Basic civil liberties have been taken away. Secret police powers have expanded enormously. A totalitarian regime is in the making.

The government is being aided by all the disreputable elements of international terrorism—the P.L.O., the Ayatollaha's Iran, the Bulgarian secret service, not to mention boatloads of Soviet and Cuban "advisers." Eastern bloc arms are pouring in.

The aim of the Sandinistas is clear: Turn Nicaragua into a base for subverting neighboring states such as El Salvador, Costa Rica, Honduras and, ultimately, Mexico.

Honduras and Costa Rica are already making appeasing gestures to their terror-

ists neighbor by cracking down on Contra leaders within their borders. The congressional cutoff has made them think they had better hedge their bets, as the U.S. appears to be a rather unreliable ally.

To allow this Soviet puppet to establish itself on the American continent—Castro's Cuba, at least, is an island—would be folly.

Central America is no Vietnam. It is only a 120-minute plane ride away. Ten thousand miles separate us from Southeast Asia. At the polls and in public opinion polls, the people of Central America have made clear they want no part of a Sandinista-style regime. That's apparently true even of Nicaraguans themselves. Why else did Nicaragua's recent elections bear all the earmarks of a Soviet-style sham? Did the Marxists fear they would lose a free vote?

For moral and strategic reasons, Congress had better vote a health flow of support for the Contras.

They're fighting our battle, too.

TRIBUTE TO INGRID WALTER—FOR 34 YEARS OF SERVICE TO REFUGEES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SOLARZ. Mr. Speaker, I would like to pay tribute today to a remarkable woman named Ingrid Walter. On March 1, she will be retiring as director of the Lutheran Immigration and Refugee Service, a voluntary resettlement agency, after more than 34 years of service to refugees. I have been honored to know her and to work with her for the past 8 years.

She herself was a refugee. She fled both Nazi and Communist occupation of Estonia in 1945 and worked as a resettlement officer in West Germany until 1949, when she came to the United States as a displaced person. Since joining the staff of the Lutheran refugee program in 1950 and becoming its director in 1976, she has helped more than 125,000 refugees find safety and a chance for a new life in the United States. Among these 125,000 was the Nguyen family of Milton, PA, whose daughter, Jean, was cited in the President's recent State of the Union Address for her fine achievements at West Point.

Ingrid Walter has worked with the massive influx of refugees following World War II, with persons expelled from Uganda in 1972, with the wave of Indochinese refugees after 1975, as well as East Europeans, Afghans, Ethiopians, and others. Over the years, she has chaired committees and worked with many others on issues pertaining to immigration law and policy and the rights of the foreign born to bring about constructive changes.

In January 1980, she was named one of the 10 most influential American Lutherans in "Missouri in Perspective." When awarded an honorary doctor of humanity degree in 1981 by Wartburg College in Waverly, IA, she was hailed as "a tribute to the country of your birth, a symbol of what is best about the country of your adoption, and the embodiment of the calling which is ours as servants of the Lord Jesus Christ." Throughout the Lutheran world, she has been cited for her "assertive leadership for the cause of human assistance on behalf of Lutheran congregations." Those of us who know her are aware that she has fully earned this respect and affection by her leadership, dedication, and deep concern for people.

I pay tribute to her, not only because of her achievements, but also because she is a person who never lost touch with people. She took her personal trauma and sadness as a refugee and her elation at having reached the shores of the United States and turned it into a lifelong channel so that others could become a part of our Nation of immigrants and strengthen our country with their hopes, dreams, and achievements.

We will miss her unique presence in refugee work. Somehow I feel that after more than 34 years of service, she will continue to find ways to express her devotion and commitment where there are refugees in need. But for now, on the occasion of her retirement, I wish to honor the work she has done thus far, and join the many others who wish her Godspeed and the very best.●

NEW DEVELOPMENTS IN LASER TECHNIQUE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MOORHEAD. Mr. Speaker, at a time when a record number of Americans suffer from serious heart disease due to badly blocked coronary arteries, I think it is timely to bring your attention to new developments in an experimental laser technique which could substantially reduce the number of people requiring risky coronary bypass surgery and, subsequently, eliminate a large portion of our Nation's health bill.

The technique, called laser coronary angioplasty, was described in the New York Times on January 29. It is being developed by physicians and scientists at the Cedars-Sinai Medical Center in Los Angeles and NASA's Jet Propulsion Laboratory located in my district in Pasadena. A laser attached to flexible glass fibers, enclosed in a catheter, is passed through arteries to reach material, called plaque which blocks the flow of blood. Laser energy fired through the fibers decomposes the material without the usual heat that can destroy surrounding tissue. Although the prototype laser device is still in the experimental stage and is not expected to be tested on human patients for about 18 months, it has been used successfully on the arteries of cadaver and animal tissues.

Lasers currently available to the medical profession have not been considered for the treatment of cardiovascular disease mainly because the devices lack precision and the energy produced tends to perforate fragile artery walls too easily. As a technological spinoff from work scientists at the Jet Propulsion Laboratory are conducting on chemical components of the upper atmosphere, a research team consisting of James Laundersiager, Thomas Pacala, Stuart McDermid, and David Rider found what they needed in a device called the excimer laser.

This device produces short intense bursts of ultraviolet light that can destroy unwanted material in the arteries with considerable precision without the extreme temperatures that can damage delicate surrounding tissue. The plaque molecules are broken up and subsequently vaporized into carbon dioxide, hydrogen, and molecular particles that are believed to be absorbed by the body in the normal circulation of the blood. In tests, the excimer laser has been able to remove a typical artery blockage in 2 minutes.

When perfected, developers estimate a laser-fiber optic device that would cost around $100,000. In 1982, the last year for which figures are available, about 170,000 people underwent coronary bypass surgery at a cost of around $20,000 a person. With this remarkable device, scientists envision treatment for obstructed arteries in a matter of minutes, possibly without requiring an overnight stay in the hospital. At this point, I think it is important to call your attention to the significance of this achievement. If all goes as planned, this new laser technique will not only save money, it will revolutionize the treatment for thousands of people who are afflicted with cardiovascular disease.

In his state of the Union message, President Reagan spoke with optimism about the genius of American technology and the benefits that will accrue to each of us because of it. I think this is a perfect example of what the President was speaking about. This innovation will ease the strain on the Federal budget, it will save many lives, it will enhance the health of many individuals, and it will help answer the ethical question about who among us can afford or deserves to be treated for heart disease.

Mr. Speaker, I applaud unabashedly this breakthrough and the men and women responsible for it.●

WIND ENERGY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. HEFTEL of Hawaii. Mr. Speaker, wind energy is becoming one of America's major renewable energy sources in the post-oil-embargo era. The Federal renewable energy tax incentives have permitted the wind energy industry to grow dramatically in the past few years, and wind machines are fast becoming a familiar part of the landscape in California, my home State of Hawaii, and a number of other States as well.

Windfarms generated only about 10,000 kilowatt-hours of electricity in 1981, their first full year of production—less than the yearly electrical needs of two average homes. Last year, they generated over 188 million kilowatt-hours, or enough electricity for 31,000 homes, and that figure is expected to double in 1985.

Modern aerospace, materials, and electronic technology are bringing wind turbines to the point where they will be competitive with conventional energy sources in the not too distant future. I present the following article from the February 19, 1985, edition of the Energy Daily for the benefit of our colleagues. It discusses the current status of the wind energy industry, particularly the gains that have been made in California in recent years and points out that economic competitiveness for the industry is just ahead. I hope that the article will provide useful background for our colleagues as the drive to extend the renewable energy tax incentives this year gains momentum. The article follows:

WINDMILLS CLOSE THE GAP

BY BURT SOLOMON

Windmills are within four to five years of being economically competitive in California, according to a consultant for Pacific Gas and Electric Co., which buys electricity from thousands of them.

Most of the windmills now being installed in Altamont Pass 45 miles east of San Francisco "have the potential" to generate electricity at a dime to 15 cents per kilowatt-hour, according to a paper Don Smith, a wind consultant in PG&E's San Ramon, Calif., research office, will present today to an American Society of Mechanical Engineers wind energy symposium in Dallas. The better machines now available cost, on average, $1,200 per KW to build, yielding a generating cost of 10-11 cents per KWh (in '84 dollars) or of 6½ cents levelized to current pennies, Smith told *The Energy Daily* last Friday.

In comparison, PG&E officials say that their Diablo Canyon nuclear power plant—soon to come on-line at a per-kilowatt cost of $2,466—is expected to generate power at a levelized cost of 6-7 cents per kilowatt-hour, a spokesman said last Friday. (That's in '84 dollars and assumes a 65-percent capacity factor over 30 years.) PG&E currently pays 8.6 cents per KWh for on-peak power from small power producers—an "avoided cost" rate based on oil-fired generation.

Neither nuclear nor coal is truly an option for future capacity in California, Smith noted last Friday. He thinks that wind power will surpass oil and natural gas in economic allure within a half-decade if wind gets five percent cheaper during each of the next couple years while oil and natural gas get a little costlier.

Smith's conclusions about wind power costs assume that interest on borrowed capital will amount to 14 percent (a crucial assumption for an energy technology with high front-end costs and free fuel), that operating and maintaining the machines will annually cost two to three percent as much as building them, that they'll run for a decade at 90-percent availability, that they'll operate at a 30-percent capacity factor, and that they'll enjoy an average windspeed of 16 miles per hour. His figures don't take into account the generous tax benefits offered to windmill investors by the U.S. and California governments.

PG&E, pressed by state regulators to show enthusiasm for windmills, cogeneration and other newfangled power sources, has 4,087 windmills hooked into its grid (as of February 5) with a combined capacity of 355 megawatts. Smith examined the economics of the 2,600 windmills installed by last October, which he treated as a single 220-megawatt power plant.

Interestingly, the most important variable in computing a windmill's cost of generating power isn't the installed cost but the windspeed, the PG&E study found. Altamont Pass, where sea breezes from San Francisco Bay funnel into the Central Valley, is home to the world's largest agglomeration of windmills. But the hilly pass has a complex topography, and the windspeed can vary as much as 25 percent within a short distance—enough, according to Smith, to nearly halve the energy production at the calmer sites and almost double the cost of each KWh. One site was measured last year—thought to have been a lousy wind year—at 12 mph, rather than 16 mph. "If that's true it destroys the economics," Smith said.

Also crucial to the economics is how the windmills in a wind farm are arranged. If they're built too close together they will interfere with one another's wind flow—reducing the power output and augmenting the cost. (In Altamont Pass, 18 square miles are under wind development—an average of one windmill per four acres.) Relatively unimportant to the economic calculations are the duration of a wind farm's life and the extent of O&M costs.

At least 19 different sorts of windmills have been installed in Altamont Pass, with capacities ranging (as of last fall) from 40 to 400 kilowatts. Three percent of them were Darrieus (vertical-axis) windmills; the rest were the more conventional sort, most of them designed with blades downwind of the tower. PG&E purchased 125 million KWh from them last year, four times 1983's output.

Altamont Pass windmills have been getting bigger and better year by year, according to the PG&E study. The average machine installed in mid-1984 had more than double the power rating (108 KW, up from 52) of those built in 1982. The reasons: longer blades, and larger generators that let machines pump out power in stiffer winds. And the average capacity factor is on the rise, from 3.4 percent in '82 to 8.9 percent in '83 to 13 percent last year; that sent the average cost per KWh plunging from $1.62 to 53 cents to 32 cents. (Last year's average installed cost: $1.660 per kilowatt, down from 1982's $2,188.) Windmill operators aim for capacity factors of 35-40 percent, industrial officials say; if it goes higher, the generator is considered undersized.

PG&E has 772 megawatts of wind power under contract and is negotiating for 520 MW more. The giant utility now obtains 0.2 percent of its power and wind—sometimes as high as one percent, in early mornings when winds are high and demand is low. "If all of the planned capacity is installed, and if the improvement in performance continues, within a few years PG&E may be getting about 2.5 percent of its annual electrical energy from Altamont Pass winds, with peaks in the early morning of 10 percent," according to Smith.

Smith, with a bachelor's degree in engineering and a Ph.D in modern European history, believes the wind industry might now be a couple of years farther advanced had windmill designers paid more attention to history—in particular, to the machines constructed 50 years ago in France, Germany and Denmark. The Darrieus eggbeater-like windmill, he notes, was invented by a Frenchman in the '20s, then forgotten and reinvented by some Canadians in the '60s; the Canadians applied for a U.S. patent but were refused it after U.S. patent officials learned of the earlier work and declared the invention in the public domain.●

UNITED JEWISH Y'S OF LONG ISLAND

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MRAZEK. Mr. Speaker, I recently attended a moving breakfast on Long Island on behalf of the United Jewish Y's of Long Island. For over a decade, UJY has been instrumental in coordinating, planning, and developing an array of YM and YWHA services and programs for the 30,000 Y members and other residents of Long Island. Indeed, in this time UJY's has grown to become a leading cultural and educational center serving the area.

I'd like to pay special tribute to two men who have helped to build the United Jewish Y's into a major community center. Leonard Cooper, president of the board and Al Levy, chairman of the board hae dedicated their time and unceasing efforts toward bringing these vital services to Long Island's Jewish community. Their commitment, perserverance and intelligence serve as an example to all people in the area. I commend them for their work on behalf of the United Jewish Y's.

Perhaps the most perceptive statement about the services performed by UJY was the one delivered by Cy Leslie, chairman of the MGM/United Artists Home Entertainment subsidiary, at the breakfast. The text of his

speech demonstrates how important this is as a civic endeavour for communities all across the country. His speech follows:

STATEMENT BY CY LESLIE

It has been said the greatest exercise for the human heart is to bend down and help somebody else up.

A concept such as a "Y" or a community center stems from both positive past experiences and what is clearly the community need to help somebody.

I would like to share with you a little of my own personal perspective. My own desire to see a center really began with my own experience as a youngster in the Bronx. It is clear to me, in retrospect, that if I had no "Y", my life would have been measurably poorer—in social development—life long relationships—and that sense of community and responsibility to others.

While some areas on Long Island are more affluent and some less, they all share one basic reality—there is a sense of social deprivation. Where are the social centers for our youth?

How do we accommodate the need of the increasing generation of seniors who have limited current facilities? How about the children? Or the large middle group who seek affordable relaxing athletic facility and the availability of the broadest possible cultural exposure? All of this seems so invisible in these two counties that boast richness of education—intellect and a spirit of caring.

I gave you some of my own personal observations but to each person the "Y" has its own significance. To the pre-school child it is the first socialization and learning experience outside the home; to the elementary school child is development of a relationship with adults; a teenager can make new friends in a safe environment and a parent can safely say, "it is 9 o'clock and I know where my child is". To the parents, whether single or not, it is deriving personal benefit from the diversified programming specifically geared to their own needs. To the cardiac patient it is a swimming pool for rehabilitation; to the young adult it is in meeting peers in an environment other than street corners and bars and to the older adult it represents a break in the lonliness of suburbia by coming to a center.

We believe that through our programs people find those outlets and satisfactions that provide anchor and balance in their lives and serve as a corrective measure to those heavy problems that could lead to emotional distress. We believe firmly that prevention is preferable to cure, although it would appear the cures would be the more dramatic when it comes to requests for funding. There is also a pragmatic reason for prevention and that simply is the cost is far less than cure and in human terms, saves agony and heartbreak in the process.

We believe in strengthening family life by providing fulfilling, meaningful activities to all members individually and as a family. An example—parent/child programs where parents learn to understand how to raise their children and we speak of programs that begin with infants as young as three months of age.

The world we live in now is dramatically different than what we saw 10-20 years ago and beyond. Close to 70% of the families we serve now have two working parents out of economic necessity. Through our day care and preschool programs, we serve children from six months to kindergarten age and help working families by providing good, constructive care and programming during the day.

We have extensive activities for the elementary school child and after school program for children to improve their social skills and engage in athletics, crafts and cultural arts.

What sadder plight than that of a teenager in suburbia who feels a sense of isolation. They have few places in which to congregate; they are under special pressures because of the limitation of transportation. The "Y" offers an environment of fun and social activities and leadership training and skills and sports. There is yet another and newer phenomenon that has happened in suburbia. We have seen the older teen and young adult go off to college and now begin to observe them coming back to take jobs on Long Island—many of whom must live at home because they cannot afford their own living facility. Certainly young adults living with parents need a place away from home and the "Ys" provide many programs for such young adults and older singles.

In a society where divorce is so rampant, the single parent has particularly overwhelming problems. Picture if you will the single parent who is the mother trying to earn a living who worries about her children's whereabouts while she is at work, who needs to do the shipping and the caring without the help of a partner. For her, the "Y" offers a double benefit. It is a safe haven for her children and offers her a program for herself as an individual where she can meet with others in similar life situations and enjoy the simple warmth of social contact. Today we also find the single parent can be a father. He too faces the problem of raising the family alone. Perhaps it is at the "Y" that the single mother may meet the single father so that they can share their very special concerns together.

The older adult is often one whose spouse had died and comes to suburbia to live with his or her children. This older adult finds that he or she must make new friends and cope generally with the infirmities of old age. The "Y" provides programs of social lectures, trips, discussion groups, and sometimes even provides transportation. There are special groups too for the physically and emotionally disabled for whom services are often in short supply or in communities far away. In the summertime, we serve over 3,500 children in day camps and distribute $87,000 in camp tuition assistance enabling low income families the ability to send their children to day camp.

These are only the basic elements which serve as our motivation to see "Ys" start, develop and grow as the hundreds of others around the United States. Gratification comes with the knowledge that those in existence now have a combined enrollment of 6,487 families, representing a combined number of individuals enrolled at 30,000. The "Ys" are open to everyone. Many programs are open to the public—20,000 nonmembers are participating in activities as well as the members.

If time permitted, there would be so much more I could say about the two school buildings we have taken over, about the reconstruction physically and, about the spirit and impact we have made on community life. I can only conclude by giving my own personal view that the "Y" is not a luxury but an essential service that can never be measured in dollars alone.

I'd like to leave you with a bit of philosophy applicable to every aspect of life—but especially in our quest for tomorrow:

Yesterday is but a Dream
And tomorrow a vision
But today—well-lived, well-planned and well-executed
Makes every yesterday a dream of happiness
And every tomorrow a vision of hope for all.

I join all of our associates this morning in sharing that dream—that hope and that expectation.●

THE 24TH CONGRESSIONAL DISTRICT RESPONDS TO FROST QUESTIONNAIRE

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. FROST. Mr. Speaker, in January, I mailed my 1985 legislative questionnaire to residents of my congressional districts, and the response was extremely good. The results of that questionnaire were given in my February 22 weekly column, and I display the results in the RECORD at this point for the information of the other Members.

This year, my annual questionnaire was one of the first to be mailed from the House of Representatives, and the results of this opinion survey were closely watched by others in the House.

More than 9,400 residents of the 24th Congressional District took the time to send me their opinions, and by doing so, these people provide me with valuable information about how my district wants to be represented in Congress.

The questionnaire was mailed to every household in the district, and while the results cannot be judged as a complete opinion of the district, it does serve as a meaningful sample. The results of this year's questionnaire are given below:

Questions	Responses (percent)		
	Yes	No	No response
1. Do you feel that the present method of collecting income taxes is fair	12.92	84.24	2.84
2. Should the current method of collecting income taxes be replaced by a modified flat tax system similar to either the Bradley-Gephardt or the Treasury plan? (Respondents answering Yes to Q1 were not counted.)	71.52	19.88	8.60
3. Do you favor an income tax collection program that eliminates all deductions and imposes only one percentage of taxation on all incomes? (Respondents answering Yes to Q1 were not counted.)	42.44	48.67	8.89
4. Do you feel that the immigration laws of the United States need revision?	85.27	10.86	3.87
5. Do you favor giving amnesty to illegal aliens who have lived in the United States since before 1980? Respondents answering No to Q4 were not counted.)	27.82	68.41	3.77
6. Do you favor severe penalties for employers who hire illegal aliens? (Respondents answering No to Q4 were not counted.)	70.49	25.83	3.67
7. Should the Federal Government legislate to prohibit all abortions?	21.98	74.21	3.81
8. Do you feel that the use of Federal funds for abortions is proper for lower income people where rape, incest, or danger to the mother's life is involved? (Respondents answering Yes to Q7 were not counted	75.84	21.18	2.98

Questions	Responses (percent)		
	Yes	No	No response
9. If a "freeze" is placed on expenditures of the Federal Government, should Social Security be subject to the same "freeze?"	43.67	55.30	1.03
10. If a "freeze" is placed on expenditures of the Federal Government, should Defense be subject to the same "freeze?"	54.78	43.66	1.56

VALUE OF TIME

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SAM B. HALL, JR. Mr. Speaker, a native of Bonham, TX, which was formerly in my congressional district, Mr. Mac Reese, has written an outstanding article on the value of work and the element of time, which I want to bring to the attention of my colleagues.

Mac Reese is known far and wide as a very talented writer. He has written a volume of poetry, which, I understand, is to be published in the near future. In addition to his writing ability, Mac Reese is known as a scholar with strong interests in music and history. He is currently involved in assisting the Sam Rayburn Library in Bonham because of his knowledge of Speaker Rayburn and the period of our Nation's history in which Speaker Rayburn played such a valuable role.

Mac Reese has enjoyed a long, active and varied career. His wonderful command of the English language is reflected in the following article which I commend to the attention of my colleagues:

TIME IS NOT A GIFT; DON'T MISUSE ITS LOAN

(By MacPhelan Reese)

Greatness is the result of intense, enlightened thinking successfully applied to doing the most good for a worthy majority, yet, ironically, ascent to greatness brings descent to aloneness; an increase of responsibility demands a decrease of gregariousness.

Greatness is monitored by a sense of anakinetic urgency aggravated by the realization that life may be next breath brief, that popularity is no more durable than cotton candy in a rainstorm and fame as momentary as the brush stroke of a falling star. Nevertheless, even though it desires neither popularity nor fame, a luminous mind can no more retain its radiations than an ocean can restrain its waves.

Greatness knows that honesty with others begins with honesty with oneself, that the courage to face up to a situation is an extenuation of the courage to face one's conscience, and that the unprepared are the inadequates who may turn craven in a crisis. It knows that propitiousness is bought with preparation and preparation is a synonym of W-O-R-K. It knows that problems are solved by determined, directed thought, that efficiency eliminates the superfluous, exemplifies candor, and nullifies slander. It knows that cynicism is the potter's field of resurrected sophistries and that optimism is the Seminary of Brotherhood, a brotherhood whose campus is the world.

It knows that some minds run from self-scrutiny as some insects scamper for darkness when exposed to light, that many of us fear self-reckoning as a crapulous drunkard dreads counting his money after a spree. It knows that constant distraction keeps a lame-brain in traction. It knows great minds mend their faults, that lesser minds defend theirs; it knows that pessimistaken minds are self-sealing, that great minds are self-revealing and self-healing. It knows great minds are repleted by introversion, that stunted minds are depleted by extroversion. It knows that selflessness is the moly that silences each Circe's song of sensuality. It knows that time is not a gift but a loan, that its misuse affronts its Giver.

Although it knows monastic meditation can be a merciless mirror of an honest mind, it knows, too, it can change a small hard scrabble farm into a parish, its shack into a church where it may hear the inaudible, sense the unseen, and feel the unrevealed. It knows it must inventory itself far from the kindergarten of infantile disputes, far from tooth and talon talions, the cacophonies of commerce and the dickering and bickering of dollar idolatry. It must revitalize itself far from the arenas of Power, the smut-blinding, gut-grinding mills of opinion, the echo chambers of chauvinism, and last, but by no means least, the boresome buffoonery of bumptious boobs.

It is aware, also, that ears cannot long endure a sustained tone at a certain pitch, neither can greatness long endure the thought-vibrant intensity of moated and drawbridged seclusion. It is told when it must be on its way to resume its obligations with fresh funds from the vaults of Service.

Without resentment, it has learned that the ingrates of each generation feel that the "greats" of past generations have been amply rewarded with I.O.U.'s written on confetti and then paid to windy shibboleths.

It realizes, too, that measured by eternity, an eon is but a day, and that nations rise and fall like shadow-wrestlers on a wall and that their schiamacies are too soon forgotten after the nightfall of retrogression.

It believes that each cell immured in each man is a microcosm, a world within a world and that these worlds are minuscules of an empire, an empire that is a mere symbiont of the Whole. But this above all, it has come to know that the infinitude governing these infinities is God and that His emanations are the psychokymes that generate inspired thinking.

It is ever-conscious that the longest life is only a moment long, a moment individuated by a name whose bearer may be no more than a flash, a frame in God's endless reel, a reel which reveals the unending, inconclusive vendettas between Right and Wrong.

Yet: "Nothing that was worthy in the past departs; no truth or goodness realized by man ever dies or can die; but it is all still here, and recognized or not, lives and works through endless changes."—Thomas Carlyle.

Greatness perpetuates itself; as long as its influence pollenates receptive minds, the owner of that greatness shall live.

Generations of unborn aspirants shall add to the mighty structure of Sam Rayburn's statesmanship. Like a beaconed monolith, it shall orient the children of our children's children. And, as surely as shadows lengthen with the sun's decline, his eminence shall extend to horizons beyond our horizon.●

THE AFDC ERROR REDUCTION AND QUALITY CONTROL IMPROVEMENT ACT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MATSUI. Mr. Speaker, I rise today to introduce important legislation to reform the quality control system used in the Aid to Families with Dependent Children [AFDC] Program. The basic purpose of the quality control system is to reduce program errors and ensure that the right amount of benefits are delivered to the right people. Therefore, I am most concerned that if changes are not made in the current quality control program, particularly the fiscal sanction provisions, it will seriously harm the AFDC program and its beneficiaries.

Over the years, the Federal Government has devised quality control guidelines to ensure that States reduce AFDC program errors and pay the right amount of benefits to eligible recipients. Our efforts have paid off. From fiscal year 1973 through the first half of fiscal year 1982, nationally States have nearly halved the average error rate from 16.5 percent to 7.3 percent. Also, many States have error rates well below the national average.

Notwithstanding the tremendous progress that has been made to reduce errors, many States are threatened by sizable fiscal penalties for exceeding federally set error tolerance levels. I am concerned that the magnitude of these penalites, over $1.3 billion for fiscal years 1981 through 1989, jeopardize the steady performance of error reduction that States have turned in over the past decade. In many cases, States which have lower than average error rates will be penalized. Moreover, States may be forced to absorb such cutbacks through reducing administrative costs resulting in even higher rates of error or passing it on to AFDC recipients through reduced or restricted benefits.

Without question, States must adhere to some form of quality control standards. To be effective, such a system must be timely, applied fairly and be cost effective. Our present system does not accomplish these goals.

For example, under the current system, States do not receive information on errors they commit in time to be of great use to them in making corrections or recoveries. States have only received information relating to their fiscal year 1981 error rate.

The current system also appears to overstate the actual AFDC error rate. Questionable statistical procedures are used to develop the error rates and

States are penalized for client errors over which they have limited control or for paperwork errors which do not involve misspent AFDC funds.

In addition, the present system fails to take into account economic conditions, as well as significant geographic and program differences among the States. These factors often contribute to errors in ways largely beyond the control of States. An unpublished HHS study shows that such outside factors as greater population density, higher crime rates, size of the local population and size of the welfare agencies' caseloads contribute significantly to higher error rates. Despite these findings, HHS makes no effort to consider these factors when determining a State's error liability.

In other words, the current quality control system will take Federal AFDC funds away from States because of an increase in error largely caused by conditions beyond the control of the States. Furthermore, this reduction in Federal funds will come at a time of rising poverty and just when many of these States are beginning to recover from the recession.

As I have stated above, the purpose of the quality control program is to help States improve AFDC administration and reduce AFDC errors. Its purpose is not, or should not be, to force States to cut AFDC benefits or develop more restrictive eligibility requirements. Its purpose is not to shift AFDC costs from the Federal to State budgets. Its purpose is certainly not to force States to cutback on AFDC administrative staff or otherwise reduce administrative resources which will undoubtedly result in an increase in AFDC errors in the future. This is counterproductive and the reverse of what the quality control system seeks to achieve.

My legislation attempts to address these problem areas while retaining the quality control system and mandating a basic error tolerance of 4 percent. I urge my colleagues to join me in this challenge to correct the inequities in the current quality control system used for the AFDC program. Only through reform will we continue to reduce program error rates and ensure that the right amount of benefits are given to the right people. The major provisions of the bill include the following:

AFDC ERROR REDUCTION AND QUALITY CONTROL IMPROVEMENT ACT

The AFDC Error Reduction and Quality Control Improvement Act is designed to achieve four objectives:

To ensure that error rate sanctions are fair and do not result in AFDC benefit cuts or further reductions in administrative funds.

To hold States accountable for making accurate AFDC payments and impose fiscal sanctions for excessive errors.

To require that States identify and attempt to correct all errors made in administering the AFDC program but base fiscal penalties only on errors which result in misspent AFDC funds.

To establish a fair, equitable and timely AFDC quality control system by acknowledging that a State's error rate should be adjusted when socio-economic, geographic and program factors influence the error rate.

SUMMARY OF PROVISIONS

1. *Establish minimum quality control policies and procedures in law.*

A. States would be required to determine the AFDC error rate for each fiscal year. States would collect a statistically reliable sample of cases for a quality control review following a timetable established in regulations. States could, at their option, collect either 2 six-month samples or an annual sample of their AFDC caseload to develop the error rate but would be prohibited from reducing their sample size.

B. The Federal re-review, analysis, and notice to the States of the official error rate would have to occur within six months after the close of the fiscal year for which the data are collected or six months from the date a completed State sample is submitted to the Federal regional office, whichever is later. The State's official error rate for fiscal sanction purposes would be the adjusted State error rate discussed below.

C. After completing the State data collection process: (1) States would develop and submit to the HHS Secretary a corrective action plan for reducing the identified errors (including those not subject to fiscal penalties as discussed below); (2) the HHS secretary would review and approve the plan; and (3) implementation of the corrective actions would begin. The HHS Secretary would be required to establish a timetable for these activities in regulations and monitor the corrective action process. States with error rates that are consistently at or below the standard tolerance level, prior to adjustment, would not be required to submit a corrective action plan for the Secretary's approval.

2. *Set a new national standard for the AFDC error rate.*

A. The standard tolerance level for overpayment errors would be permanently set at 4 percent. Under current law, States must reach a 4 percent standard tolerance level by FY 83; this declines to 3 percent for FY 84 and thereafter.

3. *Determine the adjusted State error rate.*

A. The procedures described above would be used to obtain the raw error rate data. Subsequently, two adjustments would be made to produce the adjusted State error rate:

First, the point estimate of a State's error rate would by the lower bound of the range within which a State's true error rate falls. This statistical adjustment is necessary because the sampling procedure used in the quality control system cannot precisely estimate the actual error rate. Instead, the system identifies a range within which the actual error rate is located. Under current rules, the midpoint of the range is used even though the ture rate may be lower than the midpoint.

Next, technical errors would be excluded for fiscal sanctions purposes. These are paperwork omissions which, if corrected, would not change the AFDC payment level. They include: failure to provide evidence in the file of social security numbers, assignment of rights to support, cooperation in obtaining support, WIN registration, and other errors which have no fiscal impact.

4. *Recognize that certain factors beyond a State's control influence the error rate by adjusting the standard tolerance level annually for each State.* The standard tolerance level would be adjusted as follows:

A. Add 0.5 percent to the standard level if the State has operated an AFDC unemployed parent program during the fiscal year.

B. Add 0.1 percent to the standard level, up to a maximum of 0.5 percent, for each 20 percent increment by which the State exceeds the national average in terms of percent of total State AFDC caseload with earnings.

C. Add 0.1 percent to the standard level, up to a maximum of 0.5 percent, for each 20 percent increment by which the State exceeds the national average in terms of population density (population per square mile of land area).

D. The steps described in item 3 produce the adjusted State error rate. The steps described in item 4 produce the adjusted State tolerance level.

5. *Impose fiscal sanctions on the basis of the adjusted State error rate and the adjusted State tolerance level.*

A. A state's fiscal sanction would be equal to the federal portion of benefits paid above the adjusted State tolerance level using the adjusted State error rate.

B. A sanction amount would be reduced by the Federal share of overpayments collected by the State in the fiscal year to which the error rate applies.

C. The current authority for the HHS Secretary to waive sanctions to acknowledge certain circumstances would be retained and modified as follows:

(1) States could request a waiver based on the State's good faith effort to reduce errors. In making the waiver request, States would also be permitted to challenge the Federal error rate findings. The HHS Secretary would review and act on the request according to a timetable specified in regulations.

(2) The regulations would also specify the criteria that would be used in assessing waiver requests and the relative importance of each factor so that States may informally assess whether a waiver request is appropriate. In reviewing the waiver request, the HHS Secretary would be required to consider the following:

(a) *Factors beyond the State's control*—such as disasters (fire, flood or civil disorders); strikes by State or other staff needed to determine eligibility or process changes in cases; sudden workload changes resulting from changes in Federal or State law and regulations or rapid caseload growth; and State actions which were the result of incorrect policy interpretations by a Federal official.

(b) *Factor's related to agency commitment*—such as demonstrated commitment by top management to the error reduction program; sufficiency and quality of operational systems which are designed to reduce errors; us of effective systems and procedures for the statistical and program analysis of quality control and related data; and effective management and execution of the corrective action process.

(c) *Other factors as appropriate*—these may be identified by the Secretary in regulations or may be detailed by States in their waiver requests but would include past State error rate performance as well as the cost effectiveness of error reduction efforts.

(3) States would be permitted to appeal the Secretary's decision on the waiver re-

quest described above to the HHS Grant Appeals Board and could also appeal to the courts.

D. In lieu of the waiver authority identified above, the Secretary would be required to permanently waive a sanction if the State submits a plan for the reduction of errors which includes the expenditure of additional State administrative funds equal to one-half of the sanction amount. These expenditures would be a Federally-matched administrative expense.

6. *Reward States with low error rates.*

A. A State would receive an incentive payment when its adjusted State error rate is below the standard tolerance level (prior to any adjustments) of 4 percent. The amount of the incentive payment would be equal to one-half of what the Federal government saves on AFDC payments because the State error rate is less than 4 percent.

7. *Conduct selected studies related to error reduction and quality control.*

A. The HHS Secretary would be directed to complete a study within one year of enactment which includes: a detailed analysis of the nature of client errors and the degree to which client errors can be controlled by States; standards by which to judge whether a client error could have been controlled; and an assessment of the cost-effectiveness of this type of error reduction.

B. The HHS Secretary would also be directed to study and suggest measures of AFDC performance which are broader than the current quality control system (which measures only payment accuracy) and more accurately reflect the full range of responsibilities a State has in administering the AFDC program. The underpayment error rate would be one such measure. This study would also examine the cost effectiveness of error reduction and of a broader performance measurement system.

8. *Effective date.*

A. For FY 81 and 82, States would have the option of applying current law (the Michel amendment) or the new quality control system and standards.

B. For FY 83 and thereafter, the new quality control system and standards would apply.

* * * * *

This legislation also includes a quality control provision affecting the Supplemental Security Income (SSI) program. The provision would require the Federal government to continue reimbursing States for the errors it makes in administering the State Supplemental Program (SSP) in SSI. The present agreement between the Federal government and the States promulgated in regulations on March 7, 1979 would be retained.●

A&S DEVELOPS CREATIVE PROGRAM FOR YOUTH JOBS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. TOWNS. Mr. Speaker, last spring, the House Subcommittee on Domestic Monetary Policy held a field hearing in Brooklyn on the impact of the Nation's economic recovery. One of the witnesses at that hearing was the vice president of Abraham & Strauss, one of New York's major department stores, Francesco Cantarella. Mr. Cantarella's testimony was particularly insightful on the efforts of businesses like Abraham & Strauss to develop employment training programs for youth in Brooklyn. This past holiday season, A&S, working through Career Opportunities for Brooklyn Youth, initiated a program of transporting unemployed 18 to 25 year olds from Brooklyn to work in their suburban store in Paramus Mall Park.

The New York Post reported on this effort and a parallel effort in Nassau County where A&S transports employees hired in Hempstead or Queens to their store in Manhasset. A&S's program is an excellent example of how the problem of high unemployment can be lessened through a job development program in areas where businesses have difficulty locating workers. Mr. Speaker, I have included a copy of the Post article for my colleagues' review. Perhaps A&S's program will inspire other businesses to try the same approach.

The article follows:

[From the New York Post, Dec. 11, 1984]

CITY YOUTH JUMP ON A&S BUS TO FILL VACANT SUBURBAN JOBS

(By Rich Friedman)

Arlene Rivera began work as an Abraham & Straus cashier yesterday by boarding a bus in Brooklyn bound for Paramus, N.J.

A&S is paying $1300 per week to bus Arlene and nearly 80 other seasonal workers from downtown Brooklyn to the suburbs because of the extreme difficulty the chain has in filling entry-level, minimum-wage jobs in some affluent suburbs.

Store officials cite a number of explanations for the lack of suburban job-seekers: the end of the baby boom, changes in workforce demographics, the exodus of back-office jobs to the suburbs, and the desire of teenagers to attend college.

Brooklyn resident Rivera has a more succinct explanation of why a job would go literally begging in Paramus or Manhasset, L.I., where A&S has also had trouble staffing up:

"People don't look for it." says Rivera, who will use the money she makes between now and Dec. 24 to buy Christmas presents for her family. "They're there. People think the job comes to them."

Rivera and her co-workers are being bused to New Jersey as part of a five-year-old program called COBY—Career Opportunity for Brooklyn Youth—of which A&S is a corporate founder.

Backed by a number of organizations, COBY previously provided disadvantaged Brooklyn workers—1,300 of them aged 17-25—with jobs in the immediate community with some going only as far away as Manhattan. A&S is its first venture outside the city, to areas profoundly different than the neighborhoods from which these workers come.

"In many regards it is more of a convenient excuse to do something that we've been wanting to do for some time," A&S President Robert Tammero told Business Tuesday. "We have watched for a number of years the long lines and the people going away disappointed."

The long lines hit their peak last year—when A&S drew 11,000 applicants to its Brooklyn headquarters when it became known 1,200 seasonal jobs were available.

"We could not help but be upset at what happened to those 10,000 people," who could not be offered a job, said Francesco Cantarella, A&S vice president and a COBY cofounder.

Meanwhile A&S has been busing workers who applied at its Rego Park store out to Manhasset—a busload of 40 at a time from Hempstead, also a high unemployment area, to Manhasset's Miracle Mile.

The Long Island Association has expressed an interest in hiring COBY workers at a variety of sites, including A&S's Smith Haven Mall store in Suffolk County.

A&S began busing 40 workers to Paramus three weeks ago to fill a wide variety of jobs and yesterday added another busload of 40. Another 60 COBY workers are employed at the downtown Brooklyn store.

The chain has a real need for the workers, Cantarella said, and is not simply dumping inner city youth from areas blighted by unemployment into affluent suburbs.

The workers undergo an orientation program that covers listening skills exercises, group discussions and role playing exercises dealing with such situations as obnoxious customers, conflicts with associates or supervisors, and what to do when a friend asks a sales clerk to fudge a receipt.

The Paramus Workers leave Brooklyn at 10 a.m. and then leave Paramus at 6 p.m. with overtime workers catching the 9 p.m. bus. They are paid from the minute they check in to board the morning bus to the time they get off the evening bus.

Brooklyn Chamber of Commerce President Joseph French told Business Tuesday that the A&S/COBY program is a "top priority jobs development program," which "spearheads an innovative approach to providing Brooklyn youth with the opportunity to work in the suburbs, where jobs are going unfilled."

A&S supports COBY with a $200,000 grant, portions of which were matched by Brooklyn Union Gas, Con Edison and various corporations, as a kick-off to a $500,000 fund-raising drive.

Tammero, A&S' president, said the eagerness with which his charges have attacked their jobs should put an end to "this cropola that comes out about the hard-core unemployment in Brooklyn."

Keith Lang, 21, from Bushwick, is a stock man in women's apparel and hopes to stay on in Paramus.

Asked why his suburban counterparts have not filled the jobs, Lang said, "Maybe they don't need to work. If there's a job to be done, I'll do it."

Lenny Dalrymple, a 19-year-old Bedford-Stuyvesant resident, found his way to an A&S job in Paramus through COBY executive Michael Amon-Ra after searching unsuccessfully on his own for a job.

Now a cashier in the gift department, he has been given the responsibility of setting up displays, which, he says, "feels good. It's up to me to make it look good, I'm the only one who knows where everything is."

Whether or not the A&S jobs become permanent, Amon-Ra concluded, COBY gives these youngsters "the self respect, the pride and confidence to enter the world of work as opposed to petty crime or the self-hate of drugs."

A SALUTE TO THE TURNER CONSTRUCTION CO.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. STOKES. Mr. Speaker, thank you for providing me with this time to salute the Turner Construction Co. On March 6-7, 1985, the company will host its eighth annual Corporate Equal Employment Opportunity Seminar here in Washington, DC.

Under the leadership of my good friend, Mr. Hilton O. Smith, corporate personnel administrator and EEO director, the Turner Co. has become a nationally recognized company committed to working with minority-owned firms.

Mr. Speaker, in 1984, the Turner Co. was awarded the Major Corporation Program Award for 1984, by the National Association of Minority Contractors. This was the highlight of many years of involvement with this organization. The Turner Co. was the first member of the Contractors Association Major Corporation Progam which was started in 1981. The program has cultivated working relationships between major corporations and general contracting firms in the pursuit of expanding opportunities for minority business enterprises.

Moreover, the Turner Co. executives not only believe in affirmative action but also end results. The company has been in the forefront of equal employment in the construction industry by being one of the first major construction companies to establish a full-time equal employment opportunity department in its organizational structure.

In 1968, Mr. Speaker, the Turner Co. initiated construction management training seminars for minority firms. Since that time, 800 minority contractors have benefited from the courses.

In addition to seminars, long-term business relationships have been established between Turner and many other minority construction contractors. Joint venture relationships have been established and realized by such notable minority-owned firms as Ozanne, Trans-Bay and Ty-Roc.

Since 1979, 1,330 different minority firms have performed subcontract work on Turner Co. projects in the United States. Subcontracts through 1983 totaled $305,630,069. Joint ventures during the same period amounted to $182,971,901. The grand total for doing business with minority firms is $488,601,970.

Mr. Speaker, it is apparent to me that the primary objective in these particular efforts of the Turner Co. is to expand the use of minority businesses thereby helping them to become more stable and successful members of the overall business community. The company has demonstrated that it is committed to taking the necessary affirmative action to show steady progress in the increase of minority suppliers and contractors used as well as the total dollar amounts spent with minority firms.

Mr. Speaker, it is a pleasure for me to salute the Turner Co. at this time. I want to give special recognition to Mr. Hilton O. Smith for his efforts in making the Turner Co. a model in terms of cooperative efforts with minority-owned firms.●

A TIME OF DECISION NEARS ON NUCLEAR WASTE

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. DERRICK. Mr. Speaker, the title I've used for my remarks today is taken from a front page article in the Sunday edition of New York Times (Feb. 24, 1985) which carried a date line of Barnwell, SC. Barnwell, as it so happens, is located in my congressional district in South Carolina. Barnwell is also home to Chem Nuclear Services, Inc., which operates at this location one of only three operating comercial low-level radioactive waste disposal sites in the United States. In fact, I have just returned from a tour of the Chem Nuclear facility in Barnwell, where I also announced that I would today reintroduce the southeast interstate low-level waste management compact in the House of Representative.

The editors of the Times could not have chosen a more apt title for this article. The decision time on low-level radioactive waste is indeed upon us. This may well be the "make or break" Congress for the viability of the policy we implemented in the Low Level Waste Policy Act of 1980—Public Law 96-573.

The 1980 act was a lesson in minimalistic legislative drafting. It simply stated: Individual States are responsible for the disposal of commercial low-level radioactive wastes generated within their borders; regional interstate compacts are encouraged as the most safe and efficient means of disposal—and to check the proliferation of disposal sites—and once Congress grants consent to the interstate compact, the compact region could, beginning January 1, 1986, prohibit the importation of waste from outside the region.

Over the last several years, therefore, the States have been engaged in the process of formulating interstate compacts to share a common disposal site for low-level radioactive wastes. By the close of the last Congress, interstate compacts had been introduced in the House of Representatives from five regions in the United States.

Mr. Speaker, I am today reintroducing the Southeast interstate low-level radioactive waste management compact, and am joined in this by nearly one-half of our colleagues representing districts in the eight-State Southeast compact region—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. This compact legislation was first introduced in August 1983. It, along with the four other compacts introduced during the 98th Congress, however, was left pending in the last Congress. Hearings were held in the two House committees of jurisdiction—Energy and Commerce and Interior and Insular Affairs—but the legislation was not marked up by either committee. A similar situation pertained in the other Chamber, where the legislation was left pending in the Judiciary Committee.

As the New York times article indicates, the time for decision on this issue is here. South Carolina, which presently receives for disposal approximately 45 percent of the low-level radioactive wastes generated nationwide, will no longer bear such a disproportionate burden in the management and disposal of these materials. My State has made a good faith effort to pursue a national solution to this problem by working for enactment of the 1980 act; by negotiating an interstate compact with our neighbors in the Southeast; and by making the Barnwell site available to disposers of low-level radioactive wastes in the Southeast region through 1992.

The political atmosphere in my State will not tolerate inaction by Congress on this legislation which is of paramount interest to the Nation as well as my State. Gov. Richard W. Riley has stated that he will take action to limit access to the site, beginning January 1, 1986, unless action is taken in Congress on the southeast compact. Legislation is also working its way through the South Carolina Legislature which proposes to close the site on October 1, 1985, if the Congress has not acted by that date.

Mr. Speaker, I have made a commitment to my constituents to make this issue my top legislative priority. I realize that issues related to radioactive waste disposal are not always among the most popular with my colleagues in the House. It is imperative, however, that we move to responsibly address this situation before States are compelled to act on their own in response to the frustration they have suffered in Congress.

Moreover, I am encouraged that both the Interior and Insular Affairs Committee, as well as the Judiciary Committee in the other body have scheduled action on the compact legis-

lation early in March. I know my good friend and colleague, MO UDALL, shares my concern and commitment to resolve the impasse that has to this date blocked action on pending compact legislation. Indeed, the legislation introduced by the chairman of the Interior Committee, H.R. 1083, will provide a useful starting point for discussion of some of the more intractable issues facing this legislation.

Mr. Speaker, I continue to maintain that the best solution for the Congress in this situation is to approve the compacts as they are presented to Congress. Regions without disposal capacity would thereby be compelled to deal with regions with available sites, instead of the Congress, to provide disposal capacity during the interim during which they develop such capacity. I fear that to the extent that commitments are hedged, and dates moved back, we will find ourselves in this same situation when we are backed up against the next absolute date.

Mr. Speaker, for my colleagues information I would like to insert at this point the text of the New York Times article I have cited; the text of Governor Riley's statement yesterday before the National Governor's Association; and a copy of the bill introduced in the South Carolina House of Representatives on this matter.

The material follows:

[From the New York Times, Feb. 24, 1985]

A TIME OF DECISION NEARS ON NUCLEAR WASTE

(By Matthew L. Wald)

BARNWELL, SC, Feb. 22.—A forklift operator carefully unloads barrels and crates from the back of a truck, keeping his body away from the containers. He stacks them neatly on the bottom of a trench as technicians and inspectors from the state, armed with radiation detectors, look on.

A computer records the precise location of each contianer and a $5 million laboratory nearby processes thousands of water, air and soil samples each year. The monitoring will continue for two centuries.

The facility here, a similar operation in Hanford, Wash., and a smaller site in Nevada are the focus of a national debate on the disposal of low-level radioactive waste. The material, which cannot be reprocessed, includes everything from gloves used by reactor workers to the waste byproducts from the manufacture and use of radioactive substances in medicine.

About a dozen trucks, carrying waste from much of the United States, arrive every day at the facility, which opened in 1969 and which now contains about 16 million cubic feet of waste. The site, which once handled 80 percent of the nation's low level waste, now accepts about 45 percent. Officials in South Carolina feel that the state has carried the responsibility for too much of this waste for too long and is considering closing the facility.

At the urging of South Carolina, Washington, and Nevada, Congress in 1980 passed the Low Level Radioactive Waste Policy Act, which gave the 50 states the responsibility for establishing new diposal sites. The states were told that if they made waste-handling compacts among themselves, they could exclude waste from non-compact states from their sites, beginning next January. Congress envisioned the establishment of about a dozen sites like Barnwell around the country.

But so far, no new sites are near establishment and several of the biggest waste generators, including Massachusetts, New York and Pennsylvania, have not approved plans for compacts. Officials from those states are pressing Congress to withhold approval of the eight-state Southeastern Compact, which would use Barnwell, and the Northwest Compact, formed around Hanford, so that the rest of the country will not be excluded from these sites.

In the South Carolina legislature in Columbia, this request has prompted calls for retaliation. "Enough is enough and fair is fair," said State Representative Harriet Keyserling, the co-sponsor of a bill that would shut Barnwell entirely if Congress does not approve the Southeastern Compact.

WE'VE DONE OUR FAIR SHARE

South Carolina is also home to another facility at which nuclear wastes are stored. The United States Energy Department's Savannah River Plant, where components for nuclear weapons are made, stores the high-level waste it has generated and continues to generate.

"We've done our fair share; it's time for others," Mrs. Keyserling said in a telephone interview. "If there are risks, they ought to be shared."

Dr. John J. Stucker, a special assistant to Gov. Richard Riley, said the Barnwell site, operated by Chem-Nuclear Systems, Inc., "cannot provide disposal for the whole country in perpetuity." The state's goal, he said, is "assuming some control of our destiny, and assuring capacity for ourselves." South Carolina produces about 10 percent of the nation's low-level waste, most of it from five civilian nuclear reactors.

"It's high-tech disposal," said Dr. John J. Stucker, who, like other state officials, has nothing but praise for the way Chem-Nuclear Systems Inc. runs the Barnwell facility.

That idea of closing the site gets mixed reviews in the city of Barnwell. "I really consider it the best industry we have," said Rodman Lemon, the mayor since 1970. The waste depository "provides jobs, and it's as clean as can be," he said. It employs 260, and has an annual budget of $13 million, much of it spent locally.

Mr. Lemon said he would like to see it take in all the nation's low-level waste.

Neither is the state complaining about the facility. "I think the company has in some instances done more than we have required," said Heyward G. Shealy, chief of the Bureau of Radiological Health. Mr. Shealy's department licenses the site, limits the kinds of wastes that can be buried, inspects operations, and, along with Chem-Nuclear, takes environmental samples. When the site closes, control will pass to the state. A "perpetual care" trust fund of $15 million has been collected, and it is growing with contributions of $2.50 per cubic foot of waste.

"If all the experts are right, it won't be a burden," said Dr. Stucker. The materials buried here lose their radioactivity over varying periods, but nearly all will be inert in 300 years and will have lost most of their activity long before that.

Chem-Nuclear is experimenting with growing shallow-rooted Christmas trees over filled-in trenches, as a cash crop for the state.

A PRECISE OPERATION

Both the state and the company agree that the Barnwell site is not a dump. "It's a controlled facility," said M.G. Garner, a spokesman in the Columbia headquarters of the company, which is a subsidiary of Waste Management Inc., of Oakbrook, Ill.

"I defy you to find something 'dumped'" said John Zawacki, the general manager of the facility. He said the site has become a model for repositories elsewhere. Recent visitors include representatives from Pennsylvania, Texas, California and South Dakota.

The operation is carried out with considerable precision. The trenches, in a clay that is largely impermeable to water, are dug with sharp edges and are precisely graded at the bottom with a 1-percent slope, so that any rainwater entering while the trench is open, or penetrating the clay cap after it is finished, can be pumped out. Wells monitor the water in the sandy soil under the clay.

After a trench is covered, the radiation level at the surface is no higher than levels of radiation that occur naturally in the area.

The shape of the trench and precise method of disposal depends on the material. In the trench designated for the least-contaminated material, 1,000 feet long, 100 feet wide and 22 feet deep, workers position metal boxes that looked like small trash dumpsters, filled with 1,000 pounds of soil and, according to the labels, less that one tenth of a gram of uranium.

In a narrower, deeper trench nearby that will eventually be covered with 6 inches of concrete as a shield against inadvertent intrusion, technicians often bury metal parts taken from the inside of reactors that, unshielded, could provide a lethal dose of radiation. Even in their shielded casks, they emit some gamma rays, and workers use a construction crane to avoid getting too close.

The disposal charge, exclusive of surcharges for some items difficult to handle, is $24.65 per cubic foot, including a $4 radioactive waste tax, which South Carolina spends on education. The facility also pays $175,000 each year to the state in licensing fees, $150,000 in tax on equipment, and $440,000 to Barnwell County.

The site has had no major accidents since it opened, and only one small leak, in which tritium, a radioactive form of water produced in reactors, leaked from its packaging. The leak was quickly discovered and contained, and the State has since instituted a rule that all liquid wastes must be solidified, usually by mixing with concrete, before shipment to Barnwell.

"We went with the idea of managing surface water, and burying only solid waste, and having a means to determine what's going on," said Mr. Shealy.

The prospect that Barnwell may cease to be the main repository for the eastern United States is not entirely bad for Chem-Nuclear. It hopes to bid on operating similar sites in at least three other states.

REMARKS BY GOV. RICHARD W. RILEY

I want to speak to you about a matter this Association first addressed over five years ago. In 1980, at the urging of the NGA, Congress passed the Low Level Waste Policy Act.

Since then, two-thirds of the states have joined a low level waste compact or have established their own state siting procedures.

These include the eight states of my own region—the Southeast.

For almost two years now, as many as five of these compacts have been before the United States Congress for consent. However, in all that time, not one of them was even reported out of committee.

Last summer, I was invited to address this Committee on this subject. Like my colleagues from Nevada and Washington, I pledged my sincere efforts to find a resolution to the problems that have prevented Congressional approval.

I renew that pledge today. However, I must add a note of urgency.

The impasse, which has prevented Congressional consent to the compacts, has resulted from the fear that some states would lose access to the three existing sites. Failure to resolve this matter in a reasonable way will undoubtedly lead to the very outcome these states fear.

It is our view in South Carolina that without Congressional consent, we do not have a compact. And without a compact, there will be no more access to our State's disposal site.

With his recent proposal, Congressman Udall has given all of us an opportunity to solve this dilemma. I do not agree with every provision in HR 1083, but it is the vehicle that can lead to the solution we seek. I urge each of you to work with your state and regional compact officials, your low level waste generators and your Congressional Delegation to seek a reasonable solution for obtaining Congressional consent of these compacts. This can be accomplished in a manner which will authorize operation of the three existing sites under the terms of the compacts, and continue progress toward the development of new disposal sites in this nation.

TEXT OF BILL

(A bill to provide that no disposal of low-level radioactive waste is permitted in South Carolina except that generators in this State of low-level radioactive waste are authorized to provide for temporary nonpermanent storage of this waste on the site of generation under those regulations promulgated by the Department of Health and Environmental control, and to provide that the provisions of this act shall take effect January 1, 1986, unless the Congress of the United States has ratified the terms of the Southeast Interstate Low-Level Radioactive Waste Management Compact on or before October 1, 1985.)

Whereas, by Act 91 of 1983, the General Assembly of South Carolina, in order to provide for the health and safety of its citizens and to provide for the general welfare of the citizens of this State, declared it the public policy of this State to provide for an effective menas for the safe and efficient disposal of low-level radioactive waste; and

Whereas, the Congress of the United States by passage of the Low-Level Waste Management Act of 1980 authorized the formation of interstate compacts or the establishment of State disposal sites; and

Whereas, the Congress has failed to ratify the Southeast Interstate Low-Level Radioactive Waste Management Compact; and

Whereas, the General Assembly of South Carolina finds that it is necessary for the health and safety of its citizens and for the general welfare of its citizens in the furtherance of the establishment of the compact to terminate the right of any person, association, group, corporation, or combination thereof to dispose of low-level radioactive waste in this State after January 1, 1986, unless and until the Southeast Interstate Low-Level Radioactive Waste Management Compact is approved by Congress; and

Whereas, it is now found to be the public policy of this State, in order to provide for the health and safety of South Carolina's citizens and for the general welfare of South Carolina's citizens, to provide for a site for the disposal of low-level radioactive waste generated by South Carolina producers at a future time set by the General Assembly should this Southeast Interstate Low-Level Radioactive Waste Management Compact not be approved by Congress. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina

SECTION 1. On January 1, 1986, no disposal of low-level radioactive waste is permitted in South Carolina except as hereinafter provided.

SEC. 2. Generators in South Carolina of low-level radioactive waste are authorized hereunder to provide for temporary nonpermanent storage of this waste on the site of the generation under those regulations as may be promulgated by the Department of Health and Environmental Control.

SEC. 3. No temporary storage, disposal, or stockpiling of low-level radioactive waste is permitted on site by South Carolina generators of this waste except as otherwise authorized herein.

SEC. 4. The definitions found in Chapter 47 of Title 48 of the 1976 Code, which chapter was added by the provisions of Act 91 of 1983, apply to the terms used herein.

SEC. 5. The provisions of this act shall take effect January 1, 1986, unless the Congress of the United States has ratified the terms of the Southeast Interstate Low-Level Radioactive Waste Management Compact on or before October 1, 1985, in which case this act shall not take effect.●

A TRIBUTE TO IDA ISRAEL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SOLARZ. Mr. Speaker, I rise today to pay posthumous tribute to Ida Israel, the first lady of the Brooklyn Shorefront community who died tragically on January 21 when a fire swept through and destroyed her Seagate home of more than 60 years.

Although herself a septuagenarian, Ida was always busy tending to the needs of the elderly in her community—many of whom called on her regularly for assistance of one kind or another. And Ida was no stranger to politics either. She used her well-deserved reputation to lobby for the needs of the elderly, the poor, and the downtrodden with local elected officials whom she counted among her friends, and with other State and Federal officials. The needs of the Shorefront community took her on many lobbying trips in City Hall, Albany, or Washington. I was privileged to know this remarkable woman for over a decade, and to count on her wise counsel and effective assistance.

Ida Israel had spent the better part of her adult life in community betterment. She devoted her energies to issues ranging from community anticrime efforts to neighborhood preservation and improvement and to health and housing for senior citizens.

As a member of Community Board 13 from its inception, Ida was the longtime chair of its social service committee. It was in that position, as well as her capacity as a member of the Coney Island Hospital Community Advisory Board, and the Jewish Community Council of Greater Coney Island that Ida began her efforts to improve health care services for the young, the old, the poor, and the infirm in her beloved Shorefront community.

Project Relief, a program of the JCC of Greater Coney Island which offers desperately needed transportation service to the elderly in Coney Island, was one of Ida's favorite projects. To meet the need for housing, Ida worked with the Jewish Association for Services to the Aged, the organization that built several senior citizen apartment houses in the Shorefront area. She also volunteered in JASA's efforts to establish an active Meals On Wheels Program to serve the many homebound elderly who could not get to the senior centers for a nutritious meal and some companionship.

Ida's concern over the unmet health care needs of the people in her community led her to begin the fight for a freestanding community health clinic in Coney Island. Her dream was to build a clinic near where the people who needed the care most lived. She knew the hardship caused by the long trip to the local municipal hospital and knew, as well, that some people couldn't or wouldn't undertake the trip—missing vitally needed medical treatment. After a good deal of work, Ida and her allies convinced hospital officials, elected officials, and the Federal Government of the need for the clinic and then overcame dozens of obstacles to bring this project to fruition. It is sad that Ida will not be present to personally cut the ribbon for the clinic's official opening next month. For I am sure that without her effort, there would be no clinic on that site at all.

New York's appreciation of Ida Israel's lifelong dedication and commitment to the needs of others was demonstrated for the last time when hundreds of people from all walks of life, and all corners of this city, braved near-zero temperatures and icy streets to attend her funeral. Some had worked with Ida on one of her many committees. Many others had come to pay tribute to a lady who had quietly helped them in their time of need. Family and friends eulogized Ida Israel for her tremendous energy and compassion for the less fortunate, as

well as her great love and dedication to her family.

Mr. Speaker, Ida was indeed a beacon of light in our community—showing the way to greater compassion and dignity for all. She will be sorely missed by family and friends alike. For she touched each of us, encouraged us to do more, and was always there when we needed her.

Ida Israel was indeed a good friend of mine. The void left by her untimely passing will not easily be filled. Each of us must do more to continue her fine work, for that would be a fitting and proper tribute to this great lady who gave so much to us all.●

ESTONIAN INDEPENDENCE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. YATRON. Mr. Speaker, I rise to take this opportunity to commemorate the 67th anniversary of the independence of Estonia. On February 24, 1918, the hopes and desires of the Estonian people were realized with a declaration of independence proclaiming Estonia a free democratic republic.

For the next two decades, peace, prosperity, and freedom flourished in this Baltic State. The Estonian people demonstrated what a small nation could achieve under a democratic way of life.

World War II, however, ushered in a brutal era of repression and tyranny. Stalin forcibly incorporated Estonia into the Soviet Union and embarked on an intensive campaign of Russification. While I am proud that the United States has not recognized the Soviet takeover, I am saddened by the fact that Moscow's efforts to completely suppress the Estonian culture continue.

The Kremlin is increasingly eliminating the Estonian language and ethnic traditions. Estonian mores and values are being eroded. Many places of worship have been closed. Religious and political activity is tightly controlled and any person who expresses a view not sanctioned by the government is dealt with harshly. A significant number of religious believers and peaceful dissidents continue to be imprisoned, harassed, physically and psychologically abused, and subject to other forms of inhumanity, for courageously bringing Soviet violations to the attention of the world.

Nevertheless, even while enduring these insufferable injustices, the Estonian people have not lost their determination to recover their freedom. They are a brave and valiant people who are destined to enjoy, once again, democratic government.

As chairman of the Subcommittee on Human Rights and International Organizations, I have a deep interest in the plight of the Estonian people. The subcommittee will closely monitor Soviet abuses of its citizens and work to help those everywhere who are victimized by totalitarianism. As a free nation, we must continue to support the Estonian people in their struggle to remove the chains of oppression.●

A TRIBUTE TO WILLIAM HOLSCLAW

HON. HARRY M. REID

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. REID. Mr. Speaker, it was on February 10, 1984, when events, unplanned and unexpected, changed William Holsclaw's life—when the hopes and dreams of a normal 12-year-old boy were superseded by the struggle to save lives—those of his two younger brothers and himself.

During the early morning hours on that February day, William awoke in his family's trailer, located in Jean, NV. Smoke and fire had engulfed the mobile home. After running through a flame-filled hallway to awaken his father, William returned to his bedroom to locate his two brothers, Brian, then 4, and Jimmy, then 3. Because William's father could not reach his sons through the flames, William himself found his brothers and handed them out the window to his father. First, he gave Brian to his father and then returned to the flaming area to locate Jimmy, who was wedged between the bed and the wall. After freeing his youngest brother from the burning trailer, William with his hair and back burning, climbed through the window to safety.

All three youngsters were treated for burns. The two youngest had only minor injuries. For William, however, second- and third-degree burns scorched more than 50 percent of his body and, even now, he must wear a pressurized body suit to protect his slowly healing skin.

Within days of the incident I was fortunate enough to have the opportunity to praise William for his bravery. I would have given a more detailed tribute, but, because of the rules of the House, I was limited to 1 minute. Following is that speech.

He smiles sheepishly when responding—"I just did what came natural." Yet, to most, the story of William Holsclaw's courage far surpasses "Normal."

Earlier this month, 12-year-old William bravely ignored flames that were engulfing his family's mobile home, to rescue his two younger brothers, 4-year-old Brian and 3-year-old Jimmy—one at a time.

"He stood there and handed those babies out while he was cooking" his father repeats to the sympathetic listener. Thinking of himself first was not William's way when those flames threatened his family.

By the time his father pulled William out of the burning inferno, William had suffered burns over nearly 50 percent of his body. And, William's bravery must continue, as he faces the many needed skin grafts to repair his charred body.

I am humbled when I hear such stories of courage and especially touched about William, who lives in Jean, NV, a small, isolated town more than an hour's drive from any rescue assistance.

I am proud to praise William's unselfish courage and his sense of humanity—qualities that, for William, just came natural.

Shortly after delivering this message to Congress, I submitted William's name to the Carnegie Hero Fund Commission for nomination. In December, the commission awarded William the hero's medal.

It was a great pleasure for me to present that medal to William in February—just 1 year after his heroic act. His selflessness and courage have set an example for the rest of us and helped us realize the value of life.

William is one of the few people recognized annually by the Carnegie Hero Fund Commission. Since 1904, the commission has honored people who risk or lose their lives in saving or attempting to save the life of someone else. William, who was one of nearly 1,000 nominees for a Carnegie Medal in 1984, was one of the three youngest to receive the award.

Though the details of the incident will fade from the memories of others, the significance of his heroism will live on for William and his family. Yes, he has medals, but he also has scars. More important than awards, however, and a greater tranquilizer than medicine—are the smiling faces of Brian and Jimmy—two young boys who will always consider their older brother the greatest hero in history.●

THE 67TH ANNIVERSARY OF ESTONIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GILMAN. Mr. Speaker, today I am pleased to join in commemorating the 67th anniversary of Estonian independence. Amidst the Russian Revolution and World War I, this small nation declared its independence on February 24. In 1920, after valiantly struggling for independence during invasions from the Red Army, the nation of Estonia finally signed a peace treaty with the Soviet Union.

During this period of true sovereignty, this tiny republic proved the importance of self-determination and in insuring the principles of justice and liberty. In 1925, Estonia became the first country in the world to grant its Russian, Jewish, German, and Latvian minorities cultural autonomy through

subsidized ethnic schools, libraries, and theaters.

But, in 1940, after the infamous Stalin-Hitler Pact, the Soviet armies overran Estonia and annexed Estonia and other Baltic States to the Soviet empire. These nations were subsequently turned into massive military bases.

Currently, the Soviet Union has installed atomic and conventional submarines, warships, missiles, underground and above ground airfields, tanks, and other forms of weapon related systems. Estonians have not accepted this occupation without resistance and in 1981, a group of Estonians signed a petition calling for any nuclear free zone in northern Europe to include the Baltic States. Soviet response was a basic violation of human rights: searching the homes of petition signers and KGB harassment and interrogation. Many people were arrested and on December 16, 1983, three Estonians were sentenced to labor camps for their crimes.

These brave and freedom fighting Estonians are still banished to labor camps for their call for peace and disarmament. And, 1½ million Estonians are held captive by 122,000 Soviet troops in a land that once embraced democratic principles and protected the rights of its citizens.

Today, as we commemorate Estonian Independence Day, let us pledge to continue to combat Soviet oppression there and throughout the world. Let us hope that one day all Estonians will again have the opportunity to choose their own economic, political, and cultural destiny.●

BLACK HISTORY MONTH

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mrs. BURTON of California. Mr. Speaker, February is Black History Month. I would be remiss if I let the month go by without making some mention of the importance of this observance.

Along with my constituents in California's Fifth Congressional District, I applaud this month of legacy and challenge, and was heartened by the celebrations that took place this month in my district. A number of entertainers and speakers were sponsored at the San Francisco County jails this month, including Rev. Amos Brown of the Third Baptist Church and Supervisor Doris M. Ward. Rev. Howard Gloyd, the pastor of Bethel A.M.E. Church, called the celebration of this church's 133rd anniversary "a basic black history." And the Afro-American Historical and Cultural Society, under the leadership of Board President Ed Flowers and Executive Director Jule C. Anderson, organized a series of programs for the month.

Black History Month is especially important to me because so many of my constituents have made black history. They include Federal Judge Cecil Poole, who was the first black U.S. attorney in northern California. Attorney Terry Francois was the first black member of the San Francisco Board of Supervisors; the late Ella Hill Hutch, the first black woman elected to the board of supervisors, and Doris Ward and Willie B. Kennedy, the current black members of the board more than ably follow in their footsteps.

The Honorable Willie Brown is the first black State assemblyman from San Francisco. After some 20 years of exemplary service, he has attained the rank of speaker of the California Legislature. Aileen Hernandez is a constituent who has worked tirelessly on civil rights and women's rights issues. She is a past president of the National Organization of Women [NOW], the only black woman to have held that post. And a discussion of black luminaries in the Bay Area is incomplete without mention of Dr. Carlton Goodlett, whose dedicated service to the San Francisco black community includes publication of the Sun Reporter for over 35 years. Other constituents, too numerous to mention, have been trailblazers in their fields of expertise and deserve recognition in Black History Month.

A bit of irony tinges our celebration of Black History Month. For while we celebrate those black Americans who have served in the forefront of every movement for social change, we acknowledge that 33 percent of the black population is poor. While we note that black Americans helped to build this Nation in countless recorded and unrecorded ways as slaves, homemakers, industrial workers, teachers, soldiers, lawyers, doctors, judges, scientists, athletes, and entertainers, we also note that 50 percent of the black youth in this country cannot contribute because they cannot find work. Black History Month is a time for reflecting on a proud past and for forging a strong and proud future.

Because I share the sentiments of Dr. Julianne Malveaux, an economics professor at San Francisco State University, and columnist for the San Francisco Sun Reporter, I would like to share her column with you.

BLACK HISTORY MONTH: LEGACY AND CHALLENGE

(By Julianne Malveaux)

Black History Month is always a pleasant and reflective time. From the vantage point of the present, we can review our past, acknowledge our heroes and heroines, and scrutinize their words and action for things that are of special value today. Because I have Frederick Douglass' words, "Power concedes nothing without a struggle," prominently placed on my bulletin board, I tend to begin Black History Month with thoughts of his history of activism, and to proceed.

Sojourner Truth's words, "Ain't I A Woman," are moving and important. When she gave her Akron, Ohio, speech in the 1950's, she talked of her work, as much as a man, and her suffering, and her children. And then she asked white women assembled "Ain't I A Woman?" Her words may have been the ones that Shirley Chisholm and C. Delores Tucker thought of when they founded the National Political Congress of Black Women.

Sojourner Truth's words may have special meaning to women like Margaret Bush Wilson, who tangled with top level NAACP leadership and walked away a feminist. Those words must ring in the ears of those black women who keep trying to find a place for themselves in a "woman's movement" that doesn't try to include them.

Another set of "black history words" that are special are the words of our novelists and poets. Martin Delaney was the first black to attend medical school in the United States in the 1850's. He did not graduate from Harvard because his white classmates objected to his presence in their classes. Instead, he became an activist and agitator, and at one point organized black people to leave the United States and return to Africa. He had negotiated with the Liberian Government for land for a black settlement. But Delaney was a renaissance man, the author of one of the early black novels, "Blake: Or the Huts of America." His hero, Blake, was a combination of Nat Turner, Denmark Vessey, and other historical figures.

Because Delaney explored the connection between black people in the United States, in the Caribbean, and Africa, his novel and his life remind us of Paul Laurence Dunbar's poem, "Africa." Dunbar wrote a melodious ode to the continent, an ode that explored connections with the jungle, with Christianity, and with stanzas that ended with the words, "What is Africa to me?" Were Dunbar's words and thoughts a precursor to the current mobilization against apartheid?

W.E.B. DuBois was the writer of the most prophetic words. He noted, at the turn of the 20th century, that "the color line" would be a key issue for the century. He has been right. Despite war and peace and prosperity and poverty and social programs and joblessness, race has been a consistent issue in U.S. public policy. Some folk have tried to sweep it under the rug, and others have sworn that things have changed and that race is no longer important.

But just as black Americans have taken to the street to stop apartheid (OR apart-hate, or racial segregation), so race remains an important consideration in our country. We have, in fact, our own version of apartheid. When a white man shoots four black boys in the back and gets away with it, citing fear, we have apartheid, alive and well in the United States. When black unemployment is more than twice the rate of whites, when black poverty is three times the rate of white poverty, when black men are blocked from labor force participation, when black women on welfare say they would work if there were affordable day care, when black children are squeezed out of city colleges by budget cuts, State colleges because remedial courses are being cut back, and the University of California because of entrance requirements, then the apartheid we protest is not only apartheid in South Africa, but in our

own country. Legally, black Americans are not segregated the way black South Africans are.

Black History Month reminds us of a glorious legacy, the proud and powerful legacy of a people who have survived slavery, serfdom, lynching, recession, and depression and still managed to produce achievers like Frederick Douglass, Mary McLeod Bethune, Dr. Robert Weaver, Roy Wilkins, Everet Just (aptly described as the "Black Apollo of Science" by MIT Prof. Ken Manning), Shirley Chisholm, and others. But why do we reflect on this proud legacy so infrequently? Just once a year, local schools set aside some special time in history classes to talk about black historical figures who made a difference. Once a year, the Federal building displays photos of prominent blacks who have made history. Once a year, churches turn over some of their program time to black history. Once a year, clubs sponsor black history programs. But come March 1, there is business as usual. No more reflections on our past.

Given the current economic position of black folk, reflection can be dangerous. With the number of blacks in poverty growing, the number of blacks who are unemployed rising, and the size of the so-called black middle class shrinking, reflection on our past raises questions about our present and our future. But Black History Month is not only a reflection on our legacy; it is also a challenge to make our futures wholer, stronger, and more equal. We respond to the challenge of Black History Month not by reflecting on our past, but by working for our better future.●

TAXATION OF VETERANS' DISABILITY COMPENSATION

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. KLECZKA. Mr. Speaker, I rise today to voice my concern about the Federal budget deficit which is threatening our economy. Deficit reduction must be a priority during the 99th Congress. Our efforts must include a thorough review of all Federal spending programs, and our approach must be equitable. The budget recently presented to Congress has the ax sharpened for cuts in urban development action grants [UDAG], veterans' benefits, aid to students, and farm programs, just to name a few; but what does it do in the area of defense? Defense spending cannot be exempt from our deficit reduction efforts. No rock should be left unturned; however, care must be taken to avoid upsetting the landscape of our domestic programs.

As we give consideration to various cost-saving proposals, we must proceed carefully. We cannot turn our backs on the human consequences of our actions.

With this in mind, I submit the following remarks, composed by Commander Adam E. Tomes of Cudahy, Wisconsin's Chapter 7 DAV Post, for insertion into the RECORD.

DISABLED AMERICAN VETERANS,
DEPARTMENT OF WISCONSIN INC.
February 13, 1985.

To: Hon. Congressman Gerald Kleczka.

Subject: To Be Read on Congressional Floor.

Re: Taxation of Veterans' Disability Compensation

It is with deep regret and feelings of amazement that I find myself in a position to have to write, address and express views to our legislators of the United States of America on Who, What and Why there are Veterans' in particular Disabled American Veterans and what it is like to be disabled as a result of serving our country at a time of declared wars and or police action states such as Korea and Vietnam. First of all bear in mind and never forget that I doubt if their is any one disabled Veteran alive who regrets or resents that he acquired a disability while serving his country in defense of or Promoting the Fruits of Democracy "Freedom" and equal Justice for all". Lest we never forget this is God's gift to mankind long before our country drafted and or adopted a Constitution protecting and guaranteeing us and the World these Human Rights. If in doubt, from the very moment a baby is born anywhere on earth, God made it a human being, giving this person Eyes, to see this big, beautiful world with all its trimmings, including outer space. Likewise the ability to see your fellow man. Ears, to be able to hear and communicate with your fellow man. Mouth, to be able to communicate and express your own feelings with your fellow man without censorship. Arms and Hands, to be able to help your fellow man and also to be constructive. Legs and Feet, to take you any place you wish to go and as far as you wish, may it be North, South, East or West. God gave man a Heart, to feel emotions, in particular love for your fellow man, and last but not least, he gave us a Brain, to think and reason with, but still gave us the free will to exercise our own decisions, may they be right or wrong. If this is not a blue print for freedom, what is?

There are Veterans who fought in battles in order to protect and guarantee all the American Public their amiable human rights of living in Freedom and then there are Veterans who gave something or part of themselves very unselfishly that permanently leaves them living a life with pain, suffering and rendering them handicapped. These brave and Silent Veterans are called Disabled American Veterans. But then there are Veterans that All Veterans remember, love, respect, and always Make the time available in memory of them with a moment of prayer and that is for all those Veterans who paid with the Supreme Sacrifice by giving up their lives for our very own Freedom much like Christ who gave up his life on the cross for our very own Salvation.

I ask all the legislators, how can any of you in good conscience even consider thoughts of or assessing a tax against a Disabled American Veteran who is drawing compensation for the loss of an arm, or leg, or both or multiple combinations there of when these limbs no longer exist? Or even assessing a tax or penalty against that person for having that kind of Disability? How can you assess a tax against a Veteran who gave us his sight and penalize him for being blind? How about a Veteran who perhaps gave up his normalcy by a head wound or a Veteran who gave a up the ability to speak because his speech control center was knocked out by a shrapnel, perhaps a missile or bullet wound or any type of head injury? How about assessing and penalizing a Veteran for being confined to a wheelchair because he may be Hemiplegic, Paraplegic or Quadraplegic—of course you could declare his wheelchair as tax deductible! Then we have Veterans who may have Psychiatric problems and I'm sure the legislators thoughts of ascertaining a tax on their only security is sure to eliviate some responsibility of our government and because once they commit suicide as did several social security recipients who were taken off their rolls unjustly not too long ago would mean whoever does take his own life becomes one less to be concerned with! Then, of course, we do have many Vietnam Veterans who fall into all the categories listed above. You could once again consider them as being expendible and assess your tax proposals. I myself am a World War II Disabled American Veteran, should I be concerned about them? I dare anyone to ask me!

To my legislators I say I believe I'm sure I know what problem exists—you are not knowledgeable as to what constitutes a Disabled Veteran Status. (You may meet me on the street and say to yourself that man is totally disabled?) (You draw your own conclusions. What you would be unaware of is, first, how did I acquire my disabilities? How incapacitating they are? What has and how much does it cost me in terms of my money despite my so alleged benefits and most of all how does my disabilities affect my family and their lives as an ie. I've lost two families because of them seeing me in bouts of severe pain that last 3-4 days out of each month and I've never gone without being in an emergency room of a hospital at least once per 3-4 weeks since 1943 at age 18 now being 61. The nurses cringe because I no longer have any muscles in my arms, stomach wall, buttock or legs in order to inject narcotics for the pain as prescribes. I had to give up my practice in the medical profession in the interest of my patients because I never knew and know when the pain will strike. Why all this? Because as a medic I felt obligated to save the lives of two comrades and in so doing sustained a fractured and dislocated four vertebrae in my neck and despite the injury managed to save another from drowning but my dear legislators you better believe when I say as an individual and professional there are others far worse than I. If you take the time to visit the V.A. Hospital or even a chapter meeting of anyone of the D.A.V. Organizations I'm sure all of you will have second thoughts about your tax proposals. Also please be aware of how difficult it is to be given and or rated in degrees of disability being service connected you will not find a single veteran receiving Service Connected Disability who is not entitled to it. Likewise, there are many entitled to more than what they receive.

I will conclude by saying to all the legislators take a poll from the public as I have and get their opinions on your proposals regarding the Disabled American Veterans—Their opinions I assure you will astound you! One opinion and suggestion an attorney gave me, "is this a stepping stone to euthanasia?" I realize our government has to function within a reasonable budget but I also feel there are other avenues to rectify these problems without penalizing the Veterans and their justifiable, earned benefits. Remember without their dedications, devotions, and sacrifices this country, its ideals, goals and principles would not be in existence or in reality. One last comment—I can't help but feel that your proposals and

all the publicity it creates gives all the Communists one of the greatest victories ever achieved in the 20th Century without firing a single bullet—Have any of you ever given any serious thoughts before you act?

ADAM E. TOMES, *Comdr.,*
DAV Chapter 7, Clement J. Zablocki,
6260 S. Lake Drive, Cudahy, WI●

REFOCUSING ON BROKERED DEPOSITS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GARCIA. Mr. Speaker, earlier this year I introduced H.R. 107, a bill designed to address the use of brokered funds within the financial industry. This bill carefully balances the desires of individual investors with the needs of local thrifts and banks and the concerns of Federal regulators. In essence, the bill places a cap on the amount of short-term brokered funds any financial institution may hold while maintaining protections for the Federal deposit insurance system by restricting the activities of troubled thrifts and banks.

There has been a great deal of literature on this subject over the last 12 months. Perhaps one of the most thorough studies to come along was recenly released by Cates Consulting Analysts of New York. The study examines the failure of some 76 banks and thrifts and the role brokered funds played in the downfall of these institutions. Their conclusion, as pointed out in the following American Banker article, is that those blaming the failure of depository institutions on broker funds all but ignore the virtues of the brokerage function while failing to understand the role other sources of funds play in the failure of institutions as well as the inability of some thrifts and banks to manage credit risk and/or interest rate risk.

For the purview of my colleagues, I am including a copy of an article which appears in today's American Banker.

[From the American Banker, Feb. 26, 1985]

REFOCUSING ON BROKERED DEPOSITS

(By Sanford Rose)

As a famous legislator once quipped: "Don't blame you! Don't blame me! Blame the man behind the tree!" Today the man behind the tree is the deposit broker, the favorite whipping boy of a goodly number of panicky regulators, bemused congressmen, and credulous jounalists. Many would curtail or even ban the brokered deposit, which is said to have contributed to the failure of countless financial institutions.

The palpable falsity of this proposition is demonstrated in a recently released study by Cates Consulting Analysts of New York. The study examines the reasons for failure at the 60 commercial banks and some 16 savings and loans that folded between January 1 and Sept. 30, 1984. Particular attention is paid to the role of brokered deposits in these 76 failures.

Of the 60 commercial banks that failed in the first nine months of last year, 37 (63%) had no brokered deposits whatsoever. Of the 23 that used brokered funds, nine employed them so sparingly that they could not have played any measurable part in the collapse of these institutions. The median ratio of brokered money to total deposits at these banks amounted to less than 7%.

Six failed banks made moderate use of brokered funds—20% or less or total deposits. Only eight banks—13% of those that went belly-up during the period—might be described as immoderate gatherers of brokered funds, with usage amounting to more than 20% of total deposits. And only two of these eight banks were brokered-funds hogs, taking more than 37% of their total deposits out of the brokered-funds market.

There were 17 failures of savings and loans from January 1 to September 30 of last year. Data are available on 16 of these unfortunate institutions. Ten of the S&Ls had no brokered deposits at all. Of the six that used brokered funds, two got less than 2% of their total deposits from brokers, one obtained 19% of its money in this form, and in only three cases was the ratio of brokered to total deposits greater than 20%.

OTHER MONEY COULD BE HAD

The most significant datum in the Cates study concerns the ratio of brokered funds to all forms of purchased money. The brokered deposits, whether retail or wholesale, bears some of the characteristics of purchased money. Brokers of retail funds generally aggregate retail deposits and place the funds in institutions in units of $100,000. Those who deal in wholesale funds perform the reverse operation, disaggregating larger chunks of money and also placing them in units of $100,000. Thus nearly all forms of brokered money appear on balance sheets in the category of large liabilities—$100,000-and-over deposits.

As the Cates study points out, brokered funds represent only one category of large liabilities. Jumbo CDs, fed funds, repos, and commercial paper constitute the bulk of other types of purchased money.

Observes Ray Garea, an executive vice president of the Cates group and the author of the study: "If we find that significant levels of brokered deposits were present in a substantial number of 1984 bank failures, that does not necessarily support a conclusion that brokered deposits cause or were even related to such failures. If the banks that failed made excessive use of other types of purchased money, it would be inappropriate to focus on brokered funds alone as a cause of failure. Attempting to limit or eliminate the use of brokered deposits would have little effect if banks could merely shift to other forms of purchased money."

A glance at the Cates data reveals that this is precisely what would happen. Surprisingly, failed banks that used brokered deposits have had abundant access to other bought money. The ratio of brokered deposits to bought money at the 23 failed banks that tapped the brokered-funds market was only 37%. In other words, the users of brokered money were able to obtain 63% of their purchased-money requirements from nonbroker sources—ostensibly from unwary investors in their local markets.

Looked at from another vantage, the 23 failed banks with brokered deposits were excess users of bought money. They funded nearly 40% of earning assets with large liabilities. But only 13% of their assets were funded with the brokered-deposit component of bought money. The rest of the cash came from directly placed paper. Thus the evidence would seem to indicate that, absent brokered funds, these banks could have gone elsewhere to finance their shaky portfolios.

The same point can be made about the six failed S&Ls that made use of brokers. The ratio of brokered deposits to purchased funds at these institutions amounted to 48%. Clearly, thrift users of brokered money were able to obtain more than half of their total requirements from other sources.

Where did these six as well as the other 10 failed thrifts get the purchased money that financed an excessive portion of their earning assets? That's easy. They got a large chunk of it from their respective Federal Home Loan Banks. Purchased funds at the 16 failed thrifts financed around 30% of earning assets. The proportion of earning assets funded by FHLB advances at these institutions averaged nearly 14%.

Failed thrifts made considerably greater use of FHLB money than did healthier associations. The question might then be legitimately asked: If the regulators themselves provided the wherewithal for shaky associations to greatly expand their operations, how is it possible to single out for condemnation the deposit broker, who in some cases merely supplemented the effort of the governmental authorities?

Or as analyst Ray Garea puts it more piquantly: "If one wants to argue that a specific liability category causes S&L failures, then the solution is to dismantle the Federal Home Loan Bank System!"

But the obvious fact is that specific liability categories are not responsible for the demise of thrifts or for that of commercial banks either. The 16 savings and loan casualties of 1984 perished because they assumed even more interest rate risk than did their peers. As a result, their net interest margins and their book capital positions deteriorated more rapidly than was the case at those associations which still cling to life.

The 60 commercial banks that failed in 1984 did so because of problems of asset quality. In 1983, the median radio of nonperforming loans to total loans at these 60 institutions was an astounding 11.44%. The ratio of chargeoffs to loans in 1983 was approximately 10 times greater in these 60 banks than it was for banks in general. Even in 1982, 40% of the 1984 failures had loan losses equal to or greater than 1.46% of total loans.

WALKING CORPSES

The conclusion is inescapable: Banks and thrifts fail because of their inability to manage credit risk and/or interest rate risk. The presence or absence of brokered deposits is largely irrelevant to their condition.

Indeed, in most cases, it can be shown that failed banks or thrifts were walking corpses long before they acquired significant amounts of brokered money, if, in fact, they did so. Consider two examples of 1985 failures that have recently been reported. Just this month, the $20 million-deposit Peoples Bank & Trust Co. of Wartburg, Tenn., and the $33 million-deposit West Valley Bank of Woodland Hills, Calif., were closed. Both banks were alleged to have acquired large amounts of brokered deposits to engage in speculative and shady deals—a phenomenon dubbed linked financing. The implication is that these institutions failed because of the relationship between brokered money and

questionable or illegal enterprises. But nothing could be further from the truth.

The Tennessee institution posted losses of 3.64% on assets and had chargeoffs equal to 6.30% of loans in 1983, at a time when its reliance on brokered money had not yet ballooned. Indeed, in that year large liabilities as a percent of earning assets was 21%, actually down from the 32% recorded in 1982.

Given its losses and an alarming drop in its capital ratio, the $20 million bank was experiencing terminal difficulties before it made the decision to acquire an estimated $8 million to $10 million in brokered funds. The decision to seek those funds was undoubtedly a desperate gamble designed to reverse the inevitable greased slide into oblivion.

THE CAUSE WAS GLUTTONY

The bank's real difficulties began when it overlent outrageously in 1980. In that year, commercial loans grew by a vertiginous 51%, and this was followed in 1981 by a further 40% explosion in the commercial loan portfolio.

The West Valley Bank lost 50 basis points on assets in 1983 and 40 basis points the year before. Its retrun on assets had been slipping since 1980. The bank recorded net chargeoffs equal to 2.17% of loans in 1981. After falling to 1.01% in 1982, chargeoffs climbed back to 1.51% in 1983. By 1982, the bank's other real estate owned as a percent of loans plus OREO had reached 4.52%.

Quite obviously, this institution was drowning in bad real estate loans. In 1980, the growth of nonretail loans amounted to an eyepopping 70%. Apparently, the bank had enormously expanded its commercial real estate portfolio at precisely the wrong time, reaching both for unsustained volume and for yield.

Interestingly, in 1983, West Valley's reliance on large liabilities was no greater than that of regional peer banks in the same size group, although dependence on purchased money had been greater in the past. But no one can reasonably argue that purchased or brokered money undid West Valley. The bank was already in extremis in 1983.

That year, it appears to have suffered a crippling loss of collected demand deposits, as strapped borrowers seemingly could not maintain the level of their compensating balances. Hence, they engaged in a continuous round of check writing, which inflated cash items in the process of collection and sharply reduced the bank's ratio of earning assets to total assets.

At West Valley, more than a third of reported assets did not earn a dime in 1983. Any bank that can't stop the hemorrhaging of investable demand balances is terribly ill. The fact that West Valley subsequently embarked on a madcap insurance scheme funded with brokered money is very nearly beside the point.

SLIGHTED VIRTUES

Those who blame brokered money for the failure of depository institutions overemphasize the dangers and all but ignore the virtues of the brokerage function. Brokerage improves the efficiency of markets, and if allowed to flourish, may contribute to the ability of banks and thrifts to provide borrowers with long-term credit accommodations. (See "In Praise of Brokered Deposits," the *American Banker*, March 29, 1984.)

While there are some problems with unrestricted brokerage, these can for the most part be eliminated with minor reforms. It is simply idiotic, however, to link brokerage to the demise of depository institutions. The Cates study is a partisan document, to be sure. It was written for Merrill Lynch. But it is soundly researched, and its conclusion—that there is little, if any, causal connection between brokered funds and bank or thrift collapse—is unassailable.●

ABORTION AND OTHER IMAGES OF HORROR

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GREEN. Mr. Speaker, I would like to submit for the RECORD a thought-provoking editorial which was featured recently on the OpEd page of the Washington Post. Entitled "Abortion and Other Images of Horror," the message of the article can best be summarized by one of its sentences:

If it is no longer possible to claim ignorance of the pain of abortion, as the people behind "The Silent Scream" would claim, it is even less possible to claim ignorance of the terrible cost to human dignity—and in human life—of overpopulation and its attendant misery and suffering.

This article is particularly interesting in view of the administration's withholding of $46 million in 1985 funding for the U.N. Fund for Population Activities and of its cutoff of $17 million for International Planned Parenthood Federation.

I recommend the following article to my colleagues:

[From the Washington Post, Feb. 19, 1985]

ABORTION AND OTHER IMAGES OF HORROR

(By William McPherson)

One day last week I went over to the White House to see a movie. That's not something I regularly do— or indeed had ever done. But I'd never seen the movie before, either, and I was curious. The film was "The Silent Scream," which shows by means of ultrasound the aborting of a 12-week fetus. Presidential assistant Faith Ryan Whitlesey described the 28-minute film as "a powerful testament for the pro-life position," and indeed it is, though perhaps not so utterly compelling as its most fervent advocates, would like to believe. A special commemorative edition of the film was given to the president, who had already seen it, and videtapes were delivered later that day to every member of Congress and to the justices of the Supreme Court. It is the president's hope, as he said last month, "that if every member of Congress could see this film . . . , that Congress would move quickly to end the tragedy of abortion."

Whether one agrees or disagrees with the president, any person or normal sensibilities would have to find the film disturbing—rather the way the television footage of children starving in Ethiopia was disturbing when we first saw it last year. We do not want to hear about fetuses being "torn apart, dismembered, disarticulated, crushed and destroyed," in the words—all the more shocking for their cool delivery—of Dr. Bernard N. Nathanson, a founder of the National Abortion Rights Action League who changed his mind and joined the other side. (He narrates the film and was at the White House to introduce it to a hundred or more of the faithful, including the Rev. Jerry Falwell, as well as some members of the president's staff and a few journalists.) We do not want to see the gruesome shots of fetuses in trash cans. We do not want to see Ethiopian children starving, either. We want, as they say, everything to be nice, and every child wanted and every family happy, and wars and pestilence and famine to cease.

But life is not a fairy tale, and not everything that happens is nice. The famine in sub-Sahara Africa is not nice. The extreme poverty in which much of the world lives is not nice. Wars which continue to sweep one corner of the planet or another are not nice. Pestilence and death are not nice, nor is terror. As it turns out, life is not a television comedy either, and all these things we might prefer not to see do in fact exist out there and now even assault us from our television screens. The visual image has indeed brought the horror home. If it is no longer possible to claim ignorance of the pain of abortion, as the people behind "The Silent Scream" would claim, it is even less possible to claim ignorance of the terrible cost to human dignity—and in human life—of overpopulation and its attendant misery and suffering.

And yet people try all the time. Many of those most opposed to abortion, for instance, are also most opposed to any other civilized method of population control (except, it sometimes seems, capital punishment). Even the White House has temporarily (perhaps permanently) frozen $46 million intended for the United Nations Fund for Population Activities. It has also cut off $17 million for the International Planned Parenthood Federation because a very small proportion of its funds helps support abortion clinics in countries where they are legal. And the Agency for International Development's Family Assistance Planning funds have been reduced by $40 million in the new fiscal year.

It is incredible to me that an administration so sensitive to life *in utero*, and so touched by the sad individual case, can be so seemingly unaware of the horrible checks that the world will impose willy-nilly on unlimited life outside the womb. Surely no one can "like" abortion; but just as surely no one can really like those traditional and exceedingly harsh but effective methods of keeping the world's population within manageable limits: the "natural" scourges of famine, pestilence and war. The screams of those victims are not silent. And if the population of the world soars from its present 5 billion to a projected 12 billion in the next century, no one can reasonably expect those terrible afflictions of humankind to remain at a decent distance from these happy shores. The time for emergency aid is now. The real emergency aid is the aid we are withholding.●

1983 FIREFIGHTER FATALITIES—108

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GOODLING. Mr. Speaker, on October 4, 1981, the people of the United States dedicated a monument at the National Emergency Center in

Emmitsburg, MD, known as the Fallen Firefighters Memorial. The monument pays tribute to America's firefighters, who had been the bulwark of the Nation's civil defense effort since the founding days of our country. Throughout our history, patriotic Americans have risked their lives to defend their communities against fire and disasters. Therefore, it is only fitting to remember those who have given their lives unselfishly in service to their fellow man.

On Sunday, October 14, 1984, the third annual Fallen Firefighters Memorial ceremony was held at the monument site, honoring those who made the ultimate sacrifice—the sacrifice of their life in an effort to save others—during 1983.

The public participation in the national observance was the greatest attendance—over 700—since the dedication in 1981. Over 27 families of deceased were present on this special day. The observance, as is traditional, started in the campus chapel. The memorial service was concluded at the monument. The 1983 ceremony was particularly notable because of the presence of the U.S. Military Academy Glee Club. All in all it was a most impressive program; therefore, for posterity's sake I am entering the program as it was presented on this special Sunday in October.

It is proper and a privilege for me to bring the names of these everyday patriots to your attention and the attention of the Nation as a permanent record of their honorable and selfless deeds.

The list of names follows:

1983 FIREFIGHTER FATALITIES—108

Lonnie L. Franklin, Houston, Texas Fire Department

James D. Overstreet, Dowling Fire Department, Ozark, Alabama

Huey Copeland, Wolf Lake Ware Fire Department, Wolf Lake, Illinois

Herman R. Tidwell, Waxahachie, Texas Fire Department

Frederick A. Steffen, Frankford Township Fire Department, Branchville, New Jersey

John H. Marnati, Murphysboro, Illinois Fire Department

Bernard A. Frechette, Newton, Massachusetts Fire Department

Joseph F. Shipton, Hamel, Illinois Community Fire Protection District

William B. Entwistle, New Milford, New Jersey Volunteer Fire Department

Walter T. Hale, Springfield, Kentucky Fire Department

Kenneth J. Sobbe, New Lenox, Illinois Fire Protection District

Vernon A. Gudat, Peoria, Illinois Fire Department

Keith Farr, Avon, New York Fire Department

Ernest J. Bergeron, Houma, Louisiana Fire Department

Hilbert J. Reiner, Muir, Pennsylvania Volunteer Fire Department

Harold L. Baker, Bristow, Oklahoma Fire Department

John A. Yoder, Los Angeles County, California Fire Department

Robert E. Spangenberg, Allentown, Pennsylvania Fire Department

Joseph D. Arnold, Sr., Rural Security Fire Company, Lebanon, Pennsylvania

James C. Nelson, Sterling Heights, Michigan Fire Department

Michel S. Chenard, Orange County, California Fire Department

Richard C. Miller, Menoher Heights Fire Department, Johnstown, Pennsylvania

Erich J. Buzilow, II, Smithfield Volunteer Fire Company 1, Huntingdon, Pennsylvania

Leonard J. Farr, Creighton, Missouri Fire District No. 5

Andrew S. Usyk, Sr., Schuyler Fire Department, Utica, New York

Dale F. Eyerdom, Granger Township Fire Department, Medina, Ohio

Eddie F. Jackson, Pensacola, Florida Fire Department

Athniel K. Appelberg, Pensacola, Florida Fire Department

William L. Smothers, USDA Forest Service, Daniel Boone National Forest, Winchester, Kentucky

Warren D. Colby, Springfield, Massachusetts Fire Department

John J. Thompson, Heightstown, New Jersey Engine Company 1

Albert F. McGovern, Sr., Bridgeport, Connecticut Fire Department

Thomas Girdley, Crossville, Tennessee Fire Department

William E. Booth, I, Riverview, Missouri Fire Protection District

George R. Burton, Parker Colorado Fire Department

Robert J. McPherson, Beverly, Massachusetts Fire Department

Harvey C. Wolf, Tyrone, Pennsylvania Fire Police

Robert W. Raitz, Sr., Holland, Ohio Fire Department

Gilbert G. Hund, Fullerton, California Fire Department

Garry S. Kuehner, Yonkers, New York Fire Department

Robert Wasner, East Orange, New Jersey Fire Department

Arthur E. Mattson, Jr., Mohegan Fire Company, Uncasville, Connecticut

Gary Kreski, Livonia, Michigan Fire Department

Leonard J. Bloodgood, Otisco Fire Department, Tully, New York

Richard D. Shively, Findlay, Ohio Fire Department

Donald P. Semyon, Avoca Pennsylvania Hose Company No. 1

John C. Tyner, Sr., Grays Creek Volunteer Fire Department, Hope Mills, North Carolina

Robert L. Baltimore, Palm River Volunteer Fire Department, Tampa, Florida

Herman Peyton, Parker, Arizona Fire Department

Ernest A. Duquette, Glen Park Fire Department, Watertown, New York

Lawrence E. Miller, Cherry Creek, New York Fire Department

Clifton A. Graves, Sunset Whitney Volunteer Fire Department, Rocklin, California

Arleigh M. Christensen, East Harford, Connecticut Fire Department

Harold J. Cornell, Saint Marys, West Virginia Fire Department

David F. Cook, Griffith Volunteer Fire Department, Winston-Salem, North Carolina

Willian N. Hammond, General Electric Fire Department, Ft. Edward, New York

Donald R. Bogash, Riverhead, New York Volunteer Fire Department

James D. Mahaney, Cairo, West Virginia Fire Department

Lisa Long, Seattle, Washington Fire Department

David B. Manetzke, Pensacola, Florida Naval Air Station Fire Department

Barry V. Johnson, Monona, Wisconsin Fire Department

Lester D. Shaw, Claflin, Kansas Fire District No. 1

Jeffery L. Dieter, Sr., Ocean City, Maryland Volunteer Fire Department

Charles A. Crowley, Jr., Hammonton, New Jersey Fire Department

Lawrence J. Bleichner, Tolono, Illinois Fire Department

Gregory A. Stauffer, Jefferson Volunteer Fire Company, Codorus, Pennsylvania

Sidney Brown, Chicago, Illinois Fire Department

Eric D. Fitzgerald, George McMurty Fire Company, Vandergrift, Pennsylvania

Richard D. Dixson, Chillicothe, Missouri Fire Department

Willian J. Ford, New York City Fire Department, Brooklyn, New York

Henry D. Salas, Pasadena, California Fire Department

Keith L. Lemmons, Bureau of Land Management, Carson City, Nevada

Gene A. Ahrendt, USDA Forest Service, Big Horn National Forest, Sheriden, Wyoming

Robert P. Cogan, Maplewood, New Jersey Fire Department

Michael P. McCarthy, Morningside, Maryland Volunteer Fire Department

Jackie R. Gober, Dekalb County Fire Department, Decatur, Georgia

Edwin S. Irwin, Harding County Rural Fire District No. 2, Nara Visa, New Mexico

Edmund A. Chrosniak, Buffalo, New York, Fire Department

Peter J. D'Abrosca, Cranston, Rhode Island Fire Department

Frederick W. Mayberry, Silverdale, Pennsylvania Fire Company

Alan E. Jones, New Rochelle, New York Fire Department

John L. McDonnell, Draintree, Massachusetts Fire Department

Smith Carroll, Barbourville, Kentucky Fire Department

William J. Mahoney, Portsmouth, Virginia Naval Shipyard Fire Department

Ellis A. Williams, Jr., Dade County Fire Department, Miami, Florida

Edward T. Mosko, Dearborn, Michigan Fire Department

Edward J. Donovan, Boston, Massachusetts Fire Department

Arthur L. Cassel, Jr., Newton Falls, New York Volunteer Fire Department

Calvin L. Steve, District of Columbia Fire Department, Washington, DC

Jerry V. Litell, Sacramento, California Fire Department

Wayne M. Turpin, Fairmount, Illinois—Vance Township Fire Department

Michael J. Blanchard, Sr., Southbridge, Massachusetts Fire Department

Duane P. Dress, Put-in-Bay, Ohio Volunteer Fire Department

Bruce E. Mettler, Put-in-Bay, Ohio Volunteer Fire Department

Michael L. Sweeney, Put-in-Bay, Ohio Volunteer Fire Department

Donald C. Lund, Clearwater, Florida Fire Department

Glenn E. McCoog, P.O.L. Volunteer Fire Company, Wayne, New Jersey

Jerald J. Hisel, Los Angeles County, California Fire Department

Arthur E. Gurule, Los Alamos, New Mexico Fire Department

Charles L. Drenth, Lyle, Minnesota Fire Department

Raymond C. Hickman, New Bloomington, Ohio Volunteer Fire Department

Michael G. Catanzaro, Buffalo, New York Fire Department

Michael L. Austin, Buffalo, New York Fire Department

Matthew E. Colpoys, Buffalo, New York Fire Department

James C. Lickfeld, Buffalo, New York Fire Department

Anthony J. Waszkielewicz, Buffalo, New York Fire Department

Leon Morris, Pittsburgh, Pennsylvania Fire Department

Hubert W. Golden, Bismark Comm. Fire Protection District, Danville, Illinois●

THE 67TH ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF ESTONIA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. HOWARD. Like the other Baltic republics, Estonia realized its independence just after World War I, only to have it taken away a generation later as Stalin, in complicity with Nazi Germany, sliced up Eastern Europe under the auspices of the then "secret" protocols to the Molotov-Ribbentrop Pact. In the years since the Soviet seizure of Estonia and the other free ethnically distinct nations, Moscow has pursued a cold, calculated policy of Russification, a policy wholly inconsistent with the Soviet constitution.

We can only conclude from Soviet policy in Estonia that Moscow's duplicity toward Soviet citizens extends to matters of autonomy as well. Only by raising its standards of conduct to the level of other civilized nations can the U.S.S.R. legitimately claim great nation status. Until then the Soviet Union will remain simply a heavily armed collosus, afraid to address the legitimate aspirations of distinct nations within its own borders and unable to earn the respect of the international community.

As Americans, it is not our preference but our duty to express solidarity with all people for whom the light of freedom is a fervent dream, a yearning of the spirit amidst a systematically repressive reality. We are brothers with the Estonian people, brothers by virtue of the freedom we cherish and the freedom they so desire.●

CAPITAL PUNISHMENT—TOPIC OF NEW BOOK BY CONGRESSMAN WILLIAM CLAY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to inform my colleagues of the upcoming book by the Gentleman from Missouri, [Mr. CLAY] on capital punishment in America. Tentatively entitled, "Kill or Be Killed," the book includes cleverly presented arguments against the death penalty.

After it is published, I know that the book will be the topic of discussion by both advocates and opponents of capital punishment. This thought-provoking book promises to be of significant interest to people around the globe.

In anticipation of the completion and publication of the book, the St. Louis Post-Dispatch ran an article in its January 28, 1985 edition. At this time, I submit the aforementioned article in the CONGRESSIONAL RECORD. I ask my colleagues to join me in saluting Congressman WILLIAM CLAY on his upcoming book.

The article follows:

[From the St. Louis Post-Dispatch, Jan. 28, 1985]

CLAY'S DEATH PENALTY CRUSADE BECOMING A BOOK

(By Bill Lambrecht)

("Good evening, I am John Smith in our Cleveland studio, bringing you the latest report on the latest government homicide. Today Dorothy Falwell, age 16, white, 5-foot-2, 122 pounds, became the 610th person executed in the U.S. this year.")

WASHINGTON.—The above is not a snippet of a screenplay or a passage from some futuristic novel. It comes from the chapter called "Why Not Public Executions?" in an almost-done book by a would-be author: Rep. William L. Clay, D-St. Louis.

Clay quietly has devoted hundreds of hours during the past year putting together a book, his first such effort. Its subject is one of his favorites during his 16 years in Congress: the wrongs of capital punishment.

The book, tentatively called "Kill or Be Killed," is non-fiction, a treatise of Clay's strong beliefs. He has more than 200 pages in nearly polished form, and he plans to finish his last revisions within two months, he said during an interview last week. He made available some of the chapters.

Clay's dedication to the writing might surprise some of those who know of his reputation, right or wrong, as one who moves about among issues but leaves details to others.

He has approached his book purposefully, reading hundreds of articles in recent months. Sometimes he sits over his electric typewriter in his home in Maryland until 3 a.m. or later, he said.

"I feel good when I write, but I admit I have to keep rewriting to get it like I want it," Clay said.

During Congress' light schedule of late, he has been working almost nonstop on the book from Friday mornings through Monday nights, he said.

The result is a fat sheath of typewritten pages stuffed into a black leather binder. He scribbles notes and editing changes in the margins. Then he gets a new version typed and goes over it again.

Clay plans to start looking for a publisher soon, he said. A friend in the book business told him recently that he might find some difficulty finding an audience. But Clay is undaunted.

"If I have to, I'll publish it myself," he said.

"The all-male, all-black jury found little Dorothy Falwell guilty of luring the victim, Willie Bobo, black male, 250-pound construction worker, into a deserted, wooded area, robbing him of his week's salary and crushing his head with a baseball bat."

Clay writes his own column for small newspapers in his district; most members of Congress delegate that task. Clay says the book came about almost by accident. About two years ago, Clay began preparing a speech for the House floor against a bill for the death penalty. He won praise from colleagues for his remarks, he recalled last week.

Soon after, Clay had to give a speech in St. Louis. He chose the death penalty as the topic. The clips and photocopies on his desk began to grow.

It helps, of course, to have the run of the world's biggest library, the Library of Congress. To members of Congress, the library delivers. The mounds of paper on his desk grew. Before long, the material had outgrown the speech.

Reflected and footnoted in the draft of his book are newspaper and magazine stories, serious works of theology, historical material and essayists like Albert Camus. For Clay, it's almost like being back at St. Louis University, where he got a degree in history and political science in 1953.

Recently, Clay sought to interview some inmates on death row in Virginia. They refused. But Clay said he would try to talk with others.

Throughout the draft are Clay's beliefs, stated strongly, that the death penalty is barbaric, ineffective as a crime deterrent and administered to the lower classes.

"There has never been a rich person put to death in this country," Clay remarked last week.

"Now we go to Roger Brown, our field reporter, at the scene of the execution. . . . 'Yes John, I will attempt to vocalize for the 40 million viewers exactly what took place here at the Ohio State Bastille. Let the tape start to run. The executioner is now putting the noose over Little Dorothy's head . . .'"

In his narrative of the public hanging, Clay tries to demonstrate the brutality of the death penalty. He mocks justice and makes his characters as bizarre as possible to make his points.

Clay writes of executions in 19th-century India, in which the condemned were strapped to the hind leg of an elephant and crushed to death. "Some argue nothing so gory could possibly happen in the U.S.," Clay wrote. "But in fact it did happen here. It happened less than 45 years ago in the great state of Missouri."

He then related the true story of Cleo Wright, a black man arrested in Sikeston, Mo., in the killing of the wife of an army sergeant. Wright was shot three times by police and taken to a hospital. A mob broke into the hospital and dragged him away, hooking his knees over the rear bumper of an automobile. Wright was dragged through

town and then soaked with gasoline and ignited.

Clay goes on to make his case that all who believe in the death penalty should be required to observe when it is carried out.

"The playing of the national anthem, the raising of the flag, the beating of the drums and, of course, selective readings from the Old Testament will befit the spectacle. Popcorn for the children, beer for the adults, cheerleaders and scorecards to identify the players will be required.

"The president of the U.S. will feel compelled to call the jury foreman, the governor and the executioner to offer his congratulations."

"'Now Warden Henry Georing VIII is giving the nod to proceed. He is cutting the springs, which will set off the trap. Oh, oh, Little Dorothy just hit the bottom and you can see that she is fighting, pulling on the straps, wheezing, whistling. She seems to be trying to get air.'"●

BLACK HISTORY MONTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. BROWN of California. Mr. Speaker, when our grandmothers and grandfathers used to sit down and talk about their lives, they weren't just telling tales. Rather they were following a long line of historians who passed their precious knowledge from generation to generation using the most expressive instrument created: the human voice.

This knowledge is power. Because when you know where you come from, you know who you are. Our grandparents knew this, so did W.E.B. Dubois, Sojourner Truth, Dr. Carter G. Woodson, and Martin Luther King, Jr. They also knew how important it was that this knowledge continue to be handed down. Black History Month is a reminder for us to learn from the past. For through black history, the voices of the past speak to us personally, asking us what have we done, what are we doing, and what are we prepared to do to ensure that the slaves, activists and martyrs did not dream and die in vain.

On this level, history is what Dr. Carter G. Woodson, the father of black history, called the clarified experience of people. Dr. Woodson wrote this about the black past:

> The achievements of the Negro properly set forth will crown him as a factor in early human progress and a maker of modern civilization. He has supplied the demand for labor of a large area of our country . . . he has given the nation a poetic stimulus, he has developed the most popular music of the modern era, and he has preserved in its purity the brotherhood taught by Jesus of Nazareth. In his native country, moreover, he produced in the ancient world a civilization contemporaneous with that of the nations of the early Mediterranean, he influenced the cultures then cast in the crucible of time, and he taught the modern world the use of the iron by which service and initiative have remade the universe. Must we let this generation continue ignorant of these eloquent facts?

Dr. Woodson believed that such an observance of black history would afford all Americans the opportunity to learn, recognize and appreciate the role of black Americans. We are all too familiar with the contributions made by Thomas Jefferson, George Washington, and Abraham Lincoln. But how many of us know that in 1909, Mathew Henson, a black man, planted the American flag at the North Pole; or that the second book published by a woman in America was written by a black woman, Phillis Wheatley, in 1773; or that Dr. Daniel Hale Williams performed the first successful heart operation in 1893; or that 17 years ago, Thurgood Marshall was appointed Justice to the Supreme Court.

These are living testimonies of the voices of the black past, who speak to us from slavery and segregation, which tell us among other things, that nothing—neither reactionaries, nor temporary political and economic setbacks—can destroy the American dream, if we keep the faith of our grandfathers and grandmothers and put our hands to the plow and hold on.

I am sure, Mr. Speaker, that a good number of my colleagues recognize these eloquent words by Dr. Martin Luther King, Jr., when he spoke about the future of black Americans:

> We've got some difficult days ahead. But it doesn't matter with me now, because I've been to the mountaintop. . . . And I've seen the promised land. I may not get there with you. But I want you to know tonight that we as a people will get to the promised land.

As we pause to recognize the black men and women who have contributed to the development of America's economic, cultural and social heritage, we must bear in mind that now is the time to honor the past, as well as a time to look ahead to many more accomplishments in the future. Knowing and understanding the history of black Americans is a must if we are ever to fully appreciate the total American historical experience.●

NO INDIVIDUAL AND NO GOVERNMENTAL AGENCY IS ABOVE THE LAW

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mrs. COLLINS. Mr. Speaker, equality under the law is a primary concern for all of us. Citizens are required to obey just laws in the same ways as Federal agencies are bound to adhere to the law. But sometimes the system breaks down.

On July 25, 1984, the House Government Activities and Transportation Subcommittee, which I chair, held a hearing on the refusal of the National Endowment for the Humanities [NEH] to comply with directives to submit employment information, required by law, to the Equal Employment Opportunity Commission [EEOC], which is the lead agency in the Federal Government to oversee employment and affirmative action issues.

During that hearing, we were told by EEOC Chairman Clarence Thomas that NEH was joined by the Federal Trade Commission and the Justice Department in a blatant refusal to submit employment goals and timetables for their agencies as mandated by section 717 of title VII of the 1964 Civil Rights Act as amended. This law forbids discrimination on the basis of race, color, religion, sex, or national origin. Currently, 110 Federal agencies are required to file an annual submission of these goals and timetables; 107 agencies have done so.

The NEH is currently headed by William Bennett who has been nominated for Secretary of the Department of Education.

To remedy this problem, I have introduced H.R. 781. Its main purpose is to promptly provide the EEOC with the necessary power to subpoena information relating to employment practices from any officer or employee of any Federal department or agency who seeks to evade or defy the law requiring such officer or employee to provide such information to the Commission.

My bill, H.R. 781, applies specifically to section 717, title VII of the Civil Rights Act.

Without such data, it is impossible for EEOC to compare an agency's performance with prior years so that it can determine whether there has been progress or regression in hiring practices.

In his testimony before our subcommittee, Chairman Thomas stated that: "There is no legitimate question with regard to the Commission's authority to seek information it deems appropriate." However, he noted that his agency lacked the necessary appropriate sanctions to require compliance from delinquent Federal agencies. "I think that Congress could simply give us some enforcement provisions. There aren't any now," Chairman Thomas said.

H.R. 781 will correct this unintentional oversight that occurred when Congress approved the reorganization plan of 1978, which created EEOC.

Should any Federal employee refuse to comply with the subpoena, the EEOC would be empowered to request a court order seeking compliance. If the recalcitrant individual still chose

to ignore the court order, he or she could be held in contempt of court.

Under the legal authority of subpoena power, sanctions for contempt of court can include fines and imprisonment.

In a democracy such as exists in the United States, no person or institution is above the laws of the land. We are not free to pick and choose which we will obey and which we will ignore. The goals and timetables requirements specified by the Civil Rights law apply to all 110 Federal agencies.

H.R. 781 will provide the tools to EEOC to seek this essential compliance with the law.●

FREE TRADE ZONE FOR SMALL BUSINESS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. ROTH. Mr. Speaker, over the last decade, the United States has run trade deficits in every year but one. The trade deficit for 1984 toppled $123 billion and projections for 1985 are just as gloomy.

Although our capital accounts have offset to some extent the effects of these huge deficits, we are not trading enough. Year in and year out, we are not exporting our goods to the world at the same rate that we are bringing products into our country.

CONTRIBUTION OF SMALL BUSINESS

When we look at the structure of our exporting community, we find that less than 2,000 major companies account for over 80 percent of our exports. If we are going to strengthen our export performance over the long-run and bring our exports more in line with our imports, then we must look to where growth can occur.

The Grace Commission found that 82 percent of the new jobs created in the United States come from companies employing less than 100 people. Small and medium-sized business create six times as many jobs as large businesses.

I believe that if we are going to change the trade deficit statistics, we have to start making it more feasible for the smaller company to enter the export market. America's entrepreneurs are an incredible resource to our economy. They supply the bulk of employment in this country and they supply an endless stream of new products, innovations, and technologies. Firms with less than 1,000 employees generate 24 times as many technological innovations per research dollar as do businesses with over 10,000 employees. Small business is the backbone of our communities. Free enterprise and entrepreneurship are the staples of democracy.

CALL FOR A GLOBAL FREE TRADE ZONE

Therefore, I am introducing today a resolution which calls on the President to initiate negotiations with our trading partners to obtain a global free trade zone for independently owned small business. Until such time as there is general worldwide free trade, I believe it desirable to look for opportunities to create pockets of free trade.

If we are serious about expanding small business participation in world trade, tariff reductions would be one way to offset the extra complexity and risk inherent for small business exporters. A precedent for tariff preferences has already been established by this Congress and other nations through the generalized system of preferences [GSP].

Our economy as well as the world economy stands to benefit from a global free trade zone for small business. We can significantly ameliorate our trade deficit by attracting more American companies into the international trading arena. A free trade zone targeted to independently-owned small business will help foster free enterprise and entrepreneurship around the world. It is an important U.S. foreign policy objective to encourage the healthy growth of an active private sector, particularly in the developing world. It is the private sector, not State-owned enterprises that creates a constituency for democratic institutions.

Many of us are concerned about the growing trade deficit and frankly I fear a clamor for protectionist actions. I believe that we stand more to gain by focusing our efforts on expanding trade not limiting trade. We all have much to gain by a multilateral reduction in tariffs for independently owned small business. I hope that my colleagues will join me in calling for this approach.●

DISMANTLE THE SBA

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. DREIER of California. Mr. Speaker, this morning, I spoke out in support of the administration's proposal to dismantle the Small Business Administration. I would like to submit the following Forbes article from February 11 as additional food for thought. It provides a good insight into who the SBA's constituency really is.

REST IN PEACE?

(By Gary Slutsker)

Not all government agencies live forever. The forthcoming bare-bones Reagan budget will surely recommend a quick death for the Small Business Administration. David Stockman figures he'll save $1.6 billion by closing its 4,000-employee agency and selling its portfolio. By Washington standards, $1.6 billion is small potatoes. And SBA Administrator James Sanders, a former insurance executive, is hardly a heavy hitter. Even the SBA's supporters are quick to cite its problems.

The irony is that even though the SBA has lots of friends, few are small businessmen. Ask David Weatherup, for example, if he would miss the agency, and you get a flat no. He built Syracuse, N.Y.-based Central Fence of cny, Inc., which has annual revenues of $2 million, without going to the government for help. Sure, he needs credit, but Weatherup borrows from the bank, not from Washington. "The SBA is a last resort," he says.

Weatherup's experience isn't atypical. When the National Federation of Independent Business polled members last June, nearly 70% had never even contacted the SBA, and 80% said the agency had a neutral or negative effect on their businesses.

SBA funds are generally available to any business with 500 or fewer employees and that has been denied credit by two banks. In 1984 the agency made 1,676 direct loans, worth $104 million, and issued $2.5 billion in loan guarantees. Congress calculates that up to a quarter of all SBA companies default. No wonder critics call the agency's customers "the cream of the crap."

The SBA, which was created in 1953 to aid and assist small companies, does more than simply lend money. Supporters say its most effective component may be the Office of Advocacy, charged with lobbying for small business within the government. The office also helps small companies get government contracts.

But critics snipe at many other SBA activities. The agency's disaster relief function could easily be administered elsewhere. Also, the SBA already lets a few so-called preferred banks hand out government loan guarantees—eliminating a function handled largely by the agency's own lending officers. Why not privatize this whole process? Since bankers usually are liable for 10% of the value of all guaranteed loans, they aren't likely to lavish funds on bad risks.

Small Business Investment Companies—venture capital firms the agency regulates and makes loans to—could also easily be privatized. For example, one proposal recommends creating a semipublic company to raise money and act as a bank for SBICs. Its role would be similar to Fannie Mae's participation in the mortgage market. Loans to SBICs amounted to $160 million annually in each of the past three years and may well rise to $265 million in the year ending Sept. 30. That's still a minuscule amount when compared with the total $3.1 billion of venture capital raised by private partnerships in 1984.

Many of the SBA's training and management assistance programs, moreover, duplicate services provided by private groups. Typical are grants to universities that try to help small companies. Not a great idea, says John Sloan, NFIB's executive director, who favors massive cuts while keeping the agency alive: "Local businessmen don't want to go to academics for management advice."

Despite such criticisms, the SBA still has powerful friends. Where? Look first on Capitol Hill. Without an SBA to oversee, the Senate Small Business Committee, run by Senators Lowell Weicker (R-Conn.) and Dale Bumpers (D-Ark.), would lose power

and prestige. The same goes for the House committee.

Then there are the banks that use SBA guarantees to make loans and the Wall Street firms that trade the guaranteed portion of the loans. The total market value in SBA guarantees is about $600 million per year.

The fundamental issue at stake is that lots of things have changed in the 30 years since the SBA was created. With so much interest today in venture capital and the entrepreneurial spirit, the need for cheerleading from the SBA is greatly reduced. The agency has earned an unfortunate reputation around many successful small businesses for being a sucker for a hard-luck story. Better, says Weatherup of Central Fence, if government looked at the big picture. "There should be more assistance to the companies that are succeeding than the ones that are losers," he concludes.

Not a bad idea.●

ESTONIAN INDEPENDENCE DAY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. STRATTON. Mr. Speaker, February 24, 1985, marked the 67th anniversary of Estonian independence. I am pleased to rise in Congress as I have in previous years to join with my colleagues, Estonian Americans, and Estonians throughout the world in commemorating the anniversary and in showing support for the struggle of the brave people of this Baltic State against Soviet domination.

Estonia has a proud, yet tragic history in the 20th century. After World War I, Estonia proclaimed itself an independent, democratic nation. Although invaded that same year, 1918, by Soviet armies, the people of that small country were able to wage a successful war of independence and repulse the Soviets in February 1920. For the next 20 years, Estonians lived as a free people.

The country thrived during this period making great progress and industrial enterprise. The gross national product doubled. Estonian literature and culture flourished, as did human rights. Estonia became the first nation in the world to grant its minorities autonomy through government-subsidized ethnic schools.

However, economic progress and social tolerance were ended in the summer of 1939 by the pact between Hitler and Stalin which allowed the Baltic States to come under the Soviet sphere of influence. The Soviets consequently annexed Estonia, Lithuania, and Latvia, incorporating them into the U.S.S.R. in 1940.

For the last two generations, the country has been under Soviet domination. Through deportation, execution, and emigration, the small nation has suffered a tragic loss of its people: In the 1940's, one-third of the population was lost. Russification, the imposition of Russian language, culture, and the influx of Russian peoples, has also challenged the country's endurance. But Estonians at home and abroad have struggled bravely and successfully to retain their culture and traditions. And I have been greatly impressed with the enthusiasm of Americans of Estonian descent in carrying on the culture and traditions of their broad heritage.

Today, as we observe with admiration and concern the struggle of the people of Afghanistan, a more recent acquisition to the Soviet shphere of oppression, our sense of the plight of people in all captive nations is sharpened. Yet it is extremely heartening for all oppressed peoples to see that the national consciousness of the Estonian people has not faded, but is even more resolute, especially in the face of ongoing Soviet aggression and imperialism.

Therefore, we, in Congress, shall continue to call for individual freedom and self-determination in Estonia and other captive nations until the people of these brave countries are once again free.●

INTRODUCTION OF LEGISLATION TO CONTINUE AND AMEND THE FEDERAL SUPPLEMENTAL COMPENSATION (FSC) PROGRAM

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. LEVIN of Michigan. Mr. Speaker, today I am introducing legislation to extend and amend the vitally important Federal Supplemental Compensation [FSC] Program. FSC pays supplemental unemployment compensation to jobless workers who have exhausted their regular State unemployment benefits and any extended benefits [EB] they may be eligible for. The current FSC Program is set to expire on March 31, 1985, just 5 short weeks from now. In the other body, Senator CARL LEVIN is introducing identical legislation.

In the fall of 1983, when the Congress last extended the FSC Program, I believe two points were made clear in testimony before the committee and in debate on this floor. First, in times of severe economic distress, a supplemental benefit program is critical to assist the long-term unemployed. Second, the permanently authorized Extended Benefit [EB] Program, which was designed to assist States with high unemployment, is no longer working as Congress intended, leaving a dangerous vacuum in the social safety net. I strongly believe that both of these points are as true today as they were in 1983.

It is certainly true that unemployment has declined in the past year and a half, but the current economic expansion has, unfortunately, left many States behind. Five States, Alabama, Louisiana, Michigan, Mississippi, and West Virginia are still suffering from double-digit unemployment rates. Another six have unemployment rates over 9 percent, almost 2 full points above the national rate. In the week of January 26 of this year, 327,000 individuals across the country had exhausted all of their regular State unemployment compensation and were collecting FSC benefits. In my home State of Michigan, where unemployment has stubbornly refused to fall below 11 percent, 17,400 people currently depend on FSC payments. In the first week of February, 2,600 more individuals exhausted their State benefits and were forced to file for FSC. There is no doubt that endless unemployment benefits are not the solution to long-term joblessness, but it is also true that in States with very high unemployment rates, the simple fact is workers will need more time to find a job. Supplemental benefits provide that extra time.

The EB Program, the frontline defense for economically distressed States, has become all but defunct. Only two States are currently providing extended benefits, and of the six States with double-digit unemployment, only one is paying EB. Through much of last year, not a single State had triggered on EB, despite persistently high unemployment in many areas. I believe the evidence is overwhelming that the EB Program in its present form does not, and cannot, respond appropriately to periods of severe labor market distress.

For these reasons, I believe it is imperative for the Congress to devise a workable Supplemental Compensation Program prior to the expiration of the FSC Program next month and several bills have been introduced to accomplish this. Instead of allowing the only working Supplemental Benefit Program to expire, we should take the opportunity of the current economic expansion to rationalize the system.

Mr. Speaker, I am also aware of the difficulty in enacting a comprehensive reform package. If this is not possible, then the current FSC Program should be amended to ensure that the States with the highest unemployment levels are eligible for the greatest number of weeks. This past month, the State of Michigan fell from 14 to 12 benefit weeks, even as the State's total unemployment rate rose four-tenths of 1 percent to 11.0 percent. For this reason, I am introducing legislation to extend the FSC Program for 18 months, until September 30, 1986.

This legislation would maintain the current benefit structure of 14, 12, 10,

and 8 weeks. It would, however, make two major changes to the current program. First, the anchor date for the long-term insured unemployment rate [LIUR] would be moved forward 1 year to January 1, 1983. While the impact of this change is to lower the LIUR for most States, I believe it is justified if the program is to be extended for an additional year and one-half.

Second, the bill would substitute a total unemployment rate [TUR] trigger for the current 13-week insured unemployment rate [IUR] trigger for the 11 largest States. The total unemployment rate is the familiar measure of unemployment that we have all come to know so well during the past recession. The insured unemployment rate is the measure of unemployment that is used to trigger on the two Federal unemployment compensation programs [EB and FSC]. The IUR includes only those unemployed workers who are currently collecting regular State benefits. It does not include the long-term unemployed who have exhausted their State benefits, nor does it include those who for one reason or another are unable to qualify for benefits. Thus the IUR is typically several points lower than the TUR measure.

This change is made for two reasons. First, the divergence of the TUR and the IUR in recent years has made this second number a less reliable measure of labor market distress, the concept that trigger numbers are designed to measure. Second, the TUR is at present statistically reliable for any given month in only the 11 largest States. Therefore the IUR/LIUR trigger of current law is maintained for the 39 smaller States.

The basis of this proposal is that supplemental benefits should be available if, first, a State's unemployment rate is very high, or second, a State has been suffering from high, if not acute, unemployment levels for an extended period of time and, finally, third, a State's eligibility should be determined by the best available measure of labor market distress. The IUR, and where appropriate the TUR, provides a snapshot picture of the current unemployment situation in a given State. The alternative measure, the LIUR, provides a longer perspective, with somewhat lower thresholds.

Mr. Speaker, we must remember that behind all the numbers and statistics, lie real people with real needs. Unemployment is still raging in far too many parts of this Nation. I urge my colleagues to join me in seeking to continue the FSC Program.●

WARRANT OFFICER EQUAL APPOINTMENT ACT

HON. MARVIN LEATH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. LEATH of Texas. Mr. Speaker, I rise today to introduce legislation designed to correct certain inequities that exist between warrant officers of the Army and Air Force and warrant officers of the Navy, Marine Corps, and Coast Guard. The existing statute, 10 U.S.C. 55, states, in essence, that Army and Air Force regular chief warrant officers will be appointed by warrant by the service Secretary while those of the Navy, Marine Corps, and Coast Guard will be made by commission "* * * by the President by and with the advice and consent of the Senate."

Army warrant officers—the Air Force does not currently utilize warrant officers—because of the nature of their appointments experience certain disadvantages not common to their Navy contemporaries.

Army warrant officers may not administer oaths of reenlistment.

Army warrant officers may not administer oaths—unless serving as adjutants or assistant adjutants.

Army warrant officers may not be identified as commanding officer even when in command—warrant officers command all Army bands and vessels as well as many dispensaries and health clinics.

Appointment of warrant officers by commission will assist in appointment, as required, of selected chief warrant officers in the grade of captain within the restraints of the "10/20 rule." The 10/20 rule states that to retire as a commissioned officer an individual must have served at least 10 years on active duty in a commissioned status. Because most warrant officers will have over 10 years of total active Federal service before they would be considered for appointment to captain, it has not been possible for them to complete 10 years of commissioned service before achieving retirement eligibility. Since the proposed change would cause regular chief warrant officers' service to be commissioned service for legal purposes, attaining 10 years of commissioned service would no longer pose a problem.

Mr. Speaker, I thank you for the opportunity to explain the legislation and encourage my colleagues to support this effort.●

PORTERVILLE SCHOOL WALK

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. PASHAYAN. Mr. Speaker, the Statue of Liberty has served as a symbol of welcome to returning Americans and to newcomers to our land for nearly 100 years. A gift from the people of France, it is now undergoing a much-needed restoration so that it can continue its mission as a beacon of freedom in New York Harbor.

Nearly 3,000 miles away from New York Harbor the students in Mrs. Darlene Byars' second grade class at Westfield School in Porterville, CA, in my district are joining millions of Americans and others in the voluntary effort to finance the restoration of Miss Liberty, estimated to cost $230 million.

To help to raise money, the students in Mrs. Byars' class are walking the distance between their school in Porterville and the Statue of Liberty. Although they never stray from the campus of Westfield School, their walking has taken them as far as the mileage between Porterville and New Mexico. They hope "to arrive" at the statue sometime in May.

Porterville citizens, community organizations, and businesses are sponsoring the students in amounts of 10 cents to $1 per mile. When the walk is completed, the students hope they shall have raised over $1,000 to aid in the restoration.

Mr. Speaker, I am proud of these young people and their teacher for what they are doing to aid in restoring a valued national treasure, and I hope that publication of this report will inspire others to join in similar efforts.

It is a most pleasing expression of patriotism.●

H.R. 1082 RESTORES DEATH PENALTY FOR ESPIONAGE

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. STUMP. Mr. Speaker, on February 7, 1985, I introduced H.R. 1082, the Omnibus Intelligence and Security Improvements Act. Title VI of the bill restores the death sentence as a potential penalty for espionage and treason. The bill would revitalize the treason and espionage death sentence provisions which are already contained in the Federal Criminal Code, but which have not been imposed since the Supreme Court invalidated the death penalty for procedural reasons in 1972. The bill establishes comprehensive,

fair, and constitutional procedures for imposing the death penalty upon those who intentionally inflict grave damage upon the security of the American people by committing treason or espionage.

I believe that the potential imposition of the death penalty would deter individuals from spying within the United States for hostile foreign powers. The events of the past few years have proved that our espionage laws are not strong enough to deter espionage when they are not backed up by the risk of the death penalty.

A quick review of recent publicly known spy cases shows that spies working for hostile foreign powers present a great danger to the security of the United States, and shows that those spies are quite active despite our existing espionage laws.

In 1976, CIA officer David Barnett became a secret agent for the Soviet KGB. Barnett gave the Soviets, among other things, the identities of CIA covert personnel. Barnett sold himself and U.S. secrets to the KGB for $92,600. The FBI caught him in 1980; he was convicted and is in prison.

In 1978, the FBI arrested Ronald Humphrey, a U.S. Information Agency employee, on espionage charges for transmitting classified defense information to the Communist Government of Vietnam. He was convicted.

Thereafter, Christopher Boyce, an employee of a major CIA contractor, gave CIA communications secrets to the Soviets. He was caught and convicted. Boyce is the subject of the recent movie "The Falcon and the Snowman," which depicts his acts of disloyalty.

In 1978, disaffected CIA employee William Kampiles sold the top secret manual on a super-secret U.S. reconnaissance satellite to the KGB. He was caught and convicted.

A defense contractor employee, William Holden Bell, gave top secret information about major U.S. weapons systems to the Soviet bloc, He was convicted in 1981.

In 1982, Richard Craig Smith, when he was an Army counterintelligence officer, allegedly was actually a double agent working for the KGB, providing information to the Soviets on U.S. secret agents. That case is currently under prosecution.

In 1983, the FBI captured James Durward Harper, who admitted selling to the Polish intelligence service classified information concerning U.S. ICBM's and ballistic missile defense technology.

In 1984, the FBI arrested one of its own—FBI agent Richard Miller—who allegedly sold to Soviet agents the FBI's classified counterintelligence manual. That case is currently under prosecution.

Also in 1984, the FBI arrested Karl Koecher, who while a CIA employee, allegedly passed classified information to the Czechoslovakian intelligence service. That case is currently under prosecution.

Again in 1984, the FBI arrested Thomas Cavanagh, an employee of a major defense contractor, for allegedly attempting to sell America's secret stealth technology to FBI agents he thought were KGB agents.

I do not cite these particular cases to say that any of these people, if or as convicted, deserves the death penalty. That is for judges and juries to decide based on particular evidence and particular circumstances in particular cases.

I would note that I have only mentioned recent espionage prosecutions involving disloyal, or allegedly disloyal, Americans who had access to sensitive U.S. secrets; this is by no means a complete list of recent U.S. espionage cases. I have cited the examples of disloyal, or allegedly disloyal, Americans because they show that we have an extremely serious espionage problem. The security of this Nation is at risk.

The litany of espionage disasters of the past 6 years ought to be enough to make anybody understand that we have a serious and growing security problem in the United States and that our espionage laws are not working as they should. The existing espionage statutes and penalties do not suffice to deter the espionage which threatens the security of our Nation.

Title VI of H.R. 1082, by establishing constitutional procedures allowing imposition of the espionage and treason death penalty which is already on the books, will improve the deterrent effect of our espionage laws. Disloyal individuals who damage the security of the American people for their own personal gain by selling America's vital defense secrets to hostile foreign powers may think twice if they know it could cost them their lives.●

TRIBUTE TO ERNIE AND JEAN HAHN

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. McCANDLESS. Mr. Speaker, if you and my colleagues were to travel to the Coachella Valley today, you would find the involvement of Ernie and Jean Hahn in many charitable organizations and nonprofit institutions. In fact, for 35 years, the Hahns, working together and separately, have touched the lives of thousands of people through their good works. Fittingly, the recipients of the 1984 Coachella Valley Humanitarian Award will be Ernie and Jean. On Monday, March 18, 1985, many of their friends and admirers will gather in Rancho Mirage to honor them.

The Hahns are particularly well known for their work on behalf of the Eisenhower Medical Center, where Ernie is a founding trustee and continues to serve as a member of the executive committee. Jean is also a member and past vice president of the auxiliary. They are major benefactors of the Eisenhower Medical Center, and twice have been cochairpersons of the fundraising Bob Hope Classic Ball.

It is a wonder that Ernie and Jean have time to eat or sleep. They are also well known for their support of the Palm Springs Desert Museum, where Jean serves as a trustee, and where they have again been major benefactors. Ernie is chairman of the museum's foundation campaign, and Jean is cochairman of its endowment campaign.

Is that the extent of their active involvement in the community? No, indeed. They have been major supporters of the Bob Hope Cultural Center, where Jean serves as a member of the theater management board. They have also been involved in helping the Family YMCA of the Desert, the Foundation for the Retarded, the Palm Desert Senior Citizens Center, the Indio Public Library, the California Nature Conservancy, the Bighorn Research Institute, St. Francis of Assisi Catholic Church, Sacred Heart Catholic Church, and the Temple Sinai Community Center. Does the list end here? No. Add the Desert Symphony, the Braille Institute, the American Cancer Society, and the Palm Springs Humane Society, among many others.

In 1946, Ernie founded the Hahn-St. John General Contracting Co. in Hawthorne, CA, which in 1956 became Ernest W. Hahn, Inc., now known as Nuhahn, Inc. His companies have built more than 40 regional shopping centers across the Nation. He and Jean have shared their success time and time again, and they have been tireless in their humanitarian efforts. I am sure you and my colleagues join me in saluting two great Americans: Ernie and Jean Hahn.●

PERSONAL EXPLANATION

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. LEWIS of Florida. Mr. Speaker, due to official business I was not present for rollcall No. 12. Had I been present, I would have voted "no".●

CONGRESSIONAL SALUTE TO HON. PETER SCARPELLI, SR. OF NUTLEY, NJ—ESTEEMED BUSINESSMAN, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. ROE. Mr. Speaker, on Thursday, March 7, a prominent group of concerned citizens from labor, business, civic, and community organizations will gather together in testimony to an esteemed businessman, community leader and good friend, the Honorable Peter Scarpelli, Sr., whose lifetime of service to the people of the township of Nutley and its surrounding communities has truly enriched our community, State, and Nation.

Mr. Speaker, I know that you and our colleagues will want to join with me in extending our warmest greetings and felicitations to Peter Scarpelli and share great pride in the success of his long dynamic and active leadership in public affairs with his good wife Celia; their sons Peter, Ralph, and Vito; and eight grandchildren as they celebrate this milestone of achievement in their family endeavors.

There is much that can be said of Peter Scarpelli and his lifetime of achievements in service to people. He has been a resident of Nutley for 49 years and an esteemed businessman in the community for over four decades. He is president of the Scarpelli Landscaping and Industrial Maintenance Co. and has served as superintendent of parks and public property of the township of Nutley.

Mr. Speaker, the quality of leadership and sincerity of purpose that Peter Scarpelli has imparted to our people in the political, civic, and business world are mirrored in his many accomplishments and the warmth of his friendship that have won him the confidence and support of all of us who have the good fortune to know him.

He was a major bulwark of strength in the Democratic Party from his early days in its organizational structure and throughout his leadership endeavors as a ward leader in Essex County and president of the Nutley Democratic Club.

Peter Scarpelli has brought great honor and prestige to the township of Nutley with his lifetime of good works and we are particularly proud of his compassion, dedication, and untiring efforts on behalf of our young people. He has strongly supported sports programs for our youth in Nutley donating his personal services as well as those of his company to the organization of the Little League Program and the care and maintenance of its athletic fields. He is a founder of, and active in the Peter Scarpelli Civic Association, the Knights of Columbus, the Italian American Club, the Elks, the Irish-American Club and a member of the Holy Family Church in Nutley.

Mr. Speaker, it is indeed appropriate that we reflect upon the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to Peter Scarpelli's standards of excellence in working to improve the quality of life for the people of our community, State, and Nation. As we gather together on March 7 in tribute to the quality of his leadership and sincerity of purpose dedicated to service-to-people, we do indeed salute a distinguished citizen, outstanding community leader and great American, the Honorable Peter Scarpelli, Sr. of Nutley, NJ.●

TRIBUTE TO TAYLOR M. QUINN

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. WEISS. Mr. Speaker, Mr. Taylor M. Quinn, a man noted for his tough compliance stance on matters affecting the quality and safety of the Nation's food and cosmetic supply, retired from the Food and Drug Administration [FDA] this February, after 34 years of dedicated Government service.

Mr. Quinn's retirement is considered at FDA as "the passing of an era." He has always been highly respected for his knowledge of and expertise in FDA compliance actions relating to this country's food and cosmetic laws and regulations. His ready willingness to share his vast experience has already been missed. An important piece of FDA history has vanished with the departure of this remarkable public servant.

Mr. Quinn was the Director of the Office of Compliance in FDA's Center for Food Safety and Applied Nutrition—formerly called the Bureau of Foods—a position he held for 7 years. In that position he was responsible for providing scientific, technical, regulatory and managerial leadership for the effective operation of the food and cosmetic compliance activities of the FDA, including all field and headquarters compliance programs relating to the safety, wholesomeness and nutritional quality of foods. Mr. Quinn was a member of the Senior Executive Service since its inception 5 years ago.

Mr. Quinn began his career with the FDA as a seafood inspector in the New Orleans district; later this position there was converted to food and drug inspector. He served there for 8 years. He was transferred to the Baltimore district as the resident inspector for the District of Columbia where he served for 2 years. When the Dallas district office was opened, he was selected as a food and drug officer handling compliance matters for the new district.

In 1964, he was transferred to the FDA Washington headquarters office where after 7 years he organized and became the Director of the Division of Regulatory Guidance in the Bureau of Foods. In 1978, he became the Associate Director for Compliance which was recently changed to the Office of Compliance.

In 1968, Mr. Quinn received the FDA Award of Merit for developing guidelines for use by the field districts in taking direct legal action without headquarter's review and approval. In 1973, he was again awarded the FDA Award of Merit for outstanding performance in resolving complex problems, and developing and applying new approaches in the areas of food safety and labeling. In the same year, he received a group FDA Award of Merit for response to a national emergency involving hazardous shellfish contamination. In 1974, he was given another group FDA Award of Merit for his role in the evaluation of potential health hazards involving canned foods.

In 1976, Mr. Quinn received the Departmental Distinguished Service Award for outstanding contributions in the development and implementation of programs to improve food labeling and to protect consumers from hazardous foods.

Under the Senior Executive Service, Mr. Quinn has received two additional awards, one in 1980 and again in 1983.●

EXPLANATION FOR MISSED VOTE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GILMAN. Mr. Speaker, I was unavoidably detained yesterday during the vote on approving the Journal. Had I been present, I would have voted "no".●

PLANNING FOR THE FUTURE

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. IRELAND. Mr. Speaker, I note with interest that in another 2 years it will be the 50th anniversary of the enactment of the laws that established

our Social Security System which commenced in 1939.

In the last several years, we in Congress have had to grapple with ways to ensure the continued viability of the system. While there are many causes for the problems, they may, at least in part, be attributable to the fact that we have lost sight of the program's original purpose. In 1937, Franklin Delano Roosevelt designed the Social Security System to provide a foundation for the individual's financial security. Once this secure base was established, it would be up to the vast majority of able Americans to build their own house of financial independence.

Over the years, the basic Social Security Program has been changed by increasing the numbers of individuals eligible for benefit and raising taxes. In the face of these changes, my constituents fear that the program might not be there when they reach old age, despite their contributions over the years.

There are, however, others in this country who have thought long and hard about this dilemma. In this regard, I want to commend the efforts by individual citizens, such as Arthur Lynch Williams, Jr., for helping all of us address these concerns in terms of basic financial planning. Mr. Williams is the author of a simple, straightforward book entitled "Common Sense." Mr. Williams' views on financial security provide guidance to the average American. He presents some simple guidelines on how each person can build his or her whole house of financial security using basic tools of financial planning. He encourages people to plan for their security as opposed to placing total reliance on Uncle Sam. This is a key principle in Mr. Williams writings and one which should be impressed upon all able Americans.

There are many ways in which individuals can plan, save, and invest for the future. Mr. Williams points out some simple approaches to this problem that are available to individuals at almost any income level. He discusses, among other things, individual retirement accounts, maximum life insurance at minimum premiums, mutual funds, money market funds, and tax deferred annuities.

The basic premise of Mr. Williams' book is that wage earners and business people alike should "pay themselves first" to guarantee their retirement. He points out simple concepts often lost in the growing complexity of today's investment opportunities such as the "magic of compound interest."

In short, I am glad to see enterprising people like Mr. Williams foster commonsense attitude and offer us the benefit of his thinking and experience to help all of us look to ourselves and not the Government for our future security.●

BUDGET CUTS IN EDUCATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. OWENS. Mr. Speaker, today I, and many of my colleagues are considering the issue of funding for education. Today, the full Education and Labor Committee commenced hearings on the proposed cuts in education. The President's budget includes a number of policy changes which are not necessarily obvious. For example, on the issue of funding for library services and construction, the President has again zeroed out all funds. His press releases which summarize the cuts portray this as a $32 million cut, but it is really a $125 million cut. This is clear in the detailed appendix to the budget even if it does not appear in the more commonly scanned press releases and summaries.

Libraries will also suffer further budget cuts if the President has his way. The decrease in the postal revenue foregone means, quite simply, that many libraries will find themselves paying increased fees for fourth class mailing. This double blow has not escaped the notice of those of us who care about libraries and their vital role in the original and continuing education of our people.

The budget also cuts expenditures in the special education services from $1,321,270 in fiscal year 1985 to $1,306,100 in fiscal year 1986. Now that does not seem to be too much of a cut, but when you put it together with the elimination of free mailing for the blind and the physically handicapped, it means a great deal less assistance for those who are clearly in need.

The President has also proposed severe cuts in postsecondary education. In Federal fiscal year 1984, New York State guaranteed 393,528 student loans for a total of $936 million. This represented 12.5 percent of all dollars provided nationally through the Guaranteed Student Loan Program.

Based on 1983-84 borrowing, the administration's proposal to limit GSL eligibility to students in families with incomes of $32,500 or less would eliminate 95,880 loans—24 percent—and would reduce the total borrowed by $221.81 million—24 percent. Undergraduate borrowing would be cut by 24 percent and graduate borrowing by 22 percent.

An additional 27,000 graduate students with incomes below $32,500 will have their guaranteed student loans reduced as a result of the proposal for a $4,000 cap on total Federal aid from all programs. Most graduate student borrowers now take loans of more than $4,000 per year. The estimated loss from this proposal will be $34.0 million. The combined proposals will eliminate or reduce guaranteed student loans for 75 percent of graduate student borrowers.

Secretary Bennett has repeatedly spoken up for the President's budget. He says that no student will be deprived of an education because parents can borrow an additional $4,000 per year in PLUS loans. The Secretary does not explain how poor parents will commence payment and meet the PLUS installments. This deficit generating administration apparently feels that one way to reduce Federal deficits is to shift them unto those who seek an education.

In conclusion, it is important that we all consider just what the administration proposes. Cuts are spread across every human service program while programs related to defense or the destruction of others are lavishly funded. This bespeaks a rather dim view of the future that I cannot share. The real and practical peace and prosperity of future America is best secured by a greater and more generous national committment to education.●

A CONGRESSIONAL SALUTE TO THE MEXICAN-AMERICAN DEMOCRATIC CLUB ON THEIR 25TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. ANDERSON. Mr. Speaker, I am proud to call the attention of my colleagues to the 25th anniversary of the Mexican-American Democratic Club. This year's installation banquet was held in Harbor City on Saturday, February 9, and you can be sure that a great time was had by all.

The club was founded in 1958 and chartered 2 years later under the guidance of Manuel Betancourt, Henry Flores, and Victor Valdez. It was established to help Hispanics become more actively involved in the community and, of course, the machinery of the Democratic Party. Today, the club is open to anyone who has the vision to make America a better place to live.

Those who join know that the Democratic Party is the hope for simple justice of equality, fairness and compassion toward all our people. They stand for basic civil and human rights and the hope for all Americans to earn a decent living and a chance to get ahead. They want to make sure that the wealthy and powerful live up to their responsibilities to a society that is fair, prosperous and strong. I suppose the ideals of those who join and support the Mexican-American Democratic Club can best be summed up by a 1940 quote from President Franklin Roosevelt:

I am fighting, as I have always fought, for the rights of the little man as well as the big man, for the weak as well as the strong, for those who are helpless as well as for those who can help themselves.

Mr. Speaker, today we see many Hispanics at the top policymaking positions within the Democratic Party. This did not happen overnight. It took a great deal of work from literally millions of Hispanics who have the foresight and intestinal fortitude to get a job done. It is these types of individuals who comprise the Mexican-American Democratic Club.

My wife, Lee, joins me in congratulating and commending the club on this, their silver anniversary. We would like to especially salute Connie Guzman who is returning as their president. We know that there is much good yet to be accomplished in our land and the Mexican-American Democratic Club will continue to lead the way to bring about social and economic equality for all Americans.●

THOMAS M. BOLES, POTENTATE, AL MALAIKAH TEMPLE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MOORHEAD. Mr. Speaker, on March 12, Mr. Thomas M. Boles will be honored in Burbank, CA, as the new potentate of the Al Malaikah Temple of Los Angeles.

In Thomas Boles we honor a person truly deserving of special recognition. he is a man deeply committed to his family, his community, his country, and his God, a man devoted to the causes of education and music, a man who has given more than anyone can know to the fraternal and charitable activities of the Al Malaikah Temple.

In addition to his unwavering commitment to the Shriners Hospital for crippled children in Los Angeles and the Masonic lodges of California, Tom has found time to serve on the board of governors of Chapman College, to act as president of the Rio Hondo Symphony Association and to be involved with the Los Angeles Philanthropic Foundation, and the Friends of Huntington Library. He is a member of the First Friends Church of Whittier. He is the president of Equipment Consultants, Inc. and Sun-Union, Inc.

Born in Ohio, but not a native Californian, his record of service speaks of unselfishness, of great energy, and of superior effort.

Mr. Speaker, I am appreciative of what Tom Boles represents, of the good things he promotes, and the ethics by which he lives. I am pleased to play a small role in this worthy tribute.●

CENTENNIAL OF THE SAILORS' UNION OF THE PACIFIC, AFL-CIO

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mrs. BURTON of California. Mr. Speaker, on March 6, 1985, the Sailors' Union of the Pacific, AFL-CIO, celebrates the 100th anniversary of its foundation. I would like to share some of the history of that great organization with my colleagues.

The Sailors' Union of the Pacific, AFL-CIO, a leading force in the regional and national labor movement, as well as in the worldwide maritime union movement, counts its history from March 6, 1885, on which date a group of some 400 seamen, meeting on a lumber pile at the Folsom Street wharf in San Francisco, vowed to "resist oppression in any and every form," and set up the Coast Seamen's Union.

In 1891, the Coast Seamen's Union, which largely represented sailing ship crews, and the Steamship Sailors' Union, merged to establish the Sailors' Union of the Pacific.

The history of the Sailors' Union of the Pacific, AFL-CIO, includes the names of many noble and courageous fighters for the cause of labor, of progress, and of good citizenship.

Most famous among the leaders of the Union was Andrew Furuseth [1854-1938], known as "the Abraham Lincoln of the seas." Through a long and tenacious legislative effort culminating in President Woodrow Wilson's signature of the U.S. Seaman's Act in 1915, Furuseth and his union comrades secured full civil rights for a class of workers who had traditionally been considered virtual bondsmen to the masters of vessels.

As late as the beginning of this century, seamen could be imprisoned for the supposed crime of quitting a ship, then considered desertion. In addition, the seamen were preyed upon by corrupt hiring agents, known as crimps, who carried on, unrestrained, the abusive practice of shanghaiing, in which seamen were kidnaped and forced to work on vessels. The seamen were also subject to fraudulent wage attachment through a so-called advance system.

Further, food and conditions for the sailor were often far below standard, and many seamen were physically victimized by cruel, sadistic officers, known as buckoes.

Passage of the 1915 Seaman's Act, with the help of friendly legislators including Wisconsin Senator Robert M. LaFollette, laid the basis for the final abolition of these fearful practices. It is for this reason that the beloved Furuseth, when he died, lay in state in the Labor Department building here in Washington.

In the early years of the Sailor's Union of the Pacific, AFL-CIO, other men of courage and principle played a role, along with Furuseth. They included Burnette Gregor Haskell, a California labor lawyer; Walter MacArthur, a seaman who became editor of the union's great crusading organ, the Coast Seamen's Journal; and Paul Scharrenberg, a later Journal editor.

With the passing of the Furuseth generation, a new group of leaders emerged to guide the union through the turbulent 1930's and their aftermath. Chief among them was one Harry Lundeberg [1901-1957]. Both Furuseth and Lundeberg were born in Norway, and brought the Viking spirit with them to American shores.

During the Lundeberg years, the Sailors' Union of the Pacific, AFL-CIO, achieved improvements in wages and conditions to which the organization's members could look with great pride. The union's seamen were the first American sailors to obtain pensions, vacations, and many other benefits. Lundeberg was a strong believer in the American system of free, collective bargaining and, under his leadership, the union became known for its fair honest, but militant dealings with employers.

Since 1957, the union has had two leaders: Morris Weisberger and the incumbent president/secretary-treasurer, Paul Dempster. As before, the union has contained out in front in the service of labor and the broader community on the Pacific coast.

The officers and members of the Sailors' Union of the Pacific, AFL-CIO, have every right to celebrate their centennial with enthusiasm and vigor; their contributions to this great Nation have been truly enormous. The merchant seamen who built the union deserve great credit for their service to the Nation's maritime commerce in peacetime, and for their fulfillment of their patriotic duties in wartime. They deserve the thanks and congratulations of all Americans.●

RETIREMENT OF WAYNE ELWELL AS EXECUTIVE DIRECTOR OF THE PRINTING INDUSTRIES OF NEW ENGLAND

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. FRANK. Mr. Speaker, Wayne Elwell is retiring as executive director of the Printing Industries of New England, headquartered in Newton, Mass. Wayne has been executive director of the Printing Industries of New England since 1972, and has a total of 28 years of service in graphic arts industry associations.

Since Wayne joined the Printing Industries of New England [PINE], it has grown from 160 members to over 370 members. PINE has a budget approaching $1 million per year. Among Wayne's accomplishments while executive director of the Printing Institute of New England, which provides training for management and technical personnel in the industry, and training for persons seeking to become involved in the printing industry. The credit union of the Printing Industries of New England was also developed by Wayne, and has now reached assets of $3 million and over 3,500 shareholders.

Printing and publishing is the second largest industry in Massachusetts in number of establishments. It is fifth in total number of employees and fifth in total payroll.

Mr. Speaker, Wayne Elwell has made a contribution to the printing industry and to the community he has served of which we can all be proud. I take this opportunity to commend Wayne Elwell and to wish him well on his retirement.●

TRIBUTE TO POLICE CHIEF HAROLD McGEE

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. SAM B. HALL, JR. Mr. Speaker, an outstanding public official and law enforcement officer, Harold McGee, will soon retire as Chief of Police of the Texarkana, TX, Police Department. Chief McGee is recognized throughout the State of Texas as a fine lawman, and he will be sorely missed by law-abiding citizens.

At a time when the Nation is becoming more and more alarmed by rising crime, especially violent crime which is drug-related, it is reassuring to know that the citizenry has dedicated and effective law enforcement officers like Chief McGee to protect our life and property. As a member of the Judiciary Committee and the House Select Committee on Narcotics Abuse and Control, I know firsthand how difficult and dangerous his job and the job of our other peace officers is throughout the country. We owe such people a debt of gratitude.

Chief McGee has spent almost 36 years in law enforcement. He came to the Texarkana Police Department in 1949 and made his way through the ranks to become the Chief of the Department in 1968. Texarkana and the surrounding area has grown tremendously during that time and his department has kept abreast of the times and the need to upgrade the quality of police work. He is not only recognized for being a courageous lawman, but he has strived to bring administrative efficiency to an expanded Police Department.

His leadership qualities have been widely recognized. He has served as President of the Texas Police Chiefs Association, President of the International Association of Chiefs of Police, and has been appointed to a number of other prestigious groups associated with law enforcement. In numerous forums and commissions associated with making law enforcement more effective, Chief McGee is always sought out as an adviser and participant.

I take this opportunity to wish Chief Harold McGee the very best in his future endeavors and thank him for a job well done.●

SIXTH ANNUAL BROTHERHOOD AWARDS FROM KENNETH GIBSON CIVIC ASSOCIATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. RODINO. Mr. Speaker, on Sunday, I had the privilege of attending the Sixth Annual Brotherhood awards Breakfast sponsored by the Kenneth A. Gibson Civic Association.

The event was worthy of the fine man for whom it is named—Newark's Mayor Ken Gibson. And, as always, the six recipients of this prestigious award all embody the principles of civic pride and community involvement that have been also clearly defined by our mayor.

It is a great honor for me to say a few words today about the awardees.

Marguerite Bush was cited for her outstanding involvement with, and commitment to, the young people of our community. As the associate executive director of the Clinton Hill Branch YMWCA, and in all of her other activities, she has provided inspiration and direction for countless young people.

John P. Caulfield, currently director of the Newark Fire Department, is a member of the New Jersey State Senate. His volunteer activities including working with St. Mary's Orphanage, St. Peter's Orphanage, the Newark Branch of the NAACP, the President's Council on Youth Opportunity, and the Greater Newark Urban Coalition.

Annette Hubbard is a nurse at United Hospitals of Newark, where she serves as patient care coordinator. She is involved with many professional nursing associations, particularly the Concerned Black Nurses of Newark, of which she is the president emeritus. Ms. Hubbard lectures about health care issues all over the city, and volunteers in health activitives for senior citizens.

Ronald B. Tuff, director of the division of taxicabs for the city of Newark and owner of the Omega Bus Tours Co., was given an award for his involvement in numerous civic activities. His bus company offers low-cost transportation to community and day care centers, and also provides employment opportunities for some of Newark's hard-core unemployed and for teenagers.

William "Bill" Wallace came to Newark as an orphan who had lived in and out of many foster homes. The people of Newark helped him to get on his feet, and he never forgot this. His career included jobs with the Singer Sewing Machine Co., the United Electrical Trade Union, the Federal Bureau of Investigation, and many others. He went to work for the Newark Police Department in 1968, volunteering his services as an urban specialist dedicated to fighting juvenile delinquency. From this program came his 4-H Urban City Program at Rutgers University. Bill has been tremendously successful in training, employing, and inspiring the young people of Newark.

Blonnie Watson has instilled a sense of pride in the city of Newark among its citizens. As a community activist and president of the board of directors of High Park Gardens, Blonnie Watson continually lives up to her promise to use her energy to "make the dreams of Newark a reality."

Mr. Speaker, all of these individuals have contributed greatly to improving the quality of life in our city. I am very proud to know them all.

I would also like to say a few words about the event itself, and to mention the people who were involved in Sunday's program. Mr. Elton E. Hill, president of the Kenneth A. Gibson Civic Association, served as master of ceremonies; the Hon. Rev. Ralph T. Grant, Jr., president of the Newark City Council, gave the invocation; the awards were presented by Ms. Eleanor Newman and Mr. Isaac Thomas, Jr.; the benediction was offered by Rev. Robert D. Woods, Sr.; and the keynote speaker was Melvin King, former Massachusetts State representative, currently a professor at MIT and community activist in Boston.

Once again, I offer my commendations to the six recipients of this year's Brotherhood Awards, and to the man who provides inspiration for all the people of our community, Mayor Kenneth Gibson.●

PENNSYLVANIA KNIGHTS OF COLUMBUS DAY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. YATRON. Mr. Speaker, March 24, 1985, has been designated Pennsyl-

vania Knights of Columbus Day. Councils throughout the Commonwealth will be celebrating on that day with special activities such as open houses, socials, and membership recruitment efforts. In Berks County, the Light of Christ Council, No. 8726 has planned a program directed toward increasing community awareness of the order's involvement in numerous activities and toward a membership drive.

It is indeed an honor for me to bring to the attention of my colleagues this important observance and the outstanding contributions of the Knights of Columbus and in particular, the Light of Christ Council No. 8726 of Sinking Spring, PA.

I learned of this celebration through the kindness of Mr. John Sadowski and I want to wish him and the entire council family a most successful celebration on the 24th. The Knights of Columbus, and the members who have come together under its unity, exemplify the type of community spirit that is so important to the American way of life. The council has enhanced the lives of so many. It is indeed fitting that we pay tribute to the Light of Christ Council, No. 8726 and the Knights of Columbus. I know that my colleagues will join me in honoring them for their many good works and deeds.●

JUDGE JOHN R. SPON

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. APPLEGATE. Mr. Speaker, Judge Spon and his gracious wife Dorothy, both personal friends, have contributed immensely to Steubenville and Jefferson County.

John has served as a member of the Jefferson County Children Services Board, the Jefferson County Drug and Alcohol Abuse Center, the Jefferson County Mental Health Center, and the Young Men's Christian Association. Along with these distinctions, John has also served as president of the Jefferson County Humane Society, the Steubenville Little League, the Babe Ruth League, and the Steubenville High School Parent Teachers Association. He is also one of the directors of the local chapter of the Full Gospel Businessman's Fellowship International. As well, I might also add that John is an avid ham radio enthusiast.

Mr. Speaker, on behalf of the people of the eighteenth district of Ohio, I would like to convey to Judge John R. Spon our highest regards and respect for the service that he has rendered to our community. John has given to us through this experience on the court the ideals of fairness and understanding that will be sorely missed in Steubenville and Jefferson County following his retirement. I wish Judge John R. Spon and Dorothy the very best as he departs the bench and starts his journey into a well-deserved and wonderful retirement.

Mr. Speaker, recently, Judge John R. Spon retired from the probate and juvenile court of Jefferson County, OH, after many years of dedicated and outstanding service to his community.

Judge Spon, a life-long resident of Steubenville, graduated from Ohio Northern University in 1942, followed immediately by his service in World War II with the U.S. Navy, serving for nearly 3½ years and achieving the rank of lieutenant commander. John returned to his native Steubenville after the war and went on to serve in the office of the prosecuting attorney in Jefferson County, working for nearly a decade under Attorneys Bernard T. McCann and Joseph Loha. In August 1961, John was appointed by then Ohio Governor Michael DiSalle to fill the unexpired term of the late Emmett M. Morrow as judge of the probate and juvenile courts. It has been in this position that Judge John R. Spon has served his community, bringing the utmost in distinguished judgment and leadership throughout this time that has spanned nearly a quarter century.●

TRIBUTE TO DR. AND MRS. CARL EYERICK

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. BERMAN. Mr. Speaker, I rise to pay tribute to two respected and popular leaders of my community, Dr. and Mrs. Carl Eyerick. Since their first years in Burbank their involvement in both the community and hospital has enriched the lives of their friends and colleagues and has set an example of civic responsibility.

Of the many activities and honors which Carl and Doris shared—from the Burbank Symphony to the Kiwanis Association—none relied so heavily on their contributions or afforded them as much pleasure as the Orchid Society of southern California, where Carl served as president and Doris as social and ball chairwoman.

On the occasion of the Orchid Ball sponsored by the Burbank Community Hospital Foundation, where Carl and Doris Eyerick are special honorees, I ask the members to join me in saluting them and wishing them continued success.●

SUPPORTING PREVENTION STRATEGIES FOR TEENAGE SUICIDE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. BIAGGI. Mr. Speaker, teen suicide has become one of the fastest sweeping epidemics in this Nation that is taking the lives of young people in record numbers. Each year, 5,000 young Americans kill themselves, triple the figure of three decades ago, while at the same time, the rate for adults remains constant.

In response to this growing problem, I have joined in cosponsoring H.R. 1099, introduced by my colleague from New York [Mr. ACKERMAN], which provides a modest, but straightforward method of using our educational system to help attack the problem at the community level. Under this legislation, a 3-year program is authorized at $10 million per year, which would establish a competitive grant program. This program, targeted at local educational agencies, would be administered by the Department of Education and would provide a maximum of $100,000 per year to any one grantee.

A quick review of the startling statistics on teen suicide will underscore the need for this problem. In 1950, suicide rate for the 15-to-24-age group was 4.9 percent per 100,000 persons. In 1965, the suicide rate for this same group was 8.1 percent. By 1983, this rate has risen to an alarming 11.7 percent. The statistics are particularly alarming for young men; in 1981, the rate for white males was 21.1 percent, and the rate for black males was 11.1 percent.

Under H.R. 1099, the Secretary of Education is authorized to fund projects that demonstrate:

Ability to increase awareness of teen suicide among school personnel and community leaders;

Training strategies in prevention for school personnel;

Ability to implement and administer school-based prevention programs; and finally

Use of community resources and cooperation in the development and implementation of suicide prevention programs.

Recent television shows and movies have served to further dramatize this problem. We hear almost weekly news reports about another tragic act by a young person in small towns as well as large cities across the country. As a member of the House Education and Labor Committee for 15 years, I believe that this bill represents an appropriate response to this problem by incorporating schools, as focal points of communities, in partnerships with parents and school personnel, in the fight to address this problem.

I urge our colleagues to join with us in support of this timely and important initiative.●

LEGAL SERVICES INCENTIVES ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. GARCIA. Mr. Speaker, today along with 17 of my colleagues, I am introducing the Legal Service Incentives Act, a bill to supplement the funding of the Legal Services Corporation. Let me state at the start that this is not another Government funding measure, but a mechanism for providing incentives for raising funds to provide legal services to poor people.

Let me explain how my bill would work. In several States there exists something called Interest on Lawyers Trust Accounts [IOLTA]. This voluntary mechanism allows lawyers, acting collectively through bar associations, to take steps to generate interest on otherwise unproductive client funds and to use the interest to fund law related public interest activities. The principle is simple. Client funds in the lawyer's possession are pooled in NOW accounts. The interest generated by the NOW account is allocated to law related public interest activities through a not-for-profit corporation. I would point out that this program has generated $21 million for legal aid to poor people in need of legal services.

Unfortunately, the program has become so successful that the money generated has been used too often for activities other than direct legal services to indigent people, such thing as law school scholarships, legal law libraries, and so forth.

My bill would provide an incentive to keep these funds for direct legal services to the poor by placing a tax on the money that is not used directly to provide legal services to indigents. While this legislation would not prohibit IOLTA funds from being used for other purposes, it would encourage the use for which the funds were originally established. With this mechanism, we can provide the much needed money to assist the faltering Legal Service Corporation without additional increases in the Federal deficit. I urge my colleagues to cosponsor this measure.●

SUSIE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1985

● Mr. MINETA. Mr. Speaker, we would like to speak in honor of Susanne B. Wilson, an individual who deserves our highest praise and respect.

Susanne Wilson, whose public service in our community serves as a model for all citizens, will be honored at a special dinner on March 1, 1985, for her outstanding contributions to our friends, residents and constituents in the county of Santa Clara.

Susanne Wilson is a member of the board of supervisors in our county. She was first elected to the board in November 1978. Prior to her election as supervisor, Susie was a member of the San Jose City Council. She served her city with distinction from 1973 to 1977. Susie's extensive efforts and effective leadership have helped enable San Jose and Santa Clara County become one of the premier locations in the country. With the help of people like Susie, Santa Clara County has been able to offer assistance, services, and strong fiscal policy for thousands of residents as well as city and county government that is accessible and responsive.

Yet Susie's record of contribution extends beyond her important work as an elected official. She has served on the YWCA board of directors for more than a decade and served as president of the board for more than 3 years. She currently continues her leadership role today as chairperson of the YWCA advisory council.

Since its inception in 1974, she has been a dedicated believer and helper in WOMA—the Women's Alliance, a battered women's shelter. During her tenure as a councilwoman and vice mayor of San Jose, she fought for and won private and government funding for WOMA. As a county supervisor, when budgets were drastically cut, her leadership and guidance helped direct WOMA to sources of funding which assured the continuation of these important services.

She is a cofounder of the Walk for Women of Sparta, a fundraiser for San Jose State University's Women's Athletic Program. The walk, which is entering its fifth year, has become the most successful single-event fundraiser for women by women in collegiate athletics. She has also given her talents to helping in the Santa Clara Valley Medical Center—expansion of the facility to meet the needs of the community involving her church in the VMC Rehabilitation Center, and assists VMC in meeting its always unmet needs for more space for premature infants.

As a result of her dedicated service, Susie has received many honors and awards—including WOMA's Woman of Distinction and the Woman Achievement Award from the League of Friends of the Santa Clara County Commission on the Status of Women. Susie's record of service and accomplishment is exemplary. She is a committed public offical who works to solve problems and find equitable answers. We trust her judgement; we respect her achievements.

Mr. Speaker, we have enjoyed working with Susie, and we are honored to have her as our friend. Susanne Wilson strongly deserves accolades and thanks for her notable service to our community. In light of this fact, we ask you, Mr. Speaker, and all Members of the U.S. House of Representatives to join us in extending thanks to our friend, Susanne Wilson.●