HOUSE OF REPRESENTATIVES—*Thursday, March 28, 1985*

The House met at 11 a.m.

Rabbi Maynard C. Hyman, Adas Yeshurun, Augusta, GA, offered the following prayer:

Eternal G-d, Father of all mankind, in the introduction to the Decalogue Thou hast declared, "I am Thy G-d who brought thee out of the land of Egypt, out of the house of bondage."

Thus, at the greatest moment in history Thou didst proclaim to all mankind that in freedom we must serve Thee.

O' L-d, we thank Thee for the privilege and good fortune to live in a country whose leaders strive to enact laws which promote religious pluralism and multifaceted rights for all of its citizens. We pray that these ideals become the heritage of all the peoples of the Earth.

Do Thou bless and protect, help and exalt the President, Vice President, officers, and all the citizens of this country.

May this be the will of G-d; and let us say 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. LOEFFLER. 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. LOEFFLER. 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 271, nays 138, answered "present" 9, not voting 14, as follows:

[Roll No. 38]

YEAS—271

Ackerman
Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Armey
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Campbell
Carper
Carr
Chappell
Coelho
Coleman (TX)
Collins
Conyers
Coyne
Craig
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan (ND)
Dowdy
Downey
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hartnett
Hawkins
Hayes
Hefner
Hendon
Hertel
Hillis
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Johnson
Jones (NC)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Lowry (WA)
Luken
Lundine
Lungren
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDade
McGrath
McHugh
McKinney
Michel
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Obey
Olin
Owens
Packard
Panetta
Pease
Pepper
Perkins
Petri
Pickle
Price
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Schaefer
Scheuer
Schumer
Seiberling
Sharp
Shelby
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Denny
Smith, Robert
Snyder
Solarz
Solomon
Spratt
St Germain
Staggers
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)

NAYS—138

Archer
Badham
Bartlett
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Brown (CO)
Burton (IN)
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Crane
Dannemeyer
Daub
Davis
DeLay
DeWine
Dickinson
DioGuardi
Dreier
Duncan
Durbin
Eckert (NY)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gingrich
Goodling
Green
Gregg
Grotberg
Gunderson
Hansen
Henry
Hiler
Holt
Hopkins
Hunter
Hyde
Jacobs
Jeffords
Jones (OK)
Kasich
Kemp
Kindness
Kolbe
Kramer
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Mack
Madigan
Martin (IL)
McCain
McCandless
McCollum
McEwen
McKernan
McMillan
Meyers
Miller (OH)
Miller (WA)
Monson
Moorhead
Morrison (WA)
Oxley
Parris
Pashayan
Penny
Porter
Pursell
Ritter
Roberts
Roemer
Rogers
Roth
Roukema
Rowland (CT)
Rudd
Saxton
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Skeen
Slaughter
Smith (NE)
Smith (NH)
Snowe
Spence
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Zschau

ANSWERED "PRESENT"—9

Boxer
Cooper
Garcia
Hatcher
Mica
Mikulski
Oberstar
Ortiz
Sisisky

NOT VOTING—14

Applegate
Barton
Bateman
Dixon
Dornan (CA)
Dymally
Ford (MI)
Gephardt
Heftel
Mitchell
Savage
Siljander
Stallings
Waxman

□ 1120

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

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

□ 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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ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the agreement of yesterday, there will be only one 1-minute speech.

The Chair recognizes the gentleman from Georgia [Mr. BARNARD].

RABBI MAYNARD C. HYMAN

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

Mr. BARNARD. Mr. Speaker, it is both a privilege and a pleasure to have Rabbi Maynard C. Hyman of the Adas Yeshurun Synagogue in Augusta, GA, as guest chaplain today in the House of Representatives.

Rabbi Hyman was born and raised in Wilkes-Barre, PA. He attended schools in New York, the Rabbinical Seminary of America and Brooklyn College, and is married to the former Evelyn Mitzner of New York. They have two children, Avi Dov and Syril, both born in Augusta. Their son, Avi Dov, is a student at Ner Israel Rabbinical College in Baltimore and their daughter, Syril, is a student at Bais Yaakov School for Girls, also in Baltimore.

Today, March 28, marks a very special date for Rabbi Hyman. In Judaism, the number "28" is a significant number as it represents strength. Rabbi Hyman is celebrating his 20th year with the congregation in Augusta and 30 years in the rabbinate. He has previously served at the pulpit of the Congregation Beth Israel in Mahanoy City, PA, and the Congregation Tifereth Zvi in Utica, NY.

During his 20 years in Augusta, the congregation has celebrated their 95th anniversary. They have also experienced an impressive growth in membership, educational classes, youth activities and social functions. In 1969, because the congregation had outgrown their facilities, a new education and youth center and chapel building were added to the synagogue.

In addition to his duties as rabbi, educational director and teacher, Rabbi Hyman is also the volunteer Jewish chaplain at Gracewood State School and Hospital in Augusta. He is a past officer of the university hospital clergy staff and his sermons have appeared in leading rabbinic sermon manuals. He has been honored on several occasions by such organizations as the Augusta Federations of Jewish Charities and the State of Israel Bond Organization. Rabbi Hyman has also contributed his time and energy to the Rabbinical Council of America, the New York Board of Rabbis, and the Yeshiva University Alumni Association.

In introducing Rabbi Hyman today, I want to quote the rich, Jewish sources and traditions he represents. I find none more appropriate than the eloquent words of Maimonides, Rabbi Moses Ben Maimon, whose 850th birthday is being celebrated this week worldwide.

In the beginning of his magnum opus, the great Mishna Torah, he describes the ideal scholar and what distinguishes him from the rest of the people. He says in his book, "Hilchos Dayos":

> The scholar and wise man is not recognized only by his intellect and wisdom. He is also unique and recognized by his good deeds and mundane life, by his eating and drinking and daily dealings.

Rabbi Hyman is distinguished not merely by his knowledge and wisdom but also by his sense of integrity and character, and his service to his fellow man.

He devotes much of his time to speaking to non-Jewish groups in an effort to promote good will and understanding in the community of Augusta. He teaches by both word and example and his efforts have earned him the respect and admiration of both the Jewish and non-Jewish communities of Augusta.

It is an honor to have Rabbi Hyman and his lovely family with us today, Mr. Speaker. We all thank him for giving the blessings of the Lord on this most significant day.

ELECTING MEMBERS OF JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. ANNUNZIO. Mr. Speaker, I offer a privileged resolution (H. Res. 117) electing members of the Joint Committee on Printing and members of the Joint Committee of Congress on the Library, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 117

Resolved, That the following named Members be, and they are hereby, elected to the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

Joint Committee on Printing: Mr. Gaydos of Pennsylvania, Mr. Jones of Tennessee, Mr. Badham of California, and Mr. Roberts of Kansas.

Joint Committee of Congress on the Library: Mr. Swift of Washington, Ms. Oakar of Ohio, Mr. Gingrich of Georgia, and Mr. Roberts of Kansas.

Mr. ANNUNZIO. Mr. Speaker, this is a routine resolution which conforms to the statutes establishing these two joint committees.

Section 101 of title 44 of the United States Code establishes the House contingent to the Joint Committee on Printing as consisting of the chairman and four members of the Committee on House Administration.

Similarly, section 132B of title 2 of the United States Code establishes the Joint Committee of Congress on the Library, and states that the House membership shall be comprised of the chairman and four members of the Committee on House Administration.

I have consulted with the ranking minority member of the Committee, Mr. FRENZEL, as well as the leadership of both sides, and all are in agreement as to the membership.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 117.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE LATE REPORT ON H.R. 1714, AUTHORIZING APPROPRIATIONS FOR NASA, FISCAL YEAR 1986

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until 6 o'clock, Thursday, March 28, 1985, to file a late report on the fiscal year 1986 NASA authorization bill, H.R. 1714.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution (H.J. Res. 181) to approve the obligation and availability of prior year unobligated balances made available for fiscal year 1985 for the procurement of additional operational MX missiles, and that I may be permitted to include certain tables and extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MAKING APPROPRIATIONS FOR THE MX MISSILE

Mr. ADDABBO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 181) to approve the obligation and availability of prior year unobligated balances made available for

fiscal year 1985 for the procurement of additional operational MX missiles.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. ADDABBO].

The motion was agreed to.

□ 1130

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 181) to approve the obligation and availability of prior year unobligated balances made available for fiscal year 1985 for the procurement of additional operational MX missiles, with Mr. KILDEE in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. Pursuant to section 101(h) of Public Law 98-473, and the order of the House yesterday, Wednesday, March 27, the gentleman from New York [Mr. ADDABBO] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. McDADE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, 2 days ago the House voted to allow the authorization of $1.5 billion to fund the procurement of 21 additional operational MX missiles. Today, the House is considering House Joint Resolution 181, which actually makes available the $1.5 billion in unobligated balances for the procurement of these missiles.

I contend these funds should not be released at this time. The House has shown its resolve and support of the President on this issue by approving the authorization on Tuesday. The actual funds to carry the additional MX procurement forward should be held up as we watch the progress of the arms negotiations in Geneva. If there is no progress made, these funds can be made available later.

The unobligated balances are fenced and cannot be used for any other purpose. Why not wait and see what results from the Geneva negotiations before committing the American taxpayers to the expenditure of additional billions of dollars for missiles of questionable value?

This resolution, House Joint Resolution 181, should be defeated.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. I thank the gentleman for yielding me this time.

Mr. Chairman, I have listened to the debate on the MX for the past 2 days and have tried to understand the logic of some of my colleagues who are on the pro side of this MX vote. And as best as I can figure it, to many the bottom line is that you have to talk tough, carry a big stick and scare the Russians into being good guys. Well, if we build 21 more MX missiles, with 10 warheads on each, it will give the United States a total of 1,051 missiles and the Soviets will still have 347 more than us. They will probably deploy more since they are flight testing SS-X-24 and SS-X-25 missiles which are developed for mobile as well as silo basing. And the race goes on. And if these additional missiles are funded for the purpose of giving us the ability to bargain, what are we going to do, bargain away the social and domestic security of the American people at a cost of billions of dollars when we know for a fact that we could have better weapons for cheaper? This denies the American people what the Constitution guarantees them when it states that the Government should provide for the general welfare and common good. And what is the MX going to be as a bargaining chip? Is it another Spartan missile? Remember how that was bargained away in the SALT I treaty? But only after the taxpayer has paid millions of dollars for the Spartan and Sprint missile. The Spartan was a long-range missile designed to track incoming enemy warheads and determine whether or not they were live, if so the Spartan would destroy them, creating a nuclear shield. If any nuclear weapons made it through this shield the shorter range Sprint missile would destroy them. That was to be our safeguard system. Where is it now? The Nixon administration with the signing of the SALT I treaty bargained it away. They agreed with the Russians that there should not be an ABM program, although in 1975 the two silos were permitted to be built. The contractors were paid to place one missile in Grand Forks, ND. One month later the same contractors were paid to dismantle the missile. The point to be made here is that, like the Spartan the MX is a big waste of tax dollars. The history of this missile shows us that it has always been thought that its effectiveness was contingent upon its mobility. No responsible engineer would guarantee the survivability of a missile contained in a silo. The assurances of the President and his advisers, that the missile silos may be hardened and therefore not vulnerable to a Soviet first-strike, cannot be substantiated. At the point when the political decision was made that a mobile basing mode was not desirable for the MX, it ceased to be a viable weapon system.

Mr. ADDABBO. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. I thank the gentleman for yielding me this time.

Mr. Chairman, I am again voting against legislation which would appropriate additional funds for building more MX missiles.

I am happy to say that I voted against funding for the MX missile when it was first proposed in the Congress on April 22, 1977, and since that time, I have voted some 30 times against legislation which would provide funds for this costly and unnecessary system.

I thought the MX was a bad idea then, and I think it's a bad idea now.

Each year, more and more of our colleagues have come to recognize that the Congress should not continue to provide funds for such a dubious weapons system.

Back in 1977, only 11 of us voted against funding for the MX, and I might say that we were a lonely group then. Now, I am happy to say, we are in the good company of our colleagues from both sides of the aisle.

Mr. Reagan may win the battle again today. But I hope that he will take note that despite his recent trip to the Hill to lobby for the MX, despite his invitation for the entire House to come to the White House for a briefing on the MX, despite all of his telephone calls to Members of Congress, despite his bringing our chief arms negotiator back from Geneva to lobby the Congress, and despite all of the wheeling and dealing by the administration, funding for more MX missiles only won by a meager six votes the other day, and it looks as though today's vote again will be close.

It should be obvious that the days of fast and loose funding for the MX are numbered. In fact, had not the President used the current arms talks as a bargaining chip for the Congress to approve funding for the MX, it is doubtful that he would have received the necessary votes this time around.

You might say that the administration has won the battles, but eventually will lose the war.

If you think that today's vote will satisfy the administration's thirst for additional billions of dollars for the MX, then I suggest that you take a look at its fiscal year 1986 budget proposal.

It is requesting $3.2 billion for 48 additional MX missiles plus another $800,000 for development purposes.

Furthermore, we have not even started to discuss the funds that will be necessary for hardening the silos which will house the MX missiles. We are talking about another $20 billion to accomplish that.

Considering our $300 billion defense budget, it may seem that the current funding being requested for more MX missiles is not very significant; however, the true cost of this program could exceed $40 billion, as some of our colleagues have eloquently stated during the MX debates.

Mr. Speaker, funding for the MX missiles goes far beyond the point of being merely a national security issue. Actually, little has been said about the value of the MX—in fact, the administration has not tried to defend the MX based on its merit; it has only talked of the MX as a bargaining chip.

While we are so willing to, at the administration's urging, pump billions and billions of dollars into a system as questionable as the MX missile, we also are being asked to ignore the realities of $200 billion a year deficits partly caused by unnecessary defense programs such as the MX.

Furthermore, we are asked to continue to reduce or eliminate funding for programs that benefit our children, senior citizens, students, the hungry, the homeless, the sick, small businesses, and the disadvantaged.

The MX missile says a lot about our priorities. To build unnecessary weapons, we are so willing to jeopardize the real national security which is so vital to our country's future.

National security comes in many shapes and forms—defense being merely one of them. While our future is not dependent on whether we fund the MX or not, it is very dependent on whether we feed our citizens and provide them with decent housing and adequate medical care, educate our children, and show that we care for our young and our old.

These are the things which make our country so great. Few civilizations have collapsed from lack of weapons, but many have fallen because they failed to take care of the human needs of their citizens.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. DICKS].

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to my good friend the gentleman from Pennsylvania.

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

Mr. Chairman, I rise in strong opposition to the MX.

The President has told us he needs the MX missile because it is an effective deterrent and therefore an effective bargaining chip with the Soviets during the current arms control negotiations in Geneva. I agree with the President that we ought to have an effective deterrent to use in bargaining with the Soviets to reach an agreement.

The problem with the President's argument is that the MX is not a deterrent and not an effective bargaining instrument either. It's not a deterrent because it's so vulnerable to Soviet attack, deployed as proposed, in hardened Minuteman silos. A weapon can't be a deterrent if it can't survive and the MX could not survive a Soviet attack. So the Soviets have no reason to fear the MX unless the United States used it in a first strike. But President Reagan, quite rightly, has said we would never launch a first strike.

If the Soviets know the MX is not an effective deterrent, there is little incentive for them to give anything up in exchange for our agreement not to deploy it. So it's not a very effective bargaining chip. And who really believes that the present administration would agree to bargain away the MX missile once it had been built? I don't. This administration is committed to building it at whatever cost, even the almost $40 billion it may eventually cost.

I fail to see the logic in the administration's argument that we need more nuclear weapons in order to reduce the number that we have. I cannot see where spending a quarter of a billion dollars to build and deploy each MX missile is going to move us in the direction of limiting and ultimately reducing the number of nuclear weapons and reducing the chances of destruction of the planet.

The time to begin to limit the number of nuclear weapons is now and the defeat of the MX missile, once and for all, is the way to begin.

The people I represent, Mr. Chairman, of Bucks and eastern Montgomery Counties, in Pennsylvania sent me here to oppose this wasteful and destructive policy.

Today I am proud to cast my vote on their behalf.

Mr. DICKS. I thank the gentleman for yielding me this time.

Mr. Chairman, there has been no issue which has more divided this Congress than the question of the MX missile and its deployment. In 1983, President Reagan named a bipartisan commission led by Gen. Brent Scowcroft to examine strategic modernization and arms control policy. It made three major recommendations, relative to the issue before us today. One, that the President of the United States commit himself to a vigorous approach to arms control; two, that we develop a small, single warhead missile called Midgetman to add stability and survivability to the land-based leg of our force; and finally, that we have some deployment of the MX missile. The Commission noted that we had been debating the ICBM modernization issue for 12 years, and it was time to demonstrate that we could go forward to complete a system that we had been debating while the Soviet Union had deployed seven additional classes of ICBM's and 640 heavy SS-18's and SS-19's.

The Scowcroft Commission concluded that we need some prompt, hard target capability in the near term as leverage to get the Soviets out of their vulnerable silos, to move toward mobile missiles which would be more survivable. The Soviets are beginning to do just that. They are developing the SS-24 and the SS-25, which are mobile systems which are more survivable.

□ 1140

I happen to believe that with somewhere between 400 and 500 warheads, and this is the level of deployment we will have with 42 missiles, that we will have enough prompt hard-target capability to keep them moving in that direction, particularly as they view D-5 coming behind that and Midgetman, which also has prompt hard-target capability.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I cannot yield because I just do not have enough time. I would love to yield to my friend. If I do have time, I will, at the end.

So it was on the basis of those three recommendations that the group of moderates in the House and in the other body agreed to work with this administration. Because we felt that nothing could be achieved in arms control for this country if we did not have a bipartisan consensus. Many of us were concerned about the direction of the Reagan administration, the very confrontational approach the President was taking, the deterioration in United States-Soviet relations, and we felt if the President would commit himself to arms control that we could give him some support for his modernization program. I happen to believe that that was the correct decision.

Now, many of my colleagues were very cynical. They said this administration is not serious about arms control, and yet I challenge one of you to stand up and tell us that Max Kampelman is not a serious negotiator who wants to get an agreement in Geneva. I just think that he came back here and demonstrated that he is committed, that everything is on the table, as he said at the White House, and that he wants to get an agreement for our country. I think at this particular juncture, 2 weeks into this negotiation, if all of a sudden we give a major defeat to the President of the United States, a major defeat to the negotiators who are trying to deal with the Soviets in a very complicated and difficult negotiation, that we will be sending the wrong message to the world.

I also believe that our NATO allies have had to, under brutal political pressure at home, and Soviet pressure, go ahead with the deployments in Europe and they are now looking to see whether we have the resolve and the commitment to deploy a militarily significant force.

Having said that, I also must caution this administration that they should not try to use Mr. Kampelman again in this kind of a mission. I do not

think it is right. I think the administration is going to have to recognize that with major cutbacks in defense, obvious from what the other body has done, what is happening here in the House, that they are going to have to prioritize in the defense accounts themselves, and I must tell you that when it gets down to the strategic budget, I am going to be more interested in what we are doing in cruise missiles, what we are doing with the Stealth bomber, and things of that nature if we have to make tough budgetary priority decisions as we get to the 1986 authorization bill.

In summary, I think the Scowcroft Commission gave us the basis for progress. The President has kept his word. He is in Geneva with his negotiating team. We are developing Midgetman and I believe that if we undercut at this point, before we get deployed a militarily significant force, I think we are making a mistake.

So please continue to support the release of funding for these 21 missiles.

Mr. ADDABBO. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, this morning I sent to your offices a short "Dear Colleague" letter pointing out the administration's true position regarding the bargaining chip rationale of the MX.

Last night on the McNeil-Lehrer news show, Ambassador Edward Rowny, one of the chief arms control advisers to the President, admitted that the MX is no bargaining chip. He says it is a way of catching up with the Russians and that the administration has no intention of putting it on the table. They do not consider it a bargaining chip. He said they do not expect the Russians to agree on any trade that would involve reduction of the Russians' MX-type missiles.

So for those of you who have been convinced that we need the MX for Geneva, I would ask you to review the text of last night's statement by a high administration official regarding its true intention of the MX. It is no bargaining chip. It is for deployment.

If you want to actually deploy the MX, then please vote "yes" today. If you do not want to deploy the MX, then vote "no." Do not consider it a bargaining chip. By the administration's own spokesman, it is no bargaining chip. It is for deployment.

Mr. ADDABBO. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. I thank the gentleman for yielding this time to me.

Mr. Chairman, I am one Member who is for a stronger defense than the MX provides us. The total expenditure of some $1 billion for every four MX missiles I think will wind up causing us great problems in the future in trying to deal with those systems that Chairman BENNETT on the Armed Services Committee and Chairman ADDABBO on the Defense Appropriations Committee have worked so hard for over these past years, specifically, the D-5 on the Trident submarines, the Stealth bomber technology, the Midgetman, and all of those other important strategic systems which I and they have supported.

When we find down the line that we do not have sufficient funds to do those things we ought to do, we will be buying less defense, not stronger defense.

Mr. Chairman, I submit today to those who are going to vote for the appropriation that they should think twice about that and let us have a stronger defense.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, today we are making the most fateful decision of this Congress. Today is the vote on whether we produce the MX missiles. We voted 2 days ago to authorize a program that is senseless, to give Max Kampelman a vote of confidence, to give him a bargaining chip. Tuesday we voted on Geneva. Today we must vote on the MX.

We knew the MX should not be funded, but we wanted to give our negotiators a bargaining chip. But is the MX a bargaining chip to President Reagan? Let me quote him last week: "No, the MX is not a bargaining chip."

George Shultz last week: "It is not a bargaining chip."

Caspar Weinberger last week: "The MX has never been a bargaining chip."

These men are telling us the truth. We ought to listen to them. Every time he wants to save the MX, President Reagan promises progress in arms control. We have given them the $1.5 billion authorization that Max Kampelman needs to bargain with at Geneva. Let us not produce the MX missile that will, in fact, fuel the arms race.

We have heard a lot about Soviet missiles, but if we look at the pictures of new Soviet missiles, we see one interesting thing: They are not putting them in stationary sitting-duck silos. They are developing mobile missiles. The Soviets are not buying dinosaurs and neither should we. This is not an issue of liberal versus conservative. It is an issue of smart versus dumb. When we produce worthless missiles, we do not look tough; we look dumb. And when we in Congress haul out the white flag and surrender every time the President cries military strength we look dumb and weak.

In today's Washington Post, we see a beautiful Air Force photo of MX warheads, 10 of them, streaking toward the Earth. When some people see this, they see a demonstration of resolve. When I see it, I see the end of the world.

Mr. ADDABBO. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the funding of the MX.

The President of the United States is like a kid with a new toy and he is bound and determined to get his new set of nuclear bombs using whatever it takes and caring little about the consequences. To deny him his 21 MX's because it is going to send the wrong message to the Soviets is the height of absurdity.

To call this a peace keeper is the ultimate in naivete.

If I thought building these missiles would force the Soviets to agree to reduce their nuclear arms and would secure peace, I would vote for all 100, but you know that is not going to happen. Is it a bargaining chip? Once we agree to funding construction, they are going to be built. There will be nothing to bargain. The truth is that the Soviets are going to strengthen their hand by building more and more to keep up. History shows this. Add all these to the existing 50,000 nuclear warheads or more and then ask yourselves—now where are we?

Now if you think that the Soviets are further ahead in arms technology and numbers of nuclear weapons, ask the Pentagon if they would trade America's weapon systems for theirs. You can bet they would not.

I have spoken in many high schools throughout my district and asked high school juniors and seniors what they think and, frankly, they are scared to death. Only yesterday I talked with 47 closeup students—not one—not one—thinks they should be built.

It is not logical my friends to build 100 multiheaded nuclear weapons that are more powerful by many, many times than those dropped on Nagasaki and Hiroshima, to end the arms race and reduce nuclear weapons. It is contradictory. If we reach an agreement with the Soviets—do we then begin to dismantle the very weapons we are being asked to fund and which we are threatening them with? I think not.

But these are the points that President Reagan is using to sell this $40 billion boondoggle even though very few people feel that the MX is essential to the success of these talks. So then what is the wrong message we send if we don't build them? There is no wrong message. The wrong message is if we build them, this will not stop the arms race, it will accelerate it.

Further all the best physical deficiencies have been stated—and truthfully—they will be vulnerable in existing silos which are not able to handle them—there is no money appropriated to restructure these silos therefore there is no base mode—so then, where do you store them—in the White House?

Additionally my friends, for the President to ask to spend this kind of money on a system that will be obsolete when finished, and that will not achieve the purpose for which they are being built and which threaten the security of this country and then turn his back on America's dwindling family farmer, American students who want to further their education in college, America's veterans who do not want their medical benefits cut or pension and disabilities taxed and America's senior citizens who built this country who do not want their medical benefits reduced is absolutely ludicrous.

I think you better take another look at what this President is doing and get back to what the people are telling us are their real concerns—fiscal responsibility, lower spending, reduce deficits, reduce interest rates. Help America's unemployed so they can work, pay taxes, educate their children, feed, clothe, and house their families, farm the land and make America really strong—which is how America was built in the first place.

This Nation now is the strongest military power in all of history yet our economic foundation is crumbling through misguided and misunderstood fiscal policies.

We better get our priorities in order.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Florida [Mr. YOUNG].

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Mr. YOUNG of Florida. Mr. Chairman, there have been many issues raised in the debate, and we have heard them all so many times. As we approach the final vote, I think it is important that we eliminate some of the chaff and get down to the wheat.

I just heard an eloquent speech here from this well telling how everyone in the administration has said that the MX is not a bargaining chip. Well, if we went to Geneva, having already told the Soviets what were bargaining chips and what were not bargaining chips, we might as well stay home. If we go to Geneva letting the Soviets know in advance what we will accept and what we will not accept, that is not a negotiation, that is a capitulation. If you really want genuine negotiations in an effort to remove the threat of nuclear war from this planet, you have to go to those talks with both sides understanding the seriousness of what they face, with both sides understanding that there is going to have to be some give and some take. The Soviets are willing to take, and we know that because their history year after year proves it.

They have taken Hungary, they have taken Poland, they have taken Czechoslovakia, they have taken Latvia, they have taken Lithuania, they have taken Estonia, and in recent times they have taken Afghanistan. The Soviets will take, but they do not like to give. The only way we can convince the Soviets to give is if we have something that they would like to take from us or they would like to have us give to them. If we here in Congress take away all those items our negotiators might work with in Geneva, there is no use in going to Geneva, there will not be any meaningful negotiations, and the Soviets will continue their tremendous, fantastic buildup of an offensive capability and we will be sitting here 10 years from now playing catchup again, as we have for the last 6 or 8 years. It is very expensive to play catchup, especially when we are dealing with billion-dollar items.

Another argument that needs to be addressed is that we voted on Tuesday to authorize the unfencing of the funds for the 21 missiles, the $1.5 billion, and that we do not have to appropriate the money today, that we do not have to eliminate the fence around the money. Well, I never heard anything so ridiculous.

How dumb do we think the Soviets are? They may be dumb, but they are not stupid. I will bet they are watching this debate today, as they did yesterday and the day before that and months and years before that, and they know that if we do not vote to unfence these moneys today, there is no MX missile. They know that, and when they sit down in Geneva, why in the world would they give any consideration to giving something to get rid of our MX missile or giving something to get rid of an SDI initiative when there is no money? They are not stupid. We can say to them all we want that we unfenced the authorization on Tuesday, but if we do not also free up the money, the Soviets know it and we are just not going to have any value at the negotiating table on this issue.

Now, there is another point that was just made, and I don't think this requires a lot of comment. But one of the speakers just said that this was such a worthless missile. Well, if this missile is worthless, I wonder why the Soviets have already built one just like it. And if this missile, with this new technology, is worthless, what about the Minuteman II's and Minuteman III's in the silos today? If the Peacekeeper is worthless, believe me, I say to my friends, the Minutemen are worthless because they do not come anywhere near the technology that the MX Peacekeeper has today.

It might be fashionable for our colleagues to come to the well of this House and tell us this is a worthless missile, and maybe to them it is. Maybe they really believe it is a worthless missile, a worthless piece of technology. But I can promise you that when the Soviets look at it, they do not see a worthless missile, they do not see a worthless piece of technology.

We have had debate. We have had votes, in fact, we have had vote after vote after vote. Why don't we just go ahead and finish what we started last Tuesday when we passed the authorization resolution? Let's pass the money resolution today, and let's be in a position of strength dealing with the Soviets as we earnestly seek to remove the nuclear threat from the people of the world.

Mr. Chairman, during the many hours of debate this week some of our colleagues have attempted to lay the responsibility for our mounting budget deficits on President Ronald Reagan.

Let's take a look at the numbers to see where the responsibility really lies. From fiscal year 1982 through the President's proposed fiscal year 1986 budget, the annual budget deficits total $923.2 billion. During that same time, the President has had no choice but to spend $778.9 billion of that $923.2 billion just to pay the interest on the national debt. It's important to note that when President Reagan took office he inherited a $1 trillion national debt and annual interest payments on the debt which have risen from $117 billion to $200 billion per year.

Subtracting these annual interest payments from the deficits of the President's first five budgets, we find that President Reagan's actual deficit for that period is $144.3 billion, an average deficit of $28.9 billion per year. The last time our annual budget deficit fell below $30 billion was in 1974, 11 years ago.

It's my hope, Mr. Speaker, that my colleagues will keep these figures in mind when they attempt to pass the buck for our national debt. The truth of the matter is that the President of the United States cannot spend a single dollar that the Congress does not first appropriate. And before Ronald Reagan took office, Congress appropriated a trillion more dollars than it had to spend. President Reagan never had a chance to start with a clean slate. Instead, during his Presidency he has had to include in his budget more than three-quarters of a trillion dollars just to pay the interest on the trillion-dollar national debt he inherited upon taking office.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding me these 2 minutes.

Mr. Chairman, in my judgment, 21 missiles will not make the difference in arms control negotiations in Geneva. As a matter of fact, even 100 MX missiles are not going to make the difference. If we want to talk about SDI, we are going to have a little time to talk about that later on.

I think the basic issue we are discussing here today is really not the 21 missiles to be unfenced; it is a matter of trust and mistrust between 2 countries. Let me share with the Members in the 45 seconds I have, a conversation I had with the Soviet Ambassador on the subject of chemical warfare and the limits of chemical warfare. Their feeling is that we are trying to impose our will upon the Soviet Union, which is absolutely untrue, and then when we try to respond to them and talk about Afghanistan, as the gentleman mentioned before, they want to get away to another subject.

The same gentlemen said to me, "We lost 20 million people in World War II," and he was reminded very quietly but effectively that if it were not for the United States, Russia today could have nazism, could be Nazi Germany.

The point is that we have a problem of mistrust between both countries. They are going to keep building on one side and we are building on the other side, and we are never going to have an arms control agreement. I think what we ought to be looking into as policy maybe in the future is to see how we can have a breakthrough between these two so-called superpowers in order to have some understanding of what arms control really means.

Mr. Chairman, the MX missile is not going to make the difference, I think deep down we all know that. So I ask the Members to let their conscience guide them on this one.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BENNETT], a leader on this side against the MX missile.

Mr. BENNETT. Mr. Chairman, I have just come from a meeting of the Armed Services Committee people from Great Britain and from the United States, talking about this and other matters, and in that meeting it was said that we will do well if we get a 3-percent increase—the President has asked for 6 percent—over the money last year. So we are dealing really at this point with a problem of whether or not this is the ideal weapon they say it is, because in a way we are saying to the world that we would rather have the MX than any other weapon, and, of course, that is just exactly the opposite of what really we should be doing.

We are talking today about funding the most vulnerable, the most disputed, and the least valuable weapon that we have, and we are cutting down on the things that the President has asked for. He has asked for $313 billion of new funding for this year, and it is common knowledge that he is not going to get more than 3 percent over inflation. He may not get anything over inflation. If he gets 3 percent over inflation, that is $34 billion in future funds of MX, and that would be $18 billion for each of those years, and, therefore, the figure is going to come out to the fact that if we vote for this in the way it has been presented here today, we will be cutting down on other very vital matters for the national defense of our country to the extent of $34 billion. If it is going to come out in 2 years or 4 years, in one case it does not make any difference where it is going to come out, but it is going to come out of the absolute essentials to our national defense. So we are picking the least valuable weapon we have and giving it priority.

I would like to conclude my remarks by emphasizing, as I said before, the Constitution of the United States because a lot of people do not really understand what we are ordered to do by the Constitution. In our Constitution, it says that there is going to be a Commander in Chief, but Congress is given the responsibility to declare war, and that Congress shall have the power to raise and support armies, provide and maintain our Navy, and make the rules for the Government and regulation of the land and sea forces.

Mr. Chairman, I say to the Members that they ought to vote their conscience here today and vote against the MX funding.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, let me first thank my ranking member for yielding me this time.

I want to take just a moment to express my congratulations to my colleague, the gentleman from Pennsylvania [Mr. McDADE], on his new responsibility as ranking member of the subcommittee of the Committee on Appropriations dealing with this critical area of our own responsibility. The work of the House, in terms of sensitivity, understanding, and compromise in the field of defense, is indeed given great strength with this new leadership on the part of the gentleman from Pennsylvania. I appreciate his work and rise to express my confidence in him as well as my support for his effort.

Mr. Chairman, for the last several days, the House has had the opportunity to hear a great range of opinions on the merits of the MX missile, its impact on the arms control talks currently underway in Geneva, and the relative strength of the U.S. strategic land-based deterrence. These are important questions that must be carefully and critically analyzed, for the decisions we make this week will indeed have an impact on the shape of our strategic forces well into the 1990's and beyond. And the capability of those forces will have a direct and undeniable impact on the security of the Nation we have been sent to Washington to safeguard.

I should like to take a moment and address some of the concerns voiced by my colleagues on both sides of the aisle relative to the MX and the need to release the fiscal year 1985 funds for its continued procurement.

Many have stood in the well of the House and warned that we are unable to simply go on buying weapons on credit. That we must pay for that which we procure. This is true. But the MX decision before us is one that will release funds this body has already appropriated for defense. It is not new money. It is not fiscal year 1986 funding which may be redirected to deficit reduction, unemployment compensation, farm relief, or education assistance.

It is funding which must and ultimately will be spent to provide for the Nation's security. If it is not spent for improvements in our land-based strategic forces through the procurement of MX, it will be spent on other defense requirements. So the concerns of my colleagues over this vote and the impact on the deficit are more appropriate for future discussions on fiscal year 1986 funding. The real question before us today, therefore, is: "Is this money best spent on the MX or should we reprogram it for other defense purposes?"

A quick review of the improvement in our military forces over the past 4 years reveals that the land-based component of the strategic triad has received only minimal attention while the other facets of the Nation's defense have been the focus of considerable funding increases. I am not arguing that this attention was unwarranted. On the contrary, our military forces had been allowed to stagnate and were in dire need of modernization. But, the Minuteman and Titan force have been, with the exception of 21 new MX missiles appropriated last year and yet to be deployed, the heart of our strategic force for the past two decades. It is past time to improve these forces. MX is the necessary answer to years of neglect.

During the time that the United States has shown unilateral restraint in refusing to build new land-based missiles, the Soviet Union has been overly active in deploying hundreds of new and increasingly sophisticated ICBM's which have acted to change the correlation of forces in these systems. We live in a far different strategic environment in March 1985 than

we did in the early 1970's when SALT I was ratified or in the late 1970's when SALT II was sent to the Senate for advice and consent. I know these facts are well known to my colleagues on both sides of the MX question. I ask them to remember that the trend on the Soviet side has been one of unrestrained growth while the trend on our side has been one of great unilateral restraint.

The central question, it appears to me as I have watched the debate unfold in the Chamber, is one of survivability. Will the MX in the proposed basing mode provide an increase in real deterrence or is it so vulnerable to Soviet attack that it will serve no deterrent purpose?

The Scowcroft Commission found after months of review that MX was indeed survivable in the Minuteman silos. They based their conclusion on several factors:

The synergistic effect of the triad would serve to protect the MX. In other words, the threat of retaliation from either the air- or sea-based portions of the triad increases survivability for the MX by complicating the Soviet calculus of risk. With the addition of the MX missile they have no reasonable assurance that the United States would not have sufficient strategic assets remaining in order to retaliate in kind.

Future silo-hardening technologies will significantly improve MX survivability. Such improvements will greatly reduce the vulnerability of MX while at the same time further complicate Soviet first-strike planning requirements. Much has been made of the fact that no funds are currently appropriated for this silo hardening. The Scowcroft Commission foresaw that there would of necessity be a timelag between the placing of MX systems in minuteman silos and the hardening of those silos at a later date. But again they concluded that the triad effect would act to deter a surprise attack against the MX. Let us make no mistake, such a surprise attack would have to be of such magnitude that it would quickly be detected and our air- and sea-based forces would be deployed and ready for action.

Many have argued over the course of this debate that we must wait for Midgetman—the small ICBM yet to be fully tested, funded, or deployed. They argue that only the Midgetman will provide the security we seek with the MX. Again, the experts and the President's Bipartisan Commission on Strategic Forces disagree with this assessment.

The Scowcroft Commission has endorsed both MX and Midgetman. In fact, they have predicted the success of the Midgetman Program on the deployment of MX.

MX and Midgetman are designed to be complimentary systems, not one replacing the other. Even after the deployment, if that day should come, the MX would remain in place. For the MX places at risk hardened targets in the Soviet Union which even the Midgetman cannot sufficiently threaten. To deploy is clearly the most viable strategic alternative. Not one rather than the other.

In addition, the commission found that only the MX could provide timely and effective counterweight to Soviet improvements in ABM technology because of its ability to carry a sufficient number of warheads and deceptive devices to confuse Soviet ABM systems. Such throw-weight size would serve to dissuade Soviet attempts to break out of the ABM Treaty by insurmountably complicating Soviet ABM requirements. The commission concluded that no other system—either air, land, or sea based—in the present U.S. strategic inventory has such a capability. Nor will the Midgetman if deployed have this capability.

There are no guarantees that Midgetman will ever be funded in sufficient numbers by the Congress. The debate on the MX over the last 4 years is proof of the reluctance of many in the House to approve strategic weapons systems, no matter how necessary.

To cancel the MX in the belief that Midgetman, to be deployed 7 years from now, does nothing to improve our bargaining strength at the arms control talks in Geneva. Former Defense Secretary Harold Brown noted in Scowcroft Commission report:

To (abandon the MX and) say that the United States will modernize in the early 1990's with a small single-warhead missile will just not be believable. The Soviets would be justified in calculating that any new U.S. ICBM system will be aborted by some combination of environmental, doctrinal, fiscal, and political problems.

Today the decision we made on the MX will have a profound impact on the nature and stability of world peace. For while we debate here in Washington, U.S. negotiators are active in Geneva trying to shape a new arms control agreement which will defend the interests of the United States.

According to these same negotiators, our decision today will be the most important arms control decision made in the near future. For if we choose not to deploy the MX, we weaken their position, our Nation's position, at a time when strength of arms and will, both real and perceived, is of prime importance.

We are not the first legislative body to debate the question of strategic strength and successful arms control. I refer you to the Senate hearings at the time of the SALT I ratification hearings. I also recommend the lessons that modern 20th century history provides.

Indeed, the script which the House of Representatives has followed this year bears a haunting familiarity to that of our British counterparts some 50 years ago. Just as England was then faced with the threat of an everexpanding Nazi military capability, we are now required to confront the awesome strategic and conventional power of the Soviet Union. Though the weapon systems under discussion in the House of Commons were not MX missiles, the issues and circumstances were very much the same as those which challenge the United States today.

Time has served to diminish the memories of the intensity of public fear during the pre-World War II period over the threat of air power and the risk of global conflict so close on the heels of the war to end all wars. In a modern world threatened by weapons of such potential destructive power as nuclear arms, it is hard to believe that the Europeans of the 1930's viewed the use of aerial bombardment by nations in conflict with the same concern and trepidation as we today fear the consequences of nuclear war. Unaware of the weapons of modern war, our European friends of the thirties were nevertheless confronted by their own version of the ultimate doomsday weapon—the airplane.

Much has been written on the causes of the Second World War, the conflict which Churchill referred to as the unnecessary war. The unequal nature of the Treaty of Versailles and the humiliation it forced on Germany, the pain and disruption of economic depression and social upheaval following World War I, the forced reduction of German territory and the rapid remilitarization of the Nazi's are all generally accepted as precipitators of the conflict. But clearly there are other, equally important causes of this second great war which must be laid at the doorstep of the Western powers of the day.

British reluctance to maintain a credible defense, French political uncertainty and instability, an unwillingness on the part of western leadership to judge German intentions on the basis of its actions rather than rhetoric and an understandable yet naive and ultimately destructive desire to pursue an ultimate peace at any cost, even at the price of Czechoslovakia and Poland's sovereignty, acted as midwife to the ultimate death and destruction that was the Second World War.

The search for and the maintenance of peace is the ultimate and most important responsibility of those holding high office, yet it must not be attained or preserved at the loss of human freedom or as a result of defeat in war. If we are to learn anything from the tragedy of past wars it must not only

be an abhorrence of conflict, but also a respect for the need to maintain an armed force which clearly and unquestionably deters aggression on all levels.

Unfortunately, the weapons of war have undergone a frightening metamorphosis in the last 40 years. As such, the desire to do away with them unilaterally has great popular appeal, as it did for the British in the 1930's. Oftentimes the best answer appears to be simply throwing up our arms and seeking to lure our potential adversaries to the bargaining table at any price, believing that they also seek to eliminate the threat and risk of nuclear war with a similar conviction and in the same fashion we do. This is what Soviet leadership has said in public, many argue, so why not take them at their word? There is much evidence including this week's tragic killing in East Germany, which argues that we not merely take the Soviet Union at their word.

In the early 1970's, the Soviets came to the arms talks because of concern over superior U.S. ABM capabilities. That U.S. strength led to an arms agreement.

Later in the 1970's, the Soviets returned to the SALT II talks partly over concern with the U.S. qualitative advantages in MIRV and guidance capabilities. However, the balance of strength had shifted dramatically and the final product failed to ensure the unquestioned protection of U.S. interests.

Now 10 years later, the balance of strength has shifted even further in favor of the Soviet Union in the area of land-based forces. Yet the Soviets have returned once again to the bargaining table as a result of a string of U.S. decisions to upgrade its strategic forces. They failed to shake allied resolve and the Pershing and cruise missiles were deployed. Strategic defense has shown promise and the Congress last year voted to deploy the MX missile.

All these events have brought the Soviets back. Now the negotiating must begin. So now is not the time to hamstring the U.S. team at the very moment that strength is required. Those who oppose the MX are in favor of arms control, workable and verifiable agreements. We all are. Yet, those who stop the MX hamper the very cause they claim to so adamantly support. Without the MX we may reach an agreement in Geneva, that is not worth the paper it will be written on. In the end, the arms control process and the credibility of that process will be severly damaged.

Our negotiator in Geneva, Max Kampelman, has stated the argument for MX in most unequivocal terms:

> In my opinion, I think it would be damaging to our position in the negotiations were this Congress to decide not to fund the MX proposals that are now before it.

If arms control is to succeed, if our strategic strength is to be assured, we must not waiver in our resolve to modernize. MX is a fundamental facet of that modernization and hence deserves the unshaking support of this body.

Thank you.

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, we have been debating this issue for a long period of time. I think probably the major point that should be made today, in the fourth day of debate, is the fact that we cast this precise vote a couple of days ago. There is no difference between the authorization bill and the appropriation bill.

I have heard it argued that if we vote against it today, we can always come back and start up the production of the missile, the MX missile, a year from now, 6 months from now, or 9 months from now. Nothing could be further from the truth.

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The only thing you are going to accomplish by voting no today is spending about $1.3 billion in order to start it up again a year from today. It cannot be turned on like a light switch. Contractors will flee.

So the vote we have today on this authorization bill is exactly the same vote as on the appropriation bill. If you vote no today and expect to turn it back on a few months from now, you will be spending $1.3 billion and getting nothing, rather than spending $1.5 billion and getting something.

Also, let me urge, why is this Congress if we vote no today, going to make life easy for the Soviet Union? Why do we want to make life comfortable for their negotiators? Why do we want to make life safe for their deterrent force when they put our deterrent force at risk?

Finally, how can we expect our negotiators to negotiate a treaty with the Soviet Union that we demand to be equal, that we want to reduce in same amounts on both sides, if we do not give them some tools to do so? If we go into the negotiations unequal, which is the case today, how can we expect our negotiators to come away equal?

The Soviet Union's land-based missiles can put our deterrent force at risk. Ours cannot put their deterrent force at risk.

You have heard the argument over and over again, it has not been rebutted; they have approximately 600 MX capable missiles and we have none. If we want an equal negotiation, if we want an equal treaty, if we want to give some strength to our negotiators, we have to give them a yes vote today.

There is an argument here that delay is good. In my mind, delay is never movement. Hesitation is never firmness.

It is argued that there is always another way to buy security. There is a cheaper way. There is an easier way. There is a safer way. Mr. Chairman, there is no cheap way. There is no safe way. There is no perfect way.

We have to give Max Kampelman and our negotiators at this particular time what they need, a display of strength and resolve, the ability for them to bring back a treaty that reduces capabilities on both sides. If we want an equal treaty, we have to have equal capabilities.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding.

I was a little nervous about the previous speaker, because if we talk about a requirement that there be equality in the negotiations and that therefore we have to get equal to them land-based, I am afraid that is going to mean a big submarine building capacity on their part, because I hope we are not going to insist that we go into an equal weapons system by weapons system, because we are going to be encouraging the Russians to build to catch up to our enormous advantage in submarines.

I want to talk particularly to my friends who say that they are going to vote for these 21, but not for the next 48. We have gotten that from my friend, the gentleman from Washington. We have gotten that from others. They are going to vote for this batch, but no more.

As I have said, we have heard that many, many times. We have heard that it was a terrible thing to bring Mr. Kampelman over. He should not be brought back again, but it was important that he came this time.

I become skeptical of the people who are going to take the pledge.

The problem I have is this. The argument we are getting is that we cannot undercut the President in negotiations now. We have only one President and we must, therefore accede to his request. My difficulty comes from those who say they are going to vote for the 21 because we have only one President and he is asking us to do this now because he is in negotiations, but who tell us they are not going to vote for the next 48.

We will still be in negotiations, we all hope, in June or July when we vote on the next 48. We will still get a request from the President for the 48. It is already before us. If we have to vote for the 21 now because we only have one President, I have to ask my friends, how many Presidents will we have when the request comes in for

the 48? If we will have more than 21 Presidents, maybe you can vote against the 48.

We heard yesterday from my friend, the gentleman from California——

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. FRANK. Not with only 2 minutes.

We heard yesterday from my friend, the gentleman from California, that we must speak with one voice on this issue. I told him with great respect, I think that is a very mistaken thing to say. Today this great and diverse Nation is told that on foreign policy we have to speak with one voice. We will have done the Soviets the great favor of emulating them at their very worst.

No, we should not speak with one voice. We ought to do what is right and vote against this $1.5 billion waste.

Mr. ADDABBO. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL of Michigan. Mr. Chairman, every day we hear speeches in the well of this House about the tremendous deficit this Nation faces. The proponents for buying and paying for these 21 MX missiles tell us they will only cost $1.5 billion, as if that is not a great deal of money.

Let us remind ourselves that is money that people are working hard to earn. That is taxpayer money. It comes out of their pockets the same as any other money that is spent as that deficit continues to increase.

We know from the discussions that after the administration gets their way, they want superhardened silos for 100 missiles, which will cost $40 billion. There is really no argument about that great expense.

This is your last chance to stop the 100 missiles. They are going to be asking for 48 during negotiations. They will ask you for 100 while negotiations are continuing.

Vote "no" today.

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO], a member of the committee.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I am happy to yield to my friend, the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, today I rise in strong support of House Joint Resolution 181, releasing the fiscal year 1985 appropriation for 21 MX missiles. As a majority of the House of Representatives recognized Tuesday, the MX missile is indispensable to our near-term goals of restoring the strategic balance, achieving deterrence, and providing an incentive to the Soviets for serious negotiations on arms reductions. To stop production of the MX now would be nothing short of unilateral disarmament.

The most important goals of our defense and foreign policy are to prevent war and maintain peace. The foundation of peace in the nuclear age has been America's strategy of deterrence. For over 20 years the United States has relied on a combination of land-based missiles, sea-based missiles, and bombers to deter Soviet aggression. This strategic triad ensures that the U.S. Forces will be able, under all conditions, to retaliate after a Soviet first strike.

By presenting any potential aggressor with the prospect of certain retaliation, peace has been maintained for nearly 40 years. The history of the 20th century makes it sadly clear that peaceful intentions and good motives alone will not stop aggressors. Adequate military strength does do so, and the strategy of deterrence has been successful in securing America and Western Europe since the end of World War II.

However, the U.S.S.R. has outstripped the United States in weapons production over the past decade. According to a Pentagon report issued in 1983, the Soviets have built 2,000 ICBM's compared with 350 for the United States; 6,000 new combat aircraft, versus 3,000 for the United States, 85 new surface warships, compared with 72 for the United States; and 61 attack submarines, against 27 for the United States. When it comes to tanks and armored vehicles, the U.S.S.R. has outproduced the United States by 54,000 to 11,000.

Over the past decade the Soviets have deployed three new ICBM's. They have tested two more in the last year and have at least two additional new types of ICBM's in development.

The growth of Soviet military power relative to the United States over the past 10 years has had a direct effect on Soviet willingness to challenge America's interests around the world. Moscow is using its power directly in Syria, Poland, and Afghanistan and indirectly through proxies in Angola and Central America. These are the tangible manifestations to growing Soviet power. Unless we maintain a strategic nuclear balance between the United States and the Soviet Union, the problem of Soviet adventurism will grow.

Truly, the modernization of our strategic forces is long overdue and should become a matter of the highest priority. A credible, flexible strategic force is vital not only to the balance of power but is the essential foundation of our role as leader and defender of free nations. The fundamental goal of nuclear deterrence depends on a credible force. Our goal of deterring nonnuclear war or nuclear blackmail also depends on it.

As a result, there has been a consensus on the need for strategic modernization, particularly of the land-based leg of the strategic triad-intercontinental ballistic missiles [ICBM's]. According to the bipartisan Scowcroft Commission, America's ICBM force has three main strategic purposes: First, serving as a hedge against possible vulnerabilities in our submarine force; second, introducing complexity and uncertainty into any plan for Soviet attack because of the different types of attacks that would have to be launched against our ICBM's and our bombers; and third, helping to deter Soviet threats of massive conventional or limited nuclear attacks by the ability to respond promptly and controllably against hardened military targets.

Intercontinental ballistic missiles offer a unique contribution to the effective deterrent value of the strategic triad. They are accurate, responsive and reliable, and they offer alert rates approaching 100 percent. These high alert rates and excellent supporting communications systems make ICBM's the most responsive element of the triad. The ICBM's ability to put hardened Soviet targets at risk is essential to effective deterrence. ICBM's, therefore, make it more difficult for the Soviets to plan and execute a successful attack on all three triad components.

We face growing asymmetries, however, with respect to our capability against hardened targets. Since the late 1960's the Soviet Union has engaged in a massive and destabilizing strategic arms buildup that threatens the survivability and retaliatory effectiveness of the triad.

Specifically, the Soviets have developed and deployed numerous large and highly accurate weapons. The Soviets have also taken steps to reduce our ability to retaliate. They have hardened their ICBM silos and critical command and control facilities to the point that our Minuteman missiles have only limited capabilities against them. This imbalance is such a critical component of strategic capability that it seriously undermines the strength of our nuclear deterrence.

Because of their increasing age, our current ICBM force lacks the requisite yield and accuracy to threaten retaliation against hardened Soviet assets, and are vulnerable themselves to a Soviet first strike. It was for this reason that for Presidents and the administrations of both parties saw the undeniable need for a new ICBM [MX]. The MX is essential to redress these asymmetries as soon as possible and to encourage the Soviet Union to negotiate arms reductions.

In its report on the U.S.'s strategic posture, the Scowcroft Commission recognized that no single weapons system or basing mode would be able to solve all of our problems and meet all of our requirements for both the near and the longer term. The Com-

mission's recommendations, which the president accepted and the Congress approved, calls for the deployment of 100 MX missiles in Minuteman silos as one element of an overall strategic force modernization and arms control package. Deployment of the MX will eliminate the Soviet monopoly of prompt hard-target capabilty.

Mr. Chairman, during the debate yesterday on the authorization of $1.5 billion for 21 MX missiles, it became clear that the major questions pertained to the cost of the missiles in light of the deficit and grave domestic needs, the need for greater convenrtional strength, the so-called "obsolescence" of the MX in light of more recent technology, the alleged vulnerability of the MX in Minuteman silos, and, perhaps most importantly, the effect of the House's action on the negotiations currently underway in Geneva.

Allow me, Mr. Chairman, to address each of these issues in turn.

First, those who would try to save money in defense spending by blocking the MX must remember that what we spend must be in response to the size and nature of the threat we face. The experience of massive Soviet buildups during a period of U.S. restraint in the late 1960's and early 1970's makes it all too clear that Moscow will seize unilateral advantage if possible. Although we have made considerable progress during the last 4 years in strengthening our defense capabilities by the renewal of arms negotiations with the Soviet Union, a clear commitment on our part to match Soviet force improvements is a necessary incentive to Soviet seriousness in arms control negotiations.

Nor can we forget the words yesterday of our colleague, the distinguished chairman of the Armed Services Committee, that the issue cannot be defined as a deficit question because these funds are part of the fiscal year 1985 deficit, and hence are "water under the bridge."

Second, some of those arguing in opposition to House Joint Resolution 181 maintain that MX funds would better be used for the modernization of conventional forces and for rebuilding the U.S. Navy. Of course, it is all too obvious that the simple transfer of $1.5 billion from nuclear arms to conventional forces does nothing to subtract from total spending. But beyond that, the loss of hard-targeting capability as a result of this amendment would pose serious threats to our overall deterrence and would require vastly increased conventional defense expenditure to provide for the defense of the Western alliance.

Third, the argument has been heard again and again that the MX missile is somehow "obsolete." Since almost no criticisms have been made of its technical capabilities or the MX's ability to perform its designated task, these arguments can only be references to promised, but yet far-off, technology of the Midgetman missile. Development of a small ICBM, such as the Midgetman, may well enhance strategic stability in the longer term. But as the President's bipartisan commission on strategic forces—the Scowcroft Commission—stressed, neither of the two systems can ensure security alone—they are complementary.

Mr. Chairman, we must no longer follow this pattern of rejecting current technology because of the promise of some future technology.

Fourth, although the opponents of the MX have professed great concern about the possible vulnerability of the MX missiles based in silos, the Scowcroft Commission asserted that silo vulnerability "is not a sufficiently dominant" part of the ICBM modernization problem. While silo-based MX's are vulnerable when viewed in isolation, the entire U.S. strategic force must be taken into account. The Soviets could not destroy all U.S. strategic forces, so would face an unacceptable retaliation even if they did destroy the MX force.

In addition, recent tests of steel-clad and steel-reinforced concrete structures reveal that structural hardness levels of over 25 times that of current silos may be achieved.

Fifth, those who are urging the rejection of House Joint Resolution 181 forget that the MX missile provides an essential, even critical incentive to the Soviets for serious negotiations on arms reductions. Deleting the MX funding now would undermine our negotiators in Geneva, depriving them, not of a bargaining "chip," but of valuable bargaining leverage. A rejection of MX missile funding now would give the Soviets something for nothing at the bargaining table.

In the words of Secretary of State Shultz, "Because of the unity and steadfastness we have shown, our negotiating position is quite strong. However, abandoning or delaying the MX now would weaken the hand of our negotiators in Geneva, signal a lack of resolve, and hold out the hope to the Soviets that they can achieve unilateral U.S. concessions without concessions of their own."

In summary, Mr. Chairman, our support for the MX at this time is crucial to the development of a solid foundation for progress in arms control and is key to the conduct of an effective foreign policy. Our foreign policy and our ability to defend our interests and our most cherished values will be decisively strengthened if the Congress gives strong backing to the MX program. Modernization of our deterrent, and of our land-based ICBM force in particular, is essential to the goals of preventing conflict, reducing the risk of war, and demonstrating our resolve to adversaries and allies alike. At the same time, it will also increase Moscow's incentive to negotiate seriously in START [strategic arms reduction talks] and other arms reduction talks.

Clearly, it is essential that the United States and the Soviet Union engage in substantial, equivalent, and verifiable reductions of their nuclear weapons. Strategic military potential must, by means of negotiation, be limited to the level required for deterrence and defense so as to reduce the existing danger of aggression. The problem of survival which has arisen so profoundly during the nuclear age cannot be mastered either by one-sided advance concessions or renunciations or by military superiority but only by a complex system of reciprocal safeguards such as dialog, contacts, arms control, disarmament, balanced modernization, restrictions, contraints, and confidence-building measures.

Peace, history teaches us, is not attained by unilateral disarmament or weakness, but is protected through strength. Strength does not imply that we seek to become "superior" to the Soviet Union, or that we are attempting to "beat them in an arms race." But what would our allies and other nations conclude about American strength, resolve, and reliability if we were to fail to deploy a new ICBM in the face of these Soviet developments?

Rather, we must continue to be vigilant to maintain and improve the quality of our strategic forces while negotiating a more safe and balanced relationship with the U.S.S.R.

Mr. Chairman, a House vote against House Joint Resolution 181 would be the wrong action at the wrong time. It sends the wrong signal, and it undermines all legitimate attempts to persuade the Soviets to reduce their own forces. I urge my colleagues to support the resolution.

Mr. FAZIO. Mr. Chairman, this has been a painful week in the House, Democrats against Democrats, Republicans against Republicans. The MX missile has torn this body apart as no issue has in the last decade, and yet we are like two tired fighters going through the motions in the late rounds. We are saying our lines with less and less fervor, because I believe, like those fighters hanging on kind of punch drunk, we want this all to end.

Some essential unity to that purpose has begun to emerge. A large majority want to send a message to those in this administration who have foiled at every turn any negotiable proposal in the past, and we also want to reaffirm our commitment to deterrence as our future strategy to preserve peace.

We do not have to repeat the litany of articles and books that describe the internal machinations of those who have obstructed legitimate arms con-

trol in the name of letting Reagan be Reagan.

I would simply urge you to read Strobe Talbot's book, "Deadly Gambits."

But I believe we are beyond that now. We used the MX as leverage to pressure the administration to produce a negotiable arms control proposal. That was in 1983. It is now 1985 and the city of Geneva has become a symbol of hope. We believe that hard bargaining between equally tough adversaries will be necessary before those hopes can be fulfilled; however, those hopes will not be realized by unilateral acts by us here today to remove options from our negotiators. Even Paul Warnke, the respected opponent of the MX, admitted in his lobbying that in his capacity as the negotiator of the SALT II Treaty, he was greatly hindered by the unilateral cancellation of the B-1.

Deployment of 40 missiles in the present basing mode is enough modernization for the negotiators to do their job. Mr. President, we need you also to understand that enough is enough. When this vote is done and our effort to speak with one voice is reaffirmed, you, Mr. President, must work to fulfill the hopes you have raised. A treaty is needed and balance and flexibility will be required to reach it.

I hope we have ended this endless negotiating process among ourselves. Now it is time to extend this bipartisan approach, Mr. President, to the solution of our deficit crisis and to the preservation of world peace.

Mr. ADDABBO. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding.

Some Members have felt a degree of deception of the President's lobbyists of, first, points of cost of missile; and second, use as a bargaining chip.

The cost of the missile alleged to be $74 million per missile does not include the cost of deployment which is revealed to be approximately $180 million per missile. Thus, an MX cost would be $250 million per missile. I include a letter from the gentleman from Ohio [Mr. GLENN] which supports those data.

In addition, the gentleman from Wisconsin [Mr. MOODY] has pointed out a statement by Ambassador Rowny which reflects that the MX missiles being funded today are not being used as a bargaining chip. I include a copy of Mr. MOODY's letter which recites a conversation between Ambassador Edward L. Rowny and Mr. Lehrer of the McNeil-Lehrer News Hour.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 27, 1985.

DEAR DEMOCRATIC COLLEAGUE: Nobody likes to change their vote. And no Democrat wants to be painted as weak on defense. But I believe there are two very good reasons to oppose the MX when the House votes on it again tomorrow.

The first one is cost. The Administration wants you to believe that the cost of each MX missile would be "only" $74 million. But they also admit that putting the MX in the same old vulnerable Minuteman silos that the Soviets have had targeted for over 20 years makes sense only if we "super-harden" those silos to withstand a Soviet attack. And what the Administration hasn't told you is that the cost of that super-hardening would be at least $180 million—per silo. That brings the cost of each MX to at least $254 million—a billion dollars for every four MXs we build.

Those are figures the Administration would prefer you didn't know—but I got them from the Air Force two weeks ago in Congressional testimony before the Senate Armed Services Committee.

The second reason for opposing the MX tomorrow is that it is neither an effective deterrent nor an effective bargaining chip in Geneva. It's not a deterrent because it's vulnerable. It's not an effective bargaining chip because we've already told the Soviets we're willing to give it up.

Nobody in either House of Congress is any stronger on defense than I am. But I can tell you that building a vulnerable missile won't make America strong—and opposing a vulnerable missile won't make the Democratic party look weak. For the sake of our security—and for the sake of our taxpayers—I urge you to give the MX missile the defeat it deserves tomorrow afternoon.

Best regards.

Sincerely,

JOHN GLENN, *U.S. Senator.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 28, 1985.

DEAR COLLEAGUE: Many Members of the House were sincerely convinced to support the MX because of the "bargaining chip" argument advanced by the White House, Ambassador Kampelman and our colleague, Les Aspin.

As Ambassador Kampelman said at Monday's White House briefing, "Why let the Soviets have something *for free* instead of having to give something up?" He likened it to having an apple fall from the tree and said the Russians would wait to see what else they could get for free.

Last night on PBS's MacNeil-Lehrer NewsHour, Ambassador Edward Rowny, a top arms talks advisor to the President, admitted that the 21 new MXs are no bargaining chip.

Ambassador Rowny further elaborated that the Administration considers the MXs as a non-negotiable means of modernizing our forces.

On the reverse is printed verbatim three particularly relevant questions and answers from Ambassador Rowny's interview with Jim Lehrer. Those Members who voted to authorize the 21 new MX missiles because the President and his supporters said they were a bargaining chip that would strengthen our team in Geneva should find Ambassador Rowny's words a revelation.

Please consider what Ambassador Rowny is saying as we cast today's vote on actually appropriating money for 21 additional MX missiles.

JIM MOODY.

[From the MacNeil-Lehrer NewsHour, March 27]

LEHRER. What about (the point) that there are other votes to come? . . . the '86 vote, which if something doesn't come out of these talks between now and then the whole thing could go flush down the tubes?

ROWNY. Well, negotiating, like politics, is the art of the possible. We've had 21 modernized missiles approved before and now have 21 more. And I look at 42 Jaguars, '85 models, replacing those old 1963 Minutemen. That gives us a lot of deterrence power and that gives us more leverage at the bargaining table.

LEHRER. Does the MX immediately go on the table?

ROWNY. No, no—the MX doesn't come on the table. Remember, now, as I think you know Jim, that we are modernizing a force that has been allowed to atrophy. As I say, we've had the 1963 Chevy jalopies and the Soviets have built and built and built. They have four new systems and now (they are) testing two more. They have 600 MXs already and we're beginning to modernize our forces. So, this is an evolutionary process where we are modernizing the leg of our Triad.

LEHRER. So (the) possible scenario that the MX goes on the table and the Russians say, "Okay, if you won't build the MX, we won't build this, this, that"—you are saying that's impossible?

ROWNY. Well, they've already done it. And I do not expect them to scrap their 600 MX-type missiles that they've already built for the MXs we're now beginning to build.

□ 1210

Mr. ADDABBO. I yield such time as he may consume to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I rise in opposition to this resolution.

Mr. ADDABBO. Mr. Chairman, I yield 6 minutes to the gentleman from Oregon [Mr. AUCOIN] an esteemed member of the subcommittee.

Mr. AUCOIN. Mr. Chairman, throughout this debate many of us have referred to the MX as the glassjaw missile. But there is another nickname that might be even more appropriate. Perhaps we should call it a "Trust the Russians" missile.

If I were to ask my friends who support this missile how many of them trust the Russians, I doubt that many of them would raise their hands today. But let me tell you, that is exactly what they are asking us to do in funding the MX.

We know glassjaw is vulnerable. By the time it is deployed, Soviet accuracy will be good enough to take out essentially all of our silos that those MX's will be in.

Glassjaw supporters say that this does not matter, basically for three reasons. They say we can harden the silos. If that does not work, then they say we can launch our missiles in that narrow 30-minute warning that we will have before the Soviet ICBM's can get here. And if that does not work either,

they say that we can rely on our ICBM-bomber synergism.

All of this will work very, very fine indeed—provided you trust the Russians to be nice guys and not improve their technology. But if you do not trust the Russians to be so cooperative, and I for one do not, you have to face the fact that they are going to press ahead and make their SLBM's very accurate, as we are doing now with our Trident II.

Do you know what will happen then? I want to tell you today.

Superhardening goes into the trashcan because the Russians, by their improved accuracy, will be able to crater those silos that we are putting the MX's in.

Launch under attack goes into the trashcan as well because their attack will be too quick.

And synergism, that word we have heard so much, also goes into the trashcan because the Russians will be able to attack quickly and accurately with the same weapons at the same time, and even the Scowcroft report admits this.

Mr. HUNTER. Will the gentleman yield on that point?

Mr. AUCOIN. I cannot yield in this brief time that I have.

Yesterday the gentleman from Ohio [Mr. KASICH] suggested to me another way in which glassjaw might survive. He told me that glassjaw advocates in the Pentagon believe that if the Soviets try to disable us in a first strike they would not go after our entire strategic force all at once, that istead they will deliberately leave some of our weapons unattacked.

Now, if the Russians are going to be such nice guys I think that is great. That is nifty. Obviously if they do not attack some or our silos, those silos will in fact survive.

But the problem is the only way glassjaw can survive is with Soviet cooperation along those lines. Will we get this cooperation from the other side? Can we trust the Russians to be such nice guys, to set up their attack precisely in the way we tell them? I do not think so.

We tried that once before. We tried it in 1941. It was called Pearl Harbor. We put a powerful force in the Pacific, the bulk of the Pacific Fleet, in a vulnerable basing mode and we know what happened. We trusted the other side not to attack and the other side did not oblige, and that remains one of the black moments in our military history.

Here, my friends, we have the essential difference between those who support glassjaw and those who oppose it. The supporters of the missile are asking us to trust the Russians not to exploit the vulnerability of this sitting duck multibillion-dollar target.

These missiles are "vulnerable as hell," according to the gentleman from Wisconsin [Mr. ASPIN]. They will put a hair trigger on nuclear war. Mr. ASPIN said that, too.

Mr. Chairman, we have been down this road before. In 1941 we did deploy that fleet in Pearl Harbor. It was vulnerable as hell. It did put a hair trigger on global war, and we were lucky then. It was not a nuclear war. We had time to recover. But the next time, with the weapons we are dealing with today, we will not have that capability, we will not have that luxury. Our next Pearl Harbor will be our last.

I tell you that this vulnerable weapon is a luxury we cannot afford. It is not strength. A vulnerable weapon is weakness, not strength.

I do not care how many of my colleagues come to the well of the floor and pound their chests and say, "give us this vulnerable weapon because we need to project strength." When you deploy a vulnerable weapon you are projecting weakness, not strength. That is why the MX needs to be defeated. That is why the MX is no bargaining chip, because the Russians know that it is vulnerable.

Let us unfund the MX. Let us do it today. It is authorized. We do not need to put the money behind it. And let us get about building this Nation's real security.

Mr. McDADE. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. WILSON].

Mr. WILSON. Mr. Chairman, I would like to compliment all of my colleagues for the civility of this debate. When we have an issue that is this divisive and this emotional, I think it is a credit to all of us that we are able to keep the matter somewhat on a higher plane without impugning each other's motives or patriotism.

I was interested in the last speech, as I am always interested in what the gentleman from Oregon [Mr. AUCOIN] says.

I would like to read you some words that I read in a speech last night about a weapons system. The words used were "vulnerable," "too costly," "impractical," "do not have the bases," and "it is not needed."

Now, you may think that I am talking about the MX missile, but I am not. Those were the words that were used in the House of Commons in 1931 when the Labor Party was trying to defeat development of the Spitfire fighter plane.

I might also say that in 1940 there were a lot of Messerschmitt pilots that wished they had been more successful.

When I hear my friends talk about weapons systems, and various reasons to oppose them with the same words that you hear over and over and over, I wonder what weapons systems they support. The older ones did not support the F-111. The younger ones did not support the B-1. They did not support the new carriers. Of course they did not.

And do you know something else? They will not support the Stealth bomber when the time comes, and they will not support the strategic defense initiative. As a matter of fact, one of their leaders, who is one of my favorite Members of the House, and I want you all to listen to this, offered an amendment in our committee, and in our subcommittee, to make the D-5 missile less accurate.

Let us talk a little bit about our party's image. Let us talk about when the Democrats were successful.

We were successful when Franklin Roosevelt was signing the Atlantic Charter in 1940. The isolationists in this country opposed that because they said it would irritate Hitler. They did not realize that he was already pretty well irritated.

The isolationists in this country tried to defeat the draft in 1941. Roosevelt was a warmonger.

The isolationists were successful in 1940 in defeating the effort to fortify Guam because they said we would irritate the Japanese who were at that time amassing their great air fleet to attack Pearl Harbor.

Roosevelt won four elections. Harry Truman won one that he was not supposed to win, and he was criticized bitterly for the Berlin airlift, the organization of NATO, and the creation of the Strategic Air Command.

All of you remember the campaign in 1960 in which the cornerstone of John Kennedy's foreign policy plank was the missile gap, and we all remember his great symbol of that campaign which was a little PT boat that we all still wear proudly on our ties.

What happened in 1984, I would ask to my Democratic colleagues. We had a good and a decent candidate. He knew the problem the party had with the public image of us being weak on defense, and he tried mightily to do something about it, and simply could not because the cards were stacked too much the other way.

How many of you remember Geraldine Ferraro's speech, and a very courageous speech, I might add, to the United Auto Workers in Ohio in which she said:

> How can you guys possibly be voting against us? We have been for extended unemployment compensation. We were for bailing out Chrysler. The other party wasn't. How can you oppose us?

And they told her:

> Because of weak foreign policy.

Our great strength in the years in which we have been successful is because we have been the party of the working man, and also the party of a resolute Ameria.

□ 1220

I would like to quote from the inauguration of a Democratic President in January of 1961:

Let every nation know whether it wishes us well or ill that we shall pay any price, we shall bear any burden, we shall meet any hardship, we shall support any friend and oppose any foe to assure the survival and success of liberty. This much we pledge and more.

John Kennedy, Democrat.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair will announce that the gentleman from New York [Mr. ADDABBO] has 8 minutes remaining and the gentleman from Pennsylvania [Mr. McDADE] has 9 minutes remaining.

Mr. McDADE. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this resolution for the MX. I think I have been on this floor about as much as anybody listening to the debate, participating very briefly in the debate.

Key points keep coming to my mind: Our chief negotiator representing us in Geneva came to Washington Monday and he said it would help if we have the MX missile in negotiations. If he wants this MX missile, let us give it to him.

Now, if the negotiations do not work in Geneva, and I happen to have the privilege of serving on the Committee on Armed Services, we need to update our nuclear weapons anyway, and the MX missile should be put in our arsenal.

We update our naval ships, our guns, our planes, our tanks; we have been slow in moving ahead in getting the MX missile on target ready to go in the silos. Regarding the basing mode, I defy anyone to tell me, using the existing silos, that we cannot get some of the missiles out of these silos. I think we can and I certainly will support the MX missile.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the chairman.

Mr. Chairman, ladies and gentlemen, as a freshman I just wanted to present an opinion that I believe has followed many of the young people around: that is, if we were against this MX that we were weak on defense. I do not believe that. I believe that we are rather smart on defense by voting down a large, unnecessary, expensive item in an expanded military budget that is going to have to be pruned.

Where are we going to prune it? In the small line item categories? Or are we going to send a clear message to the American people that we are going to make those tough, smart decisions?

Two wrongs do not make one right. I am a little bit disappointed to see that there is a lack of philosophical unity among some of our colleagues, and we have an opportunity today to turn that around.

I think it is incumbent upon us to do that.

You know, General Eisenhower, then President Eisenhower, warned years ago this Nation would develop into a military complex and we would become No. 1 militarily. Now, if you look at all the other items of this budget, if it was necessary then I would vote for it, but you are not John Wayne by voting for an MX and I think there has been a distorted element in this whole process.

As a freshman, I thank the chairman and the distinguished gentleman from Florida for giving me an opportunity to present my opinions.

Mr. Chairman, I yield back the balance of my time.

● Mrs. LLOYD. Mr. Chairman, this funding release is primarily an arms control issue which the events of recent weeks have framed in clear perspective. Proponents say that our ICBM's have become too vulnerable so fast that the missile leg of the triad is imperiled without the MX. From a vulnerability standpoint, this leg cannot be viewed in isolation from the bomber leg, for which the B-1 is to be the linch-pin, or from the submarine-launched-ballistic-missile [SLBM] leg. If we don't go forward with the MX, the pace at which Soviet strategic force capabilities outgain or surpass those of the United States will simply be accelerated. In this view, the loss of strategic parity will be "characterized by dangerous vulnerabilities in major components of our deterrent forces and by a substantial disparity in favor of the Soviet Union in the ability to fight, win, and recover from strategic nuclear war." Neither power presumably counts on waging a nuclear war but as Prof. Van Cleave notes "the Soviet Union will be able, during this period, to expect advantages based upon the ability to threaten nuclear war much more credibly than the United States."

The level of the debate in the House has naturally been intense since this is a major national policy issue. It is, however, lamentable to see the chairman of the Armed Services Committee attacked virulently by members of his own party, chiefly because he chooses to make up his own mind on this issue. This is not an issue that should be acted on viscerally but rather requires detached analysis. And yet, apart from the relative merits of the weapons system, its tortured history and its various basing modes, one question stands out. Can we constructively support the U.S. bargaining position at Geneva by unilaterally removing a system which enhances the deterrent quality of our strategic forces?

There are those who contend that this funding could be better spent on conventional forces. I share their concern about our ability to wage a conventional war and particularly our ability to control the sea lanes in case of a prolonged European conflict. On the other hand, I would remind them that the level of U.S. conventional forces is not on the table in Geneva, but rather the level and nature of strategic nuclear forces. Strategic strength is the only acceptable U.S. bargaining position. I would also remind my colleagues that it is not practical to suggest that these funds are transferable within DOD programs.

There are those also who say the deficit is too large and we must reduce it even if that be at the cost of certain national security programs. I would point out to them that there is still significant room for deficit reductions in DOD programs outside this "fenced" fiscal year 1985 funding and, in fact, the fiscal year 1986 MX funding is more properly an issue for deficit reduction. Today's vote is merely to affirm the policy vote on the authorization resolution. Even if today's vote is also a yes, the Congress may very well decide that roughly 60 to 75 such multiple warhead missiles will provide our strategic posture with the necessary deterrent quality until the small, mobile Midgetman can be developed and deployed.

There are several other arguments of the MX critics which I believe deserve some comment. Critics contend that:

The MX vote will do little to improve the U.S. bargaining position in Geneva—we are already entering with a strong hand.

My response is: The U.S. hand in Geneva is greatly weakened if MX is not "on the table." If MX is not on the table, there will be tremendous pressure to negotiate on SDI, which is our strength. It would be tragic to bargain away this R&D program which represents the only avenue to a departure from mutually assured destruction [MAD]. We cannot continue under the bizarre MAD doctrine of perpetual terror, which is predicted on the basis that the populations of each country remain at risk. A gradually deployed SDI system would at first protect critical command centers and ultimately the population.

Denying MX funds will send the U.S.S.R. a clear signal that the United States is seriously interested in arms reduction, not a continued arms race.

My response is: SDI and "our strength"—through technology—not their good will, as Mrs. Thatcher noted, "brought the Soviets to the table." There is no basis for being optimistic about negotiations on strategic offensive weapons with the Soviets just because they are paranoid about

the development of U.S. defensive systems.

If arms control fails, the MX option is still open since much of the appropriated money is potentially available.

My response is: In a funding sense, that is true, but in terms of arms control, we will have lost leverage at Geneva whether we intend to deploy the system or use it as a bargaining chip. Both votes are much more critical than the fiscal year 1986 budget vote with respect to timing.

I cannot help but be reminded that this vote also raises the question whether the Nation can walk away from another significant investment in technology development. We have literally turned our backs on billions of dollars of Federal energy investment in civilian nuclear and coal projects and facilities. And I am struck by a haunting refrain in these arguments on MX. Many say that the mobile Midgetman—undeveloped and unproven—is "just around the corner." There is a familiar ring to that argument; yes, there is always a better and more advanced design near at hand, but that can also be an excuse for never building anything. And I wonder, what arguments will we hear 5 or 6 years from now on this House floor against funding to deploy the Midgetman. I expect we will hear that the arms control climate is more positive, détente is making another comeback and that a more capable single warhead missile is on the drawing boards.

We must recognize the fact that MX deployment will only provide an interim enhancement of the triad and thus it must be followed in tandem by Midgetman deployment. We cannot view the MX or even arms "reductions"—I prefer that word over "control"—negotiations or any other element of strategic policy in isolation. If we are to have a true national strategy, it requires a comprehensive approach to countering the Soviet's "classic imperial strategy" on a broad front from Afghanistan through Geneva onto Central America. Neither can we ignore the critically strategic implications of Cuba nor hide from the fact that Nicaragua is acquiring weapons systems tailored to foster insurgency in Central America. We are also dealing at a strategic disadvantage with the U.S.S.R. in the Mediterranean as they have carved out "an arc of influence" from Yugoslavia to Libya with deteriorating United States-Greece relations further imperiling our freedom of movement in those important waters. We cannot delude ourselves about Soviet motives. As Edward Luttwak has noted, the Soviets have recently entered into a period he calls the advent of operational confidence. Their intervention in Ethiopia and the invasion of Afghanistan have been "characterized by bold, self-confident execution of the sort not previously associated with the Russian style of warfare." I would urge my colleagues to address the arms control question in this broader context, regardless of how they feel about the MX as an isolated weapons system.

This vote is on a major element of U.S. strategy; we cannot seek partial solutions without disturbing the U.S.-U.S.S.R. power equilibrium. There are opponents of MX who have arrived at their view by concluding this vote will not negatively impact the prospects for real arms reductions. I must admit that there is some evidence to support that argument since, as Graham Allison points out, superpowers' weapons systems obtain a momentum of their own and it isn't clear that the U.S.S.R. will react in any direct or significant way to our choice on MX other than toward a "bargaining chip." On the other hand, I detect some contentions which are uncomfortable reminders of the days of the past decade when we bargained away our strategic position. Must we look to "new people," as Luttwak says, to support a strong strategic approach; that is, those "who do not share the paralyzing ennerration that nowadays passes for sober restraint, who do not fundamentally believe that the United States should be weak, for if strong it must be recklessly destructive or at least the upholder of an unjust order of things." Or have we broken out of the shackles of "SALT-induced inaction" in order to cloak ourselves once again in courage so as to become strategic masters of our destiny.

Let us ask the question how do we best combine strength with strategy? Is it through deployment of this system or its use as a bargaining chip or program termination with a reallocation of resources to fund conventional forces and acceleration of Midgetman development? The issue here is our strategic credibility; we must make a hard assessment in global terms, recognizing deficit pressures while making a critical judgment about the impact on arms control prospects.

I urge my colleagues to carefully consider all these factors. National security concerns must be paramount, but within that framework we have both difficult budget and policy choices. We do the House a disservice if we don't recognize all the policy implications of this vote. That is why I strongly support the resoution. Thank you, Mr. Chairman.●

● Mr. RANGEL. Mr. Chairman, we will soon vote again on whether or not to continue to fund the MX missile.

The administration does not stress that the MX is militarily necessary. Neither did the Scowcroft Commission report. Both argue that we need the MX as a bargaining chip, and to show our national resolve to the Soviets.

The MX is a bad missile by any standard: monetarily, militarily, and diplomatically. It is outrageously expensive, at $1.5 billion this year alone, and at $20 billion or more for the full system.

Militarily, it is unnecessary and destabilizing. After dozens of discarded basing plans for the MX since 1972, the present plan calls for putting the missiles in the same supposedly vulnerable silos that the MX was originally intended to replace. As it is, the MX does nothing our present Minuteman missiles cannot do.

We must put our national security above all other considerations. A nuclear exchange could begin only three ways: By calculation, by accident, or out of fear of imminent attack. Intelligent military policy should move to reduce each of these possibilities.

First, to prevent a calculated Soviet attack, we should increase the survivability of our nuclear systems so that most of our nuclear weapons would survive a Soviet first and even second strike. The MX would not survive a Soviet first strike.

In the long run, we should move away from fixed land-based missiles and toward more survivable systems in order to reduce any perceived gain from a Soviet first strike.

Second, to reduce the chance of war by accident, we should continue to improve our command, control, and communications abilities so that there is no chance of false warnings, of breakdowns in communications between the President and missile bases, or of slow information or misinformation about Soviet intentions in a crisis.

Third, to reduce the chance of a launch out of fear, we should build systems that are effective retaliatory weapons but which are not effective first strike weapons. A good deterrent weapon is invulnerable enough to discourage preemptive attack, slow enough to give warning and allow communications, and not accurate enough to destroy missiles in their silos.

By these standards the MX fares badly. The MX missile might not survive a Soviet first strike, is accurate enough to destroy Soviet missiles in their silos, and is faster than our Minuteman II missiles, which would reduce warning times. The MX is the worst weapon we could build.

In our diplomacy, building the MX while negotiations are in progress tells the Soviets that we intend to build the MX no matter what happens in Geneva. Weapons building has often been temporarily suspended in past negotiations as an act of good faith. Last year, the administration said that we should build the MX because we were not negotiating. But now, they say we should build it because we are negotiating.

Not releasing MX funds would send a clear signal to the Soviets: We are interested first and foremost in our own security and economic health. We have no intention of attacking the Soviet Union. We are not interested in bluffing, posturing, or building an unnecessary offensive capability for the sole purpose of inducing concessions at the bargaining table.

President Reagan has asked Chief Negotiator Max M. Kampelman, the man charged with reducing nuclear weapons in Geneva, to come home to lobby to build them. This can only damage the Geneva talks.

We hear bargaining chip arguments for every missile system we consider in the House. If the administration really wanted to make the MX contingent on the outcome of the Geneva talks, they could have postponed this week's MX vote until 1986 to better use pending MX deployment in their bargaining in Geneva. They chose not to. They chose to have the vote now, even though the talks are in progress, and even though postponing the vote would not affect MX production, since current MX funding is largely unspent.

Arms talks do not succeed or fail on one missile system. Both we and the Soviets have enough missiles to trade with, if the administration wants to trade missiles. It is a mistake to link this vote on additional MX missiles, which is permanent, with success in the arms talks, which change daily, and which may last 6 months or 6 years. Arms talks come and go. Missiles, once deployed, stay.●

● Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of House Joint Resolution 181. This Congress, again presented with a decision on the future deployment of the MX Peacekeeper missile, should stand firmly behind the President and our arms control negotiators and vote for the continued production of 21 MX Peacekeeper missiles.

During the past 4 years, I have been supportive of President Reagan's proposals to rebuild our national defense. This rebuilding program and the President's strong leadership have been successful in restoring to our Nation a renewed sense of pride and confidence. It is time for our Nation to look toward the future—we must never again let indecisive and negative attitudes cloud our judgment and weaken our resolve.

Today, we are all, Republican and Democrat, conservative and liberal, patiently and hopefully looking toward a fresh round of arms control negotiations in Geneva. However, we cannot be misled into thinking that just because we are sitting down with the Soviets, we will necessarily come to a quick agreement on the important and complex issues that will be discussed. We must instead work toward a bipartisan, solid negotiating position, which expresses our national interest; for we can be assured that the Soviets will be solidly behind their position. One only has to look to the recent shooting of an innocent U.S. colonel, and the Soviet invasion of Afghanistan to verify the intensity of the Soviet resolve. To believe that they will act any different at the negotiating table is not only naive but unfair to our arms control negotiators.

Mr. Chairman, let this vote reflect our intention to negotiate a serious, verifiable, and lasting arms control agreement. More importantly, let the U.S. negotiators negotiate with the Soviet Union, not the U.S. Congress.●

● Mr. FUQUA. Mr. Chairman, Tuesday I voted to release the funds for the production of 21 missiles for the MX system. Today I will vote to appropriate those funds for the Pentagon. This decision was reached after much internal deliberation and consternation. I realize that this Congress faces a great challenge in the reduction of Federal spending, however, this challenge cannot be met at the sacrifice of our national security. The Federal deficit can be curbed by reducing spending in a myriad of programs, but our security can only be assured through the strength of an unsurpassable defense system. The protection of the United States is based on a triad of air, underwater, and land-based systems. Currently our underwater system is adequate and our air-based system will be upgraded through the deployment of the B1-B bomber. However, our land based system is archaic. Its core is based on technology of the 1950's. If one doubts the obsoletism of the system, compare computers of the 1950's to our supercomputers of today. The security of our Nation must depend on a competent system and it is a function of the Congress to ensure that the funds and technology are made available to ensure such a system.

The current arms control neogtiations with the U.S.S.R. are certainly a key element to the support that the MX has received in Congress. To snatch such a bargaining chip out of the hands of our appointed representatives would be miscreant. Such a move would leave them, as well as our Nation as a whole, vulnerable to intimidation by the Soviets. The United States is still the dominant force in the maintenance of world peace. We have achieved this position by our consistent strength and unity as a nation. The recent approval of the MX by Congress reflects a renewed surge of these distinctions and I am proud to be a part of the effort.●

● Mr. SHELBY. Mr. Chairman, Thomas Jefferson never wavered from his belief that enternal vigilance is the price of liberty. Yesterday, the House of Representatives showed that this country does indeed cherish that liberty. Today we vote on whether we are willing to pay the price. Mr. Chairman, our allies have been paying the price. Despite widespread domestic protest and the subsequent political risks, West Germany, Great Britain, Italy and now, Belgium have courageously gone ahead with their own missile deployments. And while the military justification certainly played a role in their decision, of far greater importance was our allies desire to maintain alliance unity—a unity which has, and will continue to keep the peace. To retreat from our own previous commitment to the MX can only undermine Western unity. For how can we ask our allies to station our missiles on their soil when we are reluctant to deploy our own modernized force?

Modernization of our strategic forces is vital for a credible, flexible American strategic posture. And with the arms talks resuming in Geneva—together with the unabated buildup of land-based missiles—the need for the MX is more critical than ever. While Congress has debated the merits of the MX—the Soviets have modernized their land-based missile five times. The Soviets have deployed three new types of ICBM's—the SS-17, SS-18, and SS-19—including 360 SS-19's roughly comparable in size to the MX, and 308 of the much larger SS-18. Moreover, within the next 2 years, the Soviets will begin deploying two additional missiles, the SS-X-24 and the SS-X-25, one of which, incidently, is in direct violation of SALT II. This means five new Soviet ICBM's to one—the MX—which of course, is permitted under SALT II.

Some opponents of the MX point to the development of the Midgetman, a new small, single-warhead ICBM, as the answer to our strategic puzzle. Yet, the Midgetman cannot substitute for the MX. It only complements.

The two systems offer divergent capabilities. The MX represents a credible deterrent today. It addresses a serious strategic imbalance now. The Midgetman merely offers hope for a better system. Chamberlain was offered hope at Munich. Let us not make the same mistake.

The MX represents the response that four successive administrations both Democratic and Republican—have believed necessary to offset this massive Soviet buildup. Six Congresses have agreed, mostly because they have recognized the MX for what it is—a vital component of this Nation's strategic triad. Our defense rests on the triad—a triad that is threatened when one part becomes weak. The survivability and effectiveness of the MX must be viewed in conjunction with the other elements of our strategic triad. The three legs of the triad

bombers, submarines, and land-based missiles, strengthen deterrence by complicating Soviet planning—they can't concentrate all of their research eggs in one basket. Furthermore, the Soviets would be forced to make choices that would reduce their effective striking capacity against one leg of the triad in order to attack another. Deterrence is thus served when Soviet planners know that a fully successful, disarming first strike is rendered impossible by the triad. Consequently, those who couch their opposition to the MX in the cloth of vulnerability are missing the central point: The MX is simply one component in an overall strategic system, take away the part and you weaken the whole.

Yet even more than acting as an indispensable component of the triad—the MX is playing a pivotal part in our ongoing arms control negotiations.

The Soviets respect strength and firmness. By proceeding with our cruise and Pershing deployments and by resisting Soviet efforts to split the Western alliance—we have persuaded the Soviets that progress will not be achieved in the streets of Western Europe, but at the negotiating table in Geneva. Thanks to the West's resolve our negotiating position is strong. The Soviets have recognized that we have the will to protect our security in the absence of arms control agreements and that it is in both our interests to mutually negotiate away the threat.

Diplomacy requires secrecy, persistence, strategy and most of all, the perception of a single unified position. Unanimity is not served by a Congress incessantly undermining the negotiating position of the President.

Mr. Chairman, arms control is not advanced when the President spends more time negotiating with Congress than with the Soviets.

Mr. Chairman, all of us have the same goal—the eradication of nuclear weapons. We only differ on the approach to the problem. Let us then come together behind a solid negotiating position that offers the best hope for achieving the goals we all seek. Let us insist on ironclad certification procedures commensurate with the task of uncovering Soviet treaty violations. Let us stop blaming ourselves for Soviet intransigence, and demonstrate that American concessions are to be earned and not unilaterally given away by Congress.

Let us fund the MX.●

● Mr. FIELDS. Mr. Chairman, I rise in support of legislation to authorize the release of funds for the MX missile. No U.S. ICBM's have been employed since 1975 when the deployment of the Minuteman III was completed. Meanwhile, the Soviet Union has continued its production of ICBM's including three major new missiles with mammoth firepower and with the ability to destroy our entire land-based nuclear force. In addition, the Soviets continue to develop more nuclear missiles. The MX is a missile which we need to offset the growing strength of the Soviet Union, which itself is a threat to peace.

Renewed efforts to negotiate a verifiable arms control agreement are now in process. The Soviet Union has agreed to come to the negotiating table not because we are weak or because they seek the good will of the world. Rather, they have come to the negotiationg table because we are strong. Part of that strength comes from a resolve to rebuild the third leg of the strategic defense triad—air, sea, and land-based forces—by moderinizing our ICBM force to meet the growing threat of the Soviet land-based ICBM system.

A unilateral approach to arms control has proved ineffective. U.S. resolve in building the MX sends a clear message to the Soviets that they can no longer count on unilateral concessions in arms negotiations. It encourages, the Soviets to negotiate seriously, instead of walking out on negotiations (as they did in 1983—hoping to capitalize on apparent U.S. weakness. As the President's Commission on Strategic Forces—also known as the Scowcroft Commission—stated:

> It is illusory to believe that we could obtain a satisfactory agreement with the Soviets limiting ICBM deployments if we unilaterally terminated the only new U.S. ICBM program that could lead to deployment in this decade.

The MX has several advantages over other weapons programs including the following:

Total MX development is over 80 percent complete and construction is over 50 percent complete and several successful test flights have been completed as of February 1985.

Based on cost, the MX ranks 11 among the 12 largest weapons programs and represents only 1 percent of the Department of Defense projected budget authority over fiscal years 1985-89.

MX is the only available near-term option for meaningful ICBM modernization and the only near-term response to the imbalance of United States-Soviet forces; the inherent weaknesses in current U.S. ICBM forces of aging and increasingly outmoded missiles; and overall weaknesses in U.S. deterrence resulting from years of inssufficient modernization of the land-based leg of the strategic triad.

The MX provides major advances in ICBM technology and capabilities, adding greater payload, more accuracy, longer range and targeting flexibility.

The United States recently asked its NATO allies to help counter the Soviet massive build up of SS-20's that threaten to tip the balance of power in Europe. At our request, our allies responded and have deployed Pershing II and cruise missiles on European soil despite great political opposition. By deploying the MX, the United States will show at least as much of a commitment to peace as we have asked from our NATO allies. If we now refuse to deploy the MX, it will seem that we have asked our friends to take a difficult and unpopular action—an action which we would not take ourselves. Deploying the MX will fulfill commitments by previous administrations and Congresses, and maintain U.S. credibility. It will send a clear signal to friends and foes alike that the United States meets its commitments, and does so by maintaining an effective deterrent. With the support of four U.S. Presidents, six U.S. Congresses, the bipartisan Scowcroft Commission's membership of our Nation's defense and foreign policy leaders, our NATO allies, and a majority of the American people, the MX has become a vital symbol of U.S. resolve to redress the imbalance of United States-Soviet strategic forces; the only near-term option for maintaining our triad deterrent, and the foundation of U.S. arms negotiating leverage and objectives.●

● Mr. LIPINSKI. Mr. Chairman, after a great deal of thought and consideration, and I might also add after a great deal of self-debate, I rise in support of the MX missile.

By voting for the MX missile today, we are telling the Soviet "Bear," which I believe is not now nor ever has been very friendly to us, that they will no longer have a monopoly in this type of weapon. A little over 4 years ago we began our strategic modernization program. This program involves our Poseidon and Trident submarines, our B-52 and B-1 bombers, and our Minuteman and MX missiles. The MX missile is a very important part of our strategic modernization program, particularly for me because of the countless questions I have about our new B-1 bomber. The main purpose of our modernization program is to show the Soviet Union that they will not be able to gain advantage over us and our allies in the free world in strategic nuclear weapons. Remember, after World War II, we were the most powerful Nation on the planet militarily and economically, and we did not use these resources to dominate the rest of the world. In fact, we tried and succeeded in large part in rebuilding much of the world, including the two nations that we mainly fought against. These two nations did not wish to dominate the entire world.

Unfortunately, we did permit the Soviet "Bear" to dominate all of Eastern and Central Europe. We also permitted them to aid and assist dictatorial Communist revolutions in numerous

countries around the world, including one only 90 miles from our shore. I am not saying that we could have or should have used all of our resources to stop them. I am merely pointing out, as many others have before me, that the United States of America has not been the aggressor. We have not been the evil force in the world moving against individuals and nations. It has been the Soviet Union.

I honestly and firmly believe that the only way to deal with the Soviet Union is from a position of strength and determination. I also believe that this would be a very inappropriate time for us to kill the MX missile because of the arms talks just starting in Geneva. Our negotiating team must begin from a position of unity in order to get the Soviet Union to bargain in good faith.

Let me in closing say I hope and pray that the talks in Geneva will produce a reduction in the nuclear arsenal of both the Soviet Union and the United States so that the world will be a safer place for all mankind, and so that we can continue to improve the quality of life for all people on this planet. But we can only hope to do this by bargaining from a position of strength, and I believe the MX will give us that strength.●

● Mr. LEVINE of California. Mr. Chairman, it would be tragedy if the House were to follow the lead of the other body and approve funding for the MX missile. The MX is an extremely expensive, potentially destabilizing, and vulnerable weapon. It is also a weapon of little or no strategic significance. Yet, this administration has told us that our national security, and the success of the Geneva arms talks hang, in large measure, on congressional approval of the MX. The absurdity of such an argument should be clear for all to see.

The Pentagon is well aware of the MX's vulnerability. From "race-track" to "dense pack," to the "big bird" we have searched desperately, and without success, for a survivable way in which to base the MX. When it became clear that none of these alternatives was acceptable, a decision was made to put the MX in the same silos which now house our Minuteman missiles.

Secretary of Defense Weinberger realized the vulnerability of the MX as far back as 1981 when he testified before the House Armed Services Committee that:

> I would feel that simply putting the MX into existing silos would not answer two or three concerns that I have: namely, that the location of these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces.

Apparently the Secretary of Defense has changed his mind. Not only does Mr. Weinberger now support basing the MX in Minuteman silos, but he has announced that sometime either at the end of this decade or in the early 1990's—long after the MX is to have been deployed—we will undertake a $15 billion program to further harden our missile silos in a desperate attempt to improve the survivability of the missile.

This means that the cost of the MX program has now escalated from the $26 billion originally forecast by the Pentagon to more than $41 billion. Yet, many experts have voiced doubts about the effectiveness of this new silo hardening program. Gen. Brent Scowcroft told the Armed Services Committee earlier this year that "In the race between hardening and accuracy, hardening has to lose."

Aware of the shakey strategic justification for the MX, the administration tells us that we must build the MX in order to achieve arms control. Last year we were told that we had to build the MX to get the Russians to take us seriously and come to the negotiating table. Now that they have come to the negotiating table we are told that we must build the MX in order to keep them there. How long will we continue to build new, more destructive, more destablizing weapons in the fantastic belief that they will somehow lead to arms control?

Is the MX a bargaining chip? Not according to top officials in the Reagan administration. In recent weeks both Secretary Weinberger and Secretary Shultz have assured the American people that this administration has no intention of bargaining away the MX. Such news should not come as a surprise to anyone familiar with the history of arms control. When has either superpower ever agreed to terminate a modern offensive weapons system in the name of arms control?

If we are going to keep the MX, what useful role will it play in our strategic arsenal? None. The missiles on just two of our Poseidon submarines are sufficient to destroy every Russian city with a population in excess of 100,000. Add to this the devasting destructive power of weapons carried on our B-52—and soon B-1—bombers and cruise missiles, and it quickly becomes clear that we have more than enough kill capacity to deter any attack by a rational foreign leader.

The time has come for Congress to stand up to the Reagan administration and say no to the MX. I urge my colleagues to join with me and oppose this wasteful and destabilizing new weapon.●

● Mr. PORTER. Mr. Chairman, since the report of the Scowcroft Commission, I have supported the President's request for the production of MX missiles. But my support goes no further than for a limited number (no more than 100) only for a limited time, until the new single-warhead, mobile ICBM or "Midgetman" becomes operational.

Unfortunately, former Secretary of Defense Harold Brown was correct when he stated that when we build the Soviets build; when we stop, the Soviets continue to build. Over the last decade the Soviets have continued to improve and expand their arsenal of land-based ICBM's while the United States unilaterally terminated production of the Minuteman III.

Today, the Soviets can threaten all major United States command, control, and communication centers as well as our major military bases with very accurate medium and heavy ICBM's. To maintain the peace, our deterrent must be no less credible. We must have the capacity to destroy all that they hold most dear—what they consider to be the essence of their society. Only as long as we have such a capacity will the Soviet military planners believe that a first strike against the United States is unthinkable. The MX gives us such a deterrent until the far less destabilizing Midgetman can be deployed in the 1990's.

Supporting the MX at this time will also strengthen our hand at Geneva. The record of the B-1 bomber's cancellation clearly showed the folly of such unilateral moves. In Paul Warnke's account of the SALT negotiations, negotiators on both sides were disappropinted with President Carter's cancellation of the bomber. The Americans wished to use it to extract concessions. The Soviets wished to claim credit for the cancellation. In short, the fate of these important strategic programs is best left in the hands of our negotiators.

Let me point out that this is an interim solution. I will support the President's request to unfence this year's money because of the need to maintain a credible deterrent and to support our negotiators at Geneva. The Pentagon's request for another $3.7 billion for next year however, is not acceptable.

The Majority Leader was correct that our deficit spending will have to be borne by our children. One would hope that he would recognize that is true whether it is defense spending or social spending. In any case, by my account, our children will have to pay an extra $10,000 in taxes over their life just to pay the interest on this year's deficit. For this reason, I believe we must have a complete freeze on all Federal spending, including that for the Department of Defense. No increases but no decreases for all departments.

Because the deficit will place such a heavy burden on our children's economic mobility and ability to provide for their own defense, we simply cannot afford to fund these missiles as fast as the President's request for an

additional 48 missiles suggests. For fiscal year 1986, I will only support a much smaller number of MX missiles that will maintain the program without adding to the deficit. This will accomplish all of the objectives stated in the Scowcroft Commission report within our ability to pay and not send the bill to our children.●

Mr. McDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I am delighted to yield to my dear friend, the minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, after hours of debate, the issue comes down to this:

The MX appropriation is not a farm issue.

It is not an education issue.

It is not a welfare issue.

It is not a health issue.

It is a defense issue.

Those who say they are going to vote against this appropriation give two major reasons for their choice.

Some say they see this vote as a way of attacking the deficit.

That is a phony issue because the money is there, in the 1985 budget.

But let me briefly speak to the major issue of the defense budget and the deficit.

The only way you can get major cuts—and I mean major—in the defense budget is if you first tell us which strategic missions we are going to abandon.

And by strategic mission I mean out NATO commitment, our commitment in Korea, our commitment to protect sealanes, our commitment to any number of treaties to which we are signatory.

Either the Congress tells the American people which strategic mission we must cancel or else stop this nonsense about being concerned about the military budget.

The big bucks in defense are there because of strategic missions we have had for 40 years—40 years.

If you want to abandon them, have the guts to say so.

Then there is the argument that we can vote for an authorization but them turn our back on the appropriation because we have authorized a "bargaining chip."

That is unadulterated lunacy and you know it.

A bargaining chip is something in the real world and something in the real world of strategic defense is something that is paid for.

Let's cut out the purple prose we have heard from those weeping crocodile tears over what this vote means in terms of farm, education, welfare or what have you.

We've heard poetry and posturing. We've heard flapdoodle and Tom foolery.

Let's talk sense.

This is a defense vote.

If you want to cut defense in a meaningful way have the courage to tell the American people which strategic mission you want to abandon.

Remember what Willie Sutton was said to remark about banks? "That's where the money is."

Well, the money in defense is in the actual deployment of troops, with their weapons systems and in fulfilling our treaty obligations.

Go after them if you have the desire.

But don't stand there and tell me that we can satisfy our conscience with a vote to authorize without an appropriation to back it up.

That's like saying you can live in the blueprint of a house.

Come on now, let's get back to the real world and quit playing games here.

Vote to release that appropriation you voted to authorize just 48 hours ago.

Mr. McDADE. I thank our minority leader.

Mr. Chairman, the debate is coming to a close; the vote is at hand.

Over the past 4 days in this Chamber—as we have seen over the preceding months and indeed years—the House has conducted an intense, passionate, and skillful debate on the issue of the MX missile, a debate in the highest traditions of this body.

Such debate attests to our concern, it attests to the depth of our feeling, and I believe it attests to our unanimity on two issues:

The importance and necessity of providing for the defense of our country, and

Our deep commitment to reducing the horrible threat posed by nuclear war.

We have heard all the arguments which could conceivably be made. We have heard a seemingly endless parade of technical facts and expert opinion on both sides of the issue. And after listening to all the technical details, and expert judgments reflecting different points of view, I have no argument that there are valid points on each side. This is a complex matter in a complex world. The experts and the technological aspects of this problem do not provide us with a completely clear and easy choice—just as they do not in so many other areas—health, environmental policy, economic policy.

Therefore—as with so many other issues which come before us in this Chamber—after listening to all the debate, in the final analysis we must make a value judgment. A value judgment on what is best for our constituents, what is best for our country, and what is best for the cause of nuclear arms reduction in the world.

In my judgment, the best hope for our future lies in what has only just started at Geneva—our negotiations with the Soviets. I think this is a judgment which is shared by the American public. The people of this great country want to achieve arms reduction. They want these talks to succeed.

With this best hope in mind, I urge you to support this resolution.

I cannot guarantee that a yes today will result in an arms treaty. But we all know that these talks will be difficult. The Soviet Government has demonstrated its harsh intransigence to us and to the world many times. And, I can say with certainty that they will be even more difficult if we do not provide both a symbolic and tangible show of support for our negotiators, just as their task is beginning.

Ladies and gentlemen, the Members of Congress are not negotiating with the Soviets. The President, and his team in Geneva, are at that table. And they have told us in no uncertain terms that our approval of this resolution today will be a positive step. A step to place this issue on the bargaining table. A step that will strengthen their hands in dealing with the Soviets. We cannot forget this elemental fact. We must recognize the fact that our country's representatives at Geneva conclude unanimously that having these additional 21 MX missiles will be of value in bargaining with the Russians. They are the ones who will be doing the tough bargaining—and we should respect their judgment. The President has entrusted them with the negotiations on this, as citizens of vast experience in dealing with the Soviets and as representatives of both political parties.

It would be a serious mistake for this body to take a step, just as the talks are beginning which ignores their views. And common sense tells us that a no vote today would not improve the chances for a fair and sensible treaty. A yes vote does not guarantee success—but it does guarantee that the Russians will not be getting something for nothing.

This is not the last defense vote we will take while the arms talks are going on. But a yes vote today is not a rubberstamp for everything in the defense budget, and it does not mean we will rubberstamp every defense request which comes our way. Congress has never operated that way and it never will. We will deal with other matters when the time comes, and we will make our decisions based on the context of the time—including arms control, but also military need, and our overall spending priorities.

But these other questions are not before us today. What is before us today is whether the House will follow through on what we did 2 days ago. Two days ago, the House agreed on

the text of a message, but we did not send it. Today, we can send that message, send it to Geneva. The message is one of support and encouragement to our negotiators, the message is that we will give them a tool that they can use and a tool they need.

And while this message will be sent to our negotiators, it will have an RSVP for the Soviets—an RSVP to join us, in hard bargaining, serious discussion, and a good faith effort at the table—an effort that, please God, will lead to a reduction in nuclear weapons.

That is why we must vote yes on this resolution.

□ 1230

The CHAIRMAN. All time of the gentleman from Pennsylvania [Mr. McDADE] has expired.

The gentleman from New York [Mr. ADDABBO] is recognized. The gentleman has 6 minutes remaining.

Mr. ADDABBO. I yield myself such time as I may consume.

Mr. Chairman, I commend each and every one of us who has taken part in this debate in the last 4 days, to bring forward the propositions and the problems that face this Nation and this Congress on this most important question. I thank my colleague, the ranking minority member of the Defense Appropriations Committee Mr. [McDADE], for his cooperation.

We in the last 4 days have heard so much about the MX missile and what our negotiators need and the need for a bargaining chip, et cetera. Well, is it a bargaining chip or isn't it?

Let me just read a few quotes:

"No, the MX is not a bargaining chip in the sense of we need something to give away."—President Reagan, Newsweek, March 18, 1985.

"These new weapons, MX, are not bargaining chips."—Secretary of State George Shultz, before the Senate Armed Services Committee, February 26, 1985.

"Well, from way back we've always said, and we have to remember MX is not a bargaining chip."—Ambassador Edward Rowney, former chief negotiator at strategic nuclear talks, May 16, 1984.

"Nobody ever suggested that the MX was a bargaining chip. It's part of our necessary modernization."—Secretary of Defense Caspar Weinberger, May 16, 1983.

Well then, if it is not a bargaining chip, it is still a weapons system. And therefore we must look at it as a weapons system, and as we look at all our weapons systems, we must look at our entire national defense. Let us look at our resolve in a strong national defense, a resolve which means we have spent in the last 5 years over a trillion dollars. In the last 5 years, we have spent over $1 trillion. I think that is resolve.

In the next 5 years, we are expected to spend about $2 trillion. I believe that is enough resolve.

Let us look at the needs of our Nation as far as our national welfare is concerned together with the national defense. You know, we have heard so much about the need to maintain the strategic triad, but I submit there is a far greater overall importance than the strategic triad which consists not only of defense, but the economy, and the legitimate social needs of our people.

Here, too, if we neglect any one leg of our economy we do it at our peril and if we pay too much attention to any other leg of our economy we do it equally at our peril. The need to pay for defense is legitimate, but we must not in the process bring disorder to our economy or ruin to our social programs.

Mr. Chairman, my colleagues, a little over a week ago the full Committee on Appropriations reported to this House, House Joint Resolution 181, with the recommendation that the joint resolution be defeated. I assure you that there are senior members on that Appropriations Committee that are equally as strong as anyone here in the House when it comes to national defense, but they voted down this $1.5 billion for the MX because it is not needed.

The full Committee on Appropriations voted it down because, as keepers of the taxpayers' dollars, we deal in how we should properly spend our defense dollars and all our other dollars. It was proven and understood that this $1.5 billion for these 21 MX missiles was not necessary at this time.

Why is it not necessary? No. 1, we have shown the President our resolve when on Tuesday we voted for the authorization of the additional funds for the MX. Which means at any given point in time we can provide the money to pay for these 21 missiles. We don't have to free the funds now.

As I said earlier this morning, we must and will watch the arms control discussions and if no progress is made, at any point in time we can release the funds for these 21 missiles because they have now been authorized. It is a known fact that in every authorizing bill that came out of the Armed Services Committee, not every weapons system was provided appropriations because they were not ready for funding in certain instances. However, later, because it had been authorized and the system had completed certain goals, we could reprogram money into it or we could take money out of unobligated balances to fund the system. The $1.5 billion for these additional MX missiles will be provided from unobligated balances and they are fenced for this purpose—they cannot be used for any other purpose.

If this money is not appropriated today or is appropriated today, it will go back into the unexpended balances; it will not be spent. Over the years, we have appropriated billions of dollars to continue the R&D of the MX missile. We have appropriated funds for 20 research and development missiles.

MX MONTHLY DELIVERIES FOR THE R&D AND FISCAL YEAR 1984 FUNDED OPERATIONAL MISSILES

	Months—												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
1985:													
R&D missiles	1		1				1				1		4
Operational missiles (fiscal year 1984 appropriation)													0
1986:													
R&D missiles		1		1	1			1		1	1		6
Operational missiles (fiscal year 1984 appropriation)					1	1	1	2	1	2	2	2	12
1987:													
R&D missiles	1	1			1								3
Operational missiles (fiscal 1984 appropriation)	3	2	2	1	1								9
Total R&D missiles													13
Total operational missiles													21
Grand total													34

Notes.—1. Seven R&D missiles, out of a R&D total of 20, have been expended. 2. The 34 remaining missiles which have already been funded deliver over the 29-month period January 1985–May 1987. 3. Months shown for delivery of R&D missiles may vary, depending on variability in the flight test schedule.

Mr. ADDABBO. This chart clearly shows we will not get the last of these 20 missiles until May 1987. In fiscal year 1984, we appropriated $2.1 billion for 21 additional missiles.

□ 1240

The deliveries of those missiles have not even been started. And again the chart clearly shows from the fiscal

year 1984 appropriation for the 21 MX missiles, deliveries will not be completed until May 1987. The production line will continue for at least several years without these additional funds.

I ask that this resolution be defeated.

The CHAIRMAN. All time for general debate has expired.

The text of House Joint Resolution 181 is as follows:

H.J. RES. 181

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress approves the obligation and availability of prior year unobligated balances made available for fiscal year 1985 for the procurement of additional operational MX missiles.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, March 27, 1985, and section 101(h) of Public Law 98-473, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 181) to approve the obligation and availability of prior year unobligated balances made available for fiscal year 1985 for the procurement of additional operational MX missiles, had directed him to report the joint resolution back to the House.

The SPEAKER. The Chairman of the Committee of the Whole House on the State of the Union reports that that Committee, having had under consideration the joint resolution, House Joint Resolution 181, directs him to report the same back to the House.

Pursuant to section 101(h), Public Law 98-473, the question is on the passage of the joint resolution.

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

RECORDED VOTE

Mr. ADDABBO. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 217, noes 210, not voting 5, as follows:

[Roll No. 39]

AYES—217

Anderson
Andrews
Armey
Aspin
Badham
Barnard
Bartlett
Barton
Bateman
Bentley
Bevill
Biliraki
Bliley
Boehlert
Boner (TN)
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Chandler
Chappell
Chappie
Cheney
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Cooper
Courter
Craig
Daniel
Dannemeyer
Darden
Daub
Davis
de la Garza
DeLay
DeWine
Dickinson
Dicks
Dornan (CA)
Dowdy
Dreier
Duncan
Dyson
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fazio
Fiedler
Fields
Fish
Flippo
Franklin
Frenzel
Frost
Fuqua
Gallo
Gekas
Gilman
Gingrich
Gregg
Grotberg
Gunderson
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Hendon
Hiler
Hillis
Holt
Hopkins
Horton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Hyde
Ireland
Jones (TN)
Kasich
Kemp
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McKernan
McMillan
Meyers
Michel
Miller (OH)
Molinari
Mollohan
Monson
Montgomery
Moore
Moorhead
Morrison (WA)
Murtha
Myers
Neal
Nelson
Nichols
Nielson
O'Brien
Ortiz
Oxley
Packard
Parris
Pashayan
Pepper
Porter
Price
Pursell
Quillen
Ray
Regula
Reid
Rinaldo
Ritter
Robinson
Roemer
Rogers
Roth
Rowland (CT)
Rowland (GA)
Rudd
Saxton
Schaefer
Schuette
Schulze
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Skelton
Slaughter
Smith (NH)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Strang
Stratton
Stump
Sundquist
Sweeney
Swindall
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Valentine
Vander Jagt
Vucanovich
Walker
Watkins
Weber
Whitehurst
Whitley
Whittaker
Wilson
Wolf
Wortley
Wylie
Yatron
Young (AK)
Young (FL)

NOES—210

Ackerman
Addabbo
Akaka
Alexander
Annunzio
Anthony
Applegate
Atkins
AuCoin
Barnes
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Biaggi
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Carper
Carr
Clay
Coelho
Coleman (TX)
Collins
Conte
Coughlin
Coyne
Crockett
Daschle
Dellums
Derrick
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart (OH)
Edgar
Edwards (CA)
Evans (IA)
Evans (IL)
Fascell
Feighan
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hawkins
Hayes
Heftel
Henry
Hertel
Howard
Hughes
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Moody
Morrison (CT)
Mrazek
Murphy
Natcher
Nowak
Oakar
Oberstar
Obey
Olin
Owens
Panetta
Pease
Penny
Perkins
Petri
Pickle
Rahall
Rangel
Richardson
Roberts
Rodino
Roe
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Sensenbrenner
Sharp
Sikorski
Sisisky
Slattery
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Tallon
Tauke
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Waxman
Weaver
Weiss
Wheat
Whitten
Williams
Wirth
Wise
Wolpe
Wright
Wyden
Yates
Young (MO)
Zschau

NOT VOTING—5

Archer
Conyers
Crane
Dymally
Ridge

□ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Crane for, with Mr. Ridge against.

Mr. Archer for, with Mr. Dymally against.

Mr. SMITH of Iowa changed his vote from "aye" to "no."

Mr. STRANG changed his vote from "no" to "aye."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may include certain tabular and extraneous material relating to today's debate on House Joint Resolution 181.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. CRANE. Mr. Speaker, I was unable to be here in order to vote on House Joint Resolution 181. Had I been present I would have voted in favor of the resolution as I did on the authorization vote.

PERSONAL EXPLANATION

Mr. RIDGE. Mr. Speaker, when the vote on House Joint Resolution 181, the appropriation for the MX missile, was taken today, I unfortunately missed it. Had I been here to vote, I would have voted "nay" on House Joint Resolution 181.

Knowing the vote was scheduled for between noon and 12:30 I scheduled a lunch at the Capitol Hill Club as the restaurant announces when votes are occurring on the floor of the House. For some reason, the announcements were not made this afternoon and I missed the vote.

The RECORD should show that my opposition to the MX missile remains strong as was evidenced on Tuesday when I voted against House Joint Resolution 180, the authorization for the MX. Missing this vote was not intentional and I had planned to once again vote against spending $1.5 billion for procurement of a weapon system of questionable merit.

While I missed this important vote, I was able to pair my position with that of another Member of the House who also missed the vote for the same reason. I regret having missed this important vote and wish for my position to be made clear for the record.

PERSONAL EXPLANATION

Mr. ARCHER. Mr. Speaker, due to a malfunctioning of the bells and the legislative clock in room H-137 here in the Capitol today, I was not alerted of the vote on appropriating funds for the MX missile. As a result, I was absent. I would like the RECORD to show that if I had been able to vote, I would have voted for the appropriation.

I would also like to take this opportunity to suggest that the Architect of the Capitol initiate immediate repairs of the legislative clocks in that room and all other meeting rooms in the Capitol complex so that other Members might not find themselves in the same position of missing an important vote in the future.

PERSONAL EXPLANATION

● Mr. CONYERS. Mr. Speaker, I wish to inform you that I inadvertently missed the vote on House Joint Resolution 181 which would appropriate funds for additional MX missiles. Had I voted, I would have voted "no" on this legislation which is the same way that I voted on House Joint Resolution 180 which authorized the additional funding.

I should also note that I have voted "no" on funding for the MX since 1977 when the Congress was first asked to provide money for this costly and unnecessary project. I might add that shortly before the vote on House Joint Resolution 181 was taken, I spoke on the floor against this resolution, and that statement appears elsewhere in the RECORD.●

□ 1300

NATIONAL INDEPENDENT RETAIL GROCER WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 74) to designate the week of September 8, 1985, as "National Independent Retail Grocer Week." and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CAMPBELL. Mr. Speaker, reserving the right to object, and it is not my intention to object, but I would ask the gentleman from New York to explain the legislation.

Mr. GARCIA. Mr. Speaker, if the gentleman will yield, what this legislation does, very simply, is to recognize the many mom and pop stores throughout America who are involved in the retail grocery business. We think they deserve the recognition and we hope that the Congress will approve the resolution.

Mr. Speaker, further reserving the right to object, I rise today in support of House Joint Resolution 74, which designates September 8-14, "National Independent Retail Grocers Week."

Across this great Nation, in the largest of cities and the smallest of towns, the independent retail grocer ensures the steady and uninterrupted flow of grocery products to the American consumer. These small business people raise the American free enterprise system to its highest levels, providing needed services to the communities in which they live and work.

The independent retail grocer is the backbone of the food distribution system in the United States. They account for 64 percent of all grocery stores in this country and are responsible for nearly one-half of all grocery products sold. They provide employment for over 1 million people. Independent retail grocers know no socioeconomic or geographical boundaries, with locations as diverse as a small country store at a crossroads in rural America, to an expensive store in the hub of a large city.

Neil Batson and his family, independent retail grocers, in my district, exemplify the small business entrepreneur in the grocery industry. In 1939, Neil Batson's grandfather, W.A. Batson, started a small 600-square-foot store in Travelers Rest, SC, with 50 pounds of fat back, 50 pounds of pinto beans, and 20 pounds of coffee. Today, the store has 14,000 square feet and carries more than 15,000 grocery and household items. W.A. Batson pioneered the supermarket as we know it today in the up-country of South Carolina, taking his store from a behind-the-counter credit operation to a self-service pay-as-you-go market. Since Neil and his brother Danny acquired the original Travelers Rest store in 1979, they have expanded the business by adding stores in Greenville and Marietta, SC. In 1984 the three hometown food stores owned by the Batsons grossed approximately $10 million.

The Batsons are representatives of thousands of independent retail grocers across this great land, who deliver the highest quality products at the least expense to the American consumer. Most independent retail grocers operate on a 1- to 2-percent profit margin while providing fresh fruits, vegetables, dairy products, and quality meat, poultry and fish to their customers. When consumers in New York pick-up a head of lettuce from California they often do not stop to think how it got from the field to the market, for less than $1. Independent retail grocers work hard to keep the American consumer well fed and it is only right and fitting we should honor them with this resolution.

Mr. Speaker, I encourage my colleagues in the House to vote for passage of this legislation proclaiming September 8-14 as National Independent Grocers Week.

Mr. CAMPBELL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 74

Whereas the independent retailer has served the American consumer for over two hundred years;

Whereas independent retail grocers account for 64 per centum of all grocery stores in the United States and are responsible for nearly one-half of the grocery product distributed;

Whereas the independent retail grocer exemplifies the small business entrepreneur, the back bone of the American free enterprise system; and

Whereas the independent retail grocer offers a wide array of services to the community where he lives and does business: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 8 through 14, 1985, be proclaimed "National Independent Retail Grocer Week".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAIR HOUSING MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be

discharged from further consideration of the joint resolution (H.J. Res. 188) to designate April, 1985 as "Fair Housing Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I would like to yield to the gentleman from New York [Mr. FISH] who is the chief sponsor of House Joint Resolution 188 on Fair Housing Month.

Mr. FISH. I thank the gentleman for yielding.

Mr. Speaker, I want to take this opportunity to express my sincere appreciation to the subcommittee chairman, BOB GARCIA, and the ranking Republican, JIM HANSEN, for their assistance in this effort.

On March 7, I introduced House Joint Resolution 188 to designate this April as "Fair Housing Month." At that time, I was joined by nine principal cosponsors. Since that point, an additional 240 Members of this House—Republicans and Democrats alike—have joined as cosponsors of House Joint Resolution 188. This is a clear reflection of bipartisan commitment to the principles embodied in the Federal fair housing law.

Mr. Speaker, April 11, 1985, will mark the 17th anniversary of the enactment of a Federal fair housing law, as title VIII of the Civil Rights Act of 1968. The enactment of title VIII occurred shortly after the tragic assassination of Dr. Martin Luther King, Jr. It was a landmark legislative action which symbolized a legal and policy commitment on the part of the Federal Government to the goal of equal opportunity in housing for all Americans.

Title VIII prohibits discrimination in the sale, rental, or financing of housing based upon race, color, religion, national origin, or sex. Since its enactment, the right of free choice in housing has undeniably expanded. However, despite these advances, discriminatory housing practices still remain an unfortunate fact of life for many Americans—racial and ethnic minorities, handicapped persons, and families with children. The goal of equal opportunity in housing choice has still yet to be fully realized.

This year already promises to be a special year for fair housing. A multitude of activities are being sponsored by a variety of private and public agencies, including the Department of Housing and Urban Development, to promote fair housing in every community of this Nation. In addition, HUD Secretary Samuel Pierce and many of us in the Congress are resolved to secure a strengthened fair housing law. The coverage provisions of title VIII should be expanded and the enforcement provisions must be strengthened. Victims of discrimination have a right to a prompt and fair resolution of their complaints. The HUD Secretary needs additional enforcement tools in the effort to protect the rights recognized in title VIII. The President has submitted to us a budget which asks for new funding of a comprehensive program to substantially expand the capacity of both the public and private sectors to fight housing discrimination.

We should proceed on all fronts to make the idea of fair housing a reality, and favorable House action on House Joint Resolution 188 is a first, symbolic step in this effort.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 188

Whereas the year 1985 marks the seventeenth anniversary of the passage of title VIII of the Civil Rights Act of 1968, as amended (commonly referred to as the "Federal Fair Housing Act"), declaring a national policy to provide for fair housing throughout the United States;

Whereas the Federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin;

Whereas fairness is the foundation of our way of life and reflects the best of our traditional American values;

Whereas invidious discriminatory housing practices undermine the strength and vitality of America and her people; and

Whereas in this seventeenth year since the passage of the Fair Housing Act, we must work to strengthen enforcement of fair housing laws for all Americans so as to make the ideal of fair housing a reality; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of April 1985 is designated Fair Housing Month. The President is authorized and requested to issue a proclamation designating April as Fair Housing Month and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe that month with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDUCATION DAY, U.S.A.

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 186) designating April 2, 1985, as "Education Day, U.S.A.," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to objection, I would like to yield to the gentleman from Illinois [Mr. MICHEL] who was the chief sponsor of House Joint Resolution 186, "Education Day, U.S.A."

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

Mr. Speaker, I welcome this opportunity to say a few words about House Joint Resolution 186, requesting the President to designate April 2, 1985, as "Education Day, U.S.A."

Along with the distinguished majority leader, Mr. WRIGHT, I am sponsoring this resolution. We joined forces last year and I'm happy to be part of this worthy venture today.

As I said last year, I think it is fitting that the majority and the minority leaders, should cosponsor such a resolution. It deals with a subject that transcends partisan consideration.

We are seeing a rebirth of the old American idea of progress through education for all Americans. That's still a great idea.

April 2 also happens to be the 83d birthday of a remarkable religious leader, Rabbi Menachem Mendel Schneerson.

He is the internationally renowned and respected leader of the Lubavitch movement which actively promotes education programs at more than 80 centers in 34 States.

The Lubavitch movement, founded in the 18th century, has as its philosophical foundation three basic elements—wisdom, understanding, and knowledge.

It is therefore appropriate that the movement, under the inspired leader of the man called the rebbe, has been so active in promoting education.

Looking over remarks from last year, I came upon a fact I want to share with you today.

The movement which the rebbe heads takes its name from a Russian city, Lubavitch, which, translated into English means, city of love.

In the final analysis it is love—love of children, love of one's religious heritage, love of learning—that is at the heart of the Lubavitch movement and at the heart of our resolution.

I'm pleased once again to honor a great man and to support such a fine idea.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 186

Whereas Congress recognizes the historical tradition of ethical values and principles which are the basis of civilized society and upon which our great Nation was founded;

Whereas these ethical values and principles have been the bedrock of society from the dawn of civilization, when they were known as the Seven Noahide Laws;

Whereas without these ethical values and principles the edifice of civilization stands in serious peril of returning to chaos;

Whereas society is profoundly concerned with the recent weakening of these principles that has resulted in crises that beleaguer and threaten the fabric of civilized society;

Whereas the justified preoccupation with these crises must not let the citizens of this Nation lose sight of their responsibility to transmit these historical ethical values from our distinguished past to the generations of the future;

Whereas the Lubavitch movement has fostered and promoted these ethical values and principles throughout the world; and

Whereas Rabbi Menachem Mendel Schneerson, leader of the Lubavitch movement, is universally respected and revered and his eighty-third birthday falls on April 2, 1985: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 2, 1985, the birthday of Rabbi Menachem Mendel Schneerson, leader and head of the worldwide Lubavitch movement, is designated as "Education Day, U.S.A.". The President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 74, House Joint Resolution 188, and House Joint Resolution 186, the joint resolutions just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT AS MAJORITY MEMBERS OF COMMISSION ON THE UKRAINE FAMINE

The SPEAKER. Pursuant to section 136, Public Law 98-473, the Chair appoints as majority members of the Commission on the Ukraine Famine the following Members on the part of the House:

Mr. MICA of Florida, chairman; and Mr. HERTEL of Michigan.

ANNOUNCEMENT OF OFFICIAL REPUBLICAN OBJECTORS FOR THE CONSENT CALENDAR FOR THE 99TH CONGRESS

Mr. MICHEL. Mr. Speaker, I take this time to announce the official objectors for the Republican side for the 99th Congress.

For the Consent Calendar, our official objectors will be the gentleman from Pennsylvania [Mr. WALKER], the gentleman from California [Mr. LUNGREN], and the gentleman from New York [Mr. WORTLEY].

LEGISLATIVE PROGRAM

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

Mr. MICHEL. Mr. Speaker, I take this time to inquire of the distinguished majority whip the program for the balance of this week and the program for next week.

Mr. FOLEY. Mr. Speaker, will the distinguished Republican leader yield?

Mr. MICHEL. I would be happy to yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, this concludes the business for this week, and when the House adjourns today it will adjourn to meet at noon on Monday next.

The Consent Calendar will be taken up on Monday. There is no other legislative business scheduled.

On Tuesday the House will meet at noon to consider the conference report on H.R. 1239, supplemental appropriations for famine relief and recovery in Africa, and five bills under suspension of the rules, recorded votes being postponed until after all debate on all suspensions. Under suspension of the rules, the House will consider:

H.R. 1185: Amend the Petrified Forest Act;

H.R. 1373: Designate Point Reys National Seashore Wilderness as the Philip Burton Wilderness Area;

H.R. 1532: FEC authorization for fiscal year 1986;

H. Con. Res. 59: Authorize use of the rotunda for a ceremony commemorating the death of Ulysses S. Grant; and

H. Con. Res. 98: Authorize use of the rotunda for victims of the Holocaust memorial ceremony.

Members should be aware, Mr. Speaker, that the House Ways and Means Committee is expected to report a Federal supplemental compensation bill which will be scheduled on next week.

On Wednesday, the House will meet at 3 p.m. and consider the bill H.R. 1714, the National Aeronautics and Space Administration authorization for fiscal year 1986, subject to a rule being granted.

The House will meet at 11 a.m. on Thursday, and a program for that day will be announced later.

At the close of business on Thursday, the House will adjourn for the Easter district work period and will reconvene at noon on Monday, April 15, 1985.

Conference reports, of course, may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. I thank the gentleman. I might also make the observation that while it is not on the printed program, it would be the intention over here on the minority side to bring up the McIntyre resolution on Tuesday, April 2, because there will have been some 45 days or so expired from the time there was some feeling it would have been brought to resolution by this time.

□ 1310

But I would assure the gentleman, knowing of the schedules that Members have for next week, that in doing so, if it is done, it would be done on Tuesday, and that would give Members ample time to get in town and get out of town, depending on what their inclination is for that vote.

Mr. Speaker, I thought the majority whip ought to be apprised of that.

Mr. FOLEY. Mr. Speaker, I appreciate the advice of the Republican leader, and I think it is helpful for Members to know that.

The Members again should be advised that although we have not scheduled it on the formal schedule for a precise date, the FSC legislation will be scheduled next week, if reported by the committee, either on the regular schedule or on the suspension calendar.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore [Mr. GONZALEZ]. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT OF OFFICIAL OBJECTORS FOR CONSENT CALENDAR AND PRIVATE CALENDAR ON THE DEMOCRATIC SIDE FOR THE 99TH CONGRESS

Mr. FOLEY. Mr. Speaker, I take this time to announce the official objectors

for the Democratic side for the 99th Congress.

For the Consent Calendar, our official representatives will be the gentleman from Alabama, Mr. FLIPPO, the gentleman from Maryland, Mr. DYSON, and the gentleman from Tennessee, Mr. GORDON.

For the Private Calendar, our official representatives will be the gentleman from Massachusetts, Mr. BOLAND, the gentleman from Minnesota, Mr. OBERSTAR, and the gentleman from Virginia, Mr. BOUCHER.

UPDATE ON INDIANA RECOUNT

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

Mr. PANETTA. Mr. Speaker, as I indicated to the House on Tuesday, I will be making regular reports on the progress of the congressional recount in the Eighth Congressional District of Indiana.

On Tuesday, the recount team, after working for more than 9 hours, completed 25 of the 157 precincts in Vanderburgh County, the largest county in the Eighth Congressional District. On Wednesday morning, an additional 22 precincts were completed, and the recount team was picking up speed. By last night, more than 100 of the 157 precincts were completed and the recount director expected to finish Vanderburgh County by the end of the working day today and begin Spencer County tonight.

Only a few ballots had been set aside for the task force to resolve, and the task force will be leaving tomorrow morning to resolve those ballots in Indiana. I expect that the task force will go out again next week to make further determinations.

I am pleased with the progress which the recount team is making, and look forward to the timely completion of a full, fair, and accurate recount.

INDIANA'S SECRETARY OF STATE CALLED TO TASK FOR STATEMENT ON CENTRAL AMERICAN ISSUE

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

Mr. GARCIA. Mr. Speaker, recently in Mount Vernon, IN, the secretary of state of Indiana, Edwin Simcox, who was responsible for the recount in the Eighth Congressional District and who is the one who signed off on the question of whether in fact McIntyre was the winner or McCloskey was the winner, stated that McIntyre was the winner, but I would just like to bring to the attention of the Chamber the fact that this same Mr. Simcox, in the speech in Mount Vernon, IN, talked about the Central American issue and spoke about the "millions of wetbacks" that are crossing into the United States.

Now, I am certain that the secretary of state did not mean that, but I must say, for the same reasons that those of us on this side of the aisle have held back because there are 5,000 or 6,000 ballots that we feel have not been counted which were predominantly black, that it is statements like Mr. Simcox's statement that makes us absolutely certain that the Democratic side is right and that we have got to be unbiased in our position and we have got to have a full and fair count. Mr. Simcox, who is the secretary of state of one of our great States, should never have made that remark, and I must say, as a person of Hispanic heritage, that I am deeply disturbed and I am sick and tired of having people call other people who are of a different shade "wetbacks."

PERSONAL EXPLANATION

Mr. BEREUTER. Mr. Speaker, I was absent from the House floor on March 26, 1985, due to official business and missed one recorded vote on the resolution (H. Res. 100) that authorized funding for committees of the House. Had I been present for the vote, I would have opposed the resolution and cast a "no" vote.

Also, on March 4, 1985, I was also absent from the House delivering a speech to the U.S. Feed Grains Council. A vote occurred on the motion to refer House Resolution 97, a resolution to seat Richard D. McIntyre, to the Committee on House Administration. Had I been present, I would have voted "no."

SENATOR NUNN'S COMMENTS ON THE SCOWCROFT COMMISSION

(Without objection Mr. BARNARD was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNARD. Mr. Speaker, the House this week has been deeply involved in debating the merits of releasing funding for 21 additional MX missiles, and we will soon be considering the need to approve the President's request for fiscal year 1986. In light of this, I would like to submit for the RECORD a speech which Senator SAM NUNN recently delivered at the Institute for Foreign Policy Analysis breakfast. Senator NUNN's speech sheds new light on the Scowcroft Commission's recommendations, and I believe that it offers an important perspective on this issue.

Senator NUNN offers two major points in his discussion of the MX. First, he recommends that the number of deployed MX missiles be limited to 40 instead of the 100 missiles requested by the administration. Second, he suggests that starting in fiscal year 1986, the only new MX missiles which we should authorize for production should be those needed as spares to keep the production line in place in case events in Geneva warranted producing more missiles for deployment at a future date.

I believe that the Senator's comments offers significant insight into our Nation's future defense needs, and I recommend it to my colleagues for their consideration.

THE MX

(Remarks delivered at Institute for Foreign Policy Analysis breakfast)

It is a pleasure to appear before this audience and offer my views on strategic force modernization. I was asked to address the question of whether the recommendations and conclusions of the Scowcroft Commission remain valid today.

The Scowcroft Commission, as we recall, recommended putting MX's in fixed silos in the near term, although they made it clear that other forms of basing should be diligently explored. I must say that I've been rather disappointed on that latter recommendation. They also recommended that in the longer term it was desirable for stability on both sides that we move away from large, fixed, land-based, MIRVed systems, and they explicitly included in that definition the MX on the American side and the SS-18's and SS-19's on the Soviet side. In essence, as I see their recommendation, they were saying—The Soviets have moved in the wrong direction, with large fixed-silo, land-based missiles with MIRV capabilities. That has caused destabilization. Now the United States must also move in the wrong direction with an MX MIRVed missile in a stationary silo so that we can both march back together in the right direction. Now, that was the essence of their logic as I understood it.

They had two justifications for this recommendation. First, they said our bomber forces and our missile forces together are more survivable against a Soviet attack than either would be standing alone. In the near term, this is a correct observation although that observation will change very significantly in the future as both sides begin to deploy very accurate missiles at sea. We will certainly hope to be the first in that regard in terms of Trident II. The Soviets at some point in the future will also deploy very accurate missiles at sea. So that recommendation about the combined effect of attacks on both bombers and land-based missiles, while valid in the short run, is not a long term answer to the vulnerability problem as I see it.

Secondly, they said that as we move forward with the MX, the Soviets will begin to be concerned about their own land-based missile vulnerability and thus be more willing to reach an arms control agreement that moves away from their heavy reliance on large MIRVed land-based systems. Whether they will be willing to actually move towards such an agreement remains to be seen, but I think our intelligence pretty well tells us that the Soviets already are moving towards mobility. Whether they are going to abandon their fixed systems altogether is another question. They could decide to keep them and have an alternative in the form of the mobile SS-24's and SS-25's. That is

something that is not yet determined but at least they are moving towards mobility. And from the Scowcroft Commission point of view, I assume that is supposed to be good news, although when we are way behind in moving towards mobility, I'm not necessarily so sure.

After a great deal of thinking and discussion and talking to many members of the Scowcroft Commission, both during and after their report, I came to a few conclusions about their recommendations and about the status of our strategic forces.

First, the Soviets, without any doubt, for some time have threatened our land-based systems.

Second, the MX will begin to threaten the Soviet land-based systems.

Third, as a result of both of these trends, both sides are inexorably moving towards what I call "prompt launch". We are not here this morning to debate the question of whether we're moving towards launch under attack or launch on warning, or even launch immediately after attack. Suffice it to say that I am convinced that, as a result of testimony that I've heard and statements by many high level officials, that we are beginning to rely on prompt launch as a policy rather than a possible option. It has always been an option. It has always been something that we did not want the Soviets to take comfort in knowing we would not do, but it has never been our policy. Our policy has always been instead to build forces that do not have to be launched before we are absolutely certain that the Soviets have struck.

I heard a Senator say the other day that launch under attack does not bother him a bit, and launch on warning doesn't bother him a bit, because he always has felt that we would never have missiles in the holes by the time that Soviet missiles arrive. Therefore, MX survivability was not of concern to him. I've never felt that way because I've never been comfortable with the reverse of that proposition, that is the Soviets moving to launch on warning also. Someone once said that anyone who has ridden in an elevator in the Soviet Union has got to be a little bit uncomfortable about having the fate of our country rely on whether Soviet sensors and radars could correctly inform them whether America really is attacking or whether a flock of geese has reversed course over Siberia. That's the way I feel. I feel that the world is moving inexorably towards a hair-trigger on both sides. I think that is also the premise of the Scowcroft report.

The fourth proposition that I came to a couple of years ago is that both sides should endeavor to move away from this position of instability in regard both to their strategic programs and in regard to their arms control positions.

And finally, I concluded that deploying MX in vulnerable silos, though inconsistent with the long term goals of the Scowcroft report, will hopefully, and I underscore hopefully, provide the short term incentive to the Soviets, along with other things, including the Trident II coming on, to reverse their course and move in the direction of greater stability both in regard to their military programs and in regard to their arms control position.

I believe these five points remain essentially accurate today. I am concerned increasingly, though, that the links between the short and long term arms control goals of the Scowcroft report are becoming more and more ambiguous.

Last week, for this set of reasons and others that I will enumerate, I voted with the majority of the Senate to remove the restrictions on the procurement of 21 MX missiles during fiscal year 1985. I had voted for the 21 missiles last year, as you recall, when the Senate passed the missiles, and the House did not. We came to a very difficult decision in conference, and that is where the fencing came from. So, I have kept my position from last year, and I would share with you my reasons for voting to remove the fence.

First of all, in light of the willingness that has been shown by our NATO allies to make the difficult decision to accept the deployment of Pershing II missiles and cruise missiles on their own soil, a vote by the Congress at this particular juncture to cancel the MX program before any deployments would raise questions as to our psychological readiness to accept risks that our allies have accepted under great political pressure.

Second, there is no ready alternative to the MX since both the Trident, D-5 and the Midgetman are a number of years behind. Zero MXs would have left no strategic land-based missile production line in place during the critical first few years of the Geneva talks on nuclear and space arms. A warm strategic missile production line is, I think, important as a hedge against a complete breakdown in Geneva followed by a significant expansion of Soviet strategic forces. And I might also add that if we do have a breakdown in Geneva, I think without much doubt that the SALT II limitations are going to be disregarded by both sides.

Third, without the MX it goes without saying there would be little incentive in the near term for the Soviets to negotiate in earnest with respect to moving the strategic balance in the direction of greater stability. I think it is an important ingredient, though I will say in a few minutes where I view it on a scale of importance.

You have heard my reasons for voting to remove the fence, now let me tell you what my vote did not represent: It was not a vote to support a deployed force of 100 MX missiles or a total production run of 223 missiles. I have said for the last two and a half years, and I'll say it again this morning, I do not support putting an MX force of anywhere near this size in a vulnerable position. I said that to the President when the so-called "gang of six" was negotiating with him about MX, arms control, and the build down a year and a half ago.

Nor did it indicate that I think the MX is our highest priority strategic program. I do not rate the MX in vulnerable silos as being anywhere nearly as important, for instance, as the advanced cruise missile, which is now underway. I do not rate the MX in vulnerable silos as being anywhere nearly as important as the Advanced Technical Bomber, the so-called Stealth bomber. These improvements in the air-breathing leg of our Triad are important for a number of reasons, including denying the Soviets a reload, refire capability for their ICBM silos.

I might add, with respect to the Stealth bomber and the advanced cruise missiles, that these programs give us tremendous economic leverage on the Soviet Union, much, much more than you can possibly envision with the MX in vulnerable silos. The reason I say that is the Soviets have already invested several hundred million dollars in air defenses to defend against our present bomber force and probably anticipating to a considerable degree the B-1. No one has ever said that it is impossible for them to defend against the Stealth technology. But what is abundantly clear is that the Soviets would have to very substantially revamp their entire air defense system if they are serious about having the same kind of capability against the Stealth bomber that they now have against the B-52. And the same can be said for the air launched cruise missile which will greatly complicate their defenses. So they are going to have a tremendous decision to make if they are going to go forward with defending their own airspace from the air-breathing leg of our Triad. If they do so, you can estimate the cost at somewhere between $500 billion and $1 trillion to upgrade their air defenses against these advanced technologies.

So, I rate these two programs not just more important than the MX, but much, much more important than the MX. Nothing will suit me better than the Soviet Union, if we don't reach arms control agreements, spending $500 billion to $1 trillion on defending against the American bombers and cruise missiles. Those resources would not then go into the kind of conventional armaments that put so much of the world into jeopardy from the Soviet forces—including Europe, the Persian Gulf and Southwest Asia.

I believe all of these programs, including the Trident D-5 missile, have a higher priority than the MX, and now we are really getting down to cases. We're going to have to start looking at the 1986 budget. We see the Senate Budget Committee has already approved zero real growth in defense. It is no longer a question of whether you philosophically support the MX or not. We are getting down to the point of whether the MX is more important than these other programs. We already see in preliminary moves that the way the MX is going to be paid for if we fund all 48 or even anywhere near that for the President's program is to slow down the other programs which I belileve to be of much greater priority: slowing down the advanced technical bombers, slowing down the advanced cruise missiles, and slowing down the Trident program. I will not vote for that. That is where my bottom line is. I will not vote to slow those programs to pay for a MX in vulnerable silos.

Where does this lead me in terms of concept and position regarding 1986? First, I am thinking at the present time, and I'm not locking myself in concrete on any of this, that first, we ought to limit the total number of MX missiles under these conditions deployed in vulnerable Minuteman silos, and I underscore that deployment method, to no more than 40 missiles.

Second, that beginning with fiscal year 1986, the only missiles authorized for production should be the minimum number needed for reliability testing or spares. And I anticipate that this will be in the range of ten to twenty missiles per year. The news media has talked mostly about 100 missiles, but the program is not 100 missiles, it's 223 missiles. The Air Force intends to buy an extra 123 for testing and spares. Whatever number we deploy, whether it's 40 or 100, we're going to have to have many more missiles than that if we are going to have a viable program. Each year, as they do in the Minuteman program, they remove a certain number of missiles from the silos to take them to the operational test range. They put spares in those silos to take the place of the missiles they go out and test. We're going to have to do that with the MX whether we deploy 40 or whether we deploy more.

Third, I believe these restrictions should be contained in the fiscal year 1986 Defense Authorization Bill and they should be carried over on a year-by-year basis until 40 missiles have been deployed and the necessary spares produced. Interestingly enough, the Air Force has plans to deploy only 40 during the next two years anyway. What I'm suggesting is serving notice that that's all that will be deployed, so my plan would be a definite difference from the Administration's plan. I would also preclude preparing any Minuteman silos to accommodate the MX beyond the 40 needed for MX deployment.

These restrictions could, of course, be discontinued or renewed by the Congress, depending upon the Administration's own program. For instance, if the Administration submitted a new basing mode program for the remaining 60 missiles, I would certainly be willing to take another look at that. What I'm speaking of is a limitation on putting MXs in vulnerable silos, but not necessarily a limitation on the overall MX program. Another contingency we would have to watch is a breakdown of Geneva talks followed by an aggressive Soviet expansion of their strategic missile forces.

How does this recommended program square with the Scowcroft Commission report?

First, it recognizes, as did the Commission, that the imbalance in hard-target kill capability must be redressed, at least in part, if the Soviets are to have incentives either to move toward mobility on their own or to do so under a negotiated arms control regime.

Second, it recognizes, as did the Scowcroft Commission, that a warm production base for a large throwweight missile is useful to hedge against and constrain a Soviet strategic forces breakout.

Third, it acknowledges, as did the Commission, that the failure to deploy any MXs would send a wrong signal to the Soviets and to the world with regard to our national will.

It appreciates, as did the Commission, that the MX is only a way station on the road to mobile ICBMs, such as the Midgetman.

The real difference between my proposal and that of the Scowcroft Commission is with respect to the total number deployed. And I would certainly acknowledge that it is a significant difference. Why 40 instead of 100? I believe that 100 MXs deployed in vulnerable silos would raise problems that could be minimized or averted by a smaller deployment of only 40 missiles. Let me cite two or three reasons for that:

One, 100 MXs deployed in this manner, in my view, would exacerbate the problem of a hair-trigger launch by both sides. These 100 MX missiles, if we put them all in vulnerable silos, would be a very tempting target for Soviet planners in any kind of confrontation or any kind of very rough scenario in the world. They would also be seen as such an important asset by our side that our own authorities would be extremely loath to risk losing them in an effort to ride out a Soviet attack to be certain that we were not making any miscalculation or mistake in terms of attack.

Second, limiting the MX deployment to 40 missiles or 400 warheads would have another advantage. It would bring some finality to the program and give the Air Force the incentive to move vigorously forward on the Midgetman missile and its basing mode. I would contend now, human nature being what it is, that the Air Force does not have the incentive. They almost have a reverse incentive on the Midgetman as long as we have the 100 MXs being debated vigorously each year.

This would have the additional advantage of causing the Congress to focus on Midgetman. And I think Congress has not done that. We have a lot of people in Congress who are looking at the Midgetman as a panacea, saying "Bring on the Midgetman; kill the MX. The Midgetman will save us. The Midgetman will produce stability." Well, all of those things may be true, and I am very favorable towards the Midgetman and the concept laid forth for it by the Scowcroft Commission. But I do know there is no such thing as a panacea with land-based missiles. I know the Midgetman basing mode is going to be very tricky. And I do know that that basing mode depends to a considerable degree about what kind of arms control agreement we get in Geneva. If you postulate an unlimited Soviet MIRVed missile capability, deploying the Midgetman becomes a very, very difficult matter and it could be very, very expensive. It could be very manpower intensive, given security problems, the interface with the public, etc. Suffice it to say that I think the Midgetman itself may run into considerable debate. And I think its virtues as well as its drawbacks need to be considered by Congress while we still have the MX production line warm. And my proposal would do that.

Lastly, but most important, I would again cite the budget. At the time the Scrowcroft Commission drafted its report, the full implications of the massive federal deficit had not yet come to bear on the defense budget. What was realistic in the expectation of a 6% or 7% real increase in defense spending is simply not feasible in the context of zero defense growth. I happen to believe that 3% growth this year will be the outside figure. That would be the ceiling that I can contemplate under any kind of realistic political conditions, but I think the likelihood is it will be closer to zero growth than 3%. And probably those pressures will increase in the next two years rather than decrease. Holding the MX program to 40 deployed missiles would help ease the budgetary pressures on other higher priority strategic programs including those that I have mentioned: the advanced cruise missile, the advanced technical bomber and the D-5 Missile. I would emphasize that these other strategic programs were strongly endorsed by the Scowcroft Commission report. Contrary to popular belief it was not just a report on the MX.

In closing, let me quote from an Air Force report dated February 1982. You recall that the President's original decision on MX was to deploy 40 of these missiles as an interim solution until a permanent solution could be found. This was before the Scowcroft report. I quote from that 1982 Air Force report:

"The initial deployment of 40 MX in existing silos will be sufficient to hold the most threatening Soviet silo sanctuaries at risk. However, it is not sufficient to pose a destabilizing threat of a disarming first strike. With ten highly accurate warheads each, the 40 operational MX missiles will counter-balance 308 Soviet SS-18s and threaten a few 'superhard' control centers. However neither MX by itself, nor MX combined with 900 Minuteman III Mark 12A warheads can deliver a crippling blow to the total of approximately 1,400 Soviet silos. This will provide sufficient fire-power on line in a timely manner to allow the U.S. to pursue further basing options without fear of Soviet coercion."

I must say that I continue to find this Air Force logic impeccable. As far as I am concerned, nothing has happened regarding the survivability of MX since the Air Force submitted this report to Congress in 1982. A permanent basing mode has not been found, and I am persuaded that neither the Pentagon nor the White House is looking for such a solution. Nonetheless, I do wish that the President would have a convenient memory lapse with respect to his 1980 campaign position on MX basing and reconsider injecting elements of mobility and deception, or perhaps even consider a ballistic missile point defense. That combined with deception could make MX survivability very cost effective. To make it perfectly clear, I am not endorsing BMD, but I do believe it is an option that could be examined if mobility and deception become elements of MX basing. Absent such reconsideration by the President, I feel that the plan I have outlined this morning is in the best interest of our nation's security. I will be talking with others about this plan, and as I said, I am flexible on it, but I am sharing with you my own feelings at this moment.

● Mr. DICKS. Mr. Speaker, I want to compliment the gentleman from Georgia for including the recent speech by the senior Senator from that State on the MX and related issues. I would also associate myself with the arguments that the Senator makes in that speech which I believe outlines a reasonable and prudent resolution to this issue.●

THE FARMLAND CONSERVATION ACREAGE RESERVE ACT OF 1985

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

Mr. ROBERTS. Mr. Speaker, yesterday I introduced legislation entitled the Farmland Conservation Acreage Reserve Act of 1985, to establish a long-term cropland conservation reserve for highly erodible and severely eroding land. This legislation will produce a wide range of benefits for farmers, and the entire Nation.

Briefly, the legislation would establish authority for the Secretary of Agriculture to enter into long-term land retirement contracts with producers for periods of up to 20 years. The legislation would require the Secretary to make annual payments to farmers as an incentive for them to forego crop production, and to provide incentives for producers to establish vegetative cover on the land placed in the reserve.

In this Nation we simply have too many acres being utilized for the production of crops. Many of these acres are fragile lands that are being severely eroded. According to the Economic Research Service of USDA there are nearly 33 million acres of highly eroding cropland currently in production. The legislation I am introducing could potentially retire 20 million of those acres.

The benefits from establishing a Farmland Conservation Reserve far outweight the cost. Placing land in a long-term conservation reserve will decrease the production of agricultural commodities, reduce price-depressing surpluses, and lower the cost of Federal commodity support programs. Conversion of large amounts of highly erodible cropland throughout the Nation to grass and trees would significantly reduce overall soil erosion losses. This reduction in overall soil erosion would mean less sedimentation of lakes and streams and would reduce future dredging costs, lengthen reservoir life, decrease flood damages, and improve water quality.

This legislation is identical to the administration's original conservation proposal—that proposal ended up on Mr. Stockman's carpet. It was a good idea then and being budget responsible under a spending freeze, it is a good idea now.

While I appreciate the need to control spending, financing a Farmland Conservation Reserve Program would be an investment in the future of America's natural resources. Federal dollars spent on soil and water conservation would be regarded as a well spent investment of the U.S. taxpayers money and not a cost. I urge my colleagues to support the farmland conservation reserve legislation I am introducing. Mr. Speaker, I seek cosponsors.

THE SIMULTANEOUS NUCLEAR TEST BAN ACT

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

Mrs. SCHROEDER. Mr. Speaker, after we pick ourselves up from the MX vote and decide what to do next, I am attempting to deal with that issue by a bill that I have introduced today. It is called the Simultaneous Nuclear Test Ban Act.

I think it is terribly important, because this August 6 will be the 40th anniversary of the bombing of Hiroshima. We have been totally incapable of closing the Pandora's box that has been open for the last 40 years, so in trying to puzzle how we can do that, I went back and looked at what President Kennedy did when he was trying to get the Open Air Comprehensive Test Ban Treaty.

This bill is based on that historic precedent. What he did was challenge the other side to a simultaneous test ban, and it worked. Within 6 weeks we had such a treaty.

I will be calling for the President to do such a thing starting on August 6. Obviously if the Soviet Union does not comply, then there would be no test ban, but the hope would be that they could begin negotiations where they were dropped back in 1980, and this is verifiable, so we can begin to turn around the technology-driven increase of our whole nuclear arsenal that only gets more and more precarious.

I think a test ban is the best way to go because it not only leashes that technology-driven increase but it also, after several years of being in effect, would cause both sides to question whether the weapons they still had left were working efficiently, and, therefore, they would be less and less apt to use them.

Mr. Speaker, it is a challenge to all of us as we face this very grim 40th anniversary, and I hope that we can move on this matter.

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THE McINTYRE-McCLOSKEY DISPUTE

(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, the words "if only" really do not have much significance, unless you tie them into the words "next time." With respect to the McIntyre-McCloskey dispute. We really have not covered ourselves with glory. Maybe next time we will do better.

Point No. 1: McIntyre was certified by the Secretary of State; prima facie that entitles him to be seated.

Point No. 2: If the evidence establishes that he was not entitled to be seated. FRANK ANNUNZIO's committee will recommend to the House appropriate action.

Point No. 3: For reasons that defy logic in the present situation, we are paying both a congressional salary neither of whom is voting; and the loser gets to keep the money. I find that something we all will have great difficulty explaining when we return to our districts.

My view is we should seat McIntyre and to vote in support of the ANNUNZIO committee recommendation no matter how it comes out.

CONGRESSIONAL SPACE CAUCUS COCHAIRMANSHIP CHANGE

(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, since the space revolution began in the late 1950's, American space enterprise has been the shining star of our Nation's technological advancement and a dominant factor in our economic growth, creating new jobs and industries, touching every part of our country at every turn. Space has proven itself again and again to be one of the best investments in America's future. More importantly, space was the challenge which galvanized America after Sputnik, leading to a resurgence of interest in science in general and in space science in particular, culminating first in our lunar landings, and subsequent achievements of great scientific significance. Of equal importance, there has been a resurgence of national pride in our accomplishments. Today we are at another threshold of space technology which we all hope and pray will lead to the elusive goal of universal peace.

As obvious as the importance of space may seem to us today, we should remember that in the midseventies interest in space appeared to be waning, nonexistent or at best ambivalent. To rectify this situation, I established the congressional space caucus in 1981 with Congressman NEWT GINGRICH and me as cochairmen.

The goals of this informal group were to serve as a clearinghouse on space information, to assist its members in promoting their common goal or revitalizing America's space program and to provide legislative support on space issues. Today, the caucus boasts a bipartisan membership of 143.

Mr. Speaker, as cochairman of the congressional space caucus since its inception, I have witnessed a renewed interest and commitment to the challenge of space. This growing public and congressional interest was given a dramatic boost by the President's mandate last year to develop a permanently manned space station within a decade and to begin research in earnest in the strategic defense initiative. We are again taking the first step toward a new era in space.

At this exciting new stage, I feel it appropriate to pass on the torch of leadership of the congressional space caucus to a new team. I am honored, therefore, to announce the cochairmenship of Hon. MIKE LOWRY from Washington, Hon. HERBERT H. BATEMAN from Virginia.

These men command the respect of both constituents and colleagues alike, leaders in our mist. More importantly though, they have displayed that subtlety of perception to see the true potential of space, and the sense of commitment to make that potential a reality for the benefit of mankind.

Mr. Speaker, I am confident that under the new leadership of Congressman LOWRY and Congressman BATEMAN, the congressional space caucus will continue to fulfill, and indeed surpass, its past achievements and provide the congressional leadership necessary for the promotion of space and space technologies for peace.

MAJOR NICHOLSON'S DEATH TRAGIC AND UNCALLED FOR

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

Mr. ROWLAND of Connecticut. Mr. Speaker, at 3 p.m. Sunday afternoon, German time, Maj. Arthur Nicholson, who happens to be from my district in Connecticut, was gunned down by a Russian soldier 300 meters outside of a permanent restricted area in East Germany. Major Nicholson was in military uniform. He was in a military vehicle and unarmed at the time, and according to his partner on the scene, no warning was given before the fatal shot.

It was not until over an hour later that Russian medics were on the scene. Even though Major Nicholson's partner had a first aid kit in his vehicle, he was prohibited from treating his partner, the major.

Major Nicholson's death was tragic and uncalled for. There are still many unanswered questions that remain to be explained to the American people and to his family. A fine young man with a young family, who now have been left with a deep feeling of loss. I ask all my colleagues, Mr. Speaker, to keep Major Nicholson and his family in their thoughts and prayers today and through this tragic period.

INTERNATIONAL TRADE ISSUE AGAIN IN THE HEADLINES

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

Mr. KOLTER. Mr. Speaker, the trade deficit, coupled with the difficulties, in negotiating with Japan on trade matters, has once again, placed the international trade issue, in the headlines.

The situation has become so alarming, that thousands of businesses across America, are being affected. These companies either produce goods, for a domestic market, that is being innundated, by imports, or they are unable to secure, a market share abroad, because of our trading partner's intracability.

Mr. Speaker, several large corporations, that strongly opposed provisions of the trade bill we passed last year, are now, supporting legislation, that they were calling protectionist, just several months ago. This change of position, demonstrates, how serious the trade problem has become.

I do not understand, why the Japanese fail to acknowledge, that, it is in their, best, interest, to open their markets, to more of our products. While exports have fueled, Japan's surplus, on the current account, a world economic downturn, could be devastating, for Japan.

Japan must stop, its mercantilist approach, to trade. If it does not, the world, might find itself, in an economic war, where no one gets killed, but everyone, gets hurt.

NOTICE OF EXTENSION OF NATIONAL EMERGENCY CONCERNING CONTINUATION OF EXPORT REGULATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs.

(For message, see proceedings of the Senate of today, Thursday, March 28, 1985.)

GENERAL LEAVE

Mr. DE LUGO. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the special order given today by the gentleman from from Illinois [Mr. ROSTENKOWSKI].

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

There was no objection.

THE TECHNICAL CONNECTIONS ACT OF 1985

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

● Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing H.R. 1800, the Technical Corrections Act of 1985. This bill would make technical, clerical, conforming, and clarifying amendments to the Tax Reform Act of 1984 and other provisions of the Deficit Reduction Act of 1984 and to other tax legislation enacted in the 98th Congress. The bill contains two general titles. The first title covers technical, clerical, and conforming amendments to the Tax Reform Act of 1984. Title II would make technical and clarifying amendments to provisions of the Deficit Reduction Act relating to Social Security, health, trade and public assistance.

This bill is intended to correct errors in these enacted bills in order to properly carry out the intent of Congress in enacting the earlier legislation. The bill has been prepared by the staffs of the Committee on Ways and Means, the Senate Finance Committee, and the Joint Committee on Taxation with valuable assistance from the Treasury Department, the Social Security Administration, and the Health Care Financing Administration. Helpful comments have also been received from professional groups and other individuals.

The Committee on Ways and Means intends to hold an early public hearing on the Technical Corrections Act of 1985. I encourage all those who have an interest in the legislation to either appear personally or provide written statements for the record. I hope that individuals aware of additional technical problems not addressed in the bill will bring them to the committee's attention. However, I want to emphasize that this legislation is intended to address only legitimate technical problems and is to not become a vehicle for substantive changes. A high definitional standard will apply to each proposed "technical" amendment, and advocates of additional changes will be expected to carry that burden.

In title I, H.R. 1800 would make numerous technical changes to provisions of the Tax Reform Act of 1984 relating to tax-exempt entity leasing, debt instruments, corporate tax, foreign, life insurance, VEBA's, pensions, ESOP's, and tax-exempt bonds. Also changes are made to provisions relating to such items as credit carryovers and the minimum tax, the diesel fuel tax on certain school buses, estimated tax penalties, as well as many other miscellaneous provisions.

Title II of the bill makes a number of technical corrections in other programs affected by the Deficit Reduction Act. Part A contains several amendments to Social Security Act programs, most notably section 201 of part A which contains several amendments to the provision of the Deficit Reduction Act of 1984 allowing churches to require that their employees be covered as self-employed workers for Social Security tax purposes. These amendments generally clarify that the tax paid by these employees on their church employment income will be calculated separately from any tax on other self-employment income, that churches may revoke their election in this area on a one-time basis, and that the exemption from self-employment coverage available under present law for members of certain religious faiths is not available for employees of churches exercising this coverage option. The other amendments in part A dealing with the Social Security retirement and disability programs are clerical in nature.

Title II, part B, of the bill makes a number of clerical corrections and deletes several obsolete provisions in the public assistance and unemployment compensation statutes. In addition, the bill amends the Child Support Enforcement Program to make it clear that in interstate child support collection cases the State requesting the collection and the State making the col-

lection will be credited with the collection for purposes of Federal incentive payments; amends the Federal Unemployment Tax Act [FUTA] to clarify that the partial limitation on FUTA credit reductions in States that meet the solvency requirements of section 1202 of the Social Security Act expires at the end of calendar year 1986; and changes the reference to the Farm Labor Contractor Registration Act of 1963 contained in FUTA to the Migrant and Seasonal Agricultural Workers Protection Act of 1983.

Provisions in title II would correct problems with the medicare special enrollment period and the premium penalty forgiveness for the working aged. The bill would also correct an anomaly under which certain individuals who are working and covered by an employer group health plan receive only one special enrollment period and others receive more than one. In addition, it would make it clear that an individual would be eligible for forgiveness of the medicare premium penalty for any period during which he or she was over 65 and covered by an employer group health plan. The provision requiring a person to meet the eligibility requirements of part A and to have filed for part A would be repealed.

Part C of title II of the bill makes technical corrections in the Trade and Tariff Act of 1984 with respect to various miscellaneous tariff and customs provisions, amendments to the countervailing duty and antidumping laws, and changes to other trade statutes made in the 1984 act. These changes are noncontroversial. They are purely technical but necessary corrections for proper administration of the trade law as the Congress intended.

Not all of the technical problems brought to the committee's attention could be successfully resolved prior to introduction. Some provisions, such as the attempt to clarify the "changes" insurance provisions (code section 7702(d)(2)) will continue to be the subject of work at the staff level. We invite interested parties to present their views and recommendations on this specific issue.

Mr. Speaker, I would like to emphasize that this bill intends simply to correct technical errors and to better reflect the policies established by the Congress in enacting the original legislation. In many areas covered by the bill, technical amendments are proposed to very complex provisions of law, and the legislation will benefit from careful study by interested groups and individuals in the months ahead. Further, time has not permitted a thorough review of all the provisions enacted last year. I am sure additional changes that need to be made will come to our attention during the legislative process.

Finally, because of the length and complexity of provisions in the bill, I have requested that a staff pamphlet describing the entire bill in detail be published by the end of next week.●

● Mr. DUNCAN. Mr. Speaker, I am pleased to join the Honorable DAN ROSTENKOWSKI, chairman of the Committee on Ways and Means, in introducing H.R. 1800, the Technical Corrections Act of 1985. This bill would make technical, clerical, conforming and clarifying amendments to certain tax and other legislation enacted during 1984. In particular, the bill makes technical corrections to the Deficit Reduction Act of 1984 and the Retirement Equity Act of 1984. These both were complex pieces of legislation affecting many provisions of the law. As a result, it is not surprising that there are problems that have been identified since their enactment that require corrective legislation.

This bill is intended to correct errors in these enacted bills in order to properly carry out the intent of Congress in enacting the earlier legislation. The bill has been prepared by the minority and majority staffs of the Committee on Ways and Means and the Joint Committee on Taxation with valuable assistance from the Treasury Department. I believe every effort has been made to take account of problems identified in the bills which justify corrective legislation, which have been received from the American Bar Association, the American Institute of Certified Public Accountants, and other professional groups and individuals.

I believe that I express the chairman's sentiments in encouraging affected taxpayers to bring to our attention any problems with the bill and any items that have been omitted that are appropriate for technical corrections. Certainly the hearing process that is likely to follow its introduction will provide an opportunity for such additional comments. I look forward to working with Chairman ROSTENKOWSKI in perfecting this important piece of legislation.

The text of the legislation follows:

H.R. 1800

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 "Technical Corrections Act of 1985".

TITLE I—TECHNICAL CORRECTIONS RELATED TO TAX REFORM ACT OF 1984

SEC. 100. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

PART A—AMENDMENTS RELATED TO TITLE I OF THE ACT

SEC. 101. AMENDMENTS RELATED TO DEFERRAL OF CERTAIN TAX REDUCTIONS.

(a) AMENDMENT RELATED TO SECTION 26 OF THE ACT.—Paragraph (2) of section 4251(b) (relating to rate of tax on communications services) is amended by inserting "1985," after "1984," in the table contained in such section.

(b) AMENDMENTS RELATED TO SECTION 27 OF THE ACT.—

(1) Subsection (e) of section 5061 (relating to payment by electronic fund transfer of alcohol taxes) is amended by adding at the end thereof the following new paragraph:

"(3) CONTROLLED GROUPS.—

"(A) IN GENERAL.—In the case of a controlled group of corporations, all corporations which are component members of such group shall be treated as 1 taxpayer. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by subsection (a) of section 1563, except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in such subsection.

"(B) CONTROLLED GROUPS WHICH INCLUDE NONINCORPORATED PERSONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation."

(2) Paragraph (3) of section 5703(b) (relating to payment by electronic fund transfer of tobacco taxes) is amended by adding at the end thereof the following: "Rules similar to the rules of section 5061(e)(3) shall apply to the $5,000,000 amount specified in the preceding sentence."

SEC. 102. AMENDMENTS RELATED TO TAX-EXEMPT ENTITY LEASING PROVISIONS.

(a) AMENDMENTS RELATING TO SECTION 31 OF THE ACT.—

(1) TREATMENT OF USE IN UNRELATED TRADE OR BUSINESS.—Subparagraph (D) of section 168(j)(3) (relating to exception where property used in unrelated trade or business) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B)(iii), any portion of a property so used shall not be treated as leased to a tax-exempt entity in a disqualified lease."

(2) TREATMENT OF CERTAIN PREVIOUSLY TAX-EXEMPT ORGANIZATIONS.—

(A) Clause (i) of section 168(j)(4)(E) (relating to treatment of certain previously tax-exempt organizations) is amended—

(i) by striking out "any property of which such organization is the lessee" and inserting in lieu thereof "any property (other than property held by such organization)", and

(ii) by striking out "first leased to" and inserting in lieu thereof "first used by".

(B) Subclause (I) of section 168(j)(4)(E)(ii) is amended by striking out "of which such organization is the lessee".

(C) Subclause (II) of section 168(j)(4)(E)(ii) is amended by striking out "is placed in service under the lease" and inserting in lieu thereof "is first used by the organization".

(D) Subparagraph (E) of section 168(j)(4) is amended by adding at the end thereof the following new clause:

"(iv) FIRST USED.—For purposes of this subparagraph, property shall be treated as first used by the organization—

"(I) when the property is first placed in service under a lease to such organization, or

"(II) in the case of property leased to (or held by) a partnership (or other pass-thru entity) in which the organization is a member, the later of when such property is first used by such partnership or pass-thru

entity or when such organization is first a member of such partnership or pass-thru entity."

(E) Clause (i)(I) of section 31(g)(16)(C) of the Tax Reform Act of 1984 (defining exempt arbitrage profits) is amended by striking out "section 168(j)(4)(E)(i)(I)" and inserting in lieu thereof "section 168(j)(4)(E)(i)".

(3) REPEAL OF OVERLAPPING SECRETARIAL AUTHORITY.—Clause (iv) of section 168(j)(5)(C) (relating to property not subject to rapid obsolescence may be excluded) is hereby repealed.

(4) PARTNERSHIP RULES.—

(A) Paragraph (8) of section 168(j) (relating to tax-exempt use of property leased to partnerships, etc., determined at partner level) is amended by striking out "and paragraphs (4) and (5) of section 48(a)" in the matter preceding subparagraph (A).

(B) Paragraph (9) of section 168(j) (relating to treatment of property owned by partnerships, etc.) is amended—

(i) by striking out "and paragraphs (4) and (5) of section 48(a)" in subparagraph (A), and

(ii) by striking out "loss deduction" in subparagraph (B)(i) and inserting in lieu thereof "loss, deduction".

(C) Paragraph (5) of section 48(a) (relating to property used by governmental units or foreign persons or entities) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) SPECIAL RULES FOR PARTNERSHIPS, ETC.—For purposes of this paragraph and paragraph (4), rules similar to the rules of paragraphs (8) and (9) of section 168(j) shall apply."

(5) TREATMENT OF CERTAIN AIRCRAFT LEASED TO FOREIGN PERSONS.—

(A) Subsection (a) of section 47 (relating to certain dispositions, etc., of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(9) AIRCRAFT LEASED TO FOREIGN PERSONS OR ENTITIES.—

"(A) IN GENERAL.—Any aircraft which was new section 38 property for the taxable year in which it was placed in service and which is used by any foreign person or entity (as defined in section 168(j)(4)(C)) under a qualified lease (as defined in paragraph (7)(C)) entered into before January 1, 1990, shall not be treated as ceasing to be section 38 property by reason of such use until such aircraft has been so used for a period or periods exceeding 3 years in total.

"(B) RECAPTURE PERIOD EXTENDED.—For purposes of paragraphs (1) and (5)(B) of this subsection, any period during which there was use described in subparagraph (A) of an aircraft shall be disregarded."

(B) Clause (iii) of section 48(a)(5)(B) is hereby repealed.

(6) TREATMENT OF CERTAIN PARTNERSHIPS HAVING SECTION 593 ORGANIZATION AS MEMBER.—Paragraph (4) of section 46(e) is amended by adding at the end thereof the following new subparagraph:

"(D) SPECIAL RULES FOR PARTNERSHIPS, ETC.—For purposes of paragraph (1)(A), rules similar to the rules of paragraphs (8) and (9) of section 168(j) shall apply."

(7) TREATMENT OF CERTAIN PROPERTY HELD BY PARTNERSHIPS.—

(A) Paragraph (9) of section 168(j) (relating to treatment of property owned by partnerships, etc.) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

"(D) DETERMINATION OF WHETHER PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—For purposes of this subsection, in the case of any property which is owned by a partnership which has both a tax-exempt entity and a person who is not a tax-exempt entity as partners, the determination of whether such property is used in an unrelated trade or business of such an entity shall be made without regard to section 514."

(B) Subparagraph (E) of section 168(j)(9) (as redesignated by subparagraph (A)) is amended by striking out "and (C)" and inserting in lieu thereof "(C), and (D)".

(8) CLERICAL AMENDMENTS.—

(A) Paragraph (4) of section 48(a) is amended—

(i) by striking out "514(c)" and inserting in lieu thereof "514(b)", and

(ii) by striking out "514(b)" and inserting in lieu thereof "514(a)".

(B) Subclause (I) of section 48(g)(2)(B)(vi) is amended by striking out "section 168(j)(3)" and inserting in lieu thereof "section 168(j)".

(C) Subparagraph (A) of section 7701(e)(4) is amended by adding at the end thereof the following new sentence:

"For purposes of this paragraph, the term 'related entity' has the same meaning as when used in section 168(j)."

(9) EFFECTIVE DATE PROVISIONS.—

(A) Subparagraph (B) of section 31(g)(3) of the Tax Reform Act of 1984 is amended by striking out "The amendments made by this section" and inserting in lieu thereof "Paragraph (9) of section 168(j) of the Internal Revenue Code of 1954 (as added by this section)".

(B) Clause (ii) of section 31(g)(15)(D) of the Tax Reform Act of 1984 (relating to certain aircraft) is amended to read as follows:

"(ii) such aircraft is originally placed in service by such foreign person or entity (or its successor in interest under the contract) after May 23, 1983, and before January 1, 1986."

(C) Paragraph (4) of section 31(g) of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE FOR CREDIT UNIONS.—In the case of any property leased to a credit union pursuant to a written binding contract with an expiration date of December 31, 1984, which was entered into by such organization on August 23, 1984—

"(i) such credit union shall not be treated as an agency or instrumentality of the United States; and

"(ii) clause (ii) of subparagraph (A) shall be applied by substituting 'January 1, 1987' for 'January 1, 1985'."

(D)(i) Clause (ii) of section 31(g)(20)(B) of the Tax Reform Act of 1984 (defining substantial improvement) is amended by striking out subclauses (I) and (II) and inserting in lieu thereof the following:

"(I) by substituting 'property' for 'building' each place it appears therein,

"(II) by substituting '20 percent' for '25 percent' in clause (ii) thereof, and

"(III) without regard to clause (iii) thereof."

(ii) The amendment made by clause (i) shall not apply to any property if—

(I) on or before March 28, 1985, the taxpayer (or a predecessor in interest under the contract) or the tax-exempt entity entered into a written binding contract to acquire, construct, or rehabilitate the property, or

(II) the taxpayer or the tax-exempt entity began the construction, reconstruction, or rehabilitation of the property on or before March 28, 1985.

(b) AMENDMENTS RELATED TO SECTION 32 OF THE ACT.—

(1) Subsection (f) of section 168 (relating to special rules) is amended—

(A) by redesignating the paragraph (13) relating to motor vehicle operating leases as paragraph (14), and

(B) by redesignating paragraph (14) as paragraph (15).

(2) Subsection (c) of section 32 of the Tax Reform Act of 1984 is amended by striking out "section 168(f)(13)" and inserting in lieu thereof "section 168(f)(14)".

SEC. 103. AMENDMENTS RELATED TO TREATMENT OF BONDS AND OTHER DEBT INSTRUMENTS.

(a) AMENDMENTS RELATED TO SECTION 41 OF THE ACT.—

(1) TREATMENT OF SHORT-TERM NONGOVERNMENT OBLIGATIONS.—

(A) Subsection (a) of section 1271 (relating to treatment of amounts received on retirement or sale or exchange of debt instruments) is amended by adding at the end thereof the following new paragraph:

"(4) CERTAIN SHORT-TERM NONGOVERNMENT OBLIGATIONS.—

"(A) IN GENERAL.—On the sale or exchange of any short-term nongovernment obligation, any gain realized which does not exceed an amount equal to the ratable share of the original issue discount shall be treated as ordinary income.

"(B) SHORT-TERM NONGOVERNMENT OBLIGATION.—For purposes of this paragraph, the term 'short-term nongovernment obligation' means any obligation which—

"(i) has a fixed maturity date not more than 1 year from the date of the issue, and

"(ii) is not a short-term Government obligation (as defined in paragraph (3)(B) without regard to the last sentence thereof).

"(C) RATABLE SHARE.—For purposes of this paragraph, except as provided in subparagraph (D), the ratable share of the original issue discount is an amount which bears the same ratio to such discount as—

"(i) the number of days which the taxpayer held the obligation, bears to

"(ii) the number of days after the date of original issue and up to (and including) the date of its maturity.

"(D) ELECTION OF ACCRUAL ON BASIS OF CONSTANT INTEREST RATE.—At the election of the taxpayer with respect to any obligation, the ratable share of the original issue discount is the portion of the original issue discount accruing while the taxpayer held the obligation determined (under regulations prescribed by the Secretary) on the basis of—

"(i) the yield to maturity based on the issue price of the obligation, and

"(ii) compounding daily.

Any election under this subparagraph, once made with respect to any obligation, shall be irrevocable."

(B) Paragraph (3) of section 1283(d) is amended by striking out "section 1271(a)(3)" and inserting in lieu thereof "paragraphs (3) and (4) of section 1271(a)".

(2) ELECTION OF ACCRUAL ON BASIS OF CONSTANT INTEREST RATE FOR SHORT-TERM GOVERNMENT OBLIGATIONS.—

(A) IN GENERAL.—Paragraph (3) of section 1271(a) (relating to certain short-term Government obligations) is amended by adding at the end thereof the following new subparagraph:

"(E) ELECTION OF ACCRUAL ON BASIS OF CONSTANT INTEREST RATE.—At the election of the taxpayer with respect to any obligation, the ratable share of the acquisition discount is the portion of the acquisition discount ac-

cruing while the taxpayer held the obligation determined (under regulations prescribed by the Secretary) on the basis of—

"(i) the taxpayer's yield to maturity based on the taxpayer's cost of acquiring the obligation, and

"(ii) compounding daily.

An election under this subparagraph, once made with respect to any obligation, shall be irrevocable."

(B) TECHNICAL AMENDMENT.—Subparagraph (D) of section 1271(a)(3) is amended by striking out "this paragraph" and inserting in lieu thereof "this paragraph, except as provided in subparagraph (E),".

(3) DEFINITION OF SHORT-TERM GOVERNMENT OBLIGATION.—Subparagraph (B) of section 1271(a)(3) (defining short-term Government obligation) is amended to read as follows:

"(B) SHORT-TERM GOVERNMENT OBLIGATION.—For purposes of this paragraph, the term 'short-term Government obligation' means any obligation of the United States or any of its possessions, or of a State or any political subdivision thereof, or of the District of Columbia, which has a fixed maturity date not more than 1 year from the date of issue. Such term does not include any tax-exempt obligation."

(4) DEDUCTION OF ORIGINAL ISSUE DISCOUNT ON SHORT-TERM OBLIGATIONS.—Paragraph (2) of section 163(e) (relating to original issue discount) is amended by adding at the end thereof the following new subparagraph:

"(C) SHORT-TERM OBLIGATIONS.—In the case of an obligor of a short-term obligation (as defined in section 1283(a)(1)(A)) who uses the cash receipts and disbursements method of accounting, the original issue discount (and any other interest payable) on such obligation shall be deductible only when paid."

(5) TREATMENT OF CERTAIN TRANSFERS OF MARKET DISCOUNT BONDS.—Paragraph (1) of section 1276(d) (relating to special rules) is amended by striking out "and" at the end of subparagraph (A) and by inserting after subparagraph (B) the following new subparagraph:

"(C) paragraph (3) of section 1245(b) shall be applied as if it did not contain a reference to section 351, and".

(6) TREATMENT OF BONDS ACQUIRED AT ORIGINAL ISSUE FOR PURPOSES OF MARKET DISCOUNT RULES.—

(A) Paragraph (1) of section 1278(a) (defining market discount bond) is amended by adding at the end thereof the following new subparagraph:

"(C) TREATMENT OF BONDS ACQUIRED ON ORIGINAL ISSUE.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph or in regulations, the term 'market discount bond' shall not include any bond acquired by the taxpayer at its original issue.

"(ii) TREATMENT OF BONDS ACQUIRED FOR LESS THAN ISSUE PRICE.—Clause (i) shall not apply to any bond if—

"(I) the basis of the taxpayer in such bond is determined under section 1012, and

"(II) such basis is less than the issue price of such bond determined under subpart A of this part.

"(iii) BONDS ACQUIRED IN CERTAIN REORGANIZATIONS.—Clause (i) shall not apply to any bond issued pursuant to a plan of reorganization (within the meaning of section 368(a)(1)) in exchange for another bond having market discount. Solely for purposes of section 1276, the preceding sentence shall not apply if such other bond was issued on or before July 18, 1984 (the date of the enactment of section 1276) and if the bond issued pursuant to such plan of reorganization has the same term and the same interest rate as such other bond had.

"(iv) TREATMENT OF CERTAIN TRANSFERRED BASIS PROPERTY.—For purposes of clause (i), if the adjusted basis of any bond in the hands of the taxpayer is determined by reference to the adjusted basis of such bond in the hands of a person who acquired such bond at its original issue, such bond shall be treated as acquired by the taxpayer at its original issue."

(7) TREATMENT OF CERTAIN STRIPPED BONDS OR STRIPPED COUPONS.—Paragraph (1) of section 1281(b) (relating to short-term obligations to which section applies) is amended by striking out "or" at the end of subparagraph (D), by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(F) is a stripped bond or stripped coupon held by the person who stripped the bond or coupon (or by any other person whose basis is determined by reference to the basis in the hands of such person)."

(8) ACCRUAL OF INTEREST PAYMENTS ON CERTAIN SHORT-TERM OBLIGATIONS.—

(A) Subsection (a) of section 1281 (relating to current inclusion in income of discount on certain short-term obligations) is amended to read as follows:

"(a) GENERAL RULE.—In the case of any short-term obligation to which this section applies, for purposes of this title—

"(1) there shall be included in the gross income of the holder an amount equal to the sum of the daily portions of the acquisition discount for each day during the taxable year on which such holder held such obligation, and

"(2) any interest payable on the obligation (other than interest taken into account in determining the amount of the acquisition discount) shall be included in gross income as it accrues."

(B) Subsection (a) of section 1282 (relating to deferral of interest deduction allocable to accrued discount) is amended to read as follows:

"(a) GENERAL RULE.—Except as otherwise provided in this section, the net direct interest expense with respect to any short-term obligation shall be allowed as a deduction for the taxable year only to the extent such expense exceeds the sum of—

"(1) the daily portions of the acquisition discount for each day during the taxable year on which the taxpayer held such obligation, and

"(2) the amount of any interest payable on the obligation (other than interest taken into account in determining the amount of the acquisition discount) which accrues during the taxable year while the taxpayer held such obligation (and is not included in the gross income of the taxpayer for such taxable year by reason of the taxpayer's method of accounting)."

(9) TREATMENT OF TRANSFERS OF LAND BETWEEN RELATED PARTIES.—Paragraph (1) of section 483(f) (relating to maximum rate of interest on certain transfers of land between related parties) is amended to read as follows:

"(1) IN GENERAL.—In the case of any qualified sale, the discount rate used—

"(A) for purposes of subsection (b), shall not exceed 7 percent, compounded semiannually, and

"(B) for purposes of subsection (c)(1), shall not exceed 6 percent, compounded semiannually."

(10) CLARIFICATION OF TREATMENT OF DEBT INSTRUMENTS ISSUED FOR PUBLICLY TRADED PROPERTY.—

(A) Subparagraph (B) of section 1273(b)(3) (relating to debt instruments issued for property where there is public trading) is amended to read as follows:

"(B)(i) is issued for stock or securities which are traded on an established securities market, or

"(ii) to the extent provided in regulations, is issued for property (other than stock or securities) of a kind regularly traded on an established market,".

(B) Paragraph (3) of section 1273(b) is amended by striking out "the fair market value of such property" and inserting in lieu thereof "the fair market value of such property (as of the first day on which a substantial portion of the debt instruments was issued)".

(11) CLERICAL AMENDMENTS.—

(A) Subparagraph (A) of section 1274(c)(4) is amended by striking out "FOR LESS THAN $1,000,000" in the subparagraph heading and inserting in lieu thereof "FOR $1,000,000 OR LESS".

(B) Subparagraph (F) of section 1274(c)(4) is amended by striking out "section 483(e)" each place it appears and inserting in lieu thereof "section 483(f)".

(C) Paragraph (1) of section 483(d) is amended by striking out "any debt instrument to which section 1272 applies" and inserting in lieu thereof "any debt instrument for which an issue price is determined under section 1273(b) (other than paragraph (4) thereof) or section 1274".

(D) Clause (iii) of section 6049(b)(5)(B) is amended by striking out "section 1232(b)(1)" and inserting in lieu thereof "section 1273(a)".

(b) AMENDMENTS RELATED TO SECTION 44 OF THE ACT.—

(1) CLARIFICATION OF TRANSITIONAL RULE FOR PURPOSES OF IMPUTED INTEREST RULES.—Paragraph (4) of section 44(b) of the Tax Reform Act of 1984 (relating to special rules for sales before July 1, 1985), as added by section 2 of Public Law 98-612, is amended—

(A) by striking out "before July 1, 1985" in subparagraph (A) and inserting in lieu thereof "after December 31, 1984, and before July 1, 1985",

(B) by striking out "BEFORE JULY 1, 1985" in the paragraph heading and inserting in lieu thereof "AFTER DECEMBER 31, 1984, AND BEFORE JULY 1, 1985", and

(C) by adding at the end thereof the following new subparagraph:

"(G) CLARIFICATION OF APPLICATION OF THIS PARAGRAPH, ETC.—This paragraph and paragraphs (5), (6), and (7) shall apply only in the case of sales or exchanges to which section 1274 or 483 of the Internal Revenue Code of 1954 (as amended by section 41) applies."

(2) CLARIFICATION OF INTEREST ACCRUAL, ETC.—Subparagraph (A) of section 44(b)(3) of the Tax Reform Act of 1984 is amended by striking out "and before January 1, 1985," each place it appears.

(3) EXCEPTION FOR BINDING CONTRACTS.—Subparagraph (B) of section 44(b)(3) of the Tax Reform Act of 1984 is amended to read as follows:

"(B) EXCEPTION FOR BINDING CONTRACTS.—

"(i) Subparagraph (A)(i)(I) shall not apply to any sale or exchange pursuant to a written contract which was binding on March 1, 1984, and at all times thereafter before the sale or exchange.

"(ii) Subparagraph (A)(i)(II) shall not apply to any sale or exchange pursuant to a written contract which was binding on June 8, 1984, and at all times thereafter before the sale or exchange."

(4) CLERICAL AMENDMENT.—Clause (ii) of section 44(b)(6)(B) of the Tax Reform Act of 1984 (as added by section 2 of Public Law 98-612) is amended by striking out "greater than" and inserting in lieu thereof "not greater than".

SEC. 104. AMENDMENTS RELATED TO CORPORATE PROVISIONS.

(a) AMENDMENT RELATED TO SECTION 51 OF THE ACT.—Subsection (a) of section 246A (relating to dividends received deduction reduced where portfolio stock is debt financed) is amended—

(1) by striking out "or 245" and inserting in lieu thereof "or 245(a)", and

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

"The preceding sentence shall be applied before any determination of a ratio under paragraph (1) or (2) of section 245(a)."

(b) AMENDMENTS RELATED TO SECTION 53 OF THE ACT.—

(1) AMENDMENTS OF SECTION 246.—

(A) Subparagraph (A) of section 246(c)(1) (relating to exclusion of certain dividends) is amended to read as follows:

"(A) which is held by the taxpayer for 45 days or less, or".

(B) Paragraph (4) of section 246(c) (relating to holding period reduced for periods where risk of loss diminished) is amended by striking out "determined under paragraph (3)" and inserting in lieu thereof "determined for purposes of this subsection".

(2) EFFECTIVE DATE FOR RELATED PERSON PROVISIONS.—Paragraph (3) of section 53(e) of the Tax Reform Act of 1984 (relating to effective date for related person provisions) is amended to read as follows:

"(3) RELATED PERSON PROVISIONS.—

"(A) IN GENERAL.—Except as otherwise provided in subparagraph (B), the amendment made by subsection (c) shall take effect on July 18, 1984.

"(B) SPECIAL RULE FOR PURPOSES OF SECTION 265(2).—The amendment made by subsection (c) insofar as it relates to section 265(2) of the Internal Revenue Code of 1954 shall apply to—

"(i) term loans made after July 18, 1984, and

"(ii) demand loans outstanding after July 18, 1984 (other than any loan outstanding on July 18, 1984, and repaid before September 18, 1984).

"(C) TREATMENT OF RENEGOTIATIONS, ETC.—For purposes of this paragraph, any loan renegotiated, extended, or revised after July 18, 1984, shall be treated as a loan made after such date.

"(D) DEFINITION OF TERM AND DEMAND LOANS.—For purposes of this paragraph, the terms 'demand loan' and 'term loan' have the respective meanings given such terms by paragraphs (5) and (6) of section 7872(f) of the Internal Revenue Code of 1954, except that the second sentence of such paragraph (5) shall not apply."

(c) AMENDMENTS RELATED TO SECTION 55 OF THE ACT.—

(1) Clause (ii) of section 852(b)(4)(B) (relating to losses attributable to exempt-interest dividend) is amended by striking out "for less than 31 days" and inserting in lieu thereof "for 6 months or less".

(2) Subparagraph (C) of section 852(b)(4) (relating to determination of holding periods) is amended to read as follows:

"(C) DETERMINATION OF HOLDING PERIODS.—For purposes of this paragraph, the rules of paragraphs (3) and (4) of section 246(c) shall apply in determining the period for which the taxpayer has held any share of stock; except that '6 months' shall be substituted for each number of days specified in subparagraph (B) of section 246(c)(3)."

(3) Subparagraph (D) of section 852(b)(4) (relating to losses incurred under a periodic liquidation plan) is amended by striking out "subparagraph (A)" and inserting in lieu thereof "subparagraphs (A) and (B)".

(4) The paragraph heading for paragraph (4) of section 852(b) is amended by striking out "LESS THAN 31 DAYS" and inserting in lieu thereof "6 MONTHS OR LESS".

(5) The amendments made by this subsection shall apply to stock with respect to which the taxpayer's holding period begins after March 28, 1985.

(d) AMENDMENTS RELATED TO SECTION 60 OF THE ACT.—

(1) TREATMENT OF CERTAIN REDEMPTION AND LIQUIDATION RIGHTS.—Subparagraph (C) of section 1504(a)(4) (relating to certain preferred stock not treated as stock) is amended to read as follows:

"(C) has redemption and liquidation rights which do not exceed the issue price of such stock (except for a reasonable redemption or liquidation premium), and".

(2) TREATMENT OF CERTAIN CORPORATIONS AFFILIATED ON JUNE 22, 1984.—Paragraph (2) of section 60(b) of the Tax Reform Act of 1984 (relating to special rule for corporations affiliated on June 22, 1984) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall cease to apply as of the first day after June 22, 1984, on which such corporation does not qualify as a member of such group under section 1504(a) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this Act)."

(3) TREATMENT OF CERTAIN SELL-DOWNS AFTER JUNE 22, 1984.—Paragraph (3) of section 60(b) of the Tax Reform Act of 1984 (relating to special rule not to apply to certain sell-downs after June 22, 1984) is amended to read as follows:

"(3) SPECIAL RULE NOT TO APPLY TO CERTAIN SELL-DOWNS AFTER JUNE 22, 1984.—If—

"(A) the requirements of paragraph (2) are satisfied with respect to a corporation,

"(B) more than a de minimis amount of the stock of such corporation—

"(i) is sold or exchanged (including in a redemption), or

"(ii) is issued,

after June 22, 1984 (other than in the ordinary course of business), and

"(C) the requirements of the amendment made by subsection (a) are not satisfied after such sale, exchange, or issuance,

then the amendment made by subsection (a) shall apply for purposes of determining whether such corporation continues to be a member of the group. The preceding sentence shall not apply to any transaction if such transaction does not reduce the percentage of the fair market value of the stock of the corporation referred to in the preceding sentence held by members of the group determined without regard to this paragraph."

(4) AMENDMENT OF SECTION 332.—

(A) IN GENERAL.—Paragraph (1) of section 332(b) (relating to liquidations to which section applies) is amended to read as follows:

"(1) the corporation receiving such property was, on the date of the adoption of the plan of liquidation, and has continued to be at all times until the receipt of the property, the owner of stock (in such other corporation) meeting the requirements of section 1504(a)(2); and either".

(B) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (iii), the amendment made by subparagraph (A) shall apply with respect to plans of complete liquidation adopted after March 28, 1985.

(ii) CERTAIN DISTRIBUTIONS MADE AFTER DECEMBER 31, 1984.—Except as provided in clause (iii), the amendment made by subparagraph (A) shall also apply with respect to plans of complete liquidations adopted on or before March 28, 1985, pursuant to which any distribution is made in a taxable year beginning after December 31, 1984, but only if the liquidating corporation and any corporation which receives a distribution in complete liquidation of such corporation are members of an affiliated group of corporations filing a consolidated return for the taxable year which includes the date of the distribution.

(iii) TRANSITIONAL RULE FOR AFFILIATED GROUPS.—The amendment made by subparagraph (A) shall not apply with respect to plans of complete liquidation if the liquidating corporation is a member of an affiliated group of corporations under section 60(b)(2) or (5) of the Tax Reform Act of 1984, for all taxable years which include the date of any distribution pursuant to such plan.

(5) AMENDMENT OF SECTION 337.—

(A) IN GENERAL.—Subparagraph (B) of section 337(c)(3) (defining distributee corporation) is amended to read as follows:

"(B) DISTRIBUTEE CORPORATION.—For purposes of subparagraph (A), the term 'distributee corporation' means any corporation which receives a distribution to which section 332 applies in a complete liquidation of the selling corporation. Such term also includes any other corporation which receives a distribution to which section 332 applies in a complete liquidation of a corporation which is a distributee corporation under the preceding sentence or prior application of this sentence."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply in the case of plans of complete liquidation pursuant to which any distribution is made in a taxable year beginning after December 31, 1984.

(6) TREATMENT OF FORMER DISC'S.—Paragraph (7) of section 1504(b) (defining includible corporation) is amended to read as follows:

"(7) A DISC (as defined in section 992(a)(1)) or, to the extent provided in regulations, any other corporation which has accumulated DISC income."

(e) AMENDMENTS RELATED TO SECTION 61 OF THE ACT.—

(1) TREATMENT OF DISTRIBUTIONS OF APPRECIATED PROPERTY.—

(A) Subsection (b) of section 312 (relating to effect on earnings and profits) is amended to read as follows:

"(b) DISTRIBUTIONS OF APPRECIATED PROPERTY.—On the distribution by a corporation, with respect to its stock, of any property the fair market value of which exceeds the adjusted basis thereof, the earnings and profits of the corporation—

"(1) shall be increased by the amount of such excess, and

"(2) shall be decreased by whichever of the following is the lesser:

"(A) the fair market value of the property distributed, or

"(B) the earnings and profits (as increased under paragraph (1))."

(B) Subsection (c) of section 312 is amended by inserting "and" at the end of paragraph (1), by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out paragraph (3).

(C) The subsection heading for subsection (c) of section 312 is amended by striking out ", ETC.".

(D) Subsection (n) of section 312 is amended by striking out paragraph (4) and by redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(E) Paragraph (8) of section 312(n) (as redesignated by subparagraph (C)) is amended by striking out "paragraphs (5), (6), and (7)" and inserting in lieu thereof "paragraphs (4), (5), and (6)".

(F) Any reference in subsection (e) of section 61 of the Tax Reform Act of 1984 to a paragraph of section 312(n) of the Internal Revenue Code of 1954 shall be treated as a reference to such paragraph as in effect before its redesignation by subparagraph (D).

(2) CLERICAL AMENDMENTS.—

(A) Subsection (a) of section 1275 is amended—

(i) by redesignating the paragraph added by section 61 of the Tax Reform Act of 1984 as paragraph (5), and

(ii) by striking out "TO CORPORATIONS" in the heading of such paragraph and inserting in lieu thereof "BY CORPORATIONS".

(B) Paragraph (3) of section 301(f) is amended by striking out "this section" and inserting in lieu thereof "this subsection".

(3) EFFECTIVE DATE FOR TREATMENT OF REDEMPTIONS.—Paragraph (7) of section 312(n) of the Internal Revenue Code of 1954 (as redesignated by paragraph (1)(D) of this subsection), and the amendments made by section 61(a)(2) of the Tax Reform Act of 1984, shall apply to distributions after July 18, 1984, in taxable years ending after such date.

(f) AMENDMENTS RELATING TO SECTION 68 OF THE ACT.—

(1) NO DISC PREFERENCE REDUCTION FOR S CORPORATIONS.—Effective with respect to taxable years beginning after December 31, 1982, paragraph (4) of section 291(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1984) is amended by striking out "a corporation" and inserting in lieu thereof "a C corporation".

(2) CLARIFICATION OF EFFECTIVE DATES.—

(A) Paragraph (2) of section 68(e) of the Tax Reform Act of 1984 (relating to section 1250 gain) is amended by striking out "of the Internal Revenue Code of 1954" and inserting in lieu thereof "of the Internal Revenue Code of 1954, and the amendment made by subsection (c)(2) of this section,".

(B) Paragraph (3) of section 68(e) of the Tax Reform Act of 1984 (relating to pollution control facilities) is amended by striking out "of such Code" and inserting in lieu thereof "of such Code, and so much of the amendment made by subsection (c)(1) of this section as relates to pollution control facilities,".

(3) CLERICAL AMENDMENTS.—

(A) The subsection heading of section 291(a) is amended by striking out "20-PERCENT".

(B) Paragraph (2) of section 68(c) of the Tax Reform Act of 1984 is amended by striking out "section 57(h)" and inserting in lieu thereof "section 57(b)".

(C) Subparagraph (B) of section 57(b)(1) is amended to read as follows:

"(B) IRON ORE AND COAL.—In the case of any item of tax preference of a corporation described in paragraph (8) of subsection (a) (but only to the extent such item is allocable to a deduction for depletion for iron ore and coal, including lignite), only 71.6 percent of the amount of such item of tax preference (determined without regard to this subsection) shall be taken into account as an item of tax preference."

(D) Paragraph (2) of section 57(b) is amended by striking out "85 percent" and inserting in lieu thereof "80 percent".

SEC. 105. AMENDMENTS RELATED TO PARTNERSHIP PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 72 OF THE ACT.—

(1) CLARIFICATION THAT CHANGE NEED NOT OCCUR DURING TAXABLE YEAR OF PAYMENT.—

(A) Clause (i) of section 706(d)(2)(A) is amended by striking out "each such item" and inserting in lieu thereof "such item".

(B) Subparagraph (B) of section 706(d)(2) is amended by striking out "which are described in paragraph (1) and".

(2) CLERICAL AMENDMENT.—Clause (i) of section 706(d)(2)(C) (relating to items attributable to periods not within taxable year) is amended by striking out "the first day of such taxable year" and inserting in lieu thereof "the first day of the taxable year".

(b) AMENDMENT RELATED TO SECTION 73 OF THE ACT.—Clause (iii) of section 707(a)(2)(B) (relating to treatment of certain property transfers) is amended by striking out "sale of property" and inserting in lieu thereof "sale or exchange of property".

(c) AMENDMENT RELATED TO SECTION 75 OF THE ACT.—Subsection (e) of section 761 (relating to distributions treated as exchanges) is amended—

(1) by striking out "any distribution (not otherwise treated as an exchange)" and inserting in lieu thereof "any distribution of an interest in a partnership (not otherwise treated as an exchange)", and

(2) by striking out "DISTRIBUTIONS" in the subsection heading and inserting in lieu thereof "DISTRIBUTIONS OF PARTNERSHIP INTERESTS".

(d) AMENDMENT RELATED TO SECTION 77 OF THE ACT.—Subparagraph (A) of section 1031(a)(3) (relating to requirement that property be identified) is amended by striking out "before the day" and inserting in lieu thereof "on or before the day".

SEC. 106. AMENDMENTS RELATED TO TRUST PROVISIONS.

(a) TREATMENT OF MULTIPLE TRUSTS.—Subsection (b) of section 82 of the Tax Reform Act of 1984 (relating to treatment of multiple trusts) is amended by inserting before the period at the end thereof the following: "; except that, in the case of a trust which was irrevocable on March 1, 1984, such amendment shall so apply only to that portion of the trust which is attributable to contributions to corpus after March 1, 1984".

(b) CLERICAL AMENDMENTS.—Section 643 (relating to definitions applicable to subparts A, B, C, and D) is amended—

(1) by redesignating the subsection added by section 81 of the Tax Reform Act of 1984 as subsection (e), and

(2) by redesignating the subsection added by section 82 of such Act as subsection (f).

SEC. 107. AMENDMENTS RELATED TO ACCOUNTING CHANGES.

(a) AMENDMENTS RELATED TO SECTION 91 OF THE ACT.—

(1) CLARIFICATION OF CASH BASIS EXCEPTION TO TAX SHELTER RULE.—

(A) Subparagraph (A) of section 461(i)(2) is amended by striking out "within 90 days after the close of the taxable year" and inserting in lieu thereof "before the close of the 90th day after the close of the taxable year".

(B) The heading for paragraph (2) of section 461(i) is amended by striking out "WITHIN 90 DAYS" and inserting in lieu thereof "ON OR BEFORE THE 90TH DAY".

(2) CLARIFICATION OF COORDINATION WITH SECTION 464.—Subparagraph (A) of section 461(i)(4) (relating to special rules for farming) is amended to read as follows:

"(A) any tax shelter described in paragraph (3)(C) shall be treated as a farming syndicate for purposes of section 464; except that this subparagraph shall not apply for purposes of determining the income of an individual meeting the requirements of section 464(c)(2),".

(3) TREATMENT OF MINING AND SOLID WASTE RECLAMATION AND CLOSING COSTS.—

(A) RESERVE INCREASED BY AMOUNT DEDUCTED.—Paragraph (2) of section 468(a) (relating to establishment of reserves for reclamation and closing costs) is amended by adding at the end thereof the following new subparagraph:

"(D) RESERVE INCREASED BY AMOUNT DEDUCTED.—A reserve shall be increased each taxable year by the amount allowable as a deduction under paragraph (1) for such taxable year which is allocable to such reserve."

(B) EFFECTIVE DATE.—Subsection (g) of section 91 of the Tax Reform Act of 1984 (relating to effective dates) is amended by adding at the end thereof the following new paragraph:

"(4) EFFECTIVE DATE FOR TREATMENT OF MINING AND SOLID WASTE RECLAMATION AND CLOSING COSTS.—Except as otherwise provided in subsection (h), the amendments made by subsection (b) shall take effect on the date of the enactment of this Act with respect to taxable years ending after such date."

(C) CLERICAL AMENDMENT.—Paragraph (1) of section 468(a) is amended by striking out "this subsection" and inserting in lieu thereof "this section".

(4) TREATMENT OF DECOMMISSIONING OF NUCLEAR POWERPLANT.—

(A) TIME WHEN PAYMENTS DEEMED MADE.—

(i) IN GENERAL.—Section 468A is amended by adding at the end thereof the following new subsection:

"(g) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to the Fund on the last day of a taxable year if such payment is made on account of such taxable year and is made within 2½ months after the close of such taxable year."

(ii) TRANSITIONAL RULE.—To the extent provided in regulations prescribed by the Secretary of the Treasury or his delegate, subsection (g) of section 468A of the Internal Revenue Code of 1954 (as added by clause (i)) shall be applied with respect to any payment on account of a taxable year beginning before January 1, 1985, as if it did not contain the requirement that the payment be made within 2½ months after the close of the taxable year. Such regulations may provide that, to the extent such payment to the Fund is made more than 2½ months after the close of the taxable year, any adjustment to the tax attributable to such payment shall not affect the amount of interest payable with respect to periods before the payment is made.

(B) TREATMENT OF AMOUNTS DISTRIBUTED.—Subparagraph (A) of section 468A(c)(1) (relating to inclusion of amount distributed) is amended by striking out "subsection (e)(2)(B)" and inserting in lieu thereof "subsection (e)(4)(B)".

(C) CLARIFICATION OF TAXATION OF FUND.—Paragraph (2) of section 468A(e) (relating to taxation of Fund) is amended to read as follows:

"(2) TAXATION OF FUND.—

"(A) IN GENERAL.—There is hereby imposed on the gross income of the Fund for any taxable year a tax at a rate equal to the maximum rate in effect under section 11(b), except that—

"(i) there shall not be included in the gross income of the Fund any payment to the Fund with respect to which a deduction is allowable under subsection (a), and

"(ii) there shall be allowed as a deduction to the Fund any amount paid by the Fund which is described in paragraph (4)(B) (other than an amount paid to the taxpayer) and which would be deductible under this chapter for purposes of determining the taxable income of a corporation.

"(B) TAX IN LIEU OF OTHER TAXATION.—The tax imposed by subparagraph (A) shall be in lieu of any other taxation under this subtitle of the income from assets in the Fund.

"(C) FUND TREATED AS CORPORATION.—For purposes of subtitle F—

"(i) the Fund shall be treated as if it were a corporation, and

"(ii) any tax imposed by this paragraph shall be treated as a tax imposed by section 11."

(D) LIMITATION ON INVESTMENTS.—Paragraph (4) of section 468A(e) is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) to the extent that a portion of the Fund is not currently needed for purposes described in subparagraph (A) or (B), making investments described in section 501(c)(21)(B)(ii)."

(E) CLERICAL AMENDMENTS.—

(i) Subsection (a) of section 468A is amended by striking out "this subsection" and inserting in lieu thereof "this section".

(ii) Subsection (d) of section 468A is amended by striking out "this subsection" in the material preceding paragraph (1) and inserting in lieu thereof "this section".

(iii) The subsection heading for subsection (e) of section 468A is amended by striking out "TRUST FUND" and inserting in lieu thereof "RESERVE FUND".

(iv) Paragraph (1) of section 468A(e) is amended—

(I) by striking out "this subsection" and inserting in lieu thereof "this section", and

(II) by striking out "Trust Fund" and inserting in lieu thereof "Reserve Fund".

(v) Paragraph (6) of section 468A(e) is amended—

(I) by striking out "this subsection" each place it appears and inserting in lieu thereof "this section", and

(II) by striking out "this subparagraph" and inserting in lieu thereof "this paragraph".

(vi) Subsection (f) of section 468A is amended by striking out "The term" and inserting in lieu thereof "For purposes of this section, the term".

(vii) Section 88 is amended by striking out "of ratemaking purposes" and inserting in lieu thereof "for ratemaking purposes".

(F) EFFECTIVE DATE.—Subsection (g) of section 91 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"(5) RULES FOR NUCLEAR DECOMMISSIONING COSTS.—The amendments made by subsections (c) and (f) shall take effect on the date of the enactment of this Act with respect to taxable years ending after such date."

(5) EFFECTIVE DATE FOR NET OPERATING LOSS PROVISIONS.—Subsection (g) of section 91 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"(6) MODIFICATION OF NET OPERATING LOSS CARRYBACK PERIOD.—The amendments made by subsection (d) shall apply to losses for taxable years beginning after December 31, 1983."

(6) CLARIFICATION OF ELECTION FOR EARLIER EFFECTIVE DATE.—Subparagraph (A) of section 91(g)(2) of the Tax Reform Act of 1984 (relating to taxpayer may elect earlier application) is amended—

(A) by striking out "incurred before" and inserting in lieu thereof "incurred on or before",

(B) by striking out "incurred on or after" and inserting in lieu thereof "incurred after", and

(C) by adding at the end thereof the following new sentence:

"The Secretary of the Treasury or his delegate may by regulations provide that (in lieu of an election under the preceding sentence) a taxpayer may (subject to such conditions as such regulations may provide) elect to have subsection (h) of section 461 of such Code apply to the taxpayer's entire taxable year in which occurs July 19, 1984."

(b) AMENDMENTS RELATED TO SECTION 92 OF THE ACT.—

(1) TREATMENT OF SERVICES.—Subsection (g) of section 467 (relating to comparable rules for services) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any amount to which section 404 or 404A (or any other provision specified in regulations) applies."

(2) CLERICAL AMENDMENTS.—

(A) Subparagraph (A) of section 467(b)(4) is amended by striking out "statutory recover period" and inserting in lieu thereof "statutory recovery period".

(B) Paragraph (4) of section 467(c) is amended by striking out "subsection (b)(3)(A)" and inserting in lieu thereof "subsection (b)(4)(A)".

(C) The last sentence of section 467(d)(2) is amended by striking out "section 1274(c)(2)(C)" and inserting in lieu thereof "section 1274(c)(4)(C)".

(D) Paragraph (5) of section 467(e) is amended by striking out "section 168(d)(4)(D)" and inserting in lieu thereof "section 168(e)(4)(D)".

SEC. 108. AMENDMENTS RELATED TO TAX STRADDLE PROVISIONS.

(a) TREATMENT OF SUBCHAPTER S CORPORATIONS.—

(1) Section 102 of the Tax Reform Act of 1984 (relating to section 1256 extended to certain options) is amended by adding at the end thereof the following new subsection:

"(j) COORDINATION OF ELECTION UNDER SUBSECTION (d)(3) WITH ELECTIONS UNDER SUBSECTIONS (g) AND (h).—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to coordinate the election provided by subsection (d)(3) with the elections provided by subsections (g) and (h)."

(2) Paragraph (3) of section 102(d) of the Tax Reform Act of 1984 (relating to subchapter S election) is amended by striking out "(as so defined)" and inserting in lieu thereof "(as so defined) or such other day as may be permitted under regulations".

(b) TREATMENT OF AMOUNTS RECEIVED FOR LOANING SECURITIES.—Subparagraph (B) of section 263(g)(2) (defining interest and carrying charges) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by inserting after clause (iii) the following new clause:

"(iv) any amount which is a payment with respect to a security loan (within the meaning of section 512(a)(5)) includible in gross income with respect to such property for the taxable year."

SEC. 109. AMENDMENTS RELATED TO DEPRECIATION PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 111 OF THE ACT.—

(1) CORRECTION OF TABLES.—

(A) The table contained in subparagraph (A) of section 168(b)(3) (relating to election of different recovery period) is amended by striking out "or 45" in the last item and inserting in lieu thereof "or 45 years".

(B) The table contained in subparagraph (B) of section 47(a)(5) (relating to special rules for recovery property) is amended by striking out "For 15-year, 10-year, and 5-year property" and inserting in lieu thereof "For property other than 3-year property".

(2) USE OF CONVENTIONS.—

(A) MID-MONTH CONVENTION FOR 18-YEAR REAL PROPERTY.—

(i) Paragraph (2) of section 168(b) (relating to 18-year real property) is amended—

(I) by striking out the last sentence of subparagraph (A), and

(II) by amending subparagraph (B) to read as follows:

"(B) MID-MONTH CONVENTION FOR 18-YEAR REAL PROPERTY.—In the case of 18-year real property, the amount of the deduction determined under any provision of this section (or for purposes of section 57(a)(12)(B) or 312(k)) for any taxable year shall be determined on the basis of the number of months (using a mid-month convention) in which the property is in service."

(ii) Subparagraph (B) of section 168(f)(2) (relating to recovery property used predominantly outside the United States) is amended to read as follows:

"(B) REAL PROPERTY.—Except as provided in subparagraph (C), in the case of 18-year real property or low-income housing which, during the taxable year, is predominantly used outside the United States, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence, in prescribing such tables, the Secretary shall—

"(i) assign to the property described in this subparagraph a 35-year recovery period, and

"(ii) assign percentages determined in accordance with the use of the method of depreciation described in section 167(j)(1)(B), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a)."

(B) MONTHLY CONVENTION FOR LOW-INCOME HOUSING.—Subparagraph (B) of section 168(b)(4) (relating to low-income housing) is amended to read as follows:

"(B) MONTHLY CONVENTION.—In the case of low-income housing, the amount of the deduction determined under any provision of this section (or for purposes of section 57(a)(12)(B) or 312(k)) for any taxable year shall be determined on the basis of the

number of months (treating all property placed in service or disposed of during any month as placed in service or disposed of on the first day of such month) in which the property is in service."

(C) CONFORMING AMENDMENTS.—

(i) Clause (ii) of section 168(j)(2)(B) (relating to conventions) is amended to read as follows:

"(ii) CROSS REFERENCE.—

"For other applicable conventions, see paragraphs (2)(B) and (4)(B) of subsection (b)."

(ii) Subparagraph (A) of section 312(k)(3) is amended by striking out ", and rules similar to the rules under the next to the last sentence of section 168(b)(2)(A) and section 168(b)(2)(B) shall apply".

(3) MINIMUM TAX TREATMENT.—Subparagraph (B) of section 57(a)(12) (relating to 18-year real property and low-income housing) is amended by striking out so much of such subparagaph as precedes clause (i) thereof and inserting in lieu thereof the following:

"(B) 18-YEAR REAL PROPERTY AND LOW-INCOME HOUSING.—With respect to each recovery property which is 18-year real property or low-income housing, the amount (if any) by which the deduction allowed under section 168(a) (or, in the case of property described in section 167(k), under section 167) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using a straight-line method (without regard to salvage value) over a recovery period of—".

(4) TREATMENT OF PROPERTY FINANCED WITH TAX-EXEMPT BONDS.—

(A) Clause (ii) of section 168(f)(12)(B) (relating to recovery method) is amended to read as follows:

"(ii) 18-YEAR REAL PROPERTY.—In the case of 18-year real property, the amount of the deduction allowed shall be determined by using the straight-line method (without regard to salvage value) and a recovery period of 18 years."

(B) Subparagraph (C) of section 168(f)(12) (relating to exception for projects for residential rental property) is amended to read as follows:

"(C) EXCEPTION FOR LOW- AND MODERATE-INCOME HOUSING.—Subparagraph (A) shall not apply to—

"(i) any low-income housing, and

"(ii) any other recovery property which is placed in service in connection with projects for residential rental property financed by the proceeds of obligations described in section 103(b)(4)(A)."

(b) TREATMENT OF TRANSFEREE IN CERTAIN TRANSACTIONS.—

(1) IN GENERAL.—Subparagraph (A) of section 168(f)(10) (relating to transferee bound by transferor's period and method in certain cases) is amended to read as follows:

"(A) IN GENERAL.—In the case of recovery property transferred in a transaction described in subparagraph (B), for purposes of computing the deduction allowable under subsection (a) with respect to so much of the basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor—

"(i) if the transaction is described in subparagraph (B)(i), the transferee shall be treated in the same manner as the transferor, or

"(ii) if the transaction is described in clause (ii) or (iii) of subparagraph (B) and the transferor made an election with respect to such property under subsection (b)(3) or (f)(2)(C), the transferee shall be treated as having made the same election (or its equivalent)."

(2) TREATMENT OF TERMINATIONS OF PARTNERSHIPS.—Subparagraph (B) of section 168(f)(10) is amended by adding at the end thereof the following new sentence:

"Clause (i) shall not apply in the case of the termination of a partnership under section 708(b)(1)(B)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service by the transferee after March 28, 1985, in taxable years ending after such date.

(c) AMENDMENTS RELATED TO SECTION 113 OF THE ACT.—

(1) TREATMENT OF FILMS, VIDEO TAPES, AND SOUND RECORDINGS.—Except with respect to property placed in service by the taxpayer on or before March 28, 1985, subsection (c) of section 167 (relating to limitations on use of certain methods and rates) is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, any motion picture film, video tape, or sound recording shall be treated as intangible property."

(2) CLERICAL AMENDMENT.—Subsection (q) of section 48 is amended by redesignating the paragraph relating to special rule for qualified films as paragraph (7).

(d) AMENDMENTS RELATED TO SECTION 114 OF THE ACT.—

(1) Paragraph (1) of section 48(b) (defining new section 38 property) is amended by adding at the end thereof the following new sentence: "Such term includes any section 38 property the reconstruction of which is completed by the taxpayer."

(2) Paragraph (2) of section 48(b) (relating to special rule for sale-leasebacks) is amended—

(A) by striking out "paragraph (1)" and inserting thereof "the first sentence of paragraph (1)", and

(B) by striking out "used under the lease" and inserting in lieu thereof "used under the leaseback (or lease) referred to in subparagraph (B)".

SEC. 110. AMENDMENTS RELATED TO FOREIGN PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 121 OF THE ACT.—

(1) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—

(A) IN GENERAL.—Subsection (g) of section 904 (relating to source rules in the case of United States-owned foreign corporations) is amended by redesignating paragraph (9) as paragraph (10), and by inserting after paragraph (8) the following new paragraph:

"(9) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—For purposes of this subsection—

"(A) in the case of interest treated as not from sources within the United States under section 861(a)(1)(B), the corporation paying such interest shall be treated as a United States-owned foreign corporation, and

"(B) in the case of any dividend treated as not from sources within the United States under section 861(a)(2)(A), the corporation paying such dividend shall be treated as a United States-owned foreign corporation."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on March 28, 1985. In the case of any taxable year ending after such date of any corporation treated as a United States-owned foreign corporation by reason of the amendment made by subparagraph (A)—

(i) only income received or accrued by such corporation after such date shall be taken into account under section 904(g) of the Internal Revenue Code of 1954; except that

(ii) paragraph (5) of such section 904(g) shall be applied by taking into account all income received or accrued by such corporation during such taxable year.

(2) TREATMENT OF CERTAIN FOREIGN CORPORATIONS ENGAGED IN TRADE OR BUSINESSES WITHIN UNITED STATES.—Subparagraph (E) of section 121(b)(2) of the Tax Reform Act of 1984 (relating to special rules for applicable CFC) is amended by adding at the end thereof the following new clause:

"(iii) TREATMENT OF CERTAIN FOREIGN CORPORATIONS ENGAGED IN BUSINESS IN UNITED STATES.—For purposes of clause (ii), a foreign corporation shall be treated as a United States person with respect to any interest payment made by such corporation if—

"(I) at least 50 percent of the gross income from all sources of such corporation for the 3-year period ending with the close of its last taxable year ending on or before March 31, 1984, was effectively connected with the conduct of a trade or business within the United States, and

"(II) at least 50 percent of the gross income from all sources of such corporation for the 3-year period ending with the close of its taxable year preceding the payment of such interest was effectively connected with the conduct of a trade or business within the United States."

(3) TREATMENT OF CERTAIN SHORT-TERM BORROWING.—Clause (ii) of section 121(b)(2)(D) of the Tax Reform Act of 1984 (defining applicable CFC) is amended by striking out "or the holding of short-term obligations" and all that follows and inserting in lieu thereof "(or short-term borrowing from nonaffiliated persons) and lending the proceeds of such obligations (or such borrowing) to affiliates."

(b) AMENDMENTS RELATED TO SECTION 122 OF THE ACT.—

(1) TREATMENT OF SUBPART F AND FOREIGN PERSONAL HOLDING COMPANY INCLUSIONS.—Subparagraph (C) of section 904(d)(3) (relating to exception where designated corporation has small amount of separate limitation interest) is amended by adding at the end thereof the following new sentence:

"The preceding sentence shall not apply to any amount includible in gross income under section 551 or 951."

(2) TREATMENT OF INTEREST AND DIVIDENDS FROM MEMBERS OF SAME AFFILIATED GROUP.—Paragraph (3) of section 904(d) (relating to certain amounts attributable to United States-owned foreign corporations, etc., treated as interest) is amended by striking out subparagraph (J), by redesignating subparagrah (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

"(I) INTEREST AND DIVIDENDS FROM MEMBERS OF SAME AFFILIATED GROUP.—For purposes of this paragraph, dividends and interest received or accrued by the designated payor corporation from another member of the same affiliated group (determined under section 1504 without regard to subsection (b)(3) thereof) shall be treated as separate limitation interest if (and only if) such amounts are attributable (directly or indirectly) to separate limitation interest of any other member of such group."

(3) DEFINITION OF DESIGNATED PAYOR CORPORATION.—

(A) IN GENERAL.—Subparagraph (E) of section 904(d)(3) (defining designated payor corporation) is amended by striking out

"and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following:

"(iv) any other corporation formed or availed of for purposes of avoiding the provisions of this paragraph.

For purposes of this paragraph, the rules of paragraph (9) of subsection (g) shall apply."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on March 28, 1985. In the case of any taxable year ending after such date of any corporation treated as a designated payor corporation by reason of the amendment made by subparagraph (A)—

(i) only income received or accrued by such corporation after such date shall be taken into account under section 904(d)(3) of the Internal Revenue Code of 1954; except that

(ii) subparagraph (C) of such section 904(d)(3) shall be applied by taking into account all income received or accrued by such corporation during such taxable year.

(c) AMENDMENTS RELATED TO SECTION 123 OF THE ACT.—

(1) Subparagraph (A) of section 956(b)(3) (relating to certain trade or service receivables acquired from related United States persons) is amended by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (2) (other than subparagraph (H) thereof)".

(2) Subsection (d) of section 864 (relating to treatment of related person factoring income) is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) EXCEPTION FOR CERTAIN RELATED PERSONS DOING BUSINESS IN SAME FOREIGN COUNTRY.—Paragraph (1) shall not apply to any trade or service receivable acquired by any person from a related person if—

"(A) the person acquiring such receivable and such related person are created or organized under the laws of the same foreign country and such related person has a substantial part of its assets used in its trade or business located in such same foreign country, and

"(B) such related person would not have derived any foreign base company income (as defined in section 954(a), determined without regard to section 954(b)(3)(A)), or any income effectively connected with the conduct of a trade or business within the United States, from such receivable if it had been collected by such related person."

(d) AMENDMENTS RELATED TO SECTION 127 OF THE ACT.—

(1) DEFINITION OF PORTFOLIO INTEREST.—

(A) Paragraph (2) of section 871(h) (defining portfolio interest) is amended by striking out "which is described in" in the matter preceding subparagraph (A) and inserting in lieu thereof "which would be subject to tax under subsection (a) but for this subsection and which is described in".

(B) Paragraph (2) of section 881(c) (defining portfolio interest) is amended by striking out "which is described in" in the matter preceding subparagraph (A) and inserting in lieu thereof "which would be subject to tax under subsection (a) but for this subsection and which is described in".

(2) TREATMENT OF CERTAIN FOREIGN-OWNED FINANCING AFFILIATES.—Paragraph (3) of section 127(g) of the Tax Reform Act of 1984 (relating to special rule for certain United States affiliate obligations) is amended by adding at the end thereof the following new subparagraph:

"(D) TREATMENT OF CERTAIN FOREIGN-OWNED FINANCING AFFILIATES.—

"(i) EXTENSION OF PARAGRAPH.—To the extent provided in regulations, rules similar to the rules of subparagraphs (A) and (B) shall apply with respect to a corporation which would be an applicable CFC but for inadequate ownership by United States persons.

"(ii) REDUCTION OF INTEREST DEDUCTION.—In any case to which clause (i) applies, the deduction for interest paid by an affiliate to the corporation described in clause (i) shall be appropriately reduced to reflect the spread between the interest rates involved or to prevent the shifting of income from the affiliate to other affiliates.

"(iii) AFFILIATE.—For purposes of clause (ii), the term 'affiliate' means any person who is a related person (within the meaning of section 482 of the Internal Revenue Code of 1954) to the corporation described in clause (i)."

(3) CLERICAL AMENDMENTS.—

(A) Paragraph (1) of section 871(a) is amended by striking out "provided in subsection (i)" in the matter preceding subparagraph (A), and inserting in lieu thereof "provided in subsection (h)".

(B) Clause (ii) of section 871(h)(2)(B) is amended by striking out "has received" and inserting in lieu thereof "receives".

(C) Clause (ii) of section 881(c)(2)(B) is amended by striking out "has received" and inserting in lieu thereof "receives".

(D) Paragraph (9) of section 1441(c) is amended by striking out "871(h)(2)" and inserting in lieu thereof "section 871(h)".

(E) Subsection (a) of section 1442 is amended—

(i) by striking out "sections 871(h)(2)" and inserting in lieu thereof "sections 871(h)", and

(ii) by striking out "sections 881(c)(2)" and inserting in lieu thereof "sections 881(c)".

(e) AMENDMENTS RELATED TO SECTION 128 OF THE ACT.—

(1) DEDUCTION FOR ORIGINAL ISSUE DISCOUNT.—

(A) Subparagraph (A) of section 163(e)(3) (relating to special rule for original issue discount on obligation held by related foreign person) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to the extent that the original issue discount is effectively connected with the conduct by such foreign related person of a trade or business within the United States unless such original issue discount is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States."

(B) Subsection (e) of section 163 is amended by redesignating the paragraph relating to cross references as paragraph (5).

(2) TAXATION OF ORIGINAL ISSUE DISCOUNT.—

(A) Subparagraph (C) of section 871(a)(1) (relating to income not connected with United States business) is amended to read as follows:

"(C) in the case of—

"(i) a sale or exchange of an original issue discount obligation, the amount of the original issue discount accruing while such obligation was held by the nonresident alien individual (to the extent such discount was not theretofore taken into account under clause (ii)), and

"(ii) a payment on an original issue discount obligation, an amount equal to the original issue discount accruing while such obligation was held by the nonresident alien individual (except that such original issue discount shall be taken into account under this clause only to the extent such discount was not theretofore taken into account under this clause and only to the extent that the tax thereon does not exceed the payment less the tax imposed by subparagraph (A) thereon), and".

(B) Paragraph (3) of section 881 (relating to tax on income of foreign corporations not connected with United States business) is amended to read as follows:

"(3) in the case of—

"(A) a sale or exchange of an original issue discount obligation, the amount of the original issue discount accruing while such obligation was held by the foreign corporation (to the extent such discount was not theretofore taken into account under subparagraph (B)), and

"(B) a payment on an original issue discount obligation, an amount equal to the original issue discount accruing while such obligation was held by the foreign corporation (except that such original issue discount shall be taken into account under this subparagraph only to the extent such discount was not theretofore taken into account under this subparagraph and only to the extent that the tax thereon does not exceed the payment less the tax imposed by paragraph (1) thereon), and".

(f) AMENDMENTS RELATED TO SECTION 129 OF THE ACT.—

(1) TREATMENT OF ELECTIONS UNDER SECTION 897(i).—

(A) Paragraph (1) of section 897(i) (relating to election by foreign corporation to be treated as domestic corporation) is amended by striking out "and section 6039C" and inserting in lieu thereof "section 1445, and section 6039C".

(B) Paragraph (4) of section 897(i) is amended by striking out "this section and section 6039C" and inserting in lieu thereof "this section, section 1445, and section 6039C".

(2) EXEMPTION FOR INTERESTS IN CERTAIN CORPORATIONS.—Paragraph (3) of section 1445(b) (relating to nonpublicly traded domestic corporation funishing affidavit that it is not a United States real property holding corporation) is amended to read as follows:

"(3) NONPUBLICLY TRADED DOMESTIC CORPORATION FURNISHES AFFIDAVIT THAT INTERESTS IN CORPORATION NOT UNITED STATES REAL PROPERTY INTERESTS.—Except as provided in paragraph (7), this paragraph applies in the case of a disposition of any interest in any domestic corporation if the domestic corporation furnishes to the transferee an affidavit by the domestic corporation stating, under penalty of perjury, that—

"(A) the domestic corporation is not and has not been a United States real property holding corporation (as defined in section 897(c)(2)) during the applicable period specified in section 897(c)(1)(A)(ii), or

"(B) as of the date of the disposition, interests in such corporation are not United States real property interests by reason of section 897(c)(1)(B)."

(3) NOTICE OF FALSE AFFIDAVIT.—

(A) Clause (i) of section 1445(d)(1)(B) (relating to notice of false affidavit; foreign corporations) is amended to read as follows:

"(i) any transferor's agent—

"(I) such agent has actual knowledge that such affidavit is false, or

"(II) in the case of an affidavit described in subsection (b)(2) furnished by a corporation, such corporation is a foreign corporation, or".

(B) Paragraph (1) of section 1445(d) is amended by striking out "described in paragraph (2)(A)" and inserting in lieu thereof "described in paragraph (2)".

(4) TREATMENT OF CERTAIN DOMESTIC PARTNERSHIPS, TRUSTS, AND ESTATES.—

(A) IN GENERAL.—Paragraph (1) of section 1445(e) (relating to certain domestic partnerships, trusts, and estates) is amended to read as follows:

"(1) CERTAIN DOMESTIC PARTNERSHIPS, TRUSTS, AND ESTATES.—In the case of any disposition of a United States real property interest as defined in section 897(c) (other than a disposition described in paragraph (4) or (5)) by a domestic partnership, domestic trust, or domestic estate, such partnership, the trustee of such trust, or the executor of such estate (as the case may be) shall be required to deduct and withhold under subsection (a) a tax equal to 28 percent of the gain realized to the extent such gain—

"(A) is currently taken into account with respect to a foreign person who is a partner or beneficiary of such partnership, trust, or estate, or

"(B) is allocable to a portion of the trust treated as owned by a foreign person under subpart E of part I of subchapter J."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply to dispositions after the day 30 days after the date of the enactment of this Act.

(5) DISTRIBUTIONS BY DOMESTIC CORPORATIONS TO FOREIGN SHAREHOLDER.—Paragraph (3) of section 1445(e) (relating to distributions by certain domestic corporations to foreign shareholders) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply if, as of the date of the distribution, interests in such corporation are not United States real property interests by reason of section 897(c)(1)(B)."

(6) CERTAIN TAXABLE DISTRIBUTIONS.—Paragraph (4) of section 1445(e) (relating to taxable distributions by domestic or foreign partnerships, trusts, or estates) is amended by striking out "section 897(g)" and inserting in lieu thereof "section 897".

(7) PAYMENT OF TAX.—Subsection (d) of section 6039C (relating to special rule for United States interests and Virgin Islands interests) is amended by striking out "subject to tax under section 897(a)" and inserting in lieu thereof "subject to tax under section 897(a) (and any person required to withhold tax under section 1445)".

(8) CONFORMING AMENDMENTS TO SECTION 6652(g).—

(A) Paragraph (1) of section 6652(g) (relating to returns, etc., required under section 6039C) is amended to read as follows:

"(1) IN GENERAL.—In the case of each failure to make a return required by section 6039C which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, the amount determined under paragraph (2) shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to make such return."

(B) Paragraph (3) of section 6652(g) is amended to read as follows:

"(3) LIMITATION.—The amount determined under paragraph (2) with respect to any person for failing to meet the requirements of section 6039C for any calendar year shall not exceed the lesser of—

"(A) $25,000, or

"(B) 5 percent of the aggregate of the fair market value of the United States real property interests owned by such person at any time during such year.

For purposes of the preceding sentence, fair market value shall be determined as of the end of the calendar year (or, in the case of any property disposed of during the calendar year, as of the date of such disposition)."

(C) The subsection heading for subsection (g) of section 6652 is amended by striking out ", ETC.,".

(g) AMENDMENTS RELATED TO SECTION 131 OF THE ACT.—

(1) Subsection (f) of section 367 (relating to transitional rule) is hereby repealed.

(2) Paragraph (1) of section 7482(b) (relating to venue) is amended by striking out "section 7428, 7476, or 7477" and inserting in lieu thereof "section 7428 or 7476".

(3) Paragraph (8) of section 6501(c) (relating to failure to notify the Secretary under section 6038B) is amended—

(A) by striking out "subsection (a) or (d)" and inserting in lieu thereof "subsection (a), (d), or (e)", and

(B) by striking out "exchange" each place it appears and inserting in lieu thereof "exchange or distribution".

(h) AMENDMENTS RELATED TO SECTION 132 OF THE ACT.—

(1) Subsection (c) of section 552 (relating to certain dividends and interest not taken into account) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, the term 'related person' has the meaning given such term by section 954(d)(3) (determined by substituting 'foreign personal holding company' for 'controlled foreign corporation' each place it appears)."

(2) Paragraph (1) of section 551(f) (relating to stock held through foreign entity) is amended by striking out "United States shareholder" and inserting in lieu thereof "United States shareholder or an estate or trust which is a foreign estate or trust".

(i) AMENDMENT RELATED TO SECTION 133 OF THE ACT.—Subparagraph (B) of section 1248(i)(1) (relating to treatment of certain indirect transfers) is amended by striking out "in redemption of his stock" and inserting in lieu thereof "in redemption or liquidation (whichever is appropriate)".

(j) AMENDMENTS RELATED TO SECTION 136 OF THE ACT.—

(1) COLLECTION OF TAX.—Subsection (b) of section 269B (relating to stapled entities) is amended by inserting before the period at the end thereof the following: "and regulations providing that any tax imposed on the foreign corporation referred to in subsection (a)(1) may, if not paid by such corporation, be collected from the domestic corporation referred to in such subsection or the shareholders of such foreign corporation".

(2) EXCEPTION WHERE CORPORATIONS OWNED BY FOREIGN PERSONS.—Section 269B is amended by adding at the end thereof the following new subsection:

"(e) SUBSECTION (a)(1) NOT TO APPLY IN CERTAIN CASES.—

"(1) IN GENERAL.—Subsection (a)(1) shall not apply if it is established to the satisfaction of the Secretary that the domestic corporation and the foreign corporation referred to in such subsection are foreign owned.

"(2) FOREIGN OWNED.—For purposes of paragraph (1), a corporation is foreign owned if less than 50 percent of—

"(A) the total combined voting power of all classes of stock of such corporation entitled to vote, and

"(B) the total value of the stock of the corporation,

is held directly (or indirectly through applying paragraphs (2) and (3) of section 958(a) and paragraph (4) of section 318(a)) by United States persons (as defined in section 7701(a)(30))."

(k) AMENDMENT RELATED TO SECTION 137 OF THE ACT.—Subsection (e) of section 954 (defining foreign base company services income) is amended to read as follows:

"(e) FOREIGN BASE COMPANY SERVICES INCOME.—

"(1) IN GENERAL.—For purposes of subsection (a)(3), the term 'foreign base company services income' means income (whether in the form of compensation, commissions, fees, or otherwise) derived in connection with the performance of technical, managerial, engineering, architectural, scientific, skilled, industrial, commercial, or like services which—

"(A) are performed for or on behalf of any related person (within the meaning of subsection (d)(3)), and

"(B) are performed outside the country under the laws of which the controlled foreign corporation is created or organized.

"(2) EXCEPTION.—Paragraph (1) shall not apply to income derived in connection with the performance of services which are directly related to—

"(A) the sale or exchange by the controlled foreign corporation of property manufactured, produced, grown, or extracted by it and which are performed before the time of the sale or exchange, or

"(B) an offer or effort to sell or exchange such property.

"(3) TREATMENT OF CERTAIN INSURANCE CONTRACTS.—For purposes of paragraph (1), in the case of any services performed with respect to any policy of insurance or reinsurance with respect to which the primary insured is a related person (within the meaning of section 864(d)(4))—

"(A) such primary insured shall be treated as a related person for purposes of paragraph (1)(A) (whether or not the requirements of subsection (d)(3) are met),

"(B) such services shall be treated as performed in the country within which the insured hazards, risks, losses, or liabilities occur, and

"(C) except as otherwise provided in regulations by the Secretary, rules similar to the rules of section 953(b) shall be applied in determining the income from such services."

(l) AMENDMENT RELATED TO SECTION 138 OF THE ACT.—Clause (i) of section 7701(b)(4)(E) (relating to limitation of teachers and trainees) is amended by adding at the end thereof the following new sentence: "In the case of an individual all of whose compensation is described in section 872(b)(3), the preceding sentence shall be applied by substituting '4 calendar years' for '2 calendar years'."

SEC. 111. AMENDMENTS RELATED TO REPORTING, PENALTY, AND OTHER PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 145 OF THE ACT.—

(1) Section 6050H (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end thereof the following new subsection:

"(g) SPECIAL RULES FOR COOPERATIVE HOUSING CORPORATIONS.—For purposes of subsection (a), an amount received by a cooperative housing corporation from a tenant-stockholder shall be deemed to be interest received on a mortgage in the course of a trade or business engaged in by such corporation, to the extent of the tenant-stockholder's proportionate share of inter-

est described in section 216(a)(2). Terms used in the preceding sentence shall have the same meanings as when used in section 216."

(2) Paragraph (2) of section 145(d) of the Tax Reform Act of 1984 is amended by striking out "section 6652" and inserting in lieu thereof "section 6676".

(b) AMENDMENT RELATED TO SECTION 149 OF THE ACT.—Paragraph (2) of section 6050K(c) (relating to requirement that transferor notify partnership) is amended by striking out "this subsection" and inserting in lieu thereof "this section".

(c) AMENDMENT RELATED TO SECTION 157 OF THE ACT.—Paragraph (3) of section 7502(e) is amended by striking out "the tax" and inserting in lieu thereof "any tax".

SEC. 112. AMENDMENTS RELATED TO MISCELLANEOUS PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 171 OF THE ACT.—

(1) Subsection (a) of section 111 (relating to recovery of tax benefit items) is amended by striking out "did not reduce income subject to tax" and inserting in lieu thereof "did not reduce the amount of tax imposed by this chapter".

(2) Subsection (c) of section 111 (relating to treatment of carryovers) is amended by striking out "reducing income subject to tax or reducing tax imposed by this chapter, as the case may be" and inserting in lieu thereof "reducing tax imposed by this chapter".

(3) Paragraph (12) of section 381(c) (relating to recovery of bad debts, prior taxes, or delinquency amounts) is amended to read as follows:

"(12) RECOVERY OF TAX BENEFIT ITEMS.—If the acquiring corporation is entitled to the recovery of any amounts previously deducted by (or allowable as credits to) the distributor or transferor corporation, the acquiring corporation shall succeed to the treatment under section 111 which would apply to such amounts in the hands of the distributor or transferor corporation."

(4) Paragraph (2) of section 1351(d) is amended by striking out "relating to recovery of bad debts, etc.," and inserting in lieu thereof "relating to recovery of tax benefit items".

(5) Paragraph (3) of section 1398(g) is amended to read as follows:

"(3) RECOVERY OF TAX BENEFIT ITEMS.—Any amount to which section 111 (relating to recovery of tax benefit items) applies."

(b) AMENDMENTS RELATED TO SECTION 172 OF THE ACT.—

(1) COORDINATION OF SECTION 7872 WITH TAXES ON PRIVATE FOUNDATIONS.—Subparagraph (B) of section 4941(d)(2) (defining self-dealing) is amended by striking out "without interest or other charge" and inserting in lieu thereof "without interest or other charge (determined without regard to section 7872)".

(2) COORDINATION WITH WITHHOLDING.—Paragraph (9) of section 7872(f) (relating to no withholding) is amended to read as follows:

"(9) NO WITHHOLDING.—No amount shall be withheld under chapter 24 with respect to—

"(A) any amount treated as transferred or retransferred under subsection (a), and

"(B) any amount treated as received under subsection (b)."

(3) DEFINITION OF DEMAND LOAN.—Paragraph (5) of section 7872(f) (defining demand loan) is amended by adding at the end thereof the following new sentence: "To the extent provided in regulations, such term includes any loan with an indefinite maturity."

(4) CLARIFICATION OF APPLICABLE FEDERAL RATE.—Subparagraph (B) of section 7872(f)(2) (defining applicable Federal rate) is amended by inserting ", compounded semiannually" immediately before the period at the end thereof.

(c) AMENDMENTS RELATED TO SECTION 174 OF THE ACT.—

(1) TREATMENT OF FOREIGN PERSONS.—Subsection (a) of section 267 is amended by adding at the end thereof the following new paragraph:

"(3) PAYMENTS TO FOREIGN PERSONS.—The Secretary shall by regulations apply the matching principle of paragraph (2) in cases in which the person to whom the payment is to be made is not a United States person."

(2) CLERICAL AMENDMENT.—Paragraph (12) of section 267(b) (defining related persons) is amended by striking out "same persons owns" and inserting in lieu thereof "same persons own".

(d) AMENDMENTS RELATED TO SECTION 177 OF THE ACT.—

(1) CLARIFICATION OF TREATMENT OF DIVIDENDS PAID BY FEDERAL HOME LOAN BANKS.—

(A) Subparagraph (B) of section 246(a)(2) (relating to certain dividends of Federal home loan banks) is amended—

(i) by striking out "For purposes of subparagraph (A), in" and inserting in lieu thereof "In", and

(ii) by striking out subclause (II) of clause (i) and inserting in lieu thereof the following:

"(II) which were not previously treated as distributed under subparagraph (A) or this subparagraph, bears to."

(B) Paragraph (2) of section 246(a) (relating to subsection not to apply to certain dividends of Federal Home Loan Banks) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) COORDINATION WITH SECTION 243.—To the extent that paragraph (1) does not apply to any dividend by reason of subparagraph (A) or (B) of this paragraph, the requirement contained in section 243(a) that the corporation paying the dividend be subject to taxation under this chapter shall not apply."

(2) CLARIFICATION OF EFFECTIVE DATE.—Paragraph (4) of section 177(d) of the Tax Reform Act of 1984 (relating to effective dates) is amended to read as follows:

"(4) CLARIFICATION OF EARNINGS AND PROFITS OF FEDERAL HOME LOAN MORTGAGE CORPORATION.—

"(A) TREATMENT OF DISTRIBUTION OF PREFERRED STOCK, ETC.—For purposes of the Internal Revenue Code of 1954, the distribution of preferred stock by the Federal Home Loan Mortgage Corporation during December of 1984, and the other distributions of such stock by Federal Home Loan Banks during January of 1985, shall be treated as if they were distributions of money equal to the fair market value of the stock on the date of the distribution by the Federal Home Loan Banks (and such stock shall be treated as if it were purchased with the money treated as so distributed). No deduction shall be allowed under section 243 of the Internal Revenue Code of 1954 with respect to any dividend paid by the Federal Home Loan Mortgage Corporation out of earnings and profits accumulated before January 1, 1985.

"(B) SECTION 246(a) NOT TO APPLY TO DISTRIBUTIONS OUT OF EARNINGS AND PROFITS ACCUMULATED DURING 1985.—Subsection (a) of section 246 of the Internal Revenue Code of 1954 shall not apply to any dividend paid by the Federal Home Loan Mortgage Corporation during 1985 out of earnings and profits accumulated after December 31, 1984."

(e) AMENDMENTS RELATED TO SECTION 179 OF THE ACT.—

(1) CLARIFICATION OF DEFINITION OF PASSENGER AUTOMOBILE.—

(A) SECTION 280F.—Clause (ii) of section 280F(d)(5)(A) (defining passenger automobile) is amended by striking out "gross vehicle weight" and inserting in lieu thereof "unloaded gross vehicle weight".

(B) GAS GUZZLER TAX.—

(i) Clause (ii) of section 4064(b)(1)(A) (defining passenger automobile) is amended by striking out "gross vehicle weight" and inserting in lieu thereof "unloaded gross vehicle weight".

(ii) The amendment made by clause (i) shall take effect as if included in the amendments made by section 201(a) of Public Law 95-618.

(2) DEDUCTIONS OF EMPLOYEE FOR USE OF LISTED PROPERTY.—Subparagraph (A) of section 280F(d)(3) (relating to deductions of employee) is amended by striking out "recovery deduction allowable to the employee" and inserting in lieu thereof "recovery deduction allowable to the employee (or the amount of any deduction allowable to the employee for rentals or other payments under a lease of listed property)".

(3) TREATMENT OF CERTAIN COMPUTERS.—Subparagraph (B) of section 280F(d)(4) (relating to exception for certain computers) is amended by striking out "at a regular business establishment" and inserting in lieu thereof "at a regular business establishment and owned or leased by the person operating such establishment".

(4) CLERICAL AMENDMENT.—Paragraph (2) of section 280F(d) (relating to subsequent depreciation deductions reduced for deductions allocable to personal use) is amended by striking out "is not use described in" and inserting in lieu thereof "is use described in".

PART B—AMENDMENTS RELATED TO TITLE II OF THE ACT

SEC. 121. AMENDMENTS RELATED TO SECTION 211 OF THE ACT.

(a) CERTAIN AMOUNTS NOT LESS THAN SURRENDER VALUE OF CONTRACT.—Subsection (c) of section 807 (relating to rules for certain reserves) is amended by adding at the end thereof the following new sentence: "In no case shall the amount determined under paragraph (3) for any contract be less than the net surrender value of such contract."

(b) CLARIFICATION OF DEFINITION OF EXCESS INTEREST.—Subparagraph (B) of section 808(d)(1) (defining excess interest) is amended to read as follows:

"(B) in excess of interest determined at the prevailing State assumed rate for such contract."

(c) COORDINATION OF 1984 FRESH-START ADJUSTMENT WITH CERTAIN ACCELERATIONS OF POLICYHOLDER DIVIDENDS DEDUCTIONS.—Section 808 (relating to policyholder dividends deduction) is amended by adding at the end thereof the following new subsection:

"(f) COORDINATION OF 1984 FRESH-START ADJUSTMENT WITH ACCELERATION OF POLICYHOLDER DIVIDENDS DEDUCTION THROUGH CHANGE IN BUSINESS PRACTICE.—

"(1) IN GENERAL.—The amount determined under paragraph (1) of subsection (c) for the year of change shall (before any reduction under paragraph (2) of subsection (c)) be reduced by so much of the accelerated policyholder dividends deduction for such

year as does not exceed the 1984 fresh-start adjustment for policyholder dividends (to the extent such adjustment was not previously taken into account under this subsection).

"(2) YEAR OF CHANGE.—For purposes of this subsection, the term 'year of change' means the taxable year in which the change in business practices which results in the accelerated policyholder dividends deduction takes effect.

"(3) ACCELERATED POLICYHOLDER DIVIDENDS DEDUCTION DEFINED.—For purposes of this subsection, the term 'accelerated policyholder dividends deduction' means the amount which (but for this subsection) would be determined for the taxable year under paragraph (1) of subsection (c) but which would have been determined (under such paragraph) for a later taxable year under the business practices of the taxpayer as in effect at the close of the preceding taxable year.

"(4) 1984 FRESH-START ADJUSTMENT FOR POLICYHOLDER DIVIDENDS.—For purposes of this subsection, the term '1984 fresh-start adjustment for policyholder dividends' means the amounts held as of December 31, 1983, by the taxpayer as reserves for dividends to policyholders under section 811(b) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1984) other than for dividends which accrued before January 1, 1984. Such amounts shall be properly reduced to reflect the amount of previously nondeductible policyholder dividends (as determined under section 809(f) as in effect on the day before the date of the enactment of the Tax Reform Act of 1984).

"(5) SEPARATE APPLICATION WITH RESPECT TO LINES OF BUSINESS.—This subsection shall be applied separately with respect to each line of business of the taxpayer.

"(6) SUBSECTION NOT TO APPLY TO MERE CHANGE IN DIVIDEND AMOUNT.—This subsection shall not apply to a mere change in the amount of policyholder dividends."

(d) CLARIFICATION OF EQUITY BASE.—Paragraph (2) of section 809(b) (defining equity base) is amended by adding at the end thereof the following new sentence:

"No item shall be taken into account more than once in determining equity base."

(e) DEFINITION OF 50 LARGEST STOCK COMPANIES.—Subparagraph (C) of section 809(d)(4) (defining 50 largest stock companies) is amended—

(1) by striking out "the equity of such company" and inserting in lieu thereof "the surplus and capital of such company", and

(2) by striking out "on the basis of equity" and inserting in lieu thereof "on the basis of surplus and capital".

(f) CLARIFICATION OF STATEMENT GAIN OR LOSS FROM OPERATIONS.—Paragraph (1) of section 809(g) (defining statement gain or loss from operations) is amended by striking out so much of such paragraph as precedes subparagraph (B) and inserting in lieu thereof the following:

"(1) STATEMENT GAIN OR LOSS FROM OPERATIONS.—The term 'statement gain or loss from operations' means the net gain or loss from operations required to be set forth in the annual statement, determined without regard to Federal income taxes and—

"(A) determined by substituting for the amount shown for policyholder dividends the amount of deduction for policyholder dividends determined under section 808 (without regard to section 808(c)(2)),".

(g) MOST RECENT DIFFERENTIAL EARNINGS RATE MAY BE USED FOR PURPOSES OF ESTIMATED TAX PAYMENTS.—Subsection (c) of section 809 (defining differential earnings rate) is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH ESTIMATED TAX PAYMENTS.—

"(A) IN GENERAL.—If, with respect to any installment of estimated tax—

"(i) the most recent published differential earnings rate, is less than

"(ii) the differential earnings rate applicable under paragraph (1) to the taxable year for which the installment is paid,

for purposes of applying section 6655 with respect to such installment, the amount of tax shall be determined by using the most recent published differential earnings rate.

"(B) MOST RECENT PUBLISHED DIFFERENTIAL EARNINGS RATE.—For purposes of subparagraph (A), the term 'most recent published differential earnings rate' means the most recent differential earnings rate published by the Secretary (determined as of the day 30 days before the date prescribed for payment of the installment of estimated tax)."

(h) AMENDMENTS RELATED TO PRORATION FORMULAS.—

(1) Paragraph (2) of section 812(b) is amended—

(A) by striking out "the prevailing State assumed rate" in subparagraph (A) and inserting in lieu thereof "the prevailing State assumed rate or, where such rate is not used, another appropriate rate",

(B) by striking out "and" at the end of subparagraph (B),

(C) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(D) by adding at the end thereof the following new subparagraph:

"(D) interest on amounts left on deposit with the company."

(2) Subparagraph (B) of section 812(b)(3) (relating to gross investment income's proportionate share of policyholder dividends) is amended—

(A) by striking out "(including tax-exempt interest)" in clause (ii), and

(B) by adding at the end thereof the following new sentence:

"For purposes of subparagraph (B)(ii), life insurance gross income shall be determined by including tax-exempt interest and by applying section 807(a)(2)(B) as if it did not contain clause (i) thereof."

(3) Subsection (c) of section 812 (defining net investment income) is amended to read as follows:

"(c) NET INVESTMENT INCOME.—For purposes of this section, the term 'net investment income' means—

"(1) except as provided in paragraph (2), 90 percent of gross investment income; or

"(2) in the case of gross investment income attributable to assets held in segregated asset accounts under variable contracts, 95 percent of gross investment income."

(4) Section 812 is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF INTEREST PARTIALLY TAX-EXEMPT UNDER SECTION 133.—For purposes of this section and subsections (a) and (b) of section 807, the terms 'gross investment income' and 'tax-exempt interest' shall not include any interest received with respect to a securities acquisition loan (as defined in section 133(b)). Such interest shall not be included in life insurance gross income for purposes of subsection (b)(3)."

(i) TREATMENT OF FOREIGN LIFE INSURANCE COMPANIES.—Paragraph (1) of section 813(a) (relating to adjustment where surplus held in United States is less than specified minimum) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall be applied before computing the amount of the special life insurance company deduction and the small life insurance company deduction, and any increase under the preceding sentence shall be treated as gross investment income."

(j) TREATMENT OF CERTAIN DISTRIBUTIONS TO SHAREHOLDERS FROM PRE-1984 POLICYHOLDERS SURPLUS ACCOUNT.—

(1) Subsection (f) of section 815 (relating to other rules applicable to policyholders surplus account continued) is amended by striking out "section 6501(c)(6)" and inserting in lieu thereof "sections 819(b), 6501(c)(6)".

(2) Subsection (a) of section 815 is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, the term 'indirect distribution' shall not include any bona fide loan with arms-length terms and conditions."

(k) TREATMENT OF DEFICIENCY RESERVES.—Section 816 (defining life insurance company) is amended by adding at the end thereof the following new subsection:

"(h) TREATMENT OF DEFICIENCY RESERVES.—For purposes of this section and section 813(a)(4)(B), the terms 'life insurance reserves' and 'total reserves' shall not include deficiency reserves."

(l) TREATMENT OF CERTAIN NONDIVERSIFIED CONTRACTS.—

(1) Subsection (h) of section 817 (relating to treatment of certain nondiversified contracts) is amended by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) SPECIAL RULE FOR INVESTMENTS IN UNITED STATES OBLIGATIONS.—To the extent that any segregated asset account with respect to a variable life insurance contract is invested in securities issued by the United States Treasury, the investments made by such account shall be treated as adequately diversified for purposes of paragraph (1).

"(4) LOOK-THROUGH IN CERTAIN CASES.—For purposes of this subsection, if all of the beneficial interests in a regulated investment company or in a trust are held by 1 or more—

"(A) insurance companies (or affiliated companies) in their general account or in segregated asset accounts, or

"(B) fund managers (or affiliated companies) in connection with the creation or management of the regulated investment company or trust,

the diversification requirements of paragraph (1) shall be applied by taking into account the assets held by such regulated investment company or trust.

"(5) INDEPENDENT INVESTMENT ADVISORS PERMITTED.—Nothing in this subsection shall be construed as prohibiting the use of independent investment advisors."

(2) Paragraph (1) of section 817(h) is amended by striking out the last sentence.

(m) TREATMENT OF CERTAIN DEFERRED COMPENSATION PLANS.—Subparagraph (A) of section 818(a)(6) (defining pension plan contract) is amended to read as follows:

"(A) a governmental plan (within the meaning of section 414(d)) or an eligible State deferred compensation plan (within the meaning of section 457(b)), or".

(n) DIVIDENDS WITHIN AFFILIATED GROUP.—Subsection (e) of section 818 (relat-

ing to special rule for consolidated returns) is amended to read as follows:

"(e) SPECIAL RULES FOR CONSOLIDATED RETURNS.—

"(1) ITEMS OF COMPANIES OTHER THAN LIFE INSURANCE COMPANIES.—If an election under section 1504(c)(2) is in effect with respect to an affiliated group for the taxable year, all items of the members of such group which are not life insurance companies shall not be taken into account in determining the amount of the tentative LICTI of members of such group which are life insurance companies.

"(2) DIVIDENDS WITHIN GROUP.—In the case of a life insurance company filing or required to file a consolidated return under section 1501 with respect to any affiliated group for any taxable year, any determination under this part with respect to any dividend paid by one member of such group to another member of such group shall be made as if such group was not filing a consolidated return."

(o) CLERICAL AMENDMENT.—Paragraph (3) of section 809(f) is amended by striking out "subsection (c)(2)" and inserting in lieu thereof "subsection (c)(1)(B)".

SEC. 122. AMENDMENTS RELATED TO SECTION 216 OF THE ACT.

(a) CLARIFICATION OF APPLICATION OF 10-YEAR SPREAD.—Subparagraph (C) of section 216(b)(3) of the Tax Reform Act of 1984 (relating to 10-year spread inapplicable where no 10-year spread under prior law) is amended by striking out "was required to have been taken into account" and inserting in lieu thereof "would have been required to be taken into account".

(b) TREATMENT OF CERTAIN ELECTIONS UNDER SECTION 818(c).—Subparagraph (B) of section 216(b)(4) of the Tax Reform Act of 1984 (relating to the elections under section 818(c) after September 27, 1983, not taken into account) is amended by striking out "Subparagraph (A)" and inserting in lieu thereof "Paragraph (3) and subparagraph (A) of this paragraph".

(c) ELECTION NOT TO HAVE RESERVES RECOMPUTED.—

(1) Clause (ii) of section 216(c)(2)(A) of the Tax Reform Act of 1984 (relating to election with respect to contracts issued after 1983 and before 1989) is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,000,000 (determined with regard to this paragraph)".

(2) Subparagraph (B) of section 216(c)(2) of the Tax Reform Act of 1984 is amended—

(A) by striking out "statutory reserves" and inserting in lieu thereof "opening and closing statutory reserves", and

(B) by striking out "under section 805(c)(1) of such Code" and inserting in lieu thereof "under the principles of section 805(c)(1) of such Code".

(d) SPECIAL RULE WHERE REINSURER NOT USING CALENDAR YEAR AS TAXABLE YEAR.—Subparagraph (A) of section 216(b)(3) of the Tax Reform Act of 1984 is amended by adding at the end thereof the following: "For purposes of this subparagraph, if the reinsurer's taxable year is not a calendar year, the first day of the reinsurer's first taxable year beginning after December 31, 1983, shall be substituted for 'January 1, 1984' each place it appears."

SEC. 123. AMENDMENT RELATED TO SECTION 217 OF THE ACT.

Subsection (n) of section 217 of the Tax Reform Act of 1984 (relating to special rule for companies using net level reserve method for noncancellable accident and health insurance contracts) is amended to read as follows:

"(n) SPECIAL RULE FOR COMPANIES USING NET LEVEL RESERVE METHOD FOR NONCANCELLABLE ACCIDENT AND HEALTH INSURANCE CONTRACTS.—A company shall be treated as meeting the requirements of section 807(d)(3)(A)(iii) of the Internal Revenue Code of 1954, as amended by this Act, with respect to any directly-written noncancellable accident and health insurance contract (whether under existing or new plans of insurance) for any taxable year if—

"(1) such company—

"(A) was using the net level reserve method to compute at least 99 percent of its statutory reserves on such contracts as of December 31, 1982, and

"(B) received more than half its total direct premiums in 1982 from directly-written noncancellable accident and health insurance,

"(2) after December 31, 1983, and through such taxable year, such company has continuously used the net level reserve method for computing at least 99 percent of its tax and statutory reserves on such contracts, and

"(3) for any such contract for which the company does not use the net level reserve method, such company uses the same method for computing tax reserves as such company uses for computing its statutory reserves."

SEC. 124. AMENDMENT RELATED TO SECTION 218 OF THE ACT.

Section 218 of the Tax Reform Act of 1984 is hereby repealed.

SEC. 125. AMENDMENTS RELATED TO SECTION 221 OF THE ACT.

(a) COMPUTATIONAL RULES.—Paragraph (1) of section 7702(e) (relating to computational rules) is amended —

(1) by striking out "shall be no earlier than" in subparagraph (B) and inserting in lieu thereof "shall be deemed to be no earlier than",

(2) by striking out "and" at the end of subparagraph (B),

(3) by redesignating subparagraph (C) as subparagraph (D) and inserting after subparagraph (B) the following new subparagraph:

"(C) the death benefits shall be deemed to be provided until the maturity date determined by taking into account subparagraph (B), and", and

(4) by striking out "the maturity date described in subparagraph (B)" in subparagraph (D) (as so redesignated) and inserting in lieu thereof "the maturity date determined by taking into account subparagraph (B)".

(b) TREATMENT OF FLEXIBLE PREMIUM CONTRACTS ISSUED DURING 1984 WHICH MEET NEW REQUIREMENTS.—Subsection (b) of section 221 of the Tax Reform Act of 1984 (relating to 1-year extension of flexible premium contract provisions) is amended by adding at the end thereof the following new paragraph:

"(3) TRANSITIONAL RULE.—Any flexible premium contract issued during 1984 which meets the requirements of section 7702 of the Internal Revenue Code of 1954 (as added by this section) shall be treated as meeting the requirements of section 101(f) of such Code."

(c) TREATMENT OF CERTAIN CONTRACTS ISSUED BEFORE OCTOBER 1, 1984.—Clause (i) of section 221(d)(2)(C) of the Tax Reform Act of 1984 (relating to certain contracts issued before October 1, 1984) is amended—

(1) by striking out "in clause (i) thereof" in the material preceding subclause (I), and

(2) by striking out "any mortality charges" in subclause (I) and inserting in lieu thereof "any mortality charges and any initial excess interest guarantees".

SEC. 126. AMENDMENTS RELATED TO SECTION 222 OF THE ACT.

(a) EXCEPTION FOR ANNUITY CONTRACTS WHICH ARE PART OF QUALIFIED PLANS.—Subsection (s) of section 72 (relating to required distributions where holder dies before entire interest is distributed) is amended by adding at the end thereof the following new paragraph:

"(5) EXCEPTION FOR ANNUITY CONTRACTS WHICH ARE PART OF QUALIFIED PLANS.—This subsection shall not apply to any annuity contract—

"(A) which is purchased—

"(i) by a trust described in section 401(a) which is exempt from tax under section 501, or

"(ii) as part of a plan described in section 403(a),

"(B) which is described in section 403(b), or

"(C) which is an individual retirement annuity or purchased under an individual retirement account or annuity."

(b) SPECIAL RULES WHERE HOLDER IS NOT INDIVIDUAL, ETC.—

(1) Subsection (s) of section 72 (relating to required distributions where holder dies before entire interest is distributed) is amended by adding at the end thereof the following new paragraphs:

"(6) SPECIAL RULE WHERE HOLDER IS CORPORATION OR OTHER NON-INDIVIDUAL.—

"(A) IN GENERAL.—For purposes of this subsection, if the holder of the contract is not an individual, the primary annuitant shall be treated as the holder of the contract.

"(B) PRIMARY ANNUITANT.—For purposes of subparagraph (A), the term 'primary annuitant' means the individual, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the contract.

"(7) TREATMENT OF CERTAIN TRANSFERS.—

"(A) IN GENERAL.—For purposes of this subsection, if—

"(i) an individual who holds an annuity contract transfers it by gift, or

"(ii) in the case of a holder which is not an individual, there is any change in a primary annuitant (as defined in paragraph (6)(B)),

then such transfer or change shall be treated as the death of the holder.

"(B) EXCEPTION FOR CERTAIN TRANSFERS BETWEEN SPOUSES OR FORMER SPOUSES.—Subparagraph (A) shall not apply to any transfer to which section 1041(a) (relating to transfers of property between spouses or incident to divorce) applies."

(2) Paragraph (1) of section 72(s) is amended by striking out "the holder of such contract" each place it appears and inserting in lieu thereof "any holder of such contract".

(3) The amendments made by this subsection shall apply to contracts issued after the date which is 6 months after the date of the enactment of this Act in taxable years ending after such date.

(c) CLARIFICATION OF EXCEPTION FOR DISTRIBUTION AFTER DEATH.—Subparagraph (B) of section 72(q)(2) (relating to 5-percent penalty for premature distributions from annuity contracts) is amended to read as follows:

"(B) made on or after the death of the holder (or, where the holder is not an individual, the death of the primary annuitant (as defined in subsection (s)(6)(B))),".

SEC. 127. AMENDMENTS RELATED TO SECTION 223 OF THE ACT.

(a) DETERMINATION OF COSTS IN THE CASE OF DISCRIMINATORY PLANS.—

(1) IN GENERAL.—Subparagraph (B) of section 79(d)(1) (relating to nondiscrimination requirements) is amended to read as follows:

"(B) the cost of group-term life insurance on the life of any key employee shall be the greater of—

"(i) such cost determined without regard to subsection (c), or

"(ii) such cost determined with regard to subsection (c)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years ending after the date of the enactment of this Act.

(b) CLARIFICATION OF EFFECTIVE DATE.—Subparagraph (A) of section 223(d)(2) of the Tax Reform Act of 1984 (relating to treatment of former employees in case of existing group-term insurance plans) is amended by striking out the material following clause (ii) and inserting in lieu thereof the following:

"but only with respect to an individual who attained age 55 on or before January 1, 1984, and was employed by such employer (or a predecessor employer) at any time during 1983. Such amendments also shall not apply to any employee who retired from employment on or before January 1, 1984, and who, when he retired, was covered by the plan (or a predecessor plan)."

(c) DEFINITION OF KEY EMPLOYEE.—Paragraph (6) of section 79(d) (defining key employee) is amended by adding at the end thereof the following new sentence: "Such term also includes any retired employee if such employee when he retired was a key employee."

(d) SEPARATE TREATMENT OF FORMER EMPLOYEES.—Subsection (d) of section 79 (relating to nondiscrimination requirements) is amended by adding at the end thereof the following new paragraph:

"(8) TREATMENT OF FORMER EMPLOYEES.—To the extent provided in regulations, this subsection shall be applied separately with respect to former employees."

(e) COORDINATION WITH SECTION 83.—Paragraph (5) of section 83(e) is amended by striking out "the cost of".

SEC. 128. AMENDMENT RELATED TO SECTION 224 OF THE ACT.

Paragraph (1) of section 1035(b) (defining endowment contract) is amended by striking out "subject to tax under subchapter L".

SEC. 129. WAIVER OF INTEREST ON CERTAIN UNDERPAYMENTS OF TAX.

No interest shall be payable for any period before July 19, 1984, on any underpayment of a tax imposed by the Internal Revenue Code of 1954, to the extent such underpayment was created or increased by any provision of subtitle A of title II of the Tax Reform Act of 1984 (relating to taxation of life insurance companies).

PART C—AMENDMENTS RELATED TO TITLE III OF THE ACT

SEC. 131. AMENDMENT RELATED TO SECTION 301 OF THE ACT.

Clause (iv) of section 170(b)(1)(C) (defining capital gain property) is amended by striking out "this subparagraph" and inserting in lieu thereof "this paragraph".

SEC. 132. AMENDMENT RELATED TO SECTION 303 OF THE ACT.

Paragraph (2) of section 4940(e) (relating to requirements) is amended by striking out subparagraph (B) and the material following such subparagraph and inserting in lieu thereof the following:

"(B) such private foundation was not liable for tax under section 4942 with respect to any year in the base period."

SEC. 133. AMENDMENT RELATED TO SECTION 311 OF THE ACT.

Subparagraph (A) of section 311(a)(3) of the Tax Reform Act of 1984 is amended by striking out "a State law" and inserting in lieu thereof "a State law (originally enacted on April 22, 1977)".

PART D—AMENDMENTS RELATED TO TITLE IV OF THE ACT

SEC. 141. AMENDMENT RELATED TO SECTION 411 OF THE ACT.

Section 6654 (relating to failure by individual to pay estimated income tax) is amended by redesignating subsections (j), (k), and (l) as subsections (k), (l), and (m), respectively, and by inserting after subsection (i) the following new subsection:

"(j) SPECIAL RULES FOR NONRESIDENT ALIENS.—In the case of a nonresident alien described in section 6072(c):

"(1) PAYABLE IN 3 INSTALLMENTS.—There shall be 3 required installments for the taxable year.

"(2) TIME FOR PAYMENT OF INSTALLMENTS.—The due dates for required installments under this subsection shall be determined under the following table:

"In the case of the following required installments:	The due date is:
1st	June 15.
2nd	September 15.
3rd	January 15 of the following taxable year.

"(3) AMOUNT OF REQUIRED INSTALLMENTS.—

"(A) FIRST REQUIRED INSTALLMENT.—In the case of the first required installment, subsection (d) shall be applied by substituting '50 percent' for '25 percent' in subsection (d)(1)(A).

"(B) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage for purposes of subsection (d)(2) shall be determined under the following table:

"In the case of the following required installments:	The applicable percentage is:
1st	40
2nd	60
3rd	80."

SEC. 142. AMENDMENT RELATED TO SECTION 421 OF THE ACT.

Section 267 (relating to losses, expenses, and interest with respect to transactions between related taxpayers) is amended by adding at the end thereof the following new subsection:

"(g) COORDINATION WITH SECTION 1041.—Subsection (a)(1) shall not apply to any transfer described in section 1041(a) (relating to transfers of property between spouses or incident to divorce)."

SEC. 143. AMENDMENTS RELATED TO SECTION 422 OF THE ACT.

(a) CROSS REFERENCE.—Section 71 (relating to alimony and separate maintenance payments) is amended by adding at the end thereof the following new subsection:

"(g) CROSS REFERENCES.—

"(1) For deduction of alimony or separate maintenance payments, see section 215.

"(2) For taxable status of income of an estate or trust in the case of divorce, etc., see section 682."

(b) CLERICAL AMENDMENT.—Subparagraph (B) of section 71(c)(2) (relating to treatment of certain reductions related to contingency involving child) is amended by striking out "specified in paragraph (1)" and inserting in lieu thereof "specified in subparagraph (A)".

SEC. 144. AMENDMENTS RELATED TO SECTION 431 OF THE ACT.

(a) DEFINITION OF RELATED PERSON.—Clause (v) of section 46(c)(8)(D) is amended by striking out "clause (i)" and inserting in lieu thereof "this subparagraph".

(b) CLARIFICATION OF RECAPTURE.—

(1) Paragraph (1) of section 47(d) (relating to increases in nonqualified nonrecourse financing) is amended by striking out "reducing the qualified investment" and inserting in lieu thereof "reducing the credit base (as defined in section 48(c)(8)(C))".

(2) Subparagraph (F) of section 47(d)(3) (relating to application with subsection (a)) is amended by striking out "the qualified investment" and inserting in lieu thereof "the credit base determined".

SEC. 145. AMENDMENT RELATED TO SECTION 452 OF THE ACT.

Section 456 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new subsection:

"(d) SECTION 452.—The amendment made by section 452 shall apply to products manufactured or produced after October 31, 1984."

SEC. 146. AMENDMENTS RELATED TO SECTION 473 OF THE ACT.

Subsection (d) of section 39 (relating to transitional rules) is amended—

(1) by striking out "or 44G" in paragraph (1)(A) and inserting in lieu thereof "or 44G (as in effect before the enactment of the Tax Reform Act of 1984)", and

(2) by striking out "as so defined in section 25(b)" in paragraph (2)(B) and inserting in lieu thereof "as defined in section 26(b)".

SEC. 147. AMENDMENTS RELATED TO SECTION 474 OF THE ACT.

(a) MINIMUM TAX AMENDMENTS.—

(1) Subparagraph (A) of section 55(c)(3) (relating to carryover and carryback of certain credits) is amended by striking out "of such limitation" and inserting in lieu thereof "of such credit allowable".

(2) Effective with respect to taxable years beginning after December 31, 1982, clause (i) of section 55(c)(2)(E) (relating to special rule for applying section 904(c)) is amended to read as follows:

"(i) the limitation of section 904(a) shall be deemed to be the amount of foreign tax credit allowable under section 27(a) in computing the regular tax for the taxable year increased by the amount of the limitation determined under subparagraph (C), and".

(b) CLERICAL AMENDMENTS.—

(1) The clause heading for clause (iii) of section 30(b)(2)(D) is amended by striking out "NEW JOBS OR WIN CREDIT" and inserting in lieu thereof "TARGETED JOBS CREDIT".

(2) Paragraph (1) of section 86(f) is amended by striking out "section 37(c)(3)(A)" and inserting in lieu thereof "section 22(c)(3)(A)".

(3) Subparagraph (C) of section 151(e)(5) is amended by striking out "section 37(e)" and inserting in lieu thereof "section 22(e)".

(4) Clause (i) of section 415(c)(3)(C) is amended by striking out "section 37(e)(3)" and inserting in lieu thereof "section 22(e)(3)".

(5) Paragraph (9) of section 422A(c) is amended by striking out "section 37(e)(3)"

and inserting in lieu thereof "section 22(e)(3)".

(6) Paragraph (5) of section 48(l) is amended—

(A) by striking out "section 44C(c)" and inserting in lieu thereof "section 23(c)", and

(B) by striking out "section 44C(c)(4)(A)(viii)" and inserting in lieu thereof "section 23(c)(4)(A)(viii)".

(7) Subparagraph (E) of section 108(b)(2) is amended by striking out "section 33" and inserting in lieu thereof "section 27".

(8) Subsection (b) of section 280C is amended—

(A) by striking out "section 29" each place it appears and inserting in lieu thereof "section 28", and

(B) by striking out "section 29(b)" and inserting in lieu thereof "section 28(b)".

(9) Section 6699 is amended—

(A) by striking out "section 44G" each place it appears in subsections (a) and (c)(2)(B) and inserting in lieu thereof "section 41", and

(B) by striking out "section 44G(c)(1)(B)" in subsection (a)(4) and inserting in lieu thereof "section 41(c)(1)(B)".

(10) Subsection (a) of section 6411 is amended by striking out "or unused business credit" in the second sentence thereof and inserting in lieu thereof "unused research credit, or unused business credit".

(11) Subparagraph (A) of section 46(b)(2) is amended by striking out "48(l)(3)(A)(vii)" in the table contained in such subparagraph and inserting in lieu thereof "48(l)(3)(A)(viii)".

(12) Paragraph (1) of section 163(b) of the Tax Reform Act of 1984 is amended by inserting "(as amended by sections 211, 314, and 474 of this Act)" after "Section 6501".

(13) Section 6501 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) DEFICIENCIES ATTRIBUTABLE TO ELECTION OF CERTAIN CREDITS.—The period for assessing a deficiency attributable to any election under section 40(f) or 51(j) (or any revocation thereof) shall not expire before the date 1 year after the date on which the Secretary is notified of such election (or revocation)."

(14) Subsection (k) of section 6501 is amended by striking out "an investment credit carryback, or a work incentive program carryback, or a new employee credit carryback" and inserting in lieu thereof "or a credit carryback (as defined in section 6511(d)(4)(C))".

(15) Subsection (h) of section 6511 (relating to limitations on credit or refund) is amended—

(A) by striking out "section 6501(q)(1)(B)" in paragraph (1) and inserting in lieu thereof "section 6501(m)(1)(B)", and

(B) by striking out "section 6501(q)(2)(B)" in paragraph (2) and inserting in lieu thereof "section 6501(m)(2)(B)".

(16) Paragraph (1) of section 665(d) is amended by striking out "subpart A of part IV" and inserting in lieu thereof "part IV".

SEC. 148. AMENDMENTS RELATED TO SECTION 491 OF THE ACT.

(a) Paragraph (9) of section 46(f) (relating to special rule for additional credit) is hereby repealed.

(b) Subparagraph (A) of section 401(c)(2) (defining earned income) is amended by striking out "sections 404 and 405(c)" and inserting in lieu thereof "section 404".

(c) Subparagraph (d) of section 404(a)(8) is amended by striking out "the deductions allowed by this section and section 405(c)" and inserting in lieu thereof "the deduction allowed by this section".

(d) The second sentence of section 2039(e) is amended by striking out "or a bond described in paragraph (3)".

PART E—AMENDMENTS RELATED TO TITLE V OF THE ACT

SEC. 151. AMENDMENTS RELATED TO WELFARE BENEFIT PLAN PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 511 OF THE ACT.—

(1) TREATMENT OF PLANS FOR INDEPENDENT CONTRACTORS.—Paragraph (1) of section 419(g) (relating to extension to plans for independent contractors) is amended by striking out "such a plan" and inserting in lieu thereof "such a relationship".

(2) AMENDMENTS TO SECTION 419A(d).—

(A) COORDINATION WITH SECTION 415.—Paragraph (2) of section 419A(d) (relating to coordination with section 415) is amended by adding at the end thereof the following new sentence: "Subparagraph (B) of section 415(c)(1) shall not apply to any amount treated as an annual addition under the preceding sentence."

(B) SEPARATE ACCOUNT REQUIREMENTS APPLY ONLY WHERE THERE IS PRE-FUNDING.—Paragraph (1) of section 419A(d) is amended by adding at the end thereof the following new sentence:

"The requirements of this paragraph shall apply to the first taxable year for which a reserve is taken into account under subsection (c)(2) and to all subsequent taxable years."

(3) CLARIFICATION OF SECTION 419A(e).—

(A) Subsection (e) of section 419A is amended to read as follows:

"(e) SPECIAL LIMITATIONS ON RESERVES FOR MEDICAL BENEFITS OR LIFE INSURANCE BENEFITS PROVIDED TO RETIRED EMPLOYEES.—

"(1) RESERVE MUST BE NONDISCRIMINATORY.—No reserve may be taken into account under subsection (c)(2) for post-retirement medical benefits or life insurance benefits to be provided to covered employees unless the plan meets the requirements of section 505(b) with respect to such benefits (whether or not such requirements apply to such plan). The preceding sentence shall not apply to any plan maintained pursuant to an agreement between employee representatives and 1 or more employers if the Secretary finds that such agreement is a collective bargaining agreement and that post-retirement medical benefits or life insurance benefits were the subject of good faith bargaining between such employee representatives and such employer or employers.

"(2) LIMITATION ON AMOUNT OF LIFE INSURANCE BENEFITS.—Life insurance benefits shall not be taken into account under subsection (c)(2) to the extent the aggregate amount of such benefits to be provided with respect to the employee exceeds $50,000."

(B) Paragraph (2) of section 419A(e) of the Internal Revenue Code of 1954 (as amended by subparagraph (A)) shall not apply to any group-term life insurance to the extent that the amendments made by section 223(a) of the Tax Reform Act of 1984 do not apply to such insurance by reason of paragraph (2) of section 223(d) of such Act.

(4) TREATMENT OF COLLECTIVELY BARGAINED PLANS.—Paragraph (5) of section 419A(f) (relating to higher limit in case of collectively bargained plans) is amended by striking out "welfare benefit fund established under" and inserting in lieu thereof "welfare benefit fund maintained pursuant to".

(5) CLARIFICATION OF ACTUARIAL CERTIFICATION REQUIREMENT.—Subparagraph (A) of section 419A(c)(5) (relating to special limitation where no actuarial certification) is amended by striking out "under paragraph (1)" and inserting in lieu thereof "under this subsection".

(6) AGGREGATION RULES.—Paragraph (1) of section 419A(h) (relating to aggregation rules) is amended to read as follows:

"(1) AGGREGATION OF FUNDS.—

"(A) MANDATORY AGGREGATION.—For purposes of subsections (c)(4), (d)(2), and (e)(2), all welfare benefit funds of an employer shall be treated as 1 fund.

"(B) PERMISSIVE AGGREGATION FOR PURPOSES NOT SPECIFIED IN SUBPARAGRAPH (A).—For purposes of this section (other than the provisions specified in subparagraph (A)), at the election of the employer, 2 or more welfare benefit funds of such employer may be treated as 1 fund."

(7) CLARIFICATION OF ADJUSTMENTS FOR EXISTING RESERVES.—Paragraph (7) of section 419A(f) (relating to adjustments for existing excess reserves) is amended by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) EXISTING EXCESS RESERVE.—For purposes of computing the increase under subparagraph (A) for any taxable year, the term 'existing excess reserve' means the excess (if any) of—

"(i) the amount of assets set aside at the close of the first taxable year ending after July 18, 1984, for purposes described in subsection (a), over

"(ii) the account limit determined under this section (without regard to this paragraph) for the taxable year for which such increase is being computed.

"(D) FUNDS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply only to a welfare benefit fund which, as of July 18, 1984, had assets set aside for purposes described in subsection (a)."

(8) CLARIFICATION OF FUND.—Subsection (e) of section 419 (defining welfare benefit funds) is amended by adding at the end thereof the following new paragraph:

"(4) TREATMENT OF AMOUNTS HELD PURSUANT TO CERTAIN INSURANCE CONTRACTS.—

"(A) IN GENERAL.—Notwithstanding paragraph (3)(C), the term 'fund' shall not include amounts held by an insurance company pursuant to an insurance contract if—

"(i) there is no guarantee of a renewal of such contract, and

"(ii) other than insurance protection, the only payments to which the employer or employees are entitled are experience rated refunds or policy dividends which are not guaranteed and which are determined by factors other than the amount of welfare benefits paid to (or on behalf of) the employees of the employer or their beneficiaries.

"(B) LIMITATION.—In the case of any insurance contract described in subparagraph (A), subparagraph (A) shall not apply unless the amount of any experience rated refund or policy dividend payable to an employer with respect to a policy year is treated by the employer as received or accrued in the taxable year in which the policy year ends."

(9) CLARIFICATION OF TAXES PAID BY EMPLOYER ON INCOME OF CERTAIN WELFARE BENEFIT FUNDS.—Subsection (g) of section 419A (relating to employer taxed on income of welfare benefit funds in certain cases) is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH SECTION 419.—If any amount is included in the gross income of an employer for any taxable year under

paragraph (1) with respect to any welfare benefit fund—

"(A) the amount of the tax imposed by this chapter which is attributable to the amount so included shall be treated as a contribution paid to such welfare benefit fund on the last day of such taxable year, and

"(B) the tax so attributable shall be treated as imposed on the fund for purposes of section 419(c)(4)(A)."

(10) AMENDMENTS TO TAX ON UNRELATED BUSINESS INCOME.—

(A) Clause (i) of section 512(a)(3)(E) is amended by striking out "determined under section 419A(c)" and inserting in lieu thereof "determined under section 419A (without regard to subsection (f)(6) thereof)".

(B) Subparagraph (E) of section 512(a)(3) is amended by striking out clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(C) Clause (ii) of section 512(a)(3)(E) (as redesignated by subparagraph (B)) is amended—

(i) by striking out "a existing reserve" in subclause (I) and inserting in lieu thereof "an existing reserve",

(ii) by striking out "reserve or post-retirement medical or life insurance benefit" in subclause (II) and inserting in lieu thereof "reserve for post-retirement medical or life insurance benefits", and

(iii) by striking out "as of the close of the last plan year ending before the date of the enactment of the Tax Reform Act of 1984" in subclause (II) and insert in lieu thereof "on July 18, 1984".

(D) Clause (iii) of section 512(a)(3)(E) (as redesignated by subparagraph (B)) is amended by striking out "paragraph shall not" and inserting in lieu thereof "subparagraph shall not".

(11) AMENDMENTS RELATED TO TAX ON CERTAIN FUNDED WELFARE BENEFIT PLANS.—Subsection (b) of section 4976 (defining disqualified benefit) is amended to read as follows:

"(b) DISQUALIFIED BENEFIT.—For purposes of subsection (a)—

"(1) IN GENERAL.—The term 'disqualified benefit' means—

"(A) any post-retirement medical benefit or life insurance benefit provided with respect to a key employee if a separate account is required to be established for such employee under section 419A(d) and such payment is not from such account,

"(B) any post-retirement medical benefit or life insurance benefit provided with respect to an individual in whose favor discrimination is prohibited unless the plan meets the requirements of section 505(b) with respect to such benefit (whether or not such requirements apply to such plan), and

"(C) any portion of a welfare benefit fund reverting to the benefit of the employer.

"(2) EXCEPTION FOR COLLECTIVE BARGAINING PLANS.—Paragraph (1)(B) shall not apply to any plan maintained pursuant to an agreement between employee representatives and 1 or more employers if the Secretary finds that such agreement is a collective bargaining agreement and that the benefits referred to in paragraph (1)(B) were the subject of good faith bargaining between such employee representatives and such employer or employers.

"(3) EXCEPTION FOR NONDEDUCTIBLE CONTRIBUTIONS.—Paragraph (1)(C) shall not apply to any amount attributable to a contribution to the fund which is not allowable as a deduction under section 419 for the taxable year or any prior taxable year (and such contribution shall not be included in any carryover under section 419(d)).

"(4) EXCEPTION FOR CERTAIN AMOUNTS CHARGED AGAINST EXISTING RESERVE.—Subparagraphs (A) and (B) of paragraph (1) shall not apply to post-retirement benefits charged against an existing reserve for post-retirement medical or life insurance benefits (as defined in section 512(a)(3)(E))."

(12) CLARIFICATION OF EFFECTIVE DATE.—Subsection (e) of section 511 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraphs:

"(6) AMENDMENTS RELATED TO TAX ON UNRELATED BUSINESS INCOME.—The amendments made by subsection (b) shall apply with respect to taxable years ending after December 31, 1985. For purposes of section 15 of the Internal Revenue Code of 1954, such amendments shall be treated as a change in the rate of a tax imposed by chapter 1 of such Code.

"(7) AMENDMENTS RELATED TO EXCISE TAXES ON CERTAIN WELFARE BENEFIT PLANS.—The amendments made by subsection (c) shall apply to benefits provided after December 31, 1985.

(13) CLERICAL AMENDMENT.—Paragraph (2) of section 511(e) of the Tax Reform Act of 1984 is amended by striking out "and section 514".

(b) AMENDMENTS RELATED TO SECTION 512 OF THE ACT.—

(1) Clause (ii) of section 404(b)(2)(B) (relating to exceptions for certain benefits) is amended by striking out "to any benefit" and inserting in lieu thereof "any benefit".

(2) Subsection (b) of section 404 is amended—

(A) by striking out "UNFUNDED" in the subsection heading and inserting in lieu thereof "CERTAIN", and

(B) by striking out "unfunded" in the heading of paragraph (2) and inserting in lieu thereof "certain".

(c) AMENDMENTS RELATED TO SECTION 513 OF THE ACT.—

(1) Paragraph (1) of section 505(a) (relating to certain requirements must be met in case of organizations described in paragraph (9) or (20) of section 501(c)) is amended by striking out "of an employer".

(2) Paragraph (1) of section 505(b) (relating to nondiscrimination requirements) is amended by striking out "as provided in paragraph (2)" and inserting in lieu thereof "as otherwise provided in this subsection".

(3) Subparagraph (B) of section 505(b)(1) is amended by striking out "highly compensated employees" and inserting in lieu thereof "highly compensated individuals".

(4) Paragraph (2) of section 505(a) (relating to exception for collective bargaining agreements) is amended to read as follows:

"(2) EXCEPTION FOR COLLECTIVE BARGAINING AGREEMENTS.—Paragraph (1) shall not apply to any organization which is part of a plan maintained pursuant to an agreement between employee representatives and 1 or more employers if the Secretary finds that such agreement is a collective bargaining agreement and that such plan was the subject of good faith bargaining between such employee representatives and such employer or employers."

SEC. 152. AMENDMENTS RELATED TO PENSION PLAN PROVISIONS.

(a) AMENDMENTS RELATED TO SECTION 521 OF THE ACT.—

(1) CLARIFICATION THAT DISTRIBUTION FROM INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES MUST BEGIN AT 70½.—

(A) Paragraph (6) of section 408(a) (defining individual retirement account) is amended by striking out "(relating to required distributions)" and inserting in lieu thereof "(without regard to subparagraph (C)(ii) thereof) and the incidental death benefit requirements of section 401(a)".

(B) Paragraph (3) of section 408(b) (defining individual retirement annuity) is amended by striking out "(relating to required distributions)" and inserting in lieu thereof "(without regard to subparagraph (C)(ii) thereof) and the incidental death benefit requirements of section 401(a)".

(2) EXEMPTION OF PRE-1985 ACCUMULATIONS FROM PENALTY ON PREMATURE DISTRIBUTIONS.—

(A) Subparagraph (A) of section 72(m)(5) (relating to penalties applicable to certain amounts received by 5-percent owners) is amended to read as follows:

"(A) This subparagraph shall apply—

"(i) to amounts which—

"(I) are received from a qualified trust described in section 401(a) or under a plan described in section 403(a), and

"(II) are received by a 5-percent owner before such owner attains the age of 59½ years, for any reason other than such owner becoming disabled (within the meaning of paragraph (7) of this section), and

"(ii) to amounts which are received from a qualified trust described in section 401(a) or under a plan described in section 403(a) at any time by a 5-percent owner, or by the successor of such owner, but only to the extent that such amounts are determined (under regulations prescribed by the Secretary) to exceed the benefits provided for such individual under the plan formula.

Clause (i) shall not apply to any amount received by an individual in his capacity as a policyholder of an annuity, endowment, or life insurance contract which is in the nature of a dividend or similar distribution and clause (i) shall not apply to amounts attributable to contributions paid before January 1, 1985."

(B) Subparagraph (C) of section 72(m)(5) is amended to read as follows:

"(C) For purposes of this paragraph, the term '5-percent owner' means any individual who, at any time during the 5 plan years preceding the plan year in which the amount is received, is a 5-percent owner (as defined in section 416(i)(1)(B)."

(C) Paragraph (5) of section 72(m) is amended by striking out "OWNER-EMPLOYEES" in the paragraph heading and inserting in lieu thereof "5-percent owners".

(3) EXTENSION OF DISTRIBUTION REQUIREMENTS TO SECTION 403(b) ANNUITIES.—

(A) Subsection (b) of section 403 (relating to taxability of beneficiary under annuity purchased by section 501(c)(3) organization or public school) is amended by adding at the end thereof the following new paragraph:

"(10) DISTRIBUTION REQUIREMENTS.—Under regulations prescribed by the Secretary, this subsection shall not apply to any annuity contract (or to any custodial account described in paragraph (7) or retirement income account described in paragraph (9)) unless requirements similar to the requirements of section 401(a)(9) are met (and requirements similar to the incidental death benefit requirements of section 401(a) are met) with respect to such annuity contract (or custodial account or retirement income account)."

(B) Paragraph (7) of section 403(b) is amended by striking out subparagraph (D).

(C) The amendments made by this paragraph shall apply to contributions made

after the date of the enactment of this Act in taxable years ending after such date.

(4) CLARIFICATION OF REQUIRED BEGINNING DATE.—

(A) Subparagraph (C) of section 401(a)(9) (defining required beginning date) is amended by striking out the last sentence and inserting in lieu thereof the following:

"Clause (ii) shall not apply in the case of an employee who is a 5-percent owner (as defined in section 416(i)(1)(B)) at any time during the 5 plan years preceding the plan year ending in the calendar year in which the employee attains age 70½."

(B) Subsection (d) of section 409 (relating to employer securities must stay in the plan) is amended by adding at the end thereof the following new sentence:

"This subsection shall not apply to any distribution required under section 401(a)(9)."

(5) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—

(A) Paragraph (5) of section 402(a) (relating to rollover amounts) is amended by adding at the end thereof the following new subparagraph:

"(G) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—Subparagraph (A) shall not apply to any distribution to the extent such distribution is required under section 401(a)(9)."

(B)(i) Subparagraph (B) of section 403(a)(4) is amended by striking out "and (F)" and inserting in lieu thereof "and (G)".

(ii) Paragraph (8) of section 403(b) is amended by adding at the end thereof the following new subparagraph:

"(D) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—Subparagraph (A) shall not apply to any distribution to the extent such distribution is required under paragraph (10)."

(C) Paragraph (3) of section 408(d) (relating to rollover contributions) is amended by adding at the end thereof the following new subparagraph:

"(E) DENIAL OF ROLLOVER TREATMENT FOR REQUIRED DISTRIBUTIONS.—This subparagraph shall not apply to any amount to the extent such amount is required to be distributed under subsection (a)(6) or (b)(3)."

(6) TREATMENT OF DISTRIBUTIONS REQUIRED UNDER INCIDENTAL DEATH BENEFIT RULES.—Paragraph (9) of section 401(a) (relating to required distributions) is amended by adding at the end thereof the following new subparagraph:

"(G) TREATMENT OF INCIDENTAL DEATH BENEFIT DISTRIBUTIONS.—For purposes of this title, any distribution required under the incidental death benefit requirements of this subsection shall be treated as a distribution required under this paragraph."

(7) CONFORMING AMENDMENTS TO SECTION 4974.—

(A) Subsection (a) of section 4974 (relating to excise tax on certain accumulations in individual retirement accounts or annuities) is amended by striking out "section 408(a) (6) or (7), or 408(b) (3) or (4)" and inserting in lieu thereof "section 408(a)(6) or 408(b)(3)".

(B) Subsection (b) of section 4974 is amended by striking out "section 408(a) (6) or (7) or 408(b) (3) or (4)" and inserting in lieu thereof "section 408(a)(6) or 408(b)(3)".

(b) AMENDMENTS RELATED TO SECTION 522 OF THE ACT.—

(1) Clause (v) of section 402(a)(5)(E) (defining partial distribution) is amended by striking out "of any portion of" and inserting in lieu thereof "of all or any portion of".

(2) Clause (i) of section 402(a)(5)(D) (relating to special rules for partial distributions) is amended by adding at the end thereof the following new sentence:

"For purposes of subclause (I), the balance to the credit of the employee shall not include any accumulated deductible employee contributions (within the meaning of section 72(o)(5))."

(3)(A) Section 402 is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF SELF-EMPLOYED INDIVIDUALS.—For purposes of this section, except as otherwise provided in subparagraph (A) of subsection (e)(4), the term 'employee' includes a self-employed individual (as defined in section 401(c)(1)(B)) and the employer of such individual shall be the person treated as his employer under section 401(c)(4)."

(B) Paragraph (4) of section 402(e) is amended by striking out subparagraph (F).

(4) Paragraph (7) of section 402(a) (relating to rollover where spouse received distributions after death of employee) is amended by striking out "the spouse were the employee" and inserting in lieu thereof "the spouse were the employee; except that a trust or plan described in subclause (III) or (IV) of paragraph (5)(E)(iv) shall not be treated as an eligible retirement plan with respect to such distribution."

(5) Clause (ii) of section 402(a)(5)(D) is amended by striking out "a plan described in subclause (IV) or (V)" and inserting in lieu thereof "a trust or plan described in subclause (III) or (IV)".

(6) Clause (i) of section 402(a)(5)(F) is amended by striking out "a transfer described in subparagraph (A)" and inserting in lieu thereof "a transfer resulting in any portion of a distribution being excluded from gross income under subparagraph (A)".

(7) Paragraph (20) of section 401(a) is amended by striking out "qualifying rollover distribution (determined as if section 402(a)(5)(D)(i) did not contain subclause (II) thereof) described in section 402(a)(5)(A)(i) or 403(a)(4)(A)(i)" and inserting in lieu thereof "qualified total distribution described in section 402(a)(5)(E)(i)(I)".

(8) Subsection (e) of section 522 of the Tax Reform Act of 1984 is amended by striking out "the date of the amendment" and inserting in lieu thereof "the date of the enactment".

(9) Subparagraph (C) of section 403(b)(8) is amended by striking out "(F)(i)" and inserting in lieu thereof "and (F)(i)".

(c) AMENDMENTS RELATED TO SECTION 523 OF THE ACT.—

(1) Subparagraph (B) of section 72(e)(7) (relating to plans substantially all the contributions of which are employee contributions) is amended—

(A) by striking out "any trust or contract" and inserting in lieu thereof "any plan or contract",

(B) by striking out "85 percent of" and inserting in lieu thereof "85 percent or more of", and

(C) by adding at the end thereof the following new sentence:

"For purposes of clause (ii), deductible employee contributions (as defined in subsection (o)(5)(A)) shall not be taken into account."

(2) Subparagraph (E) of section 72(q)(2) (relating to 5-percent penalty for premature distributions from annuity contracts) is amended by striking out "subsection (e)(5)(D)" and inserting in lieu thereof "subsection (e)(5)(D) (determined without regard to subsection (e)(7))".

(3) Subsection (f) of section 72 is amended—

(A) by striking out "subsection (d)(1)" and inserting in lieu thereof "subsections (d)(1) and (e)(7)", and

(B) by striking out "subsection (e)(1)(B)" and inserting in lieu thereof "subsection (e)(6)".

(4) Subparagraph (C) of section 72(m)(2) is amended—

(A) by striking out "3 years)" in subparagraph (B) and inserting in lieu thereof "3 years) and subsection (e)(7) (relating to plans where substantially all contributions are employee contributions)", and

(B) by striking out "subsection (e)(1)(B)" in subparagraph (C) and inserting in lieu thereof "subsection (e)(6)".

(5) Subsection (b) of section 402 is amended by striking out "section 72(e)(1)" and inserting in lieu thereof "section 72(e)(5)".

(d) AMENDMENTS RELATED TO SECTION 524 OF THE ACT.—

(1) Subparagraph (A) of section 416(i)(1) (defining key employee) is amended by adding at the end thereof the following new sentence: "Such term shall not include any officer or employee of an entity referred to in section 414(d) (relating to governmental plans)."

(2) Subparagraph (E) of section 416(g)(4) (relating to benefits not taken into account if employee not employed for last 5 years) is amended to read as follows:

"(E) BENEFITS NOT TAKEN INTO ACCOUNT IF EMPLOYEE NOT EMPLOYED FOR LAST 5 YEARS.—If any individual has not performed services for the employer maintaining the plan at any time during the 5-year period ending on the determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account."

(e) AMENDMENTS RELATED TO SECTION 525 OF THE ACT.—

(1)(A) Subsection (c) of section 2039 (relating to exception of certain annuity interests created by community property laws) is hereby repealed.

(B) The amendment made by subparagraph (A) shall apply to estates of decedents dying after the date of the enactment of this Act.

(2)(A) Section 2517 (relating to certain annuities under qualified plans) is hereby repealed.

(B) The table of sections for subchapter B of chapter 12 is amended by striking out the item relating to section 2517.

(C) The amendments made by this paragraph shall apply to transfers after the date of the enactment of this Act.

(f) AMENDMENT RELATED TO SECTION 526 OF THE ACT.—Paragraph (2) of section 526(d) of the Tax Reform Act of 1984 is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(g) AMENDMENTS RELATED TO SECTION 527 OF THE ACT.—

(1) Paragraph (3) of section 401(k) (relating to application of participation and discrimination standards) is amended by adding at the end thereof the following new subparagraph:

"(C) A cash or deferred arrangement shall be treated as meeting the requirements of subsection (a)(4) with respect to contributions if the requirements of subparagraph (A)(ii) are met."

(2) Subparagraph (A) of section 401(k)(3) is amended by striking out the last sentence and inserting in lieu thereof the following: "If an employee is a participant under 2 or more cash or deferred arrangements of the employer, for purposes of determining the deferral percentage with respect to such employee, all such cash or deferred arrange-

ments shall be treated as 1 cash or deferred arrangement."

(3) Subparagraph (C) of section 401(k)(2) is amended by striking out "are nonforfeitable" and inserting in lieu thereof "is nonforfeitable".

(h) AMENDMENTS RELATED TO SECTION 528 OF THE ACT.—

(1) Subsection (h) of section 401 (relating to medical, etc., benefits for retired employees and their spouses and dependents) is amended—

(A) by striking out "5-percent owner" each place it appears in paragraph (6) and inserting in lieu thereof "key employee", and

(B) by striking out the last sentence and inserting in lieu thereof the following:

"For purposes of paragraph (6), the term 'key employee' means any employee, who at any time during the plan year or any preceding plan year during which contributions were made on behalf of such employee, is or was a key employee as defined in section 416(i)."

(2) Paragraph (1) of section 415(1) (relating to treatment of certain medical benefits) is amended by adding at the end thereof the following new sentence: "Subparagraph (B) of subsection (c)(1) shall not apply to any amount treated as an annual addition under the preceding sentence."

(3) Subsection (l) of section 415 is amended by striking out "a defined benefit plan" each place it appears and inserting in lieu thereof "a pension or annuity plan".

SEC. 153. AMENDMENTS RELATED TO FRINGE BENEFIT PROVISIONS.

(a) AMENDMENTS TO SECTION 132.—

(1) Clause (ii) of section 132(f)(2)(B) (defining dependent children) is amended by striking out "are deceased" and inserting in lieu thereof "are deceased and who has not attained age 25".

(2) Subparagraph (A) of section 132(c)(3) (defining employee discount) is amended by striking out "are provided to the employee by the employer" and inserting in lieu thereof "are provided by the employer to an employee for use by such employee".

(3) Subsection (i) of section 132 (relating to customers not to include employees) is amended by striking out "subsection (c)(2)(B)" and inserting in lieu thereof "subsection (c)(2)".

(b) AMENDMENTS TO SECTION 125.—

(1) CLARIFICATION OF BENEFITS WHICH MAY BE PROVIDED UNDER CAFETERIA PLANS.—

(A) Subsections (c) and (d)(1)(B) of section 125 are each amended by striking out "statutory nontaxable benefits" each place it appears and inserting in lieu thereof "qualified benefits".

(B) Subsection (f) of section 125 is amended to read as follows:

"(f) QUALIFIED BENEFITS DEFINED.—For purposes of this section, the term 'qualified benefit' means any benefit which, with the application of subsection (a), is not includible in the gross income of the employee by reason of an express provision of this chapter (other than section 117, 124, 127, or 132). Such term includes any group term life insurance which is includible in gross income only because it exceeds the dollar limitation of section 79 and such term includes any other benefit permitted under regulatons."

(2) TRANSITIONAL RULE.—Paragraph (5) of section 531(b) of the Tax Reform Act of 1984 (relating to exception for certain cafeteria plans and benefits) is amended by adding at the end thereof the following new subparagraph:

"(D) COLLECTIVE BARGAINING AGREEMENTS.—In the case of any cafeteria plan in existence on February 10, 1984, and maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers, the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof agreed to after July 18, 1984) shall be substituted for 'January 1, 1985' in subparagraph (A) and for 'July 1, 1985' in subparagraph (B). For purposes of the preceding sentence, any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section (or any requirement in the regulations under section 125 of the Internal Revenue Code of 1954 proposed on May 6, 1984) shall not be treated as a termination of such collective bargaining agreement."

(3) SPECIAL RULE WHERE CONTRIBUTIONS OR REIMBURSEMENTS SUSPENDED.—Paragraph (5) of section 531(b) of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE WHERE CONTRIBUTIONS OR REIMBURSEMENTS SUSPENDED.—For purposes of subparagraphs (A) and (B), a plan shall not be treated as not continuing to fail to satisfy the rules referred to in such subparagraphs with respect to any benefit provided in the form of a flexible spending arrangement merely because contributions or reimbursements (or both) with respect to such plan were suspended before January 1, 1985."

(c) AMENDMENTS TO SECTION 4977.—

(1) Paragraph (2) of section 4977(c) is amended to read as follows:

"(2) at all times on or after January 1, 1984, and before the close of the calendar year involved, substantially all of the employees of the employer were entitled to employee discounts on goods or services provided by the employer in 1 line of business,".

(2) Section 4977 (relating to tax on certain fringe benefits provided by an employer) is amended by adding at the end thereof the following new subsection:

"(f) SECTION TO APPLY ONLY TO EMPLOYMENT WITHIN THE UNITED STATES.—Except as otherwise provided in regulations, this section shall apply only with respect to employment within the United States."

(d) TREATMENT OF TELEPHONE CONCESSION SERVICE FOR CERTAIN RETIREES.—Section 559 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following subsection:

"(e) TELEPHONE SERVICE FOR PRE-DIVESTITURE RETIREES.—In the case of an employee who, by reason of retirement or disability, separated before January 1, 1984, from the service of an entity subject to the modified final judgment—

"(1) all entities subject to the modified final judgment shall be treated as a single employer in the same line of business for purposes of determining whether telephone service provided to the employee is a no-additional-cost service as defined in section 132 of the Internal Revenue Code of 1954; and

"(2) payment by an entity subject to the modified final judgment of all or part of the cost of local telephone service provided to the employee by a person other than an entity subject to the modified final judgment (including rebate of the amount paid by the employee for the service and payment to the person providing the service) shall be treated as telephone service provided to the employee by such single employer for purposes of determining whether the telephone service is a no-additional-cost service as defined in section 132 of the Internal Revenue Code of 1954.

For purposes of this subsection, the term 'employee' has the meaning given to such term by section 132(f) of the Internal Revenue Code of 1954."

SEC. 154. AMENDMENTS RELATED TO EMPLOYEE STOCK OWNERSHIP PLANS.

(a) AMENDMENTS RELATED TO SECTION 541.—

(1) Section 1042(a) (relating to nonrecognition of gain) is amended by striking out "gain (if any) on such sale" and inserting in lieu thereof "gain (if any) on such sale which would be recognized as long-term capital gain".

(2) Section 1042(b)(2) (relating to requirement that employees must own 30 percent of stock after sale) is amended by striking out "the employer securities (within the meaning of section 409(1))" and inserting in lieu thereof "all stock (other than preferred stock described in section 1504(a)(4)) of the corporation which issued the qualified securities".

(3) Paragraph (3) of section 1042(b) (relating to requirement that plan be maintained for benefit of employees) is amended to read as follows:

"(3) PLAN MAINTAINED FOR BENEFIT OF EMPLOYEES.—No portion of the assets of the plan or cooperative attributable to qualified securities with respect to which an election under subsection (a)(1) was made may accrue directly or indirectly under such plan, or may be allocated directly or indirectly by such cooperative, for the benefit of—

"(A) the taxpayer,

"(B) any person who bears a relationship to the taxpayer described in section 267(b), or

"(C) any other person who owns (after application of section 318(a)) more than 25 percent (by value) of—

"(i) any class of stock of the corporation which issued such qualified securities, or

"(ii) the total value of the stock of any other corporation which is a member of the same controlled group of corporations (within the meaning of section 409(1)(4)) as such corporation.

All plans which are treated as 1 plan under section 401(a)(4) or 410 shall be treated as 1 plan for purposes of this paragraph."

(4) Section 1042(c)(1) (defining qualified securities) is amended—

(A) by striking out "securities" in subparagraph (A) and inserting in lieu thereof "stock",

(B) by inserting "and" at the end of subparagraph (A), and

(C) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(5) Paragraph (4) of section 1042(c) (defining qualified replacement property) is amended to read as follows:

"(4) QUALIFIED REPLACEMENT PROPERTY.—

"(A) IN GENERAL.—The term 'qualified replacement property' means any security issued by a domestic operating corporation which—

"(i) did not, for the taxable year preceding the taxable year in which such security was purchased, have passive investment income (as defined in section 1362(d)(3)(D)) in excess of 25 percent of the gross receipts of such corporation for such preceding taxable year, and

"(ii) is not the corporation which issued the qualified securities which such security is replacing.

"(B) OPERATING CORPORATION.—For purposes of this paragraph, the term 'operating corporation' means a corporation substantially all the assets of which were, at the time the security was purchased, used in the active conduct of a trade or business.

"(C) CONTROLLING AND CONTROLLED CORPORATIONS TREATED AS 1 CORPORATION.—

"(i) IN GENERAL.—For purposes of applying this paragraph, if—

"(I) the corporation issuing the security owns stock representing control of 1 or more other corporations,

"(II) 1 or more other corporations own stock representing control of the corporation issuing the security, or

"(III) both,

then all such corporations shall be treated as 1 corporation.

"(ii) CONTROL.—For purposes of clause (i), the term 'control' has the meaning given such term by section 304(c).

"(D) SECURITY DEFINED.—For purposes of this paragraph, the term 'security' has the meaning given such term by section 165(g)(2), except that such term shall not include any security issued by a government or political subdivision thereof."

(6)(A) Section 1042(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(7) SECTION NOT TO APPLY TO GAIN OF C CORPORATION.—Subsection (a) shall not apply to any gain on the sale of any qualified securities which is includible in the gross income of any C corporation."

(B) The amendment made by subparagraph (A) shall apply to sales after March 28, 1985, except that such amendment shall not apply to sales made before July 1, 1985, if made pursuant to a binding contract in effect on March 28, 1985, and at all times thereafter.

(7) Section 1042(d) (relating to basis of qualified replacement property) is amended by adding at the end thereof the following new flush sentence:

"Any reduction in basis under this subsection shall not be taken into account for purposes of section 1278(a)(2)(A)(ii) (relating to definition of market discount)."

(8)(A) Section 1042 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) RECAPTURE OF GAIN ON DISPOSITION OF QUALIFIED REPLACEMENT PROPERTY.—

"(1) IN GENERAL.—If a taxpayer disposes of any qualified replacement property, then, notwithstanding any other provision of this title, gain (if any) shall be recognized to the extent of the gain which was not recognized under subsection (a) by reason of the acquisition by such taxpayer of such qualified replacement property.

"(2) SPECIAL RULE FOR CORPORATIONS CONTROLLED BY THE TAXPAYER.—If—

"(A) a corporation issuing qualified replacement property disposes of a substantial portion of its assets other than in the ordinary course of its trade or business, and

"(B) any taxpayer owning stock representing control (within the meaning of section 304(c)) of such corporaion at the time of such disposition holds any qualified replacement property of such corporation at such time,

then the taxpayer shall be treated as having disposed of such qualified replacement property at such time."

(B) The amendment made by subparagraph (A) shall apply to dispositions after the date of the enactment of this Act, in taxable years ending after such date.

(9) Paragraph (5) of section 1042(c) (relating to securities acquired by underwriter) is amended—

(A) by striking out "acquisition" and inserting in lieu thereof "sale",

(B) by inserting "to an employee stock ownership plan or eligible worker-owned cooperative" before "in", and

(C) by striking out "ACQUIRED" in the heading thereof and inserting in lieu thereof "SOLD".

(10) The heading for section 1042 is amended by inserting "EMPLOYEE" before "STOCK".

(11) The table of sections for part III of subchapter O of chapter 1 is amended by striking out the item relating to section 1042 and inserting in lieu thereof the following new item:

"Sec. 1042. Sales of stock to employee stock ownership plans or certain cooperatives."

(b) AMENDMENTS RELATED TO SECTION 542.—

(1) Paragraph (5) of section 72(e) is amended by adding at the end of subparagraph (D) the following new flush sentence:

"Clause (i) shall not apply to any dividend described in section 404(k) which is received by a participant."

(2) Paragraph (1) of section 404(k) (relating to dividends paid deduction) is amended by inserting ", and allocated to a participant's account," before "on the record date".

(3) Section 404(k) is amended—

(A) by adding at the end thereof the following new flush sentence:

"Any deduction under this subsection shall be allowed in the taxable year of the corporation in which the dividend is paid or distributed to the participant under paragraph (2).", and

(B) by striking out "during the taxable year" in the matter preceding paragraph (1).

(4) Section 404(k), as amended by paragraph (3), is amended by adding at the end thereof the following new sentence: "A plan to which this subsection applies shall not be treated as violating the requirements of section 401, 409, or 4975(e)(7) merely by reason of any distribution described in paragraph (2)."

(5) The amendments made by paragraphs (1) and (3) shall apply to dividends paid after the date of the enactment of this Act, in taxable years ending after such date.

(c) AMENDMENTS RELATED TO SECTION 543.—

(1) Subparagraph (B) of section 291(e)(1) (defining financial institution preference item) is amended by adding at the end thereof the following new clause:

"(iv) SPECIAL RULES FOR OBLIGATIONS TO WHICH SECTION 133 APPLIES.—In the case of an obligation to which section 133 applies—

"(I) interest on such obligations shall not be treated as exempt from taxes for purposes of this subparagraph, and

"(II) such obligation shall not be taken into account under clause (ii)(II)."

(2) Section 133 (relating to exemption for interest on certain loans used to acquire employer securities) is amended by adding at the end thereof the following new subsection:

"(d) APPLICATION WITH SECTION 483 AND ORIGINAL ISSUE DISCOUNT RULES.—In applying section 483 and subpart A of part V of subchapter P to any obligation to which this section applies, appropriate adjustments shall be made to the applicable Federal rate to take into account the exclusion under subsection (a)."

(d) AMENDMENTS RELATED TO SECTION 544.—

(1) Section 2210(a) (relating to liability for payment of estate tax in case of transfer of employer securities to an ESOP or worker cooperative) is amended by striking out "and" at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

"(2) the executor of the estate of the decedent may (without regard to this section) make an election under section 6166 with respect to that portion of the tax imposed by section 2001 which is attributable to employer securities, and".

(2) Section 2210(c) (relating to installment payments) is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULES FOR APPLICATION OF SECTION 6166(g).—In the case of any transfer of employer securities to an employee stock ownership plan or eligible worker-owner cooperative to which this section applies—

"(A) TRANSFER DOES NOT TRIGGER ACCELERATION.—Such transfer shall not be treated as a disposition or withdrawal to which section 6166(g) applies.

"(B) SEPARATE APPLICATION TO ESTATE AND PLAN INTERESTS.—Section 6166(g) shall be applied separately to the interests held after such transfer by the estate and such plan or cooperative.

"(C) REQUIRED DISTRIBUTION NOT TAKEN INTO ACCOUNT.—In the case of any distribution of such securities by such plan which is described in section 4978(d)(1)—

"(i) such distribution shall not be treated as a disposition or withdrawal for purposes of section 6166(g), and

"(ii) such securities shall not be taken into account in applying section 6166(g) to any subsequent disposition or withdrawal."

(3) Section 2210(g) (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(5) TAX IMPOSED BY SECTION 2001.—The term 'tax imposed by section 2001' includes any interest, penalty, addition to tax, or additional amount relating to any tax imposed by section 2001."

(4) Section 2210(c)(1) is amended by inserting "or any authorized officer of" before "the cooperative" in the matter following subparagraph (B).

(5) Section 2210(d) (relating to guarantee of payments) is amended—

(A) by inserting "and any eligible worker-owned cooperative" before "shall guarantee" in the matter following paragraph (2),

(B) by striking out "such plan" and inserting in lieu thereof "such plan or cooperative, respectively,", and

(C) by striking out ", including any interest payable under section 6601 which is attributable to such amount".

(6) Section 2210(g)(3) is amended by striking out "section 1041(b)(2)" and inserting in lieu thereof "section 1042(b)(2)".

(e) AMENDMENTS RELATED TO SECTION 545.—

(1) Section 4978(a)(1) (relating to tax on disposition of securities to which section 1042 applies before close of minimum holding period) is amended by striking out "then" and inserting in lieu thereof "than".

(2) Section 4978(b)(1) is amended by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)".

(3) Section 4978(c) is amended by striking out "section 1042(a)(2)(B)" and inserting in lieu thereof "section 1042(b)(4)".

(4) Section 4978(d)(1)(C) is amended by striking out "section 72(m)(5)" and inserting in lieu thereof "section 72(m)(7)".

(5) Section 4978(e)(2) is amended by striking out "section 1042(b)(1)" and inserting in lieu thereof "section 1042(c)(1)".

(6) Section 4978(e)(3) is amended by striking out "section 1042(b)(1)" and inserting in lieu thereof "section 1042(c)(2)".

(7) Section 4978(d) (relating to dispositions to which section does not apply) is amended by adding at the end thereof the following new paragraph:

"(3) LIQUIDATION OF CORPORATION INTO COOPERATIVE.—In the case of any exchange of qualified securities pursuant to the liquidation of the corporation issuing qualified securities into the eligible worker-owned cooperative in a transaction which meets the requirements of section 332 (determined by substituting '100 percent' for '80 percent' each place it appears in section 332(b)(1)), such exchange shall not be treated as a disposition for purposes of this section."

SEC. 155. AMENDMENT RELATED TO MISCELLANEOUS EMPLOYEE BENEFIT PROVISIONS.

Subsection (c) of section 555 of the Tax Reform Act of 1984 (relating to technical amendments to the incentive stock option provisions) is amended—

(1) by striking out "subsection (a)" in paragraph (1) and inserting in lieu thereof "subsection (a)(1)",

(2) by striking out "subsection (b)" in paragraph (2) and inserting in lieu thereof "subsection (a)(2)",

(3) by striking out "after March 20, 1984," in paragraph (2), and

(4) by striking out "subsection (c)" in paragraph (3) and inserting in lieu thereof "subsection (b)".

PART F—AMENDMENTS RELATED TO TITLE VI OF THE ACT

SEC. 161. AMENDMENTS RELATED TO SECTION 611 OF THE ACT.

(a) EXTENSION OF TIME FOR SUBMITTING POLICY STATEMENT.—Paragraph (5) of section 103A(j) is amended by adding at the end thereof the following new subparagraph:

"(C) EXTENSION OF TIME.—The Secretary may grant an extension of time for the publishing of a report described in subparagraph (B) or the submittal of such report to the Secretary if there is reasonable cause for the failure to publish or submit such report in a timely fashion."

(b) DEFINITION OF QUALIFIED VETERAN.—Subparagraph (B) of section 103A(o)(4) (defining qualified veteran) is amended by striking out "January 1, 1985" and inserting in lieu thereof "January 31, 1985".

SEC. 162. AMENDMENT RELATED TO SECTION 612 OF THE ACT.

(a) REQUIREMENTS FOR QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM.—Subclause (V) of section 25(c)(2)(A)(iii) (defining qualified mortgage credit certificate program) is amended by striking out "paragraph (1) of subsection (j)" and inserting in lieu thereof "subsection (j), other than paragraph (2) thereof".

(b) GOOD FAITH EFFORT RULES MADE APPLICABLE.—Subparagraph (A) of section 25(c)(2) (defining qualified mortgage credit certificate program) is amended by adding at the end thereof the following new sentence:

"Under regulations, rules similar to the rules of subparagraphs (B) and (C) of section 103A(c)(2) shall apply to the requirements of this subparagraph."

(c) CARRYFORWARD OF EXCESS CREDIT.—Subparagraph (B) of section 25(e)(1) (relating to carryforward of unused credit) is amended to read as follows:

"(B) LIMITATION.—The amount of the unused credit which may be taken into account under subparagraph (A) for any taxable year shall not exceed the amount (if any) by which the applicable tax limit for such taxable year exceeds the sum of—

"(i) the credit allowable under subsection (a) for such taxable year determined without regard to this paragraph, and

"(ii) the amounts which, by reason of this paragraph, are carried to such taxable year and are attributable to taxable years before the unused credit year."

(d) CLERICAL AMENDMENTS.—

(1) Subparagraph (B) of section 25(a)(1) is amended by striking out "paid or incurred" and inserting in lieu thereof "paid or accrued".

(2) Subchapter B of chapter 68 is amended by redesignating the section 6708 which relates to penalties with respect to mortgage credit certificates as section 6709.

(3) The table of sections for subchapter B of chapter 68 is amended by striking out the item relating to the section 6708 which relates to penalties with respect to mortgage credit certificates and inserting in lieu thereof the following:

"Sec. 6709. Penalties with respect to mortgage credit certificates."

SEC. 163. AMENDMENT RELATED TO SECTION 613 OF THE ACT.

Section 613 of the Tax Reform Act of 1984 (relating to authority to borrow from Federal Financing Bank) is amended to read as follows:

"SEC. 613. ADVANCE REFUNDING OF CERTAIN VETERANS' MORTGAGE BONDS PERMITTED.

"(a) IN GENERAL.—Notwithstanding section 103A(n) of the Internal Revenue Code of 1954, an issuer of applicable mortgage bonds may issue advance refunding bonds with respect to such applicable mortgage bonds.

"(b) LIMITATION ON AMOUNT OF ADVANCED REFUNDING.—

"(1) IN GENERAL.—The amount of advanced refunding bonds which may be issued under subsection (a) shall not exceed the lesser of—

"(A) $300,000,000, or

"(B) the excess of—

"(i) the projected aggregate payments of principal on the applicable mortgage bonds during the 15-fiscal year period beginning with fiscal year 1984, over

"(ii) the projected aggregate payments during such period of principal on mortgages financed by the applicable mortgage bonds.

"(2) ASSUMPTIONS USED IN MAKING PROJECTION.—The computation under paragraph (1)(B) shall be made by using the following percentages of the prepayment experience of the Federal Housing Administration in the State or region in which the issuer of the advance refunding bonds is located:

"Fiscal Year:	Percentage:
1984	15
1985	20
1986	25
1987 and thereafter	30.

"(c) DEFINITIONS.—For purposes of this section.—

"(1) APPLICABLE MORTGAGE BONDS.—The term 'applicable mortgage bonds' means any qualified veterans' mortgage bonds issued as part of an issue—

"(A) which was outstanding on December 5, 1980,

"(B) with respect to which the excess determined under subsection (b)(1)(B) exceeds 12 percent of the aggregate principal amount of such bonds outstanding on July 1, 1983,

"(C) with respect to which the amount of the average annual prepayments during fiscal years 1981, 1982, and 1983 was less than 2 percent of the average of the loan balances as of the beginning of each of such fiscal years, and

"(D) which, for fiscal year 1983, had a prepayment experience rate that did not exceed 20 percent of the prepayment experience rate of the Federal Housing Administration in the State or region in which the issuer is located.

"(2) QUALIFIED VETERANS' MORTGAGE BONDS.—The term 'qualified veterans' mortgage bonds' has the meaning given to such term by section 103A(c)(3) of the Internal Revenue Code of 1954.

"(3) FISCAL YEAR.—The term 'fiscal year' means the fiscal year of the State."

SEC. 164. AMENDMENTS RELATED TO SECTION 621 OF THE ACT.

(a) SPECIAL RULE FOR FACILITIES LOCATED OUTSIDE THE STATE.—

(1) IN GENERAL.—Subsection (n) of section 103 (relating to limitation on aggregate amount of private activity bonds issued during any calendar year) is amended by adding at the end thereof the following new paragraph:

"(13) FACILITY MUST BE LOCATED WITHIN STATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no portion of the State ceiling applicable to any State for any calendar year may be used with respect to financing for a facility located outside such State.

"(B) EXCEPTION FOR CERTAIN FACILITIES WHERE STATE WILL GET PROPORTIONATE SHARE OF BENEFITS.—Subparagraph (A) shall not apply to any issue described in subparagraph (E), (G), or (H) of subsection (b)(4) if the issuer establishes that the State's share of the use of the facility (or its output) will equal or exceed the State's share of the private activity bonds issued to finance the facility."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to obligations issued after the date of the enactment of this Act in taxable years ending after such date.

(b) CLARIFICATION OF AUTHORITY FOR DIFFERENT ALLOCATION.—Subparagraphs (A) and (B)(i) of section 103(n)(6) (relating to State may provide for different allocation) are each amended by striking out "governmental units" and inserting in lieu thereof "governmental units or other authorities."

(c) CLARIFICATION OF EXCEPTION FOR CERTAIN FACILITIES.—Clause (i) of section 103(n)(7)(C) (relating to exception for certain facilities described in section 103(b)(4)(C) or (D)) is amended by striking out "the property described in such subparagraph" and inserting in lieu thereof "all of the property to be financed by the obligation".

(d) INFORMATION REPORTING ON ALLOCATION OF PRIVATE ACTIVITY BOND LIMIT.—Paragraph (2) of section 103(1) (relating to information reporting requirements for certain bonds) is amended by striking out "and" at the end of subparagraph (D), by

striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(F) if such obligation is a private activity bond (as defined in subsection (n)(7)), such information as the Secretary may require for purposes of determining whether the requirements of subsection (n) are met with respect to such obligation."

SEC. 165. AMENDMENT RELATED TO SECTION 622 OF THE ACT.

Subparagraph (A) of section 103(h)(5) (relating to certain obligations subsidized under energy program) is amended by striking out "the United States,".

SEC. 166. AMENDMENTS RELATED TO SECTION 626 OF THE ACT.

(a) Subsection (o) of section 103 (relating to denial of tax exemption for consumer loan bonds) is amended—

(1) by striking out "consumer loan bond" each place it appears and inserting in lieu thereof "private loan bond",

(2) by striking out "CONSUMER LOAN BONDS" in the subsection heading and inserting in lieu thereof "PRIVATE LOAN BONDS", and

(3) by striking out "CONSUMER LOAN BONDS" in the heading for paragraph (2) and inserting in lieu thereof "PRIVATE LOAN BONDS".

(b) Section 103 is amended by redesignating the subsection (o) relating to cross references as subsection (p).

SEC. 167. AMENDMENT RELATED TO SECTION 627 OF THE ACT.

Subparagraph (A) of section 103(b)(16) (relating to limitation on use for land acquisition) is amended by striking out "clause (i)" in the last sentence and inserting in lieu thereof "clause (ii)".

SEC. 168. AMENDMENTS RELATED TO SECTION 628 OF THE ACT.

(a) CERTAIN RESTRICTIONS APPLY TO EXEMPTIONS NOT CONTAINED IN INTERNAL REVENUE CODE OF 1954.—

(1) IN GENERAL.—Paragraph (1) of section 103(m) (relating to obligations exempt other than under this title) is amended by striking out "(k), (l), and (n)" and inserting in lieu thereof "(j), (k), (l), (n), and (o)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to obligations issued after March 28, 1985, in taxable years ending after such date.

(b) CONFORMING AMENDMENTS TO REPEAL OF ADVANCED REFUNDING OF QUALIFIED PUBLIC FACILITIES.—Paragraphs (13), (14)(A), and (17)(A) of section 103(b) are each amended by striking out "(6), and (7)" and inserting in lieu thereof "and (6)".

SEC. 169. AMENDMENTS RELATED TO SECTION 631 OF THE ACT.

(a) CLARIFICATION OF GENERAL EFFECTIVE DATE.—

(1) Paragraph (1) of section 631(c) of the Tax Reform Act of 1984 (relating to effective date for other provisions relating to tax-exempt bonds) is amended by striking out "made by this subtitle" and inserting in lieu thereof "made by sections 622, 623, 627, and 628 (c), (d), and (e) (and the provisions of sections 625(c), 628(f), and 629(b))".

(2)(A) Subparagraph (A) of section 631(c)(3) of the Tax Reform Act of 1984 is amended by striking out "amendments made by this subtitle (other than section 621)" and inserting in lieu thereof "amendments (and provisions) referred to in paragraph (1)".

(B) Effective with respect to obligations issued after March 28, 1985, subparagraph (A) of section 631(c)(3) of the Tax Reform Act of 1984 is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) the original use of which commences with the taxpayer and the construction, reconstruction, or rehabilitation of which began before October 19, 1983, and was completed on or after such date, or

"(ii) with respect to which a binding contract to incur significant expenditures for construction, reconstruction, or rehabilitation was entered into before October 19, 1983, and some of such expenditures are incurred on or after such date."

(3) Paragraph (3) of section 631(c) of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new subparagraph:

"(C) EXCEPTION.—Subparagraph (A) shall not apply with respect to the amendment made by section 628(e) and the provisions of sections 628(f) and 629(b)."

(4) Subparagraph (B) of section 631(c)(3) of the Tax Reform Act of 1984 is amended by striking out "subsection (b)(2)(A)" and inserting in lieu thereof "subsection (b)(2)".

(b) SPECIAL RULE FOR HEALTH CLUB FACILITIES.—Subsection (c) of section 631 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULE FOR HEALTH CLUB FACILITIES.—In the case of any health club facility, with respect to the amendment made by section 627(c)—

"(A) paragraph (1) shall be applied by substituting 'April 12, 1984' for 'December 31, 1983', and

"(B) paragraph (3) shall be applied by substituting 'April 13, 1984' for 'October 19, 1983' each place it appears."

(c) TREATMENT OF CERTAIN SOLID WASTE DISPOSAL FACILITIES.—

(1) IN GENERAL.—Subsection (d) of section 631 of the Tax Reform Act of 1984 (relating to provisions of subtitle not to apply to certain property) is amended by adding at the end thereof the following:

"(5) Any solid waste disposal facility described in section 103(b)(4)(E) of the Internal Revenue Code of 1954 if—

"(A) a city government, by resolutions adopted on April 10, 1980, and December 27, 1982, took formal action to authorize the submission of a proposal for a feasibility study for such facility and to authorize the presentation to the Department of the Army (U.S. Army Missile Command) of a proposed agreement to jointly pursue construction and operation of such facility,

"(B) such city government (or a public authority on its behalf) issues obligations for such facility before January 1, 1987, and

"(C) expenditures have been made for the development of such facility before October 19, 1983. Notwithstanding the foregoing provisions of this subsection, the amendments made by section 623 (relating to arbitrage) shall apply to obligations issued to finance property described in paragraph (5)."

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 632(a) of the Tax Reform Act of 1984 is hereby repealed.

SEC. 170. AMENDMENT RELATED TO SECTION 632 OF THE ACT.

Subsection (a) of section 632 of the Tax Reform Act of 1984 is amended by striking out "section 623" in the matter preceding paragraph (1) thereof and inserting in lieu thereof "section 624".

PART G—MISCELLANEOUS PROVISIONS

SEC. 171. AMENDMENTS RELATED TO TITLE VII OF THE ACT.

(a) AMENDMENTS RELATED TO SECTION 713.—

(1)(A) Section 402(a)(5)(F)(ii) (relating to special rules for key employees) is amended to read as follows:

"(ii) 5-PERCENT OWNERS.—An eligible retirement plan described in subclause (III) or (IV) of subparagraph (E)(iv) shall not be treated as an eligible retirement plan for the transfer of a distribution if the employee is a 5-percent owner at the time such distribution is made. For purposes of the preceding sentence, the term '5-percent owner' means any individual who is a 5-percent owner (as defined in section 416(i)(1)(B)) at any time during the 5 plan years preceding the plan year in which the distribution is made."

(B) The amendments made by subparagraph (A) shall apply to distributions after the date of the enactment of this Act.

(2) Section 713(c) of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"(4) EFFECTIVE DATE FOR PARAGRAPH (3).—The amendment made by paragraph (3) shall apply to distributions after July 18, 1984."

(3) Section 62(7) (relating to pension, profit-sharing, and annuity plans of self-employed individuals) is amended by striking out "to the extent attributable to contributions made on behalf of such individual".

(4) Section 219(f)(1) (defining compensation) is amended by striking out "reduced by any amount allowable as a deduction to the individual in computing adjusted gross income under paragraph (7) of section 62".

(5) Section 713(d)(1) of the Tax Reform Act of 1984 is amended by striking out "Paragraph" and inserting in lieu thereof "Effective with respect to contributions made in taxable years beginning after December 31, 1983, paragraph".

(6)(A) Section 408(d)(5) (relating to certain distributions of excess contributions after due date) is amended by striking out "$15,000" and inserting in lieu thereof "the dollar limitation in effect under section 415(c)(1)(A) for such taxable year".

(B) Subparagraph (C) of section 219(b)(2) is amended by striking out "the $15,000 amount specified in subparagraph (A)(ii)" and inserting in lieu thereof "the dollar limitation in effect under section 415(c)(1)(A)".

(7) Paragraph (6) of section 713(d) of the Tax Reform Act of 1984 is amended by striking out "Subparagraph (D)" and inserting in lieu thereof "Subparagraph (C)".

(8) Subparagraph (A) of section 408(d)(3) is amended—

(A) by striking out "(other than a trust forming part of a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan)" in clause (ii),

(B) by striking out "(other than a plan under which the individual was an employee within the meaning of section 401(c)(1) at the time contributions were made on his behalf under the plan)" in clause (ii), and

(C) by adding at the end thereof the following new sentence:

"Clause (ii) shall not apply during the 5-year period beginning on the date of the qualified total distribution referred to in such clause if the individual was treated as a 5-percent owner with respect to such distribution under section 402(a)(5)(F)(ii)."

(9) Clause (iii) of section 415(b)(2)(E) is amended by striking out "adjusting any benefit or limitation under subparagraph (B), (C), or (D)" and inserting in lieu thereof "this subsection".

(10) Subparagraph (B) of section 3405(d)(1) is amended by striking out "or" at the end of clause (ii), and by striking out the material following clause (ii) and inserting in lieu thereof the following:

"(iii) any amount which is subject to withholding under subchapter A of chapter 3 (relating to withholding of tax on nonresident aliens and foreign corporations) by the person paying such amount or which would be so subject but for a tax treaty, or

"(iv) any distribution described in section 404(k)(2)."

(11) Subsection (a) section 6041 is amended by striking out "6047(e)" and inserting in lieu thereof "6047(d)".

(12) The amendments made by paragraphs (3), (4), and (6) shall take effect as if included in the amendments made by section 238 of the Tax Equity and Fiscal Responsibility Act of 1982.

(b) EFFECTIVE DATE FOR SECTION 714(n)(2) OF THE ACT.—Notwithstanding section 715 of the Tax Reform Act of 1984, the amendments made by section 714(n)(2) of such Act shall apply only to applications filed after July 18, 1984.

(c) AMENDMENT RELATED TO SECTION 734 OF THE ACT.—Subsection (a) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-11) is amended by striking out "section 209(f)(5) of the Highway Revenue Act of 1956" and inserting in lieu thereof "section 9503(c)(4)(B) of the Internal Revenue Code of 1954".

(d) AMENDMENT RELATED TO SECTION 735 OF THE ACT.—The table of sections for part I of subchapter A of chapter 32 is amended by striking out "guzzlers" and inserting in lieu thereof "guzzler".

SEC. 172. AMENDMENTS RELATED TO TITLE VIII OF THE ACT.

(a) TREATMENT OF SECTION 923(a)(2) NON-EXEMPT INCOME.—

(1) Paragraph (6) of section 927(d) (defining section 923(a)(2) non-exempt income) is amended by adding at the end thereof the following new sentence: "Such term shall not include any income which is effectively connected with the conduct of a trade or business within the United States (determined without regard to this subpart)."

(2) Paragraph (6) of section 1248(d) (relating to foreign trade income) is amended to read as follows:

"(6) FOREIGN TRADE INCOME.—Earnings and profits of the foreign corporation attributable to foreign trade income of a FSC other than foreign trade income which—

"(A) is section 923(a)(2) non-exempt income (within the meaning of section 927(d)(6)), or

"(B) would not (but for section 923(a)(4)) be treated as exempt foreign trade income. For purposes of the preceding sentence, the terms 'foreign trade income' and 'exempt foreign trade income' have the respective meanings given such terms by section 923."

(b) CLARIFICATION OF PREFERENCE CUTBACKS.—

(1) Paragraph (4) of section 291(a) (relating to 20-percent reduction in certain preference items, etc.) is amended to read as follows:

"(4) CERTAIN FSC INCOME.—In the case of taxable years beginning after December 31, 1984, section 923(a) shall be applied with respect to any FSC by substituting—

"(A) '30 percent' for '32 percent' in paragraph (2), and

"(B) '15/23' for '16/23' in paragraph (3).

If all of the stock in the FSC is not held by 1 or more C corporations throughout the taxable year, under regulations, proper adjustments shall be made in the application of the preceding sentence to take into account stock held by persons other than C corporations."

(2) Subparagraph (F) of section 995(b)(1) (relating to deemed distributions from a DISC) is amended—

(A) by inserting "in the case of a shareholder which is a C corporation," before "one-seventeenth" in clause (i), and

(B) by striking out "the amount determined under clause (i)" in clause (ii) and inserting in lieu thereof "16/17 of the excess referred to in clause (i),".

(3) Subsection (a) of section 923 (defining exempt foreign trade income) is amended by adding at the end thereof the following new paragraph:

"(6) CROSS REFERENCE.—

"For reduction in amount of exempt foreign trade income, see section 291(a)(4)."

(c) TREATMENT OF FOREIGN TRADE INCOME UNDER SUBPART F.—

(1) Subsection (b) of section 952 (relating to exclusion of United States income) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, income described in paragraph (2) or (3) of section 921(d) shall be treated as derived from sources within the United States."

(2) Paragraph (1) of section 951(e) is amended by striking out the last sentence.

(d) DIVIDENDS RECEIVED DEDUCTION FOR CERTAIN DISTRIBUTIONS FROM A FSC.—

(1) DEDUCTION FOR CERTAIN DIVIDENDS.—

(A) Paragraph (1) of section 245(c) (relating to certain dividends received from FSC) is amended to read as follows:

"(1) IN GENERAL.—In the case of a domestic corporation, there shall be allowed as a deduction an amount equal to—

"(A) 100 percent of any dividend received by such corporation from another corporation which is distributed out of earnings and profits attributable to foreign trade income for a period during which such other corporation was a FSC, and

"(B) 85 percent of any dividend received by such corporation from another corporation which is distributed out of earnings and profits attributable to qualified interest and carrying charges received or accrued by such other corporation while such other corporation was a FSC.

The deduction allowable under the preceding sentence with respect to any dividend shall be in lieu of any deduction allowable under subsection (a) or (b) with respect to such dividend."

(B) Paragraph (3) of section 245(c) (relating to definitions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, the term 'qualified interest and carrying charges' means any interest or carrying charges (as defined in section 927(d)(1)) derived from a transaction which results in foreign trade income."

(2) SEPARATE APPLICATION OF SECTION 904.—Subparagraph (D) of section 904(d)(1) is amended to read as follows:

"(D) distributions from a FSC (or a former FSC) out of earnings and profits attributable to foreign trade income (within the meaning of section 923(b)) or qualified interest and carrying charges (as defined in section 245(c)), and".

(3) COORDINATION OF SECTIONS 906 AND 902.—Subsection (b) of section 906 (relating to nonresident alien individuals and foreign corporations) is amended by adding at the end thereof the following new paragraph:

"(6) For purposes of section 902, any income, war profits, and excess profits taxes paid or accrued (or deemed paid or accrued) to any foreign country or possession of the United States with respect to income effectively connected with the conduct of a trade or business within the United States shall not be taken into account, and any accumulated profits attributable to such income shall not be taken into account."

(e) EXCHANGE OF INFORMATION REQUIREMENTS.—

(1) Paragraph (3) of section 927(e) (relating to exchange of information requirements) is amended—

(A) by striking out "unless, at the same time such corporation was created or organized, there was" an inserting in lieu thereof "unless there is",

(B) by striking out "section 274(h)(6)(C)" in subparagraph (A) and inserting in lieu thereof "section 274(h)(6)(C) (determined by treating any reference to a beneficiary country as being a reference to any foreign country)", and

"(C) by amending subparagraph (B) to read as follows:

"(B) an income tax treaty which contains an exchange of information program—

"(i) which the Secretary certifies (and has not revoked such certification) is satisfactory in practice for purposes of this title, and

"(ii) to which the FSC is subject."

(2) Paragraph (2) of section 924(c) (relating to requirement that FSC be managed outside the United States) is amended to read as follows:

"(2) the principal bank account of the corporation is maintained in a foreign country which meets the requirements of section 927(e)(3) or in a possession of the United States, and".

(f) COORDINATION WITH POSSESSIONS TAXATION.—

(1) Paragraph (5) of section 927(e) (relating to exemption from certain other taxes) is amended to read as follows:

"(5) COORDINATION WITH POSSESSIONS TAXATION.—

"(A) EXEMPTION.—No tax shall be imposed by any possession of the United States on any foreign trade income derived before January 1, 1987. The preceding sentence shall not apply to any income attributable to the sale of property or the performance of services for ultimate use, consumption, or disposition within the possession.

"(B) CLARIFICATION THAT POSSESSION MAY EXEMPT CERTAIN INCOME FROM TAX.—Nothing in any provision of law shall be construed as prohibiting any possession of the United States from exempting from tax any foreign trade income of a FSC or any other income of a FSC described in paragraph (2) or (3) of section 921(d).

"(C) NO COVER OVER OF TAXES IMPOSED ON FSC.—Nothing in any provision of law shall be construed as requiring any tax imposed by this title on a FSC to be covered over (or otherwise transferred) to any possession of the United States."

(2) CLERICAL AMENDMENT.—Section 934 is amended by striking out the subsection (f) added by section 801(d)(7) of the Tax Reform Act of 1984.

(g) CLARIFICATION OF INTEREST ON DISC-RELATED DEFERRED TAX LIABILITY.—Subsection (f) of section 995 (relating to interest on DISC-related deferred tax liability) is amended by adding at the end thereof the following new paragraph:

"(7) DISC INCLUDES FORMER DISC.—For purposes of this subsection, the term 'DISC' includes a former DISC."

(h) CLARIFICATION OF EXEMPTION OF ACCUMULATED DISC INCOME.—Subparagraph (A) of section 805(b)(2) of the Tax Reform Act of 1984 (relating to exemption of accumulated DISC income from tax) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, the term 'actual distribution' includes a distribution in liquidation, and the earnings and profits of any corporation receiving a distribution not included in gross income by reason of the preceding sentence shall be increased by the amount of such distribution."

(i) CLARIFICATION OF EFFECTIVE DATE FOR REQUIREMENT THAT TAXABLE YEAR OF DISC AND FSC CONFORM TO TAXABLE YEAR OF MAJORITY SHAREHOLDER.—Paragraph (4) of section 805(a) of the Tax Reform Act of 1984 is amended to read as follows:

"(4) SECTION 803.—The amendments made by section 803 shall apply to taxable years beginning after December 31, 1984.

(j) CLERICAL AMENDMENTS.—

(1) Subsection (f) of section 995 is amended by redesignating the paragraphs following the paragraph (3) relating to deferred DISC income as paragraphs (4), (5), and (6).

(2) Subsection (h) of section 901 is amended by striking out "section 927(d)(6)" and inserting in lieu thereof "section 927(d)(6))".

(3) Paragraph (3) of section 802(c) of the Tax Reform Act of 1984 is hereby repealed.

(4) Subparagraph (A) of section 805(a)(2) of the Tax Reform Act of 1984 is amended by striking out "the taxpayer" and inserting in lieu thereof "the DISC or a related party".

(5) Paragraph (2) of section 927(e) is amended by striking out "clauses (i) and (ii)" and inserting in lieu thereof "clauses (ii) and (iii)".

SEC. 173. AMENDMENTS RELATED TO TITLE IX OF THE ACT.

(a) AMENDMENT RELATED TO SECTION 911 OF THE ACT.—Paragraph (3) of section 34(a) (relating to credit for certain uses of gasoline and special fuels) is amended to read as follows:

"(3) under section 6427—

"(A) with respect to fuels used for nontaxable purposes or resold, or

"(B) with respect to any qualified diesel-powered highway vehicle purchased (or deemed purchased under section 6427(g)(6)), during the taxable year (determined without regard to section 6427(j))."

(b) AMENDMENTS RELATED TO SECTION 915 OF THE ACT.—

(1) Paragraph (2) of section 6427(b) (relating to intercity, local, or school buses) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) EXCEPTION FOR SCHOOL BUS TRANSPORTATION.—Subparagraph (A) shall not apply to fuel used in an automobile bus while engaged in the transportation described in paragraph (1)(B)."

(2) Subparagraph (A) of section 6427(b)(2) is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(3) The heading for subparagraph (C) of section 6427(b)(2), as redesignated by paragraph (1), is amended by striking out "EXCEPTION" and inserting in lieu thereof "EXCEPTION FOR CERTAIN INTRACITY TRANSPORTATION".

SEC. 174. AMENDMENTS RELATED TO TITLE X OF THE ACT.

(a) AMENDMENT RELATED TO SECTION 1001 OF THE ACT.—Subsection (b) of section 1001 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"(24) Clause (i) of section 1278(a)(1)(B) (relating to short-term obligations)."

(b) AMENDMENT RELATED TO SECTION 1015 OF THE ACT.—Subparagraph (I) of section 4162(a)(6) (defining sport fishing equipment) is amended to read as follows:

"(I) fishing hook disgorgers, and".

(c) AMENDMENTS RELATED TO SECTION 1018 OF THE ACT.—

(1) Paragraph (1) of section 4041(l) (relating to exemption for certain helicopter uses) is amended to read as follows:

"(1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or".

(2) Paragraph (1) of section 4261(e) (relating to exemption for certain helicopter uses) is amended to read as follows:

"(1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or".

(d) AMENDMENTS RELATED TO SECTION 1034 OF THE ACT.—

(1) The last sentence of section 514(c)(9)(B) (relating to exceptions) is amended by striking out "would be unrelated business taxable income (determined without regard to this paragraph)" and inserting in lieu thereof "is unrelated business taxable income".

(2) Clause (i) of section 514(c)(9)(C) is amended by striking out "section 509(a)" and inserting in lieu thereof "section 509(a)(3)".

(e) AMENDMENTS RELATED TO SECTION 1041 OF THE ACT.—

(1) The subsection (j) of section 51 (relating to targeted jobs credit) added by section 1041 of the Tax Reform Act of 1984 is hereby redesignated as subsection (k).

(2) Subparagraph (B) of section 1041(c)(5) of the Tax Reform Act of 1984 is amended by striking out "section 51(j)" and inserting in lieu thereof "section 51(k)".

(f) AMENDMENT RELATED TO SECTION 1053 OF THE ACT.—Paragraph (2) of section 1034(h) (relating to members of armed forces) is amended by striking out "before the last day described" and inserting in lieu thereof "before the day which is 1 year after the last day described".

(g) AMENDMENT RELATED TO SECTION 1063 OF THE ACT.—Subsection (c) of section 1063 of the Tax Reform Act of 1984 (relating to permanent disallowance of deduction for expenses of demolition of certain structures) is amended to read as follows:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1983, but shall not apply to any demolition (other than of a certified historic structure) commencing before July 19, 1984."

(h) AMENDMENT RELATED TO SECTION 1065 OF THE ACT.—Subsection (b) of section 1065 of the Tax Reform Act of 1984 (relating to rules treating Indian tribal governments as States) is amended by striking out "section 7871" and inserting in lieu thereof "section 7871(a)".

SEC. 175. MISCELLANEOUS PROVISIONS.

(a) WAIVER OF ESTIMATED TAX PENALTIES.—No additional tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 (relating to failure to pay estimated income tax) for any period before April 16, 1985 (March 16, 1985 in the case of a taxpayer subject to section 6655 of such Code), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1984.

(b) AMENDMENTS RELATED TO ORPHAN DRUG CREDIT.—

(1) Clause (ii) of section 28(b)(2)(A) (defining clinical testing) is amended—

(A) by striking out "the date of such drug" in subclause (I) and inserting in lieu thereof "the date such drug", and

(B) by striking out "of such Act" in subclause (II) and inserting in lieu thereof "of such Act or, if the drug is a biological product, before the date on which a license for such drug is issued under section 351 of the Public Health Services Act".

(2) Paragraph (1) of section 28(d) (defining rare disease or condition) is amended to read as follows:

"(1) RARE DISEASE OR CONDITION.—For purposes of this section, the term 'rare disease or condition' means any disease or condition which—

"(A) affects less than 200,000 persons in the United States, or

"(B) affects more than 200,000 persons in the United States but for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for such disease or condition will be recovered from sales in the United States of such drug.

Determinations under the preceding sentence with respect to any drug shall be made on the basis of the facts and circumstances as of the date such drug is designated under section 526 of the Federal Food, Drug, and Cosmetic Act."

(3) The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 1982, in taxable years ending after such date.

(c) TREATMENT OF SALES WITHIN AFFILIATED GROUP FOR PURPOSES OF SECTION 29.—

(1) Paragraph (8) of section 29(d) (relating to related persons) is amended by adding at the end thereof the following new sentence: "In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling qualified fuels to an unrelated person if such fuels are sold to such a person by another member of such group."

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 231 of Public Law 96-223.

(d) RETURNS AND RECORDS WITH RESPECT TO CERTAIN FRINGE BENEFITS.—

(1) Subsection (d) of section 6039D (added by section 1 of Public Law 98-611) is amended to read as follows:

"(d) DEFINITIONS.—For purposes of this section—

"(1) SPECIFIED FRINGE BENEFIT PLAN.—The term 'specified fringe benefit plan' means—

"(A) any qualified group legal services plan (as defined in section 120),

"(B) any cafeteria plan (as defined in section 125), and

"(C) any educational assistance plan (as defined in section 127).

"(2) APPLICABLE EXCLUSION.—The term 'applicable exclusion' means—

"(A) section 120 in the case of a qualified group legal services plan,

"(B) section 125 in the case of a cafeteria plan, and

"(C) section 127 in the case of an educational assistance plan."

(2) The section 6039D added by section 1 of Public Law 98-612 is hereby repealed.

(e) REPEAL OF JOINT COMMITTEE REPORT REQUIREMENT.—Section 6405 (relating to reports of refunds and credits) is amended by striking out subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

PART H—EFFECTIVE DATE

SEC. 181. EFFECTIVE DATE.

Except as otherwise provided in this title, any amendment made by this title shall take effect as if included in the provision of the Tax Reform Act of 1984 to which such amendment relates.

TITLE II—TECHNICAL CORRECTIONS IN OTHER PROGRAMS AFFECTED BY DEFICIT REDUCTION ACT OF 1984

PART A—AMENDMENTS RELATED TO SOCIAL SECURITY ACT PROGRAMS

SEC. 201. AMENDMENTS RELATED TO COVERAGE OF CHURCH EMPLOYEES (SECTION 2603 OF THE DEFICIT REDUCTION ACT).

(a) CLARIFICATION OF EXCEPTION FOR MEMBERS OF CERTAIN RELIGIOUS FAITHS.—Subsection (g) of section 1402 of the Internal Revenue Code of 1954 (relating to members of certain religious faiths) is amended by adding at the end thereof the following new paragraph:

"(5) SUBSECTION NOT TO APPLY TO CERTAIN CHURCH EMPLOYEES.—This subsection shall not apply with respect to services which are described in subparagraph (B) of section 3121(b)(8) (and are not described in subparagraph (A) of such section)."

(b) TREATMENT OF INCOME OF CERTAIN CHURCH, ETC., EMPLOYEES.—

(1) AMENDMENTS OF INTERNAL REVENUE CODE OF 1954.—

(A) IN GENERAL.—Section 1402 of such Code (relating to definitions for purposes of the tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(j) SPECIAL RULES FOR CERTAIN CHURCH EMPLOYEE INCOME.—

"(1) COMPUTATION OF NET EARNINGS.—In applying subsection (a)—

"(A) church employee income shall not be reduced by any deduction;

"(B) church employee income and deductions attributable to such income shall not be taken into account in determining the amount of other net earnings from self-employment.

"(2) COMPUTATION OF SELF-EMPLOYMENT INCOME.—

"(A) SEPARATE APPLICATION OF SUBSECTION (b)(2).—Paragraph (2) of subsection (b) shall be applied separately—

"(i) to church employee income, and

"(ii) to other net earnings from self-employment.

"(B) $100 FLOOR.—In applying paragraph (2) of subsection (b) to church employee income, '$100' shall be substituted for '$400'.

"(3) COORDINATION WITH SUBSECTION (a)(12).—Paragraph (1) shall not apply to any amount allowable as a deduction under subsection (a)(12), and paragraph (1) shall be applied before determining the amount so allowable.

"(4) CHURCH EMPLOYEE INCOME DEFINED.—For purposes of this section, the term 'church employee income' means gross income for services which are described in section 3121(b)(8)(B) (and are not described in section 3121(b)(8)(A))."

(B) TECHNICAL AND CONFORMING AMENDMENTS.—

(i) NET EARNINGS.—Paragraph (14) of section 1402(a) of such Code (defining net earnings from self-employment) is amended to read as follows:

"(14) in the case of church employee income, the special rules of subsection (j)(1) shall apply."

(ii) SELF-EMPLOYMENT INCOME.—Subsection (b) of section 1402 of such Code is amended by adding at the end thereof the following new sentence: "In the case of church employee income, the special rules of subsection (j)(2) shall apply for purposes of paragraph (2)."

(iii) CONFORMING AMENDMENT.—The second sentence of section 1402(b) of such Code is amended by striking out "clause (1)" and inserting in lieu thereof "paragraph (1)".

(2) AMENDMENTS OF SOCIAL SECURITY ACT.—

(A) IN GENERAL.—Section 211 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(i)(1) In applying subsection (a)—

"(A) church employee income shall not be reduced by any deduction;

"(B) church employee income and deductions attributable to such income shall not be taken into account in determining the amount of other net earnings from self-employment.

"(2)(A) Subsection (b)(2) shall be applied separately—

"(i) to church employee income, and

"(ii) to other net earnings from self-employment.

"(B) In applying subsection (b)(2) to church employee income, '$100' shall be substituted for '$400'.

"(3) Paragraph (1) shall not apply to any amount allowable as a deduction under subsection (a)(11), and paragraph (1) shall be applied before determining the amount so allowable.

"(4) For purposes of this section, the term 'church employee income' means gross income for services which are described in section 210(a)(8)(B) (and are not described in section 210(a)(8)(A))."

(B) TECHNICAL AND CONFORMING AMENDMENTS.—

(i) NET EARNINGS.—Section 211(a)(13) of such Act is amended to read as follows:

"(14) In the case of church employee income, the special rules of subsection (i)(1) shall apply."

(ii) SELF-EMPLOYMENT INCOME.—Section 211(b) of such Act is amended by adding at the end thereof the following new sentence: "In the case of church employee income, the special rules of subsection (i)(2) shall apply for purposes of paragraph (2)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid or derived in taxable years beginning after December 31, 1984.

(c) REVOCATION OF ELECTION UNDER SECTION 3121(w).—Paragraph (2) of section 3121(w) of the Internal Revenue Code of 1954 (relating to timing and duration of election) is amended by striking out the last 2 sentences and inserting in lieu thereof the following: "The election may be revoked by the church or organization under regulations prescribed by the Secretary. The election shall be revoked by the Secretary if such church or organization fails to furnish the information required under section 6051 to the Secretary for a period of 2 years or more with respect to remuneration paid for such services by such church or organization, and, upon request by the Secretary, fails to furnish all such previously unfurnished information for the period covered by the election. Any revocation under the preceding sentence shall apply retroactively to the beginning of the 2-year period for which the information was not furnished."

SEC. 202. CORRECTIONS RELATING TO ENROLLMENT AND PREMIUM PENALTY UNDER THE MEDICARE WORKING AGED PROVISION.

(a) PREMIUM PENALTY.—The second sentence of section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)), as amended by section 2338(a) of the Deficit Reduction Act of 1984, is amended by striking out "months in which" and all that follows through "clause (iv) of such section" and inserting in lieu thereof "months during which the individual has attained the age of 65 and for which the individual can demonstrate that the individual was enrolled in a group health plan described in section 1862(b)(3)(A)(iv)".

(b) SPECIAL ENROLLMENT PERIODS.—Section 1837(i) of the Social Security Act (42 U.S.C. 1395p), as added by section 2338(b) of the Deficit Reduction Act of 1984, is amended—

(1) in paragraph (1) by amending subparagraph (A) to read as follows:

"(A) has attained the age of 65,"; and

(2) in paragraph (2), by redesignating subparagraph (C) as subparagraph (D) and by amending subparagraphs (A) and (B) to read as follows:

"(A) has attained the age of 65;

"(B)(i) has enrolled (or has been deemed to have enrolled) in the medical insurance program established under this part during the individual's initial enrollment period, or (ii) is an individual described in paragraph (1)(B);

"(C) has enrolled in such program during any subsequent special enrollment period under this subsection during which the individual was not enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's (or individual's spouse's) current employment; and".

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to months beginning with January 1983 for premiums for months beginning with the first month that begins more than 30 days after the date of the enactment of this Act.

(2)(A) The amendments made by subsection (b) shall apply to enrollments in months beginning with the first effective month (as defined in subparagraph (B)), except that in the case of any individual who would have a special enrollment period under section 1837(i) of the Social Security Act that would have begun after November 1984 and before the first effective month, the period shall be deemed to begin with the first day of the first effective month.

(B) For purposes of subparagraph (A), the term "first effective month" means the first month that begins more than 90 days after the date of the enactment of this Act.

SEC. 203. TECHNICAL CORRECTIONS IN OTHER PROVISIONS RELATED TO SOCIAL SECURITY ACT PROGRAMS.

(a) AMENDMENTS RELATING TO OASDI PROGRAM.—

(1) Section 202(c)(5)(B) of the Social Security Act is amended by striking out "or (I)" and inserting in lieu thereof "or (J)".

(2) Section 202(q)(5)(A)(i) of such Act is amended by striking out "prescribed by him" and inserting in lieu thereof "prescribed by the Secretary".

(3) Section 202(q)(5)(C) of such Act is amended by striking out "she shall be deemed" and inserting in lieu thereof "he or she shall be deemed".

(4) Section 203(a)(6) of such Act is amended by striking out the comma after "shall be".

(5) Section 210(a)(5)(G) of such Act is amended by striking out "Any other service" and inserting in lieu thereof "any other service".

(6) Effective on the date of the enactment of the Deficit Reduction Act of 1984—

(A) section 2601(d)(1)(B)(ii) of that Act is amended by striking out "210(a)(5)(g)(iii)" and inserting in lieu thereof "210(a)(5)(G)(iii)"; and

(B) section 2663(c)(1) of that Act is amended by striking out subparagraph (B).

(7) Section 211(c)(2) of the Social Security Act is amended by indenting subparagraph (G) two additional ems (for a total indentation of four ems) so as to align its left margin with the margins of the other subparagraphs in such section.

(8) Section 215(i)(5)(B) of such Act is amended—

(A) by striking out "subdivision (I)" in clause (ii) and inserting in lieu thereof "clause (i)(I)";

(B) by striking out "subdivisions (I) and (II)" in the matter between clauses (iii) and (iv) and inserting in lieu thereof "clause (i)".

(9) The heading of section 218(m) of such Act is amended to read as follows:

"Wisconsin Retirement Fund".

(10) Section 221(e) of such Act is amended by striking out "under this section" in the first sentence.

(11) Section 223(g)(1) of such Act is amended by striking out the second comma after the term "benefits" where such term first appears in the matter following subparagraph (C).

(12)(A) Section 1402(c)(2) of the Internal Revenue Code of 1954 is amended by indenting subparagraph (G) two additional ems (for a total indentation of four ems) so as to align its left margin with the margins of the other subparagraphs in such section.

(B) Section 3121(a)(8) of such Code is amended by moving subparagraph (B) two ems to the left, so that its left margin is in flush alignment with the margin of subparagraph (A) of such section.

(b) AMENDMENTS RELATING TO AFDC AND CHILD SUPPORT PROGRAMS.—

(1)(A) Section 402(a) of the Social Security Act is amended by striking out "and" after the semicolon at the end of paragraph (37), and by making any additional changes which may be necessary to assure that paragraphs (34) through (37) each end with a semicolon, paragraph (38) ends with "; and", and paragraph (39) ends with a period.

(B) Effective on the date of the enactment of the Deficit Reduction Act of 1984, section 2639(a) of that Act is amended by striking out the period immediately following "utility providing home energy" (in the quoted matter) and inserting in lieu thereof a semicolon.

(2) The placement of the last sentence of section 402(a) of the Social Security Act is modified to the extent necessary to assure that it begins flush to the full left margin without any indentation, immediately after and below the last of the numbered paragraphs.

(3) Section 457(c) of such Act is amended by striking out "subsection (b)(3) (A) and (B)" in the matter following paragraph (2) and inserting in lieu thereof "subsection (b)(4) (A) and (B)".

(4) Section 458(d) of such Act is amended by striking out "on behalf of individuals residing in another State" and inserting in lieu thereof "at the request of another State".

(5) Section 464(b)(2)(A) of such Act is amended by striking out "threshhold" and inserting in lieu thereof "threshold".

(c) AMENDMENTS TO GENERAL PROVISIONS.—

(1) Section 1101(a) of such Act is amended by shifting paragraphs (3), (4), and (5) to the right to the extent necessary to assure that their left margins are aligned with the left margins of the other numbered paragraphs.

(2) Section 1136(b)(7) of such Act is amended by striking out "nongovermental" and inserting in lieu thereof "nongovernmental".

(d) AMENDMENTS RELATING TO SSI PROGRAM.—

(1) The heading of section 1631(g) of such Act is amended to read as follows:

"Reimbursement to States for Interim Assistance Payments".

(2) Section 1612(a)(1)(C) of such Act is amended by striking out "section 43" and inserting in lieu thereof "section 32".

(3) Section 1612(b) of such Act is amended by making any changes which may be necessary to assure that paragraph (11) ends with a semicolon, paragraph (12) ends with "; and", and paragraph (13) ends with a period.

(e) AMENDMENTS RELATING TO MEDICARE PROGRAM.—

(1)(A) Subclause (III) of section 1842(b)(7)(B)(ii) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)(ii)), as added by section 2307(a)(2)(G) of the Deficit Reduction Act of 1984, is amended by indenting it two additional ems to the right so as to align its left margin with the left margins of subclauses (I) and (II) of that section.

(B) Section 1861(n) of the Social Security Act (42 U.S.C. 1395x(n)), as inserted by section 2321(e)(3) of the Deficit Reduction Act of 1984, is amended by striking out "at his home" and inserting in lieu thereof "as his home".

(C) Section 1888(b) of the Social Security Act (42 U.S.C. 1395yy(b)), as added by section 2319(b) of the Deficit Reduction Act of 1984, is amended by striking out "nothwithstanding" and inserting in lieu thereof "notwithstanding".

(D) The amendments made by this paragraph shall be effective as if they had been originally included in the Deficit Reduction Act of 1984.

(2)(A) Clause (iii) of section 1842(b)(7)(B) of the Social Security Act (42 U.S.C. 1395u(b)(7)(B)), as added by section 3(b)(6) of Public Law 98-617, is amended by moving its alignment two additional ems to the left so as to align its left margin with the left margins of clauses (i) and (ii) of that section.

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in Public Law 98-617.

(3)(A) Section 1861(v)(1)(G)(i) of the Social Security Act (42 U.S.C. 1395x(b)(1)(G)(i)), as amended by section 602(d)(1) of the Social Security Amendments of 1983, is amended by inserting, in the matter after subclause (III), "on the basis of" after "(during such period)".

(B) The amendment made by subparagraph (A) shall be effective as if it had been originally included in the Social Security Amendments of 1983.

(f) AMENDMENTS RELATING TO SOCIAL SERVICES PROGRAM.—

(1)(A) Section 2003(d) of such Act is repealed.

(B) Section 2003(b) of such Act is amended by striking out "(subject to subsection (d))".

(2) Section 2007 of such Act is repealed.

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on the date of the enactment of this Act.

PART B—AMENDMENTS RELATED TO UNEMPLOYMENT COMPENSATION PROGRAM

SEC. 211. TECHNICAL CORRECTIONS IN FEDERAL UNEMPLOYMENT TAX ACT

The Federal Unemployment Tax Act is amended as follows:

(1) Subparagraph (B) of section 3302(c)(2) (relating to a limit on the credit against the unemployment tax) is amended—

(A) by striking out "determination" the second place it appears in the material preceding clause (i) and inserting in lieu thereof "denominator", and

(B) in clause (i)—

(i) by striking out "percent" immediately preceding the comma at the end thereof, and

(ii) by inserting "percent" after "2.7".

(2) Subparagraph (A) of section 3302(f)(8) (relating to a partial limitation on the reduction of the credit against the unemployment tax) is amended by striking out "1987" and inserting in lieu thereof "1986".

(3) Clause (i) of section 3306(o)(1)(A) (relating to crew leaders who are registered or provide specialized agricultural labor) is amended by striking out "Farm Labor Contractor Registration Act of 1963" and inserting in lieu thereof "Migrant and Seasonal Agricultural Workers Protection Act".

PART C—AMENDMENTS RELATED TO TRADE AND TARIFF PROGRAMS

SEC. 221. AMENDMENTS TO THE TARIFF SCHEDULES.

The Tariff Schedules of the United States (19 U.S.C. 1202) are amended as follows:

(1) TELECOMMUNICATIONS PRODUCT CLASSIFICATION CORRECTIONS.—(A) Schedule 6 is amended as follows:

(i) Headnote 1 to subpart C of part 4 is amended by striking out "688.43" and inserting in lieu thereof "688.42".

(ii) Headnote 3 of part 5 of schedule 6 is amended by striking out "items 685.11 through 685.19, inclusive," and inserting in lieu thereof "items 684.92, 684.98, 685.00, and 685.08".

(iii) Item 685.34 is amended by inserting "35% ad val." in Column No. 2.

(iv) Item 685.55 is amended by striking out "685.11 to 685.50" and inserting in lieu thereof "684.92 to 685.49".

(B) Headnote 2(ii) to part 7 of schedule 8 is amended by striking out "688.43" and inserting in lieu thereof "688.42".

(2) CORRECTIONS TO THE APPENDIX.—Subpart B of part 1 to the Appendix is amended as follows:

(A) The article description for item 906.38 is amended to read as follows: "N-Acetylsulfanilyl chloride (provided for in item 405.31, part 1B, schedule 4)".

(B) Item 907.38 is amended by striking out "411.87" and inserting in lieu thereof "411.82".

(C) Item 912.13 is amended by striking out "670.20" and inserting in lieu thereof "670.21".

(3) MISCELLANEOUS CORRECTIONS.—The Schedules are further amended as follows:

(A) Headnote 1 of subpart D of part 4 of schedule 1 is amended by striking out "(casein plus albumin)" and inserting in lieu thereof "(casein plus lactalbumin)".

(B) Headnote 1 of subpart C of part 4 of schedule 3 is amended—

(i) by inserting "or" after the semicolon at the end of clause (v); and

(ii) by striking out "; or" at the end of clause (vi) and inserting in lieu thereof a period.

SEC. 222. TECHNICAL CORRECTIONS TO COUNTERVAILING AND ANTIDUMPING DUTY PROVISIONS.

(a) Title VII of the Tariff Act of 1930 is amended as follows:

(1)(A) Subsection (c) of section 701 (19 U.S.C. 1671(c)) is redesignated as subsection (d).

(B) Subsection (g) of such section 701 (as added by section 613(b) of the Trade and Tariff Act of 1984) is—

(i) amended by striking out "(g) Whenever" and inserting in lieu thereof "(c) UPSTREAM SUBSIDY.—Whenever"; and

(ii) inserted immediately after subsection (b) of that section.

(2) Sections 702(b)(1) and 732(b)(1) (19 U.S.C. 1671a(b)(1) and 1673a(b)(1)) are each amended by striking out "(C), (D), or (E)" and inserting in lieu thereof "(C), (D), (E), or (F)".

(3) Subsection (h) of section 703 (19 U.S.C. 1617b(h)) is redesignated as subsection (g), and—

(A) paragraph (2)(A) of that subsection (as so redesignated) is amended by striking out "days under section 705(a)(1) or 225 days under section 705(a)(2), as appropriate" and inserting in lieu thereof "or 225 days, as appropriate, under section 705(a)(1)"; and

(B) paragraph (2)(B)(ii) of that subsection (as so redesignated) is amended by striking out "days under section 705(a)(2)" and inserting in lieu thereof "or 225 days, as appropriate, under section 705(a)(1)".

(4) Section 704 is amended—

(A) by amending subsection (d)—

(i) by redesignating paragraph (2) as paragraph (3); and

(ii) by inserting after paragraph (1) the following new paragraph:

"(2) EXPORTS OF MERCHANDISE TO UNITED STATES NOT TO INCREASE DURING INTERIM PERIOD.—The administering authority may not accept any agreement under subsection (b) unless that agreement provides a means of ensuring that the quantity of the merchandise covered by that agreement exported to the United States during the period provided for elimination or offset of the subsidy or cessation of exports does not exceed the quantity of such merchandise exported to the United States during the most recent representative period determined by the administering authority."; and

(B) by amending subsection (i)(1)(D) by striking out "international" and inserting in lieu thereof "intentional".

(5) Paragraph (2) of section 706(a) is amended by aligning the margin of the matter appearing after subparagraph (B) with the margin of the matter appearing before subparagraph (A).

(6)(A) Section 708 is amended by striking out "SEC. 708." and inserting in lieu thereof the following flush section heading:

"SEC. 708. EFFECT OF DEROGATION OF EXPORT-IMPORT BANK FINANCING.".

(B) The table of contents for such title VII is amended by inserting in numerical sequence the following:

"Sec. 708. Effect of derogation of Export-Import Bank financing.".

(7) Section 736(c)(1) (19 U.S.C. 1673(c)(1)) is amended by inserting ", and was sold to any person that is not related to such manufacturer, producer, or exporter," immediately before "on or after the date of publication of—".

(8) The last sentence of section 751(b)(1) (19 U.S.C. 1675(b)(1)) is amended by inserting "or countervailing duty" after "antidumping" each place it appears.

(9) Section 771(7)(F)(i) (19 U.S.C. 1677(7)(F)(i)) is amended—

(A) by striking "any merchandise" in that part which precedes subclause (I) and inserting in lieu thereof "the merchandise"; and

(B) by striking out "find orders" in subclause (VIII) and inserting in lieu thereof "final orders".

(10) Section 771A(a) is amended by striking out "(ii), or (iii)" and inserting in lieu thereof "(ii), (iii), or (iv)".

(11) Subsection (g) of section 773 (19 U.S.C. 1677b(g)) is redesignated as subsection (f).

(12) Section 775 (19 U.S.C. 1677d) is amended by striking out "an proceeding" each place it appears therein and inserting in lieu thereof "a proceeding".

(13) Section 777 (19 U.S.C. 1677f) is amended—

(A) by striking out "confidential", "nonconfidential", and "confidentiality" each place they appear therein and inserting in lieu thereof "proprietary", "non-proprietary", and "proprietary status", respectively; and

(B) by inserting "or the Commission" after "administering authority" in subsection (b)(1)(B)(i).

(b) Section 626(b) of the Trade and Tariff Act of 1984 (relating to the effective dates of the amendments made therein to title VII of the Tariff Act of 1930) is amended—

(1) by amending paragraph (1) by inserting ", and to reviews begun under section 751 of that Act," after "1930"; and

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

"(3) The administering authority may delay implementation of any of the amendments referred to in subsections (a) and (b)(1) with respect to any investigation in progress on the date of the enactment of this Act if the administering authority determines that immediate implementation would prevent compliance with a statutory deadline in title VII of the Tariff Act of 1930 that is applicable to that investigation.

"(4) The amendment made by section 621 shall apply with respect to merchandise that is unliquidated on or after November 4, 1984.".

SEC. 223. AMENDMENTS TO THE TRADE ACT OF 1974.

The Trade Act of 1974 is amended as follows:

(1) Section 128(b) (19 U.S.C. 2138) is amended by striking out "587.70" in paragraph (1) and inserting in lieu thereof "687.70".

(2) Subsection (n) of section 135 (as added by section 306(c)(2)(B)(v) of the Trade and Tariff Act of 1984) is redesignated as subsection (m).

(3) Section 141(d)(6) is amended by striking out "3679(b) of the Revised Statutes (31 U.S.C. 665(b))" and inserting in lieu thereof "1342 of title 31, United States Code".

(4) Subparagraphs (A), (B), and (C) of section 502(b)(4) are amended to read as follows:

"(A) has nationalized, expropriated, or otherwise seized ownership or control of property, including patents, trademarks, or copyrights, owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens,

"(B) has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property, including patents, trademarks, or copyrights, so owned, or

"(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property, including patents, trademarks, or copyrights, so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property,".

(5) That part of section 504(c)(3)(D)(ii) (19 U.S.C. 2464(c)(3)(D)(ii)) that precedes subclause (I) is amended—

(A) by striking out "from any beneficiary developing country";

(B) by inserting "an aggregate value equal to" immediately before "15"; and

(C) by striking out "if for the preceding calendar year such beneficiary country—" and inserting in lieu thereof "for those beneficiary developing countries which for the preceding calendar year—".

SEC. 224. AMENDMENTS TO THE TARIFF ACT OF 1930.

The Tariff Act of 1930 is amended as follows:

(1) Section 304(c) (19 U.S.C. 1304(c)) is amended—

(A) by striking out "No" and inserting in lieu thereof the following: "(1) Except as provided in paragraph (2), no"; and

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

"(2) If, because of the nature of an article, it is technically or commercially infeasible to mark it by one of the four methods specified in paragraph (1), the article may be marked by an equally permanent method of marking such as paint stenciling or, in the case of small diameter pipe and tube, by taging the containers or bundles.".

(2) Section 313 (19 U.S.C. 1313), as amended by section 202(1) of the Trade and Tariff Act of 1984, is amended—

(A) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) by amending paragraph (3) (as so redesignated) to read as follows:

"(3) The performing of incidental operations (including, but not limited to, testing, cleaning, repacking, and inspecting) on—

"(A) the imported merchandise itself in cases to which paragraph (1) applies; or

"(B) the merchandise of the same kind and quality in cases to which paragraph (2) applies:

that does not amount to manufacture or production for drawback purposes under the preceding provisions of this section shall not be treated as a use of that merchandise for purposes of applying paragraph (1)(B) or (2)(C).".

(3) Section 339(c)(2)(A) (19 U.S.C. 1339) is amended by striking out "relief" and inserting in lieu thereof "injury".

(4) Section 514(a) of the Tariff Act of 1930 (19 U.S.C. 1514(a)) is amended by striking out "as defined in section 771(9) (C), (D), (E), and (F) of this Act".

(5) Section 516(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1615(a)(2)) is amended by adding at the end thereof the following new sentence:

"Such term also means a person that is an association, a majority of whose members is composed of persons described in subparagraph (A), (B), or (C).".

(6) Section 516A(a)(3) of the Tariff Act of 1930 (19 U.S.C. 516a(a)(3)) is amended by striking out "(2)(A)(ii)" and inserting in lieu thereof "(2)(A)(i)(II)".

SEC. 225. AMENDMENTS TO THE TRADE AND TARIFF ACT OF 1984.

The Trade and Tariff Act of 1984 (Public Law 98-573) is amended as follows:

(1) Section 126 is amended—

(A) by striking out the following:

"(3) Paragraphs (1) and (2) of section 126 of the bill are amended to read as follows:"; and

(B) by striking out "8.3% ad val." in paragraph (1) and inserting in lieu thereof "7.5% ad val.".

(2) Section 174(b) is amended by adding at the end of the table appearing therein the following:

"January 1, 1987 ..... 4.9% ad val.".

(3) Paragraph (7) of subsection (b) of section 212 is redesignated as subsection (c) of that section.

(4) The table in section 234(a) is amended by striking out "711.49" and inserting in lieu thereof "712.49".

(5) Section 304(d)(2)(A) is amended—

(A) by striking out "paragraph (6)" in clause (i) and inserting in lieu thereof "paragraph (9)";

(B) by striking out "paragraph (7)" in clause (ii) and inserting in lieu thereof "paragraph (10)"; and

(C) by redesignating the paragraph proposed to be added by clause (iii) as paragraph (11) of section 141(d) of the Trade Act of 1974.

(6) Section 307(b)(3) is amended by striking out "or paragraph (3)".

(7) Section 504 is amended by striking out "Tariff Act of 1930" and inserting in lieu thereof "Trade Act of 1974".

(8) Paragraph (3) of section 619 is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (b)(1)".

SEC. 226. AMENDMENTS TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.

Section 213 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703) is amended—

(1) by striking out "such" the first place it appears in subsection (a)(3) and inserting in lieu thereof "any beneficiary"; and

(2) by striking out "138.42" in subsection (f)(5)(B) and inserting in lieu thereof "138.46".

SEC. 227. CONFORMING AMENDMENTS REGARDING CUSTOMS BROKERS.

Title 28 of the United States Code is amended—

(1) by striking out "(3) or (c)" in section 1581(g)(1) and inserting in lieu thereof "(3)"; and

(2) by striking out "641(a)(1)(C)" in section 1582(1) and inserting in lieu thereof "641(b)(6)".

SEC. 228. SPECIAL EFFECTIVE DATE PROVISIONS FOR CERTAIN ARTICLES GIVEN DUTY-FREE TREATMENT UNDER THE TRADE AND TARIFF ACT OF 1984.

(a) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry of any article described in subsection (b) shall be treated as provided for in that subsection.

(b) In the case of the application of any amendment made by sections 112, 115, 118, 167, and 179 of the Trade and Tariff Act of 1984 (Public Law 98-573) to any entry—

(1) which was made after the applicable date and before the 15th day after the date of the enactment of this Act; and

(2) with respect to which there would have been no duty or a lesser duty if the amendment made by any such section applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on the 15th day after the date of the enactment of this Act.

(c) For purposes of subsection (b), the term "applicable date" means—

(1) in the case of section 118, June 1, 1982;

(2) in the case of sections 112, 115, and 179, June 30, 1983; and

(3) in the case of section 167, October 30, 1983.

(d) For purposes of this section—

(1) The term "entered" means entered, or withdrawn from warehouse for consumption in the customs territory of the United States.

(2) The term "entry" includes any withdrawal from warehouse.●

FARM EMERGENCY CREDIT ACT OF 1985

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

● Mr. MADIGAN. Mr. Speaker, today, I am introducing the Farm Emergency Credit Act of 1985. This legislation is designed to provide emergency short-term loan assistance for farmers having difficulty obtaining credit for the 1985 planting season. It is the result of a strong bipartisan effort in both legislative bodies to address the credit problem facing rural America this spring.

This bill will make available to farmers an advance on the money they will receive at harvest, enabling them to get their crops planted now. They will incur no additional unwanted debt since they will receive only funds for which they will be eligible in the fall. The cost to the taxpayer is minimized because this advance loan will be repaid from the harvested crop. The farmer and the taxpayer are both protected from loss by the addition of multiperil crop insurance to guarantee that there will be funds for repayment.

Senator DIXON and I are making this last attempt in order to respond to Governor Thompson and members of the Illinois Legislature who have urged this effort upon us. They insist there is still time to get immediate credit assistance out to the farmer for the planting season. Time, however, is growing short. We urge the administration to join us in supporting this effort to help farmers keep on farming.

H.R. 1814

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 "Farm Emergency Credit Act of 1985".

ADVANCE RECOURSE COMMODITY LOANS

SEC. 2. Effective for the 1985 crops, the Agricultural Act of 1949 is amended by adding at the end thereof a new section 424 as follows:

"SEC. 424. (a) Notwithstanding any other provision of this Act, the Secretary shall make advance recourse loans available to producers of the commodities of the 1985 crop for which nonrecourse loans are made available under this Act, as follows:

"(1) Advance recourse loans shall be made available only to those producers of a commodity who are unable to obtain sufficient credit elsewhere to finance the production of the 1985 crop of that commodity taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes as determined by the Secretary.

"(2) Advance recourse loans shall be made available to producers of a commodity at the applicable nonrecourse loan rate for the commodity on the date the loan is approved. Within the limits set out in paragraphs (4) and (7) of this subsection, advance recourse loans shall be available (A) to producers of wheat, feed grains, cotton, and rice who agree to participate in the program announced for the commodity on an amount of the commodity equal to one-third of the farm program yield for the commodity times the farm program acreage intended to be planted to the commodity for harvest in 1985, as determined by the Secretary, (B) to producers of tobacco and peanuts who are on a farm for which a farm marketing quota or poundage quota has been established on an amount of the commodity equal to one-third of the farm marketing quota or poundage quota for the commodity, as determined by the Secretary, and (C) to producers of other commodities on an amount of the commodity equal to one-third of the farm yield for the commodity times the farm acreage intended to be planted to the commodity for harvest in 1985, as determined by the Secretary.

"(3) An advance recourse loan under this section shall come due at such time immediately following harvest as the Secretary determines appropriate. Each loan contract entered into under this section shall specify such due date. The Secretary shall establish procedures, where practicable, under which producers, simultaneously with repayment of the recourse loans, may obtain nonrecourse loans on the crop, as otherwise provided for in this Act, in amounts sufficient to repay the recourse loans. In cases in which nonrecourse loans under this Act are not normally made available directly to producers, the Secretary shall establish procedures under which a producer may repay the recourse loan at the time the producer receives advances or other payment from the producer's disposition of the crop.

"(4) Advance recourse loans shall be made available as needed solely to cover costs involved in the production of the 1985 crop that are incurred or are outstanding on or after the date of enactment of the Farm Emergency Credit Act of 1985.

"(5) To obtain an advance recourse loan, the producers on a farm must provide a first lien on the growing crop covered by the loan as security for the loan or such other security as is available and determined by the Secretary to be adequate to protect the government's interests.

"(6) To obtain an advance recourse loan, the producers on a farm must obtain multiperil crop insurance, if it is available, to protect the growing crop that serves as security for the loan. In counties where the sign-up period for multi-peril crop insurance has expired, producers on a farm must obtain other crop insurance, if available.

"(7) The total amount of advance recourse loans that may be made to any person under this section shall not exceed $30,000.

"(8) Advance recourse loans shall be made available only to producers who agree to comply with such other terms and conditions determined appropriate by the Secretary consistent with the provisions of this section.

"(b) If a producer who has received an advance recourse loan under this section fails to comply with any term or condition prescribed by the Secretary, the principal and interest accrued to date of such loan shall be due and payable immediately.

"(c) The Secretary shall carry out the program provided for under this section through the Commodity Credit Corporation, using the services of the Agricultural Stabilization and Conservation Service and, in addition, the services of the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to make determinations of eligibility with respect to the credit test under clause (1), and determinations as to the sufficiency of security under clause (5), of subsection (a) of this section, and in such other capacities, as the Secretary determines appropriate.

IMPROVEMENTS IN THE PROCESSING OF APPLICATIONS FOR FARMERS HOME ADMINISTRATION LOANS

SEC. 3. (a) 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 is authorized to hire additional temporary employees (in addition to those authorized to be hired as of the date of enactment of this Act) to ensure the timely processing of applications for Farmers Home Administration assistance.

REGULATIONS

SEC. 4. Notwithstanding any other provision of law, the Secretary of Agriculture shall issue, or as appropriate amend, regulations to implement the provisions of this Act as soon as practicable but not later than fifteen days after the date of enactment of this Act, and loans and other assistance provided under this Act shall be made available beginning on the date such regulations are issued or amended.●

□ 1330

THE ELECTION IN INDIANA'S EIGHTH CONGRESSIONAL DISTRICT

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

Mr. BUSTAMANTE. Mr. Speaker, thank you for again allowing me to address the House of Representatives on the issue involving the disputed election in Indiana's Eighth Congressional District. Indiana Secretary of State Edward Simcox certified Mr. McIntyre's victory subsequent to a recount of all ballots by special county commissions. Today, I would like to call my colleagues' attention to an article which appeared on March 27, 1985, in the Indiana Daily Student. In a speech made by Mr. Simcox at a Lincoln dinner, he "urged Posey County Republicans to support President Reagan's Central American policies to curb a wave of 'wetbacks' entering the United States in search of economic prosperity."

I am bothered by the remarks for a number of reasons, personal and political. First, I have never been certain of what a wetback is—that's a problem in vocabulary—I take it to mean someone who has waded across the Rio Grande and entered the United States illegally. But, the word has a broader and an uglier connotation—the racist reference to those who live south of our border with Mexico. Now, Texas is south of Indiana, and commonsense suggests that where geography is concerned, the problems associated with illegal immigration from Mexico and Central America are felt most acutely near the river, where backs get wet. I was born near that river and I represent a district which includes 230 miles of the border, somewhere on the order of 12 percent of the 2,000-mile border Mr. Simcox referred to. I do not doubt that Mr. Simcox intended to use the term "illegal alien" rather than "wetback." This is inconsequential. I believe Mr. Simcox does not know why he intended to say "illegal alien" rather than "wetback." I doubt that Mr. Simcox has been to south Texas; I doubt that Mr. Simcox has experienced the prejudice and discrimination that many Mexican-Americans live through from day to day. I am one of those Mexican-Americans who has been denied entry into a restaurant, who has been told that he must get his hair cut somewhere else. In my lifetime, the term "wetback" has been used on me. I am a third-generation American. And yet, because of the way I look and speak, crossing the border from Mexico to the United States is a little more diffcult than if I were white.

I dare say I have a better sense of the volume of illegal immigration across the river in the part of the world I know best, just as I'm sure Mr. Simcox is more of an authority on electoral procedures in Indiana than I am. I do not presume to make pronouncements on matters of fact in which I may be instructed by those whose lives are more intimately affected by those facts than my own.

Nonetheless, Mr. Simcox's remarks have convinced me that our action on the McIntyre-McCloskey race is right. For this is the same man who certified Mr. McIntyre the winner; this is the same man who would disenfranchise more than 1,000 black voters.

The remark is offensive in a political context as well. Mr. Simcox had apparently left aside his interest in the contest for the Eighth District of Indiana at the Lincoln Day dinner the other night—and digressed to the topic of our current and future policy options for Central America and Mexico. The future of U.S. relations with Mexico and Central America are also important to me. I suggest that Mr. Simcox's views are not dissimilar from those who make our Latin American policy today. It is time for us to understand these people. We cannot browbeat these countries any more. If we can treat our European and Middle East neighbors as equals, it is only right and fair to treat Mexico and Central American countries the same. After all, our countries also share many of the same goals for our people.

SOPHISTICATED SCIENTIFIC STUDIES AFFIRM NUCLEAR WINTER THEORY

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, at the beginning of this month, the Department of Defense released its congressionally mandated report on the theory of nuclear winter. While the Pentagon acknowledged the validity of the theory, it also claimed that the rudimentary nature of the theory's analysis—in particular, the unsophisticated computer models it was based on—made it impossible to determine whether a nuclear exchange would have a truly devastating impact on the Earth's climate. The Pentagon also claimed that these uncertainties rendered it unlikely that this new theory would have any strategic or political implications for our nuclear defense planning or the superpowers' relations with newly emerging nuclear powers, such as Pakistan and Iraq.

But Mr. Speaker, as we come to the end of March, a symposium sponsored by the National Academy of Sciences on nuclear winter has revealed very sophisticated modeling work that not only confirms the original hypothesis of nuclear winter but indicates that the climatic consequences of nuclear war may be worse than initially anticipated. And those consequences have to be borne in mind as we consider their important implications for nuclear strategy, here and abroad.

At the symposium, which concluded yesterday, Dr. Stephen Schneider

from the National Center for Atmospheric Research in Boulder, CO, unveiled NCAR's three dimensional computer model research of nuclear winter. That work indicated that a nuclear exchange—even a limited one in the European theater—could produce "quick freezes" in the area destroying one of the world's most productive agricultural centers. Just as importantly, a larger nuclear exchange between the superpowers would probably give rise to a nuclear winter that would affect not only the territories of the superpowers, but also of noncombatants. The research indicates that the agricultures of countries such as Japan and India may be destroyed by quick freezes.

Another major scientific study of nuclear winter done by Los Alamos National Laboratory was also revealed yesterday. Through the use of one of the most advanced computer-based climate models available, the Los Alamos researchers determined that although some of the particles injected into the atmosphere by nuclear detonations would be scavenged out by rain and other natural forces, many of the particles would rise beyond the reach of these scavening processes as they were heated by the Sun. As a result, these particles would comprise clouds that could stay in the atmosphere, blocking the Sun's rays for months.

Clearly, the scientific findings of NCAR and Los Alamos have important implications for defense concerns such as civil defense planning, extended nuclear and conventional deterrence, strategic nuclear targeting, as well as the effects of nuclear winter on noncombatants. None of these concerns was addressed in any detail in the Pentagon's report.

And the Pentagon would have us believe, despite the growing acceptance of this important theory, that those concerns do not merit attention insofar as they relate to nuclear winter. I believe that the work done by NCAR and Los Alamos, and the work that will continue to be done by universities and Federal agencies, puts the lie to that notion. If we are to be responsible for a sound defense, then the Pentagon's planners must join Congress and the scientific community in squarely confronting the profound implications of nuclear winter.

Mr. Speaker, at this point, I request that the following article from the Washington Post concerning the NAS symposium appear in the RECORD.

NEW STUDIES SUPPORT NUCLEAR WINTER THEORY

(By Boyce Rensberger)

The most sophisticated studies yet of a nuclear war's effect on climate have largely confirmed the controversial theory that such a clash could plunge large regions of the world into a devastating period of freezing temperatures—the so-called nuclear winter.

The new studies, reported here yesterday at a major scientific symposium on nuclear winter, indicate that although the period of cold might not be as prolonged as earlier studies predicted, a war in July could drop temperatures by 30 to 100 degrees Fahrenheit for a matter of weeks.

The studies also suggest that even a limited nuclear war—confined, for example, to Europe—could produce a "quick freeze" in the region as soon as two days after the exchange. Although the freeze might not last more than a few days, it could destroy agriculture for the entire season.

"We sustain the idea that nuclear winter is still a possibility," said Stephen H. Schneider of the National Center for Atmospheric Research in Boulder, Colo. "However, we don't see the kind of picture that has three meters of ice over the continent."

Three years ago the nuclear winter hypothesis emerged from studies that scientists have always warned were crude and subject to great uncertainty. They suggested that a nuclear war would blast so much dust into the atmosphere, along with millions of tons of smoke from burning cities, that the sky would be blackened, cutting off sunlight and allowing the land to cool.

In the ensuing public debate the elements of uncertainty were widely overlooked. Nobody really knew how much material would be blasted into the sky, for example, how high it would go or how long it would stay there.

Last December a panel of the National Academy of Sciences released a study largely confirming the nuclear winter scenario but emphasizing the uncertainties.

Today's reports, at a meeting sponsored by the academy and its sister body, the National Academy of Engineering, removed some of the uncertainties. They reported on the results of computer simulations of atmospheric behavior that include more factors than did previous simulations.

The scientists give the simulation program certain basic facts about the amount of particles in the air at a given altitude—still strictly a guess. The program then moves the hypothetical smoke around according to prevailing wind patterns for the season and calculates the effect of lost solar heating on the ground below. The computer then displays global maps showing where the smoke is after a certain number of days and how ground temperatures have changed.

Scientists objected to the previous computer models because they omitted or estimated very crudely many factors. A key factor, for example, was the rate at which particles fell out of the air. Critics of the nuclear winter theory have suggested that rain and other processes would cause most of the particles to fall to Earth before they could affect the climate.

The most sophisticated model, in use at the Los Alamos National Laboratory in New Mexico, takes account of such factors and shows that, although much of the smoke rains out very quickly, the balance rises as it absorbs solar heat, gradually escaping the effects of ordinary weather.

Particles in these layers, said Robert C. Malone, who developed the model at Los Alamos, appear able to remain aloft for many months. Within one month the thicker clouds below, accounting for two-thirds of the particles, have fallen back to Earth. It is not known what ground effect the thinner, higher clouds may have.

Schneider's similar but somewhat less sophisticated model also has responded to the criticism that post-attack smoke would be not evenly distributed around the Earth but, rather, patchy, letting the sun through in places. The patches, he found, could cover a large enough area to drop temperatures below freezing in two days.●

PERMANENT DISPOSAL OF HIGH-LEVEL NUCLEAR WASTE

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

● Mr. WEAVER. Mr. Speaker, pursuant to the Nuclear Waste Policy Act of 1982, the Federal Department of Energy has now designated three potential sites for the first high-level radioactive waste repository: Yucca Mountain, NV; Deaf Smith County, TX; and the Hanford Reservation in Washington.

Under the act, the President is required by March 31, 1987, to recommend to Congress a site for the first repository. The State in which any proposed site is located is accorded particular rights to participate in the site selection process, including the right to submit to Congress a notice of disapproval, which may then be overridden by a joint or concurrent resolution of Congress.

The proposed site at the Hanford Reservation is only 20 miles from Oregon and less than 10 miles from the mainstem of the Columbia River, the major river of the Pacific Northwest. The primary environmental concern with the Hanford site is contamination of the Columbia River. Downstream from Hanford some 280 miles to the Pacific Ocean, essentially the entire length of the river forms the Oregon/Washington border. Water is withdrawn from both sides for domestic and irrigation purposes. And the fishing industry of the entire Pacific Northwest could be gravely damaged by leaks from the repository or if any of the barges carrying the high-level radioactive waste or spent nuclear fuel were to sink in the Columbia River.

The people of Oregon would suffer from any radioactive contamination of the Columbia River just as severely as the p ople of Washington, if not more so: O egon's major population center, Portland, where about half of the State's 3 million people reside, is adjacent to the Columbia River. Washington's largest cities—Seattle, Tacoma, Spokane—on the other hand, are hundreds of miles from the portion of the Columbia River at risk of contamination.

Oregon has a vital interest in ensuring that the permanent disposal of high-level nuclear waste doesn't destroy the State's most vital resource—the Columbia River. Thus, Oregon should be allowed the same opportunity to participate in the site selection, review, and approval process as the

State of Washington. Both States should also be assisted in funding the scientific studies necessary to support their effective participation. The Federal Department of Energy has denied funding to States, such as Nevada, which have sought to undertake their own studies. The bill would provide such funding for Oregon and Washington from the revenues of the Bonneville Power Administration. It would not require any contributions from Federal taxpayers.●

CONSENT CALENDAR PROCEDURES

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

● Mr. FLIPPO. Mr. Speaker, the members of the Consent Calendar Committee have agreed, for the 99th Congress, upon the following policies and procedures: First, generally, no legislation should pass by unanimous consent which involves an aggregate expenditure of more than $1 million; second, no bill which changes national policy or international policy should be permitted to pass on the Consent Calendar but rather should be afforded the opportunity of open and extended debate; and third, any bill which appears on the Consent Calendar, even though it does not change national or international policy, or does not call for an expenditure of more than $1 million, should not be approved without the membership being fully informed of its contents. If it is a measure that would apply to a majority of the Members of the House, in which case the minimum amount of consideration that should be given such a bill would be clearance by the leadership of both parties before being brought before the House on the Consent Calendar. Such a bill would be put over without prejudice one or more times to give an opportunity to the Members to become fully informed as to the contents of the bill.

It must be pointed out to the membership that it is not the objective of the objectors to obstruct legislation or to object to bills or pass them over without prejudice because of any personal objection to said bill or bills by any one member or all of the members of the Consent Calendar Objectors Committee, but rather that their real purpose, in addition to expediting legislation, is to protect the membership from having bills passed by unanimous consent, which in the opinion of the objectors, and Members of the House might have objection to.

The members of the Consent Calendar Committee request that the chairmen of the standing committees of the House having responsibility for bringing legislation before the House take into account the contents of this statement before placing the bill on the Consent Calendar. While it is not absolutely necessary for the sponsors of the bill appearing on the Consent Calendar contact the objectors, to avoid the bills being put over unnecessarily, it is a good practice to do so. The committee members welcome the practice of getting in touch with them at least 24 hours in advance of the time the legislation is called up on the regular call of the Consent Calendar. In many instances, such courtesy on the part of the sponsors will clear away questions which the objectors may have and consequently make for the expeditious handling of the legislation.

This agreement was entered by the gentleman from Alabama, RONNIE G. FLIPPO, the gentleman from Maryland, ROY DYSON, the gentleman from Tennessee, BART GORDON, the gentleman from Pennsylvania, ROBERT S. WALKER, the gentleman from California, DAN LUNGREN, and the gentleman from New York, GEORGE C. WORTLEY.●

Mr. TAUKE. Mr. Speaker, I ask unanimous consent that I may be permitted to proceed out of order with my special order of 60 minutes today.

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

There was no objection.

RURAL HOSPITAL PROBLEMS WITH REIMBURSEMENT UNDER MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. TAUKE] is recognized for 60 minutes.

Mr. TAUKE. Mr. Speaker, first I want to thank you for your indulgence in deferring your own special order in order to give those of us who want to speak on the rural hospital issue an opportunity to address this question.

Mr. Speaker, a few weeks ago we took the floor to talk about the problems facing our rural hospitals and the unfairness of the prospective payment reimbursement system under the Medicare Program.

Since that time we appear to have taken one step forward, but also one step backward. To refresh your memory, the Medicare prospective payment—or DRG—reimbursement system was imposed a few years ago by this Congress in order to try to ensure that we had a fair system and a more cost effective way for reimbursing hospitals for their Medicare services.

Rural hospitals and others, however, have received an unfairly low reimbursement under the DRG reimbursement system. As a result, some of our rural hospitals are in deep trouble. They simply are not receiving the payments under Medicare that they need in order to keep their doors open.

We have recognized this problem in Congress, and we have pinpointed a good portion of the problem as attributable to the flaws in the area wage index which make up a portion of the DRG under the prospective payment system. The area wage index is faulty. In the last Congress we mandated in the Deficit Reduction Act, passed in July 1984, that the Secretary of Health and Human Services issue a revised area wage index within 30 days of the adoption of that act.

Well, that deadline has come and gone. It came and went late last summer. Subsequently, the Secretary of Health and Human Services said, "We will have the report out by the first of January." The first of the year arrived and no report. Then she said the end of February. The end of February came. No report. Then she told a subcommittee of the Appropriations Committee "2 weeks." Two weeks went by, still no report.

Now we understand that the Department of Health and Human Services will deliver the report to Congress before the week is out. If indeed this latest deadline is met, that will be a step forward.

But at the same time I received a letter this week from the Director of the Health Care Financing Administration, Carolyne Davis. Now, Dr. Davis is an outstanding public servant for whom I have great respect. But she indicates in this letter that although we are now going to get the report of the revised area wage indices, we are not going to implement that report until at the earliest the first of October. Instead of having a separate rulemaking that would put the revised area wage indexes into effect, correcting as a result these flawed reimbursements as quickly as possible, the Department has decided to delay the implementation of the new wage reimbursements until sometime later on this year.

It seems to me that it is unconscionable for us, when we recognize that there is a serious flaw in the current reimbursements; when we know that a a number of hospitals are facing great financial difficulties as a result of this flaw; and when we have the data now available to us to correct this problem, not to do so.

So today I have joined and I am joining again with my colleagues in calling on the Department of Health and Human Services to rectify the wrong which the Congress has recognized and has mandated be corrected, which the Department says it recognizes and wants to correct. We want that wrong rectified as quickly as possible.

□ 1340

I am pleased now to yield such time as he may consume to the gentleman from Texas [Mr. STENHOLM], who has

been very helpful in this effort to try to correct this serious problem.

Mr. STENHOLM. I thank the gentleman from Iowa for recognizing me.

Mr. Speaker, I commend the gentleman for his continuing leadership which he has shown in regard to this matter.

Mr. Speaker, while I appreciate the opportunity to join my colleagues here today to speak in behalf of America's rural hospitals, I am very disappointed that the reason for this special order is a continuing lack of response by the Department of Health and Human Services in releasing the report that examines the rural/urban differentials in the formula for Medicare reimbursement to hospitals. I am even more dismayed by Administrator Carolyne Davis' recent letter to my colleague from Iowa, advising that the Health Care Financing Administration [HCFA] has no intention of publishing revised regulations on this issue until all of the proposed notice of payment rates are published this fall. I cannot help but wonder whether it is a lack of accurate information or an outright disregard for the health care of rural Americans that is behind the administration's refusal to take prompt action in this matter.

If the problem is a lack of information, I wish I could take HCFA officials down to the 17th District of Texas to visit with my rural hospital administrators, who have made it very clear to me how desparate their situation is. Today was a very typical day for me as I sat down to review my morning mail. Included in the stack were no less than five letters from health care related individuals begging for the relief that will enable their communities to keep their hospitals. Listen to what some of my constituents are telling me:

> I am the administrator of a very small rural hospital. We have a very capable physician in our community. I believe he is an ethical man; he still charges only $10.00 per office visit. When he admits a patient to our hospital, he feels that hospitalization is needed. Our hospital just barely has enough money to buy supplies and pay our employees. If our hospital should be forced to close, the physician would leave, in my opinion the nursing home would be forced to close and the pharmacy would have to close. Our elderly people would be forced to drive 30 or more miles for medical care or even to have a prescription filled.

A hospital administrator from another rural county provided me with this information:

> Attached you will find a brief study which compares the Medicare payment for 20 DRG's in our hospital compared to an urban hospital. The difference in total reimbursement is 53 percent. In other words, the Federal Government is saying that rural hospitals in Texas, who must meet the same Medicare standards, pass the same Medicare inspections, employ the same skilled personnel, treat and compete for patients equally, must do this for 53 percent less.

Another constitutent, a physician, outlined a very disturbing scenario that he foresees:

> Needed services will be removed from those persons who can least afford the loss, the elderly and the rural poor. It is these people, who are least able to afford the costs of travel to and from urban centers, who are hurt the most. Many of those people will simply forego the needed care and thereby reburden the system and themselves. Victims of farm, ranch and other industrial accidents will also be deprived of their first contact emergency care. Prenatal care and normal obstetrical service would be removed.

This physician concluded with the warning:

> An emergency does exist! There is no time for usual "study of studies" procedures, or the damage will be irreparable. Some decisive step must be formulated and put into effect to save the hospitals and all attendant and dependant services for the rural counties.

I will not attempt to improve on these graphic descriptions of the importance and necessity of our rural hospitals. I only ask that all of the proper officials in the administration listen to these warnings. If the endless testimonies such as these cannot persuade those officials to implement changes, I can only conclude that it is not a lack of information, but, indeed, a disregard for the health care of rural Americans that is the problem.

Presumably, HHS has studied, examined and reconsidered the DRG formulas used for rural hospitals. Once again, I join my colleagues in demanding that the Administration release the report that was due seven months ago, and respond by implementing in an expeditious manner those regulations that will enable rural hospitals to survive.

I thank the gentleman for yielding.

Mr. TAUKE. Mr. Speaker, I thank the gentleman from Texas for his excellent comments.

Mr. Speaker, as the gentleman pointed out, there is very strong reason for implementing the revised area wage indices as soon as possible. First of all, the hospitals that the gentleman describes are the most efficient hospitals. So we want to keep those hospitals in business, not have the system put the most efficient out of business and keep the least efficient in business.

Yet if the Department does not move forward quickly to save our most efficient, cost-effective hospitals, we are going to have a very serious health care problem in rural areas, a health care problem that will also cost the Federal Government more money in the long run.

Second, Congress has mandated that we implement these indexes as soon as possible.

Finally, under the Deficit Reduction Act, we said that once the new area wage index is implemented it should be retroactive to the time the prospective payment system first went into effect. Now if we delay that implementation any longer, the impact of the retroactivity on the hospitals that have been overreimbursed during the last several months will be much greater.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Iowa for his leadership in this area.

Mr. Speaker, nearly 3 weeks ago my colleagues from rural areas were here during a similar special order to discuss the failure of the Department of Health and Human Services to release a congressionally mandated report on a wage index used to reimburse hospitals for services they deliver under the Medicare Program.

I stated at that time I would come to the well of this House on a regular basis until the folks at HHS released its long-promised report. Our presence here today is to remind our colleagues that our rural hospitals remain hostage.

In my mail earlier this week was word from our colleague Mr. TAUKE that the Health Care Financing Administration has stated it will not be proposing any changes in the area wage index until the proposed 1986 prospective payment rates are published later this year and, if accepted, not implemented until October 1 at the earliest.

To put it simply, this is not acceptable. Our small, rural hospitals and the citizens they serve are at jeopardy. In Kansas, our hospitals are losing, on the average, nearly $20,000 every day this wage index is withheld. It's not fair and this Member intends to turn up the heat to get some action.

There is no legitimate reason not to move forward with the revised wage index. Survey after survey has been conducted and the results are in. I strongly urge our friends at HHS to reconsider their position and move forward to correct this inequity. Further delay will only cause further hardship on our rural health care delivery system. It is a simple fact that some providers cannot survive any more delay.

Mr. Speaker, that is the end of my prepared remarks. I would say that I have an additional concern: It seems to me that this body, we come here to legislate, that is what most people think we do back here and they probably think we legislate too much; but I want to tell my colleagues and my friends that most of what we do, 60 percent of my staff's time is spent trying to be a court of last resort in behalf of people when we find all these alphabet-soup agencies around

town doing things to people, as opposed to for them.

Now you know the argument and the gentleman knows the speech; "these are somehow nameless and faceless bureaucrats down at HHS or H2S or HEW," it does not make any difference what acronym you use, but these are not nameless, faceless bureaucrats. They are good people, they are experienced people. I cannot understand for the life of me why we cannot make this decision. I suspect that we are seeing the sly hand of OMB here, that great policymaking body, the Office of Management and Budget actually making this decision.

□ 1350

This is nothing new under this administration. As my colleagues will recall, under the previous administration, we went through something in our rural areas called hospital cost containment. It sounded wonderful except for the fact we would have been denying our rural hospitals essential services; we would have had to close them down.

Then we had something called utilization review, where if your broken arm did not meet the Federal guidelines, you would not be admitted to the hospital, at least to the extent that let's say Medicare would pay for it.

In our rural areas, they said, "We need three doctors in every clinic to review every admission, every 24 hours." How do you do that in a one-doctor clinic?

Then we went through something called health planning guidelines, and as my colleague will remember, there was some person down at H2S or at that time HEW and said, "Well, unless your OB unit has a delivery kind of index there where you are going to deliver 500 babies a year, we are going to close it down." Well, there would have been a lot of babies born in pickups in my country were that the case.

I just want to tell my colleagues that in regards to this particular decision, I am not only fed up, I am not only sick and tired of getting this repeated answer back from H2S that they cannot seem to get the report out; I am tired of being sick and tired.

Why cannot the Secretary meet with us as our colleague, Mrs. SMITH of Nebraska has suggested? She is a former Member of this body; all I urge her to do is come and listen to the music. She does not even have to dance with us. Why for does she do us like she does?

I just would say to my colleague, I would hope that this meeting could be held soon, and I hope we can certainly put an end to this situation, or we will find ourselves here once again with another special order, and once again delays costing our rural hospitals and our rural patients.

I commend the gentleman for his fine leadership in this regard.

Mr. TAUKE. I thank the gentleman, and I want to point out, after he mentioned the Office of Management and Budget, that it is not just our rural hospitals and our patients that are being affected by this; they will not be the only ones to bear the cost; this Government and its taxpayers will also bear the cost. Because if we put our lowest cost hospitals out of business, it means patients will travel to higher cost hospitals, and we will be picking up the tab at those higher cost hospitals.

So it is in everybody's interest to do what Congress has already mandated. I agee with you; I do not mind making the policy; but I really do get sick and tired after a while of beating up on agencies, trying to make them do what they are supposed to do anyway.

I thank the gentleman for his help and contribution.

I yield to the gentleman from Iowa [Mr. LIGHTFOOT].

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

Mr. Speaker, once again we find ourselves here on the House floor to plead with Secretary Heckler to release that report which does revise the hospital weighted indexes under the prospective payment system.

At the same time, we are also pleading with her in the strongest possible terms to implement the indexes once that report is released.

It has already come to my attention that the Department of Health and Human Services plans to published those revised wage indexes for public comment as a part of the proposed notice of payment rates on October 1, 1985.

Unfortunately what that means is that rural hospitals in our districts will not see relief until October, and that is at the earliest. This is just unconscionable; my colleagues and I will not stand for it.

For over a year and a half now, rural hospitals have been operating under a flawed reimbursement formula under the prospective pay program. These hospitals have tried to continue to provide community-based quality health care services; to implement the new Medicare system.

They made a good faith effort to abide by the rules, but I am sure everyone agrees that there is a limit to what these hospitals can do; and they cannot continue to operate under this punitive formula.

The viability of these hospitals is at stake if the indexes are not published soon, and implemented immediately. Rural hospitals have been waiting several months for a correction of the reimbursement formula, and so has the Congress.

Last year, Congress directed HHS to develop a revised set of indexes, to take into account full-time versus part-time employment practices. Congress mandated the Health and Human Services bureau to report back within 30 days. Needless to say, that deadline was missed.

Then they promised a group of my Midwestern colleagues that they would have the report by December 31, and again that deadline was missed. Finally, when Secretary Heckler testified before the Committee on Appropriations on the 1st of March, she said Congress would have the report within 2 weeks. As we know, that deadline has elapsed as well.

Then still without the report, we are told that there are compelling reasons why the revised wage indexes should be incorporated into the yearly publication of proposed rulemaking for the prospective payment system. We are told this is to give interested parties the opportunity to comment.

I guess that Health and Human Services has basically failed to consider our compelling issues for immediately issuing the regulations implementing the expected report. I do not know how we can make it any clearer; our rural hospitals have waited long enough for a fair reimbursement rate.

I do not know how we can make it any clearer that Congress wanted this flawed reimbursement formula corrected right away and not a year later. I agree with Health and Human Services that interested parties should be given a chance to comment on the revised wage indexes, but I do not see what is wrong with letting them comment right now rather than much later. I do not see what is wrong with issuing a separate rulemaking for these revised indexes.

If a separate rulemaking is published, both our concerns in Health and Human Services will be met. Interested parties will have the opportunity to comment, and rural hospitals would be given relief sooner.

So once again, I strongly implore Secretary Heckler to release that report, and to issue a separate rulemaking immediately so that rural hospitals will finally receive the much-needed relief that is owed to them.

I might add to that, as my colleague, the gentleman from Iowa [Mr. TAUKE] is well aware, with the economic situation we have in our State in particular, this also has impact on our small hospitals and if this thing continues on the road that it is on, what do you do when you are 65 or 70 years old and the wind is out of the north and it is 25 below zero, and you have to drive 150 miles to get health care; because that is the net result of what this is going to be.

We need some action, today.

Mr. TAUKE. I thank the gentleman for his excellent comments.

I now yield to the gentleman from Kansas [Mr. WHITTAKER].

Mr. WHITTAKER. I want to thank my colleague for his continued leadership and initiative on this very vital issue.

Mr. Speaker, I am more than happy to join several of my colleagues in a special order to address the problem of reimbursing rural hospitals in a fair and equitable manner under the Medicare prospective payment system.

My colleagues are well aware that hospitals located in rural areas are receiving substantially less in Medicare reimbursement than those hospitals located in urban areas. This is not because they do not provide equal care, but because of a seriously flawed area wage index used in calculating prospective payments under the Medicare Program.

Members representing rural areas have wrestled with this inequity for more than a year, but we were cautiously optimistic when we were told 3 weeks ago that a congressionally mandated report on revised area wage indexes would be before Congress within 2 weeks. We joined our good friend, congressman TAUKE, who has been so diligent in pressing for release of this report, in encouraging Secretary Heckler to release the report and to immediately issue proposed regulations for the implementation of the revised indexes.

I had hoped that we would not have to be here again pushing for action on this issue. But here we are, still without a report, and instead with further disturbing news that HCFA intends to delay implementation of the revised area wage indexes by including them in the notice of proposed rulemaking for fiscal year 1986 prospective payment rates.

This delay in implementing the new indexes only pushes many of our rural hospitals closer and closer to shutting their doors for good. Mr. Speaker, I am astonished that the Department of Health and Human Services continues to defy a congressional mandate to correct this problem, and to correct it retroactively to October 1983. I can only wonder how many more ways HHS can find to further delay fair and equitable treatment of our rural hospitals.

Every day that HHS delays implementing the new indexes, our rural hospitals are forced to make up for the deficiencies in Medicare payments through added charges to other patients, every day HHS delays, our rural hospitals are forced to endure and struggle to keep pace with rapid changes and in some cases fight to keep their doors open 1 more day; every day HHS delays, I become more and more dismayed and angry at their deliberate defiance of a congressional mandate.

Once again, we are not asking for special treatment of our rural hospitals. We're asking for fair treatment. We are asking that HHS follow congressional will, implement the new area wage indexes and stop these deficient payments to our hospitals. Our rural constituents deserve the same availablility and quality of care as their urban neighbors and this continued bureaucratic foot-dragging denies them that right.

How many times have you said to yourself, "There oughta be a law?" Well, in this case, there already is a law. How many times must we tell Secretary Heckler, "You oughta obey the law."

□ 1400

Mr. TAUKE. I thank the gentleman. His remarks are right on target, and I think that he makes a good point. We are not asking to spend any additional money, nor are we asking for any special favors. All we are saying is that we know the way in which we reimburse hospitals now. The way in which we spend funds correctly is flawed. We are not trying to expand the pool; we are trying to make sure that the way the pool is divided is more accurate and fairer.

So I appreciate the comments of the gentleman.

Mr. Speaker, I yield to my colleague from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank my colleague from Iowa for taking this special order and for the leadership he is bringing to try to resolve this inequitable situation.

Today again I rise to protest the flagrant disregard by the Department of Health and Human Services for a fair and equitable resolution of a serious problem in the structure of the prospective payment system.

Many of this Member's colleagues know the rural hospitals are in trouble because of the formula used to determine Medicare reimbursements. Because of a number of factors, including the higher percentage of part-time employees in rural hospitals, the wage-labor index that determines the reimbursements under the prospective payment system is seriously flawed.

In my State, for example, we are said to have the lowest hospital costs or perhaps second lowest of the 50 States. Anyone familiar with our State knows that is absurd, but a major flaw in this system counts all of the part-time employees' salaries as being full-time equivalent. My State happens to have the highest percentage of employees, apparently, who are part-time employees working in those hospitals. So this has been one of the major factors why this formula is seriously flawed.

For almost 2 years now Members from rural States have been working to correct the labor-wage index. A report was promised by the Department of HHS. To that end, the Department conducted studies. They conducted audits. They requested data. They called for adjustments. They met with hospitals. They met with administrators. They convened a special task force and held meetings. A new labor-wage index was reportedly developed. That information, however, languished on the desk of HHS officials for months and months. Members pressed for the release of the revised, fair and equitable figures. Three times the report was promised. Three times HHS failed to deliver—of course, always with an excuse of questionable merit. At the end of February, a solemn promise was forthcoming from the Secretary. Yes, she assured us, the long-awaited report would be released by the middle of March. Now we are told the report is pending action in the Office of Management and Budget. This Member, however, remains skeptical about the latest promises.

Certainly some small rural hospitals that have been struggling for survival cannot withstand the additional months of underreimbursement while the rules are being promulgated. Therefore, this Member stands here today in the well to serve notice to the Secretary of HHS that, since previous attempts to secure her favorable attention have obviously failed, this Member will attempt to secure her attention by influencing appropriations for her Department. This Member is going to continue to badger HHS on this issue until there are favorable results. Certainly there is a tremendous waste of Federal moneys in the workings of certain offices within Health and Human Services.

Let there be no misunderstanding, this Member is prepared to take the rest of the term if needed to be sure that the funds that have been appropriated to support the stalling and posturing from the Department of Health and Human Services are held up or are not appropriated again. I will consult with our colleague on the Appropriations Committee from Iowa [Mr. SMITH] as to where attention-securing and action-securing budget cuts in the bureaucracy of HHS can be made.

Next week this Member will be in the well again if necessary. Next week this Member will report on his efforts to gain the attention of the Secretary of Health and Human Services here in Washington. This Member invites a response from other Members with rural hospitals who have ideas that could be used to force HHS to pay attention to our plight and to keeping their promises.

The old platitude fair is fair bears repeating here. A revised index may mean hardship for some overreimbursed hospitals for a time. Be that as

it may, until corrections are made, the index as it stands means terrible hardships for many struggling rural hospitals. And it means hardships that are delivered in an inequitable fashion. This Member and others who have spoken here today are just the tip of the iceberg of people who are concerned about their constituencies and the effect of this very unfair formula on rural hospitals across the country.

I say to the gentleman from Iowa again: Thank you very much for your continued leadership on this. We will work together until we get a resolution that is fair to our constituents and that implements the law that Congress has passed.

Mr. TAUKE. I thank the gentleman for his comments. As you begin that appropriations battle, count me in.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. I thank the gentleman for yielding, and I for one really appreciate your leadership in this.

Mr. Speaker, the adjustment of the area-wage index is of vital importance to many hospitals in Kansas. If this fundamental inequity is not addressed, Kansas hospitals are projected to lose an estimated $12 million during the first 4 years of the Medicare prospective payment program.

I am surprised that we are here to consider an issue that the Congress wanted settle nearly 6 months ago. Yet, it is my understanding that the Department of Health and Human Services intends to include the revised area-wage index in its notice of proposed rules for the fiscal year 1986 prospective payment rates.

I cannot accept the department's plan to delay implementation of the revised area-wage index until October 1985, this issue has been on the front burner since the initial implementation of the prospective payment system in October 1983. Congress recognized the need for changes in the wage index through provisions of the Deficit Reduction Act of 1984. And, the issue has essentially been resolved since the beginning of calendar year 1985. What does the Department of Health and Human Services hope to achieve by continuing to drag its feet?

Apparently, the department believes that by prolonging implementation of the revised idex, it will ensure the public right to offer informed comments. This is an admirable consideration on the part of the department. However, it seems to me that a 30 day comment period now provides the same opportunity for informed public comment as a 30 day comment period in September. And, while speaking of public rights, I wonder what rights this delay provides rural hospitals who should receive equitable medicare reimbursement? The question is a compelling one, brought on by the insensitivity of the Department of Health and Human Services to resolve this basic inequity in the structure of the prospective payment system.

Further compounded by the delay in implementing the revised area-wage index is the retroactivity requirement of DEFRA. The implementation of the revised area-wage index will require many hospitals to repay overpayments resulting from the current, flawed index. Hospitals at both ends of the spectrum are and will be unduly affected by the inaction of the Department of Health and Human Services.

Should the department fail to correct the inequities of the current area wage index as quickly as possible, the difficulties all hospitals face will be extended—particularly in light of changes proposed in the Medicare Program for fiscal year 1986.

I believe that when the questions of fairness and equity are posed, both rural and urban hospitals will benefit in the long run from the prompt implementation of the revised area-wage index. The equal opportunity to adjust to the prospective payment system is paramount to the overall success of the program. This opportunity, however, will not be realized if the Department of Health and Human Services continues to withhold the immediate implementation of the revised area-wage index.

Thank you, Mr. Speaker.

Mr. TAUKE. I thank the gentleman and all of our other colleagues who have taken time on a busy afternoon to come to the floor and make comments on this issue.

Mr. Speaker, I include for the RECORD at this point a letter that I received from Dr. Carolyne K. Davis, Administrator, Health Care Financing Administration, Department of Health and Human Services, and my letter to her dated March 25, 1985:

HEALTH CARE FINANCING ADMINISTRATION, THE ADMINISTRATOR,
Washington, DC.

Hon. TOM TAUKE,
House of Representatives,
Washington, DC.

DEAR TOM: This is in response to your letter concerning our progress toward implementing revised hospital wage indexes for use in the Medicare prospective payment system [PPS]. You would like us to implement these revised wage indexes using a separate earlier rulemaking process rather than including them in the proposed rulemaking for the fiscal year 1986 prospective payment rates.

I want to assure you that I remain committed to the adoption of improved hospital wage indexes for the Medicare PPS. However, because a revised wage index will result in changes in the payment rate for many hospitals, we believe there are strong arguments for publishing revised hospital wage indexes for public comment. Similarly, there are compelling reasons why revised wage indexes should be published as part of the proposed notice of payment rates to be implemented October 1, 1985. PPS is based on the prospectivity of rates, i.e., new rates are published prior to their implementation so that interested parties have a chance to comment. We believe that informed comments can best be furnished when interested parties are able to analyze and evaluate at one time all the proposed components of the payment formula. In this way, they can assess the total impact of the payment changes.

I also understand you desire to have improved hospital wage indexes which resolve the part-time employment problem implemented as quickly as possible because of the expected way in which this would benefit hospitals in a number of areas. It is understandable that once an improved system is developed, it should be implemented as soon as possible. However, in determining the course we are to pursue, we must balance the advantages to be gained by immediate implementation against the public right to offer informed comment on the revised system.

Sincerely yours,

CAROLYNE K. DAVIS,
Ph.D.

CONGRESS OF THE UNITED STATES,
March 25, 1985.

CAROLYNE K. DAVIS, Ph.D.,
Administrator, Health Care Financing Administration, Washington, DC.

DEAR CAROLYNE: I am frankly dismayed by your letter of March 19, 1985, indicating that it is your intention to delay the implementation of the revised area wage indices by including them in the notice of proposed rulemaking for the fiscal year 1986 prospective payment rates.

The case for moving forward as quickly as possible with an earlier rulemaking process is very strong:

First, the Department of Health and Human Services has already failed to meet Congressionally mandated deadlines for the publication of the area wage index report. It is not possible to justify further violation of the intent of Congress when it can be avoided;

Second, Congress clearly intended that the prospective payment rates be based on the best data available. When that information is available, common sense and Congressional intent mandate that it be used;

Third, Congress has mandated that the revised payment schedules be implemented retroactively. Further delay will impose greater hardships on those hospitals which are receiving larger-than-justified payment rates; and

Fourth, some health care providers cannot survive additional delay.

I do not understand your argument that separate rulemaking compromises the "public right to offer informed comment" on the system. Separate rulemaking will not deny the opportunity for public comment; it will simply require that those comments be offered sooner.

No one can argue that Congress mandated the area wage index report be published late last summer in order to have it languish awaiting the proposed rulemaking for fiscal year 1986. Instead, it is clear that Congress anticipated that the revised payment schedules would be implemented as soon as possible; i.e., we anticipated separate rulemaking.

I strongly urge you to reconsider your decision.

Warmest personal regards.

Sincerely,

TOM TAUKE,
Member of Congress.

● Mr. VOLKMER. Mr. Speaker, we all know there are hospitals facing financial hard times. And we all know that many of those the hardest hit are in rural America. Last year Congress acted to address at least a portion of the problems causing financial hardship for rural hospitals by mandating deadlines for publication of the wage index report. This data would be used to bring rural wage indexes for the Medicare prospective payment system into line so that quality health care can be maintained. But Health and Human Services has failed to act. What Congress has mandated, this bureaucratic agency has chosen to ignore.

In making this mandate we weren't trying to saddle the agency with makework duty; we weren't trying to give rural hospitals advantages over urban hospitals; we weren't trying to handtie the efficient operation of health service providers in this country. Our intent was simple. Under the prospective payment system as it is now structured, a hospital's reimbursement depends not only upon how well it provides services, but depends instead on the location of the hospital. Hospitals located in rural areas receive substantially less in reimbursements than those located in urban areas on the assumption that labor costs are substantially lower in the rural areas than in the urban areas. The key phrase here is substantially lower. They aren't. The wage index report will verify that, if only we could have the wage index report published.

But instead of a report we are getting an agency whose hands appear to be tangled by its own bureaucratic redtape. In fact, it appears the agency is hiding behind the regulatory process by refusing to propose a separate wage index for rural areas despite instructions from Congress.

The result of this delay is a financial straitjacket binding many of our rural hospitals. Some may not survive.

Just this week I received a letter from the administrator of a hospital in my Missouri district. He writes, "Congress has placed a considerable burden upon rural hospitals * * *." That administrator knows the problem and he foresees the results. But what he doesn't know, and won't know if it is up to those in charge at Health and Human Services, is that Congress has taken action. But this agency has refused to take notice of that action.

You can be assured I will tell this administrator that the problem lies not with Congress but with this bureaucratic agency. Of course that explanation won't save his hospital. The action by Congress could save it but not if Health and Human Services refuses to carry out the will of the Congress.

On behalf of the rural hospitals of America, on behalf of those who use or will use the facilities provided by those hospitals, and on behalf of the many who will be without health care if action is not taken now, I strongly urge Health and Human Services to comply with the orders of this Congress and not let rural America continue to suffer.●

● Mr. SKELTON. Mr. Speaker, I thank the gentleman from Iowa for his efforts on behalf of our rural hospitals. That we have any response at all from the administration on the area wage index problem is due to your persistence.

As far as I am concerned, the low priority Dr. Davis has assigned to adjusting the area wage index is indicative of the administration's condescending and contemptuous attitude toward rural and smalltown America. Regardless of the problem, the administration's message to rural America is the same: "Don't bother us with your complaining."

We in rural America do not believe we should be treated in this fashion. We know we are not the cause of this Nation's problems, and we are more than willing to do our share to help make America strong and prosperous. All we expect from the Federal Government is that it will not ignore problems we believe are as significant as any facing the Nation.

I, for one, believe it is time to make the administration understand that rural America wants no more than what we deserve, but, that we will accept no less than that to which we are entitled. Toward that end, I have introduced legislation designed primarily to insure fairer treatment of rural hospitals by Medicare. My bill, H.R. 1682, eliminates the arbitrary urban/rural payment differential from the prospective payment system and orders the Secretary of Health and Human Services to adjust the area wage index for the affects of the use of part-time employees by rural hospitals. Additionally, H.R. 1682 would make payments to all hospitals more equitable, without increasing Medicare's expenditures, by blending national DRG rates with hospital-specific payments.

I invite all of my colleagues who are here today to express concern about Medicare's treatment of rural hospitals to join me in cosponsoring H.R. 1682.●

● Mr. WEBER. Mr. Speaker, I would like to share some disappointing news with my colleagues about the inequities rural hospitals are facing. The prospective payment system's reimbursement of hospitals is based on where the hospital is located. The "rural/urban differentials" in the system reimburse hospitals in rural areas less for the same services per DRG than hospitals in urban areas, on the assumption that rural wages and other costs are lower than those in urban areas. Second, the rural/urban differential for labor and nonlabor costs are greater in our west north central region than in any other region of the country and greater than the national average. Urban hospitals receive 25 percent more for standardized labor costs and 54 percent more for standardized nonlabor costs than rural hospitals receive. Congress recognized the problem in the Deficit Reduction Act, enacted in July 1984. The Deficit Reduction Act requires the Secretary of Health and Human Services to issue a report to Congress on a revision of the area wage indices within 30 days of enactment. The Secretary missed this deadline three times. We can't let this go on and on. The Secretary must immediately initiate the process for implementing the new indices.

Some rural hospitals have had to lay off up to a third of its staff. Despite the slashed payroll, these hospitals continue to limp along. These hospitals are faced with a very serious question. Will they have to close their doors? Closing a hospital would have a terrible impact in some towns. Most community hospitals have to provide services to surrounding areas. If these hospitals fail so will the community. Rural hospitals are struggling to survive. They need immediate relief.

I am happy to join my colleagues in this battle to ensure equity and fairness for our rural hospitals.

Thank you, Mr. Speaker.●

● Mr. STANGELAND. Mr. Speaker, it is indeed an honor to join my colleague, the gentleman from Iowa [Mr. TAUKE] to condemn the Health and Human Services' fourth delay in correcting the revised hospital wage indices by postponing the corrections until October 1, 1985.

This is a case of adding insult to injury. The inequities in the prospective payment system's treatment of rural hospitals are not enough. Now, HHS again refuses to correct the wage indices for another 7 months. Masking its procrastination under the guise of violating the public's right for sufficient time to comment, the agency has decided to delay the rulemaking needed to put these badly needed revised indices in place.

The commenting public HHS is so worried about will be the ones who are now suffering because of the present rural/urban differentials where rural hospitals in rural areas are reimbursed less for the exact same services per DRG than hospitals in urban areas.

During the last Congress, this august body recognizing all the problems, included a provision in the Deficit Reduction Act mandating that the Secretary of Health and Human Services issue a report to Congress on a revision of the area wage indices within 30 days after the enactment. Time and

time again, the Secretary has failed to meet the deadlines which she, herself, has requested. It is imperative that this fourth deadline be kept.

Rural hospitals are struggling to survive under months of underreimbursement. They need the most immediate relief possible. At issue is not only maintaining support for the Nation's rural hospitals, but also the prerogatives of the Congress to assure that the laws it writes are properly executed.

I applaud my colleague, Mr. TAUKE, for his lead and superb efforts on behalf of our Nation's rural hospitals. I join with him and my other colleagues, representing districts with rural hospitals, in pressing for the immediate release and swift implementation of the revised area wage indices.●

● Mr. SCHUETTE. Mr. Speaker, I wish to again express my concern over the crisis now facing rural hospitals across the United States due to the inequitable disparities in Medicare's prospective payment system. Present law mandates two different payments for the same diagnosis, diagnosis-related group [DRG], depending on the hospital's urban or rural classification. The same diagnosis triggers two payment schedules on the basis of the hospital's location. There is no consideration for hospitals located near urban areas that must compete for the same services, personnel, and wages, just to cite a few examples. The Medicare reimbursement system does not account for those costs that are beyond the control of the hospital.

One such hospital that is surrounded by urban areas is Memorial Hospital in Owosso, MI, in my district. The administrators of the hospital estimate that under the current Medicare prospective payment system, Memorial Hospital will lose approximately $1 million in 1987. The hospital must absorb any costs that are over and above those fixed Medicare payments. The results of absorbing those excessive costs for the same services granted as those in urban areas, but reimbursed at a lower level, will be devastating to Memorial Hospital.

Memorial Hospital will thus become a victim of the Medicare prospective payment system unless the urban-rural classification is changed.

The urban-rural designation must take into account the regional variations among the rural hospitals. Many rural hospitals pay more for goods and services labor, transportation, and supplies due their locale. Yet reimbursement does not permit consideration of those hospital specific factors.

The Secretary of the Department of Health and Human Services, Margaret Heckler, has promised Congress an updated revision of the area wage indices. The area wage indices are an integral part of the reimbursement formula for the DRG's. Congress is waiting for those new indices. Rural hospitals are waiting for those new indices.

The revision of the area wage indices would provide a good basis for the long-term overhaul of the Medicare prospective payment system. It would be a start, but there are many other necessary changes that must occur so that an equitable reimbursement system may prevail. How long can the rural hospitals wait? We have been waiting for the changes in the area wage indices. How long must we wait at the expense of the elderly Medicare patients? Health care services are at risk while we wait for the HHS revisions. It is intolerable that the present system provides incentives for the rural hospitals to cut corners and potentially reduce the quality of health services by withholding sufficient Medicare reimbursements.

I know that Memorial Hospital is not the only rural hospital that will be unable to survive such an enormous shortfall of funds. We must persist in our efforts to obtain changes from HHS in the Medicare prospective payment system.●

● Mr. PENNY. Mr. Speaker, I join my rural midwestern colleagues here today to echo the comments I made in this Chamber earlier this month—"Rural hospitals simply can't afford to wait any longer."

Rural hospitals in the west north central region have been waiting since last July for the congressionally mandated revision of the area wage indices which directly affect Medicare prospective payment rates to these hospitals. Now the indices are finally available and instead of providing immediate relief through prompt implementation, the Health Care Financing Administration has proposed that these rural hospitals continue to wait—wait until October 1. That's 6 months or an entire growing season out where I come from.

To HCFA Administrator Dr. Davis I say: "That's just not soon enough. Don't continue to stand in the way of immediate implementation. You have the means through separate rulemaking to put the new rates into effect. On behalf of thousands of rural residents who depend on the viability of rural hospitals, I ask you to act now to do so."●

GENERAL LEAVE

Mr. TAUKE. 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 therein extraneous material on the subject of my special order today.

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

There was no objection.

ORDER OF BUSINESS

Mr. PARRIS. Mr. Speaker, I ask unanimous consent to proceed with my special order at this time.

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

There was no objection.

D.C. THWARTS VIRGINIA AND MARYLAND LIQUOR IMPORTATION LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. PARRIS] is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, I rise to bring to the attention of my colleagues a matter of a somewhat provincial but nevertheless important nature.

Virginia law prohibits the importation into the State of more than 1 gallon of alcoholic beverages (per adult) that has been purchased outside of the Commonwealth's borders. The law has been in effect many years and is designed to protect the Commonwealth's revenues and the integrity of the State's alcoholic beverage control system.

To strengthen enforcement of the State's importation law in northern Virginia, State ABC agents have in the past sometimes placed selected D.C. liquor stores under surveillance to observe conduct by persons who may desire to transport alcoholic beverages into Virginia in excess of the legal limit. The number of hours devoted to such observations is relatively small. However, the known ability to enforce Virginia law not only helps protect the State's revenues but serves as a deterrent to those who may choose to ignore such importation limits.

It is important to note that every time a State resident purchases distilled spirits outside of the Commonwealth's borders, Virginia loses its markup and its sales tax. Beer and wine purchased outside Virginia and illegally imported hurts Virginia businesses and also results in lost taxes. According to a 1983 study, the importation of all alcoholic beverages purchased outside its border by consumers resulted in over $14 million a year in lost revenue, a significant loss for the State and its localities.

In order to put the current situation into perspective, it is necessary to review briefly how such observations have been handled in the past. For years, at least since the 1950's neighboring States have occasionally made law enforcement observations at D.C. liquor stores. In 1978, the Council of the District of Columbia passed the "State Revenue Officers Registration Act," which required out-of-State revenue agents to register with District of Columbia police not less than 72 hours

before entering the District to conduct observations at liquor stores.

In 1983, the Council of the District of Columbia amended the law by emergency enactment, effective December 20, 1983, to require that out-of-State agents must be registered 30 days in advance, thus curtailing virtually all surveillance activities during the 1983 holiday season, the busiest time of the year. Most agents had not registed that far in advance. The temporary legislation expired on March 20, 1984.

In 1984, emergency legislation was passed again by the District of Columbia just in time for the Christmas holiday season. The legislation, effective December 7, 1984 for 90 days, absolutely barred the entry of out-of-State agents into the District for the purposes of surveillance or making observations. In effect, the legislation prevented ABC agents from enforcing the Commonwealth's own laws and, in fact, encouraged violations of State ABC statutes.

In the guise of making police power regulations, the D.C. Council attempted to justify the ban by drawing the following conclusions: that surveillance activities of out-of-State revenue agents had reduced lawful sales of alcoholic beverages in the District; that surveillance had resulted in disturbances and harassment of both retailers and their customers, presenting a continuing threat to public safety and order; and that surveillance, if allowed to continue, would have a negative effect on tourism in the District. These conclusions have never been substantiated. In fact, no Virginia ABC agent has ever been arrested or charged with any violation of the law while engaged in surveillance activities.

On December 12, 1984, the State of Maryland filed a complaint for a declaratory judgment and injunctive relief in the U.S. District Court for the District of Columbia contesting the validity of the absolute ban. On December 18, 1984, the Commonwealth of Virginia also filed a motion for declaratory and injunctive relief in the same court asking that the ordinance be struck down as invalid emergency legislation, that it be declared unconstitutional, and that all enforcement thereof be enjoined.

The two cases were consolidated by the court, and after considering the briefs, the exhibits and oral arguments presented by all parties, Judge Thomas P. Jackson rendered his decision on February 28, 1985.

The Commonwealth of Virginia, in arguments before the court, opposed the ordinance on the grounds that:

First, the legislation encouraged violations of Virginia's importation laws and poses a serious threat to the integrity of Virginia's ABC system;

Second, it was an unreasonable exercise of the District of Columbia's police powers;

Third, it was invalid emergency legislation—the District having improperly concluded there was an emergency in order to bypass required congressional review;

Fourth, it violated numerous constitutionally protected rights; and

Fifth, it was contrary to public policy and written declarations of Congress, that call for cooperation among law enforcement officials of all jurisdictions in their efforts to uphold valid laws.

In effect, the absolute ban on surveillance imposed by the District was designed to stimulate liquor sales within the District through encouraging residents of Virginia—and from Maryland—as well, to disregard and violate duly passed importation laws enacted under the direct authority of the 21st amendment to the U.S. Constitution.

The court's decision on February 28, 1984 was to declare the District of Columbia's State Revenue Officers Registration Act of 1978 Amendment Emergency Act of 1984 null and void. Also, the court enjoined enforcement of the Emergency Act. However, the court did not rule on the constitutional issues. Instead, it based its decision on the grounds there was no emergency and that the ordinance was invalid emergency legislation. Thus, the door has been left open by the court for the District to attempt to prohibit surveillance on a permanent basis. Only through emergency legislation can the District bypass congressional review, and the District's recent abuse of its emergency powers resulting in the above decision, will operate to severely limit its ability to again pass emergency surveillance legislation.

Therefore, the District of Columbia may seek permanent legislation to ban surveillance activities. In fact, it is my understanding that such a measure may be before the Judiciary Committee of the Council of the District of Columbia at this very moment.

The D.C. emergency ordinance was adopted under the guise of trying to control alleged abuse—so-called harassment activities—by our agents and those from other States. However, no evidence has been submitted to date that would substantiate those changes. I submit that the real reason behind the emergency ordinance was to promote the business of D.C. liquor stores and to increase the tax base for the District of Columbia. I do not oppose any legitimate efforts of the District to help its own economy. However, to stimulate liquor sales through encouraging violation of Virginia and Maryland importation laws is wrong, contrary to declarations of Congress as set forth in the Justice System Improvement Act of 1979 at 42 U.S.C. 3701, and any such D.C. ordinance prohibiting law enforcement observations should be rejected and disapproved by Congress to prevent it from becoming permanent.

Public policy considerations should weigh heavily against any legislation that has the effect of encouraging violations of law. Any ban on surveillance should be seriously questioned, especially when the State's importation laws form a vital part of Virginia system. The social and economic impact of a complete breakdown of the enforcement of liquor importation laws could be considerable, and if the best tool for preventing large quantities of alcoholic beverages purchased outside of the State from being transported into my Commonwealth is lost, the integrity of the ABC system may be seriously threatened.

I strongly oppose any permanent legislation passed by the D.C. Council that would seriously impede or ban reasonable law enforcement observations. Such legislation would surely encourage violations of Virginia's ABC laws.

I call upon my colleagues from Virginia and Maryland to join me in a concerted effort to combat the threat.

As you know, District of Columbia legislation has a 30-legislative day layover in Congress before becoming permanent. It is imperative that we be prepared for that eventuality, should such legislation be passed.

□ 1410

H.R. 1775, A BILL TO PROVIDE A RELIABLE, FAIR, AND SUFFICIENT SOURCE OF REVENUE FOR THE SUPERFUND PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. MOORE] is recognized for 10 minutes.

Mr. MOORE. Mr. Speaker, yesterday I introduced a bill, H.R. 1775, to provide a reliable, fair, and sufficient source of revenue for the Superfund Program. I am hopeful that this bill will provide the frame work for reauthorizing the tax title of the Superfund Program. The reauthorization of this program is the single most important environmental issue of this Congress and for my State. Louisiana is one of few States that pays a significant portion of the tax and also has a significant toxic waste problem. We see both sides of the problem.

I have been working for more than a year to develop a Superfund tax structure that is fair, broad based, and that encourages sound environmental disposal and treatment of toxic waste. Economic expansion and protection of our environment are not mutually exclusive goals. Instead, a balance can and must be struck. I believe this bill

accomplishes that goal. Those responsible for the waste must pay for its clean up but those who benefit from the economic expansion and cleanup must also share in the cost.

Louisiana's economy is dependent on the industries most affected by the current Superfund tax. The petrochemical industry is accountable for one out of every eight jobs in Louisiana. U.S. petrochemical products are already declining in world competitiveness in some cases because foreign petrochemical feedstocks are subsidized by foreign governments. The tax structure of our Superfund Program must not unreasonably add to the burden our U.S. industries are already being forced to bear. Instead, we must look for alternatives that ensure adequate resources are available for cleanup.

Our environment is our most precious natural resource and we must make every effort to clean up abandoned toxic dumps. But we must also encourage environmental practices that will prevent future problems. We would be well advised to learn from the words of one of our Nation's earliest conservationists, Theodore Roosevelt who said:

> The Nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value.

We can behave well—certainly much better than those who preceded us who are responsible for the existing problem. It would be unthinkable for us to fail to commit the resources necessary to assure that the next generation is protected from the dangers posed by hazardous waste sites. We should, and I believe my bill does, fund cleanup of past problems on a fair and efficient basis and encourage prevention of future problems.

The revenues provided in my bill, when coupled with EPA projected private-party cleanups of approximately $2 billion, will yield some $7.3 billion in total resources for cleanup activity during the next 5-year phase of the Superfund Program. This represents a almost fourfold increase in resources available for cleanup activities.

We should commit whatever resources will assist EPA in efficiently completing its important task. My bill provides for the maximum expansion of the cleanup program that those who are directly responsible for administering the program will testify can be utilized efficiently. To the extent that anyone can devise a way to accelerate the cleanup program further, without wasting resources, I certainly will support and encourage providing the necessary resources.

Congress must be careful not to assume that throwing money at this problem will solve it. I am deeply concerned that we seek an effective and economically efficient long-term solution. We should not merely transfer the hazardous-waste risk from one geographic area to another, which is exactly what could happen, unless this program is managed with technologically effective solutions. We must assure ourselves that we are solving the Nation's hazardous waste problem and not compounding it with Government waste.

The current funding mechanism of the Superfund Program which relies exclusively on the feedstock tax is fatally flawed in a number of respects. The tax burden is not fairly related to the responsibility for prior cleanups, nor is it related to future anticipated problems. First, the tax is imposed without regard to either the current or past environmental practices of taxpayers. As a result, a taxpayer with state-of-the-art environmental practices bears the same tax burden as one with less sound environmental practices. This is a patently unfair result considering the purpose of the tax. Second, the tax is imposed without regard to the length of time that the taxpayer has been in existence. Thus, a taxpayer who may have never caused any prior Superfund problem is burdened with the same amount of tax liability as a taxpayer who has been in existence for many years and may well have been responsible for existing Superfund problems. Third, EPA studies indicate that there is no basis for determining the extent to which taxpayers are able to passthrough the tax to the users of chemicals who are the most likely entities responsible for existing Superfund problems. Fourth, the correlation between the cost of cleanup with respect to various chemicals appearing at Superfund sites, and the tax imposed on them, is virtually nonexistent. Many of the feedstocks currently being taxed are not toxic. For all of these reasons, a new overall tax structure, for the funding of Superfund, which places a minimum of reliance on the feedstock tax is needed.

This is especially troubling to my State of Louisiana which has a high concentration of feedstock production. More than 25 percent of the total Superfund tax is collected from feedstock production in Louisiana. Yet there are only five national priority list sites in Louisiana being cleaned up by the Superfund. This could be because companies producing in Louisiana are already taking the responsibility for their past sites and are developing sophisticated new methods of treatment in an effort to prevent future toxic waste sites. These companies are paying twice. First for the cleanup of that for which they are responsible, and second for the cleanup of the rest of the Nation where responsible parties cannot be found.

There is no question that we will increase our economic resources committed to the cleanup of hazardous waste. The question is how, and who will bear the burden.

The taxing structure of my bill is designed to answer these questions. It provides a stable and predictable source of revenue; it broadens the tax base from its current relatively narrow base; it minimizes adverse economic impact on taxed industries, and it focuses the tax on the types of industries and practices that are responsible for the environmental problems which the Superfund Program is intended to address. The tax structure is balanced equitably between a feedstock tax, waste-end tax and general revenues, with each component financing approximately one-third of the total fund.

The additional $5.3 billion of resources that would be provided directly to the Superfund in this bill include:

First, a much needed import tax on derivative products. Although current feedstock taxes apply to imported feedstocks, the tax is being avoided by foreign producers who, rather than importing the feedstock, import a derivative product. Such tax avoidance gives imports an unfair competitive advantage. My import tax will correct that problem.

Second, a waste-end tax to discourage the most environmentally risky waste-management practices and to encourage the generation of less toxic wastes. More than 80 percent of the people recently surveyed in Louisiana believe that those who generate the waste should help pay for the cleanup. This tax will achieve that goal and will encourage the development of new and better methods of treatment.

Third, a feedstock tax on crude oil and feedstock chemicals in the same proportion as EPA's recently released 301 studies. My bill modifies the feedstock rate schedule to achieve a more equitable distribution of the tax burden while not increasing the total revenue from that collected under current law. The portion of the feedstock tax attributable to crude oil would decrease from 15 percent under current law to 3 percent under my bill. Similarly, the portion attributable to organic feedstocks would decrease from 65 percent to 38 percent and the share of inorganic feedstocks would increase from 20 percent to 59 percent. This lessens the tax on Louisiana oil and chemicals and shifts to inorganic chemicals as the EPA study says should be done.

Fourth, general revenue contributions of one-third of the total size of the fund. As this Congress chooses, and rightfully so, to place a greater priority on hazardous waste cleanup, our Federal commitment must also increase. There is a public benefit received from these cleanups so the

public through the Treasury should participate.

Fifth, recoveries of amounts from responsible parties. Those who are responsible for the site and can be identified should pay for its cleanup. My bill extends this important provision of current law.

Finally, it is expected that an additional $2 billion will be generated in private party expenditures outside of Superfund. Those expenditures would raise the total level of resources directly at our Nation's total cleanup effort to $7.3 billion.

Mr. Speaker, my bill represents a thoughtfully developed funding mechanism for Superfund. The funding allocation is fair and recognizes that economic development and the protection of the environment are goals that are not mutually exclusive. I am submitting for the RECORD a detailed description of the various components of my bill.

DETAILED DESCRIPTION OF H.R. 1775

The original legislation creating the Superfund Program, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 [CERCLA], was written in anticipation of further congressional action this year. It provided a mechanism for an informed congressional response to whatever further program changes are needed. CERCLA required nine studies to be completed in time for congressional action this year. One of the studies addresses the trade ramifications of the current feedstock tax while another analyzes the relationship between the present feedstock tax system and toxic wastes found in sites studied by EPA. This study also analyzes the desirability and feasibility of alternative tax systems for funding Superfund. The findings of these studies clearly support the 5-year mix of resources contemplated by my bill, which are as follows:

1986-90:	*Billions*
Feedstock tax	$1.47
Import tax	.09
Waste-end tax	1.47
Recoveries	.80
General revenues	1.47
Private party expenditures	2.00
Total	7.3

Each of these components is described below.

FEEDSTOCK TAX

The $1.47 billion feedstock tax in my bill provides about the same amount of revenues as the feedstock tax portion of the administration's recently released proposal and raises annually about the same amount as under current law. However, rather than merely extending the current feedstock tax rules, this bill makes some significant improvements.

It would tax the same list of basic chemical building blocks recommended by the Committee on Ways and Means—the committee—in H.R. 5640 during the 98th Congress. Thus, it would be imposed on crude oil, petroleum products and a list of 56 petrochemical and inorganic feedstocks.

While I hope that the committee will make improvements in the list, I believe that the list contained in this bill is an appropriate starting point for the legislative process. I am confident that input from other members will improve the list. I also intend to seek improvements, including an amendment regarding nickel, which I do not believe should be taxed. The appropriate time to improve the list is after the committee has taken testimony from EPA and the public regarding evidence connecting particular feedstocks to toxic sites.

My bill includes virtually all the other amendments to the feedstock tax structure recommended by the committee last year in H.R. 5640. Thus, it would maintain the current CERCLA exemptions for methane and butane used as a fuel, for substances used in the production of fertilizers, for sulfuric acid produced as a byproduct of air pollution control, and for taxable chemicals made from previously taxed chemicals.

We now understand the current feedstock for what it is—the most arbitrary tax in the Internal Revenue Code. The tax burden it imposes on taxpayers has little correlation to Superfund expenditures either on a retroactive basis, that is, spending required to cleanup for past environmental practices, or on a prospective basis, that is, expected spending required to cleanup for future environmental practices. The CERCLA study discussion of the retroactive equity of the current feedstock tax makes this very clear:

[T]here is an inevitable mismatch between current taxpayers [of the feedstock] tax and previously disposed wastes. Because of this mismatch, we do not know whether the distribution of the tax burden among these industries and the firms within them reflects the degree to which each has contributed to the problems addressed by CERCLA.

In short, the current tax both includes and excludes feedstocks that HRS data indicate could be appropriately taxes. Consequently, some feedstocks (and the firms involved in their production and use) bear a tax burden that available evidence indicates may be unwarranted. Further, still other feedstocks bear no tax, despite their presence at Superfund sites. Both situations result in an inequity. CERCLA 301(a)(1)(G) Study at 5-4.

The study's conclusion with respect to retroactive equity of the feedstock tax is as follows:

This suggests that while the current CERCLA tax falls on the broad industrial groups responsible for fund spending, its distribution among individual substances is not particularly equitable from a retroactive viewpoint. CERCLA 301(a)(1)(G) Study at 5-5.

Likewise, the study's discussion of prospective equity also highlights the arbitrary nature of the feedstock tax:

Prospective Equity. Prospective equity requires that the burden of a CERCLA tax fall on the parties and substances that are likely to cause Fund spending for hazardous substances that have not yet been released into the environment. Further, similarly situated firms ought to pay the same tax, while firms that are different with respect to the likelihood of causing Fund spending ought to be treated differently. Because the current feedstock tax base is broadly defined and has few exemptions, the tax is levied during the production process of all of the substances that are likely to give rise to Superfund spending. It does not matter if Fund spending occurs because feedstock itself has been spilled into the environment, one of the feedstock's hazardous products is released, or the wastes at the end of the production process have been released into the environment (legally or otherwise). The point is simply that by taxing all feedstocks very early in the production process, EPA can be confident that firms producing any substance responsible for CERCLA spending have paid into the Fund. In the absence of detailed econometric modeling, however, we cannot estimate the amount of the tax burden passed through the chain of production to these substances.

On the other hand, by extending the reach of the feedstock tax so widely, it is possible that the tax burden will not fall equally on similarly situated firms and that some substances and parties may bear a tax burden that is not commensurate with their contribution to Fund spending.

In short, the current feedstock tax offers broad coverage of all the substances and situations likely to evoke fund spending. The result of doing so is that this tax does not produce a high correlation between a firm's tax burden and the chance that its behavior will lead to Fund spending. This is because the tax does not discriminate among firms according to their use of the taxed feedstocks, including the hazardousness of the materials made from the feedstocks and the management of the wastes produced in the production process. CERCLA 301(a)(1)(G) study at 5-5.

The overall conclusions of the CERCLA study indicate that no greater reliance should be placed on the feedstock tax than exists under current law. One finding of the study that is useful is the analysis of existing toxic sites and the frequency with which chemicals have been found at those sites. That aspect of the study indicates that the three major categories of feedstocks appear with the following frequency at toxic sites: 3 percent crude oil, 38 percent organic chemicals and 59 percent inorganic chemicals. My bill modifies the feedstock rate schedule to achieve a similar distribution of the tax burden while not increasing the total revenue from that collected under current law.

IMPORT TAX

Although the current feedstock tax applies to imported feedstocks, the tax can be avoided by foreign producers who, rather than importing the feedstock, import a derivative product.

Such tax avoidance gives certain imports an unfair competitive advantage.

The import tax in my bill would eliminate this potential tax avoidance by applying a tax to imports that are directly and substantially produced from taxable feedstocks. The tax, imposed on the importer, would be the lesser of either 5 percent of the value of the imported substance or the amount of feedstock tax that would apply if the feedstock components were subject to the feedstock tax.

The CERCLA study examining whether the tax affects U.S. trade in intermediate and final chemical products derived from taxed feedstocks concluded that "the long-term outlook for trade in most intermediates does not look bright on account of competition from plants in low cost feedstock countries." Although the feedstock tax was not found to be a major factor in this trend—the strong dollar is the most significant factor—we should address the tax aspect of this problem.

Without this import tax, the feedstock tax would give imports a competitive advantage over domestically produced products. The import tax is designed to collect the same tax from imports that apply to domestically produced goods. it is not protectionist. It merely makes the tax system neutral as between domestic suppliers and foreign suppliers. The import tax is expected to raise $90 million over 5 years.

WASTE-END TAX

There was much interest last year in the Committee on Ways and Means to develop a waste-end tax as part of the funding mechanism for the Superfund Program. As a result of time constraints, neither the committee nor the administration was able to develop a reliable waste-end tax. Fortunately, there has been time and the administration now supports this method of funding.

The bill's waste-end tax is designed with three objectives: (1) To discourage the most environmentally risky waste-management practices, (2) to encourage the generation of less toxic wastes, and (3) to provide an administerable, fair, and reliable source of revenues for the Superfund Program.

My waste-end tax is intended to raise approximately $1.47 billion over the 5-years period, about one-half that which would be raised under the administration's bill. My bill also contains some significant structural improvements over the administration's waste-end tax. The most notable improvements are that the tax cannot be avoided by illegal dumping and the tax would not apply to certain waste treatment processes that should be encouraged as an alternative to disposing of wastes in the land, including approved waste water treatment.

The tax would apply only to hazardous waste. It would be imposed on wastes delivered to a treatment, storage, or disposal unit, as well as on waste disposed of in the ocean, exported from the United States or illegally dumped. The tax liability generally would be imposed on the owner or operator of a qualified waste-management facility, or the owner or operator of a vessel that disposes of wastes into or over the ocean. In cases where waste is illegally dumped or not sent to a qualified facility, the tax would be imposed on the generator.

Like the administration's bill, this bill exempts wastes resulting from cleaning up CERCLA sites, and wastes presently required to be studied—covering high volume, low toxicity wastes, such as, mine tailing and drilling mud—and wastes stored in tanks for less than 90 days. Unlike the administration bill, only the hazardous-waste residue of certain types of treatment would be taxed—namely, (1) EPA permitted treatment that renders waste nonhazardous—defined to include only processes meeting the destruction efficiencies required of incineration—and (2) treatment of waste water pursuant to the Clean Water Act. I believe that the absence of such exceptions would provide the wrong incentives and actually would discourage the use of environmentally sound alternatives to land disposal.

I have set my tax rates under the waste-end tax at the same level as in the administraiton bill. As a result, the rate for waste management practices that have the most risk for the environment; that is, for landfills, surface impoundments, waste piles and land treatment units and waste illegally dumped would be as follows:

Year:	*Rate*
1986	$9.80
1987	10.09
1988	11.13
1989	13.48
1990	16.32
1991	16.32

The waste exported from the United States, disposed into or over the ocean, or received at a qualified waste management unit other than one of those specified above, the rates would be one-fourth of the higher rate. While I recognize that my waste-end tax has excluded a number of items that are taxed under the Administration's proposal, in particular waste water treatment and certain forms of treatment which render waste nonhazardous, I believe that using the administration's rates as a starting point is appropriate. Since the administration has introduced its bill there has been a great deal of dispute with respect to the accuracy of the administration's revenue projections. Representatives from affected industries already have presented persuasive evidence to me to indicate that the revenue that would be raised under the administration's waste-end proposal is perhaps four or five times that which the administration has projected. As a result, the administration has undertaken a thorough reexamination of its estimates. My intent is to enact a waste-end tax which raises $1.47 billion over 5 years. It is my intention that the rates which I have set forth in my bill initially will be adjusted so that the final provisions will generate this projected amount of revenue. I am confident that better information will be available to determine the rates necessary to achieve this revenue goal before final committee action. In addition, if for any reason the committee decides it is necessary to substantially increase the rates, I feel that a dry-weight method of computation would be appropriate.

The waste-end tax in my bill significantly broadens the Superfund tax base to include industries that otherwise would not contribute to Superfund. Because those who bear the tax burden generally would be those disposing of hazardous waste, the burden will be borne by those much more closely connected with the Superfund problem.

RECOVERIES

The $800 million in recoveries that my bill authorizes to be appropriated to Superfund is the amount that the administration estimates will be collected over the 5-year authorization period, and is based on the past 5 years' experience with the Superfund Program. It includes interest on Superfund investments, fines, and cost recoveries from parties responsible for response actions financed from the fund.

GENERAL REVENUES

Of all the alternatives, general revenue is perhaps the most appropriate source of funding for the Superfund Program, other than recoveries from responsible parties. Devising a tax system to apply only to those accountable for this Nation's toxic waste sites is impossible because many are either not in existence or cannot be identified. Moreover, it is clear that the entire public has benefited to some extent from these practices in the form of lower prices on products than would have been the case if sounder, albeit more expensive, environmental practices had been observed. Likewise, the beneficiary of the Superfund cleanup is the general public. Deficit concerns prevent me from recommending that all costs other than recoveries from responsible parties of the Superfund Program be funded from general revenues even though that approach might be the most defensible from a fairness perspective. I am recommending that $1.47 billion over the 5-year authorization period be funded from general revenues. This is the same amount which will be raised from both the feedstock tax and the waste-end

tax. It represents less than the $2.3 billion of general revenues that was approved by the House last year in H.R 5640. Given all the relevant considerations, I believe it represents a fair general revenue component.

EFFECTIVE DATES

The effective date of my bill would generally be October 1, 1986. However, the effective date of many of the special provisions approved by the Committee on Ways and Means last session in H.R. 5640 would be the same as provided in H.R. 5640. The effective date of the import tax would be October 1, 1986, in order to permit the Department of Treasury sufficient time to prescribe regulatory guidance.

□ 1420

DILEMMA IN INDIANA'S EIGHTH CONGRESSIONAL DISTRICT CONTINUES

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Connecticut [Mr. ROWLAND] is recognized for 30 minutes.

Mr. ROWLAND of Connecticut. Mr. Speaker, the dilemma in the Eighth District in Indiana continues. Another recount is presently going on by the House Administration Committee, and I suppose many of us will wonder if indeed this will finally be the final outcome. If Mr. McIntyre does win this recount, I suppose we will wonder what will happen next.

In Connecticut during the past election cycle, we faced a similar situation. It happened to be in my old State legislative district. We had a situation where a Republican won election night by a handful of votes, under 10 votes. A recount was ordered immediately afterward because of the small margin. During that recount, the Democrat then won by 2 votes.

In spite of the fact that both houses in the Connecticut Legislature are controlled by the Republicans, the investigation went on after the person was seated, after the Democrat was seated. The final outcome of the investigation by our local GAE committee showed and substantiated the 2-point, 2-vote recount and the person who had been seated stayed there.

In Waterbury, the Waterbury Republican American did an editorial just recently, Tuesday, March 19, 1985, and I would like to read this if I may:

Congress abuses Indiana.

Democrats in the House of Representatives are hardly convincing the electroate in Indiana of their concern for the public. three times they have refused to seat the winner of the election in the State's Eighth Congressional District, leaving the spot vacant but paying two people congressional salaries—Republican Richard McIntyre, who defeated incumbent Democrat Frank McCloskey by 34 votes last November.

Indiana's Secretary of State, a Republican, certified that McIntyre won. A recount was held which increased the victory margin to 418 votes. Democrats in Congress refused to seat McIntyre on three occasions. they claim the official results are suspect. The Democrats never demonstrated such concern over official election results in Chicago in the days of the late Mayor Richard Daley.

An election followed by a recount should be more than ample unless the Democrats can demonstrate more than just a suspicion of wrongdoing.

□ 1430

That was Tuesday, March 19, 1985, in the Waterbury Republican American editorial.

I think the facts remain the same, the four basic facts that have been discussed during the public hearings that are going on. McIntyre's election and certificate have never been disputed by evidence, No. 1.

No. 2, McCloskey was not the winner on election night and never held an official lead.

No. 3, the certificate of election issued to McIntyre by the Indiana Secretary of State was completely in conformity with Indiana law.

And, No. 4, the decision by the task force to simply recount the votes under their own rules without investigating the election of November 6, 1984, is really an unfair attempt to take the seat away from the real winner.

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

Mr. ROWLAND of Connecticut. I yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I would just ask the gentleman whether he had any particular opinion, since he said there was no question about the election results. My understanding is that there were several thousand votes that were not counted because of some technical errors, and I wonder if the gentleman had any particular opinion on whether they should or should not be counted, particularly those in Vanderburgh County, where the election officials failed to initial some votes. My understanding is that election officials failed to put their initials on some ballots.

Under Indiana law it was held that they could not be counted. No one doubts that these were voters who in good faith attempted to vote, and we in the House have decided, I think correctly, through the task force, that those votes should be counted.

I wonder if the gentleman thinks that was a mistake, because that would be one reason why you could expect a very different result in a very close election. The gentleman said 34 votes. There have been higher margins reported. Several thousand votes were cast out, not through the fault of the voters but through the fault of precinct election officials who did not sign them. Does the gentleman think it is unreasonable to count those votes?

Mr. ROWLAND of Connecticut. No. 1, I do not think my opinion on the issue is really all that important. What I think is important is following Indiana State law since they do indeed oversee the election process.

But the first question I would ask is, why did Mr. McCloskey not bring his contest action within the procedural framework of the Federal Contested Elections Act at the time?

I also realize that during the past several weeks there have been press releases mailed into various Republican districts questioning and talking about some racial imbalances, which I take great offense to and I think many people in Indiana and also in this House take great offense to.

But those are some of the things that could and should be investigated. Those are some of the things that should have come up if indeed Mr. McCloskey were to contest the election at the proper time and in the proper framework.

Mr. FRANK. Mr. Speaker, will the gentleman yield again to me?

Mr. ROWLAND of Connecticut. I certainly will yield to the gentleman from Massachusetts.

Mr. FRANK. The gentleman asks the question, Why did Mr. McCloskey come here? It may have been that he read the Constitution of the United States which says that one perfectly legitimate forum is to come here. The statute that was passed sets out one alternative forum and in no way preempts people from coming here.

The gentleman said some press releases have been sent into the districts. My recollection is that it is the Republican Congressional Campaign Committee that began sending out press releases into people's districts on this. I think for Members on the other side to complain because some people sent out some press releases into their districts, given that that had been initiated on the other side, is a little bit hypocritical. It was not, I think, initiated here that this would be done by press release. You cannot expect a unilateral action.

The gentleman mentioned the secretary of state of Indiana. He is the distinguished gentleman who told the Posey County Republican Central Committee that we ought to worry about the "wetbacks." He later said he did not mean to say "wetbacks"; he meant to say "illegal aliens."

I sometimes have problems with my diction, and sometimes the words do not come out quite the way they should, but meaning to say "illegal alien" and having it come out "wetback" is the kind of a slip of the tongue which could dislocate your whole spine. It is hard to understand how you could mean to say "illegal

alien" and have it come back "wetback."

So, yes, when we have a man who uses that kind of language at an official Republican dinner, I can just imagine what this guy calls people in private. When we have a guy who does this kind of thing, we do get a little questioning.

I still think that we have the fundamental point before us. Indiana law does say that these people's votes cannot be counted. I was impressed by the gentleman from Indiana [Mr. MYERS], who in a colloquy with me a little while ago said that he agreed that in the particular county, Vanderburgh County, where the precinct officials failed in large numbers to sign the ballots, he agreed with the election task force majority and with me that those votes should be counted despite Indiana law. It does not mean Indiana law is to be disregarded easily. It means that the Constitution charges this body with the ultimate decision, and we believe—and Mr. MYERS agrees—that voters who in good faith showed up at the polls and voted should not have their ballots disregarded in large numbers because of a failure of the election officials.

So a decision to count those votes is, I think, a very reasonable one. It is one that one of the Republican Members from Indiana agrees with, and it is one reason why there is a very clear question about the election. When thousands of ballots are not counted under Indiana law because of a mistake by the election officials and we have a very small margin, I think it is reasonable to have those ballots counted.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ROWLAND of Connecticut. First, Mr. Speaker, I would point out to the gentleman from Massachusetts that I have never seen a problem he had with diction. I have seen him in action in the committee and on the floor of the House, and he does a fine job.

I think many of us realize why Mr. McCloskey did not bring a complaint under the Federal Contested Elections Act. It was because under that procedure he would have to demonstrate a threshold or a proof of irregularity. And I think that when the gentleman from Massachusetts makes reference to the secretary of state of Indiana and the comments he recently made, we realize a number of things—first, that we are not here to judge a particular individual, whether it be the secretary of state or another official.

His comments, I understand, were made recently at a dinner. I for one and, I am sure, many of my colleagues do not share his opinions about that foreign policy remark, and I take great exception to it also. But we do have a responsibility to seat the certified winner in the Eighth District of Indiana, and I do not think we should complicate the issue and talk about comments that were made back in the district by individuals, elected or otherwise, that do not have any clear-cut implication or connection with this particular case.

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

Mr. ROWLAND of Connecticut. Certainly I yield to the gentleman from Massacnusetts.

Mr. FRANK. I would agree that it would be wrong to quote people that did not have any clear-cut identification with this particular case. The man who made the "wetback" comment, the man who, let us remember, tried to say "illegal alien" and had it come out "wetback," has a very central connection with this case. He is the man who certified Mr. McIntyre as the election winner. So that is why the questions of his credibility get raised. He is not unrelated to this case, unfortunately.

Mr. ROWLAND of Connecticut. Mr. Speaker, I thank the gentleman for his contribution.

ORDER OF BUSINESS

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent to take my special order out of order right now.

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

There was no objection.

FREE TRADE—A ONE-WAY STREET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I have been one of those people who have advocated free trade and free enterprise throughout the world for some time. I have been distressed in the past, however, because Japan has been one country that has been a long-time trading partner of the United States that I believe has taken unfair advantage of our country. They have had approximately 30 percent of our auto market for the past several years while not allowing us to export freely to their country. They have high import tariffs and trade barriers erected against our products while we have been very gracious and let them sell carte blanche all the cars they want to in the United States of America.

Recently the White House indicated they were going to allow the Japanese to drop their voluntary trade restrictions as far as selling automobiles to the United States of America is concerned. At that point, because there has not been real free trade between the United States and Japan, I became very upset because I felt that if we were not going to have a two-way street, the United States should not make concessions in this area. I was told by many of my colleagues: "Don't worry, the Japanese won't take more of our market than they already have. They will restrain themselves."

Well, today in the Washington Post the headline is: "Japan Raises Ceiling on Auto Shipments to U.S. by 25 Pct."

This year, Mr. Speaker, they anticipate exporting 2.3 million units, which is the maximum amount they can produce for export, I understand, to the United States. Last year, when the voluntary restraints were in effect, they exported 1.85 million.

Mr. Speaker, at this rate the Japanese will have 50 percent of our auto market in the not too distant future, and the people of this country are not going to tolerate that.

□ 1440

One of the things that happened in Indianapolis that really distressed me recently was that we have a Western Electric plant which is being vacated by that company. We thought that the Chrysler Corp. was going to buy it to produce their new minivans. After they found out the voluntary export controls were being dropped, Mr. Iacocca, we understand, decided to take that facility out of the country and along with it 4,200 American jobs.

Now, if we are going to have free trade, Mr. Speaker, with our friends throughout the world, and the European Common Market countries, and in the Far East, and Japan, then let us have free trade, but it cannot be a one-way street, and that is what it is turning into. It has been that way in the past and it is getting worse. They are increasing by 25 percent their export of automobiles to this country in the next year and along with it are going to go a lot of American jobs. We cannot tolerate that.

Mr. Speaker, if this continues, I, as a free enterprise and free trade advocate, will be forced to introduce legislation which will mandate that we put quotas on the Japanese and stop them from taking away our markets, and our trade, and our products unfairly.

We have a problem in this country, Mr. Speaker, I believe, with unemployment right now and that problem is exacerbated by our companies going overseas to produce products that are going to be sold in this country.

This kind of action on the part of the Japanese in dropping those import quotas encourages these companies to continue to leave the United States of America. We need to force these countries to have controls, or else have free trade, and if they are not going to do

it, we should do it for them in the Congress of the United States.

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

Mr. BURTON of Indiana. I yield to the gentleman.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

If the gentleman will allow me, I would like to go back to the discussion that took place in the House a few minutes ago. It is always disappointing to me when we have such weak arguments around here that we have to engage in personal attacks in order to fortify our argument; but I heard a few minutes ago the gentleman from Indiana, the secretary of state, attacked for remarks that he had made in a speech in Indiana, remarks evidently based upon what the press reports are he regrets, too; but we have a "Dear Colleague" letter that came around and then the question was raised here on the floor that seems to impugn the integrity of the gentleman, based upon his statement referring to "wetbacks" out there. I think that is a statement that most politicians would regret.

I want to make the point, however, that in the last session of Congress one of the distinguished chairmen of this body in one of our committees in this Congress made a similar reference in the committee. I recall that he must have had that twisted back that we referred to a few minutes ago here, too, because I find that when the committee documentation came out on this, he turned out to have said, "persons without papers," as the change that he made in his language. I have never heard anyone suggest that that gentleman lacks the integrity to be able to do his job competently, having made that error of statement within the committee.

I would also suggest that in this case that we had better be very careful about throwing rocks when they are coming within glass houses, because the gentleman from Indiana, Mr. Simcox, has never been said by anyone that I know of to have done anything other than what the law required him to do with regard to the certification of Mr. McIntyre. That is the basis on which we ought to be judging this and not engaging in personal attacks or, even more regrettably as the Democratic congressional committee has done, engage in racial attacks.

I thank the gentleman very much for yielding.

Mr. BURTON of Indiana. Well, I thank the gentleman. I was not going to comment on this, because I had another thought in mind when I came down here for special orders; but I am from Indiana and I had served with the Honorable Ed Simcox, our secretary of state, for a number of years. I can tell you, regardless of party affiliation, within the State of Indiana there is no politician more highly regarded than our secretary of state, nor is there anyone whose integrity is more highly regarded.

As far as this statement, with which I am not familiar, that sounds totally out of character for Mr. Simcox. Now, he may or may not have said it. I really do not know; but I can tell you that that in my opinion has no bearing whatsoever upon the case of whether or not Mr. McIntyre should be seated.

Mr. McIntyre, according to Indiana election law, the original count, he won by 34 votes and in the recount won by over 400 votes.

Now, in Vanderburgh County, a county controlled by the Democratic Party and a county whose recount commissioners were Democrats, 2 to 1 Democrats, that county did, as I understand it, disallow some ballots because they were not properly handled; but to make any kind of statement that would impugn the integrity or the motives of Secretary Ed Simcox, I think is totally unwarranted.

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

Mr. BURTON of Indiana. Yes, I would be glad to yield.

Mr. FRANK. Somebody may have impugned Mr. Simcox's integrity. I raised a question about his credibility.

Mr. BURTON of Indiana. Well, if I might just interject here——

Mr. FRANK. Well, I am not going to try then; if the gentleman is going to yield to me and take it back every three or four words, then it is not worth it.

Mr. BURTON of Indiana. BARNEY, you just have to listen, because I have the time. I will just tell you this, that when you start questioning character, or integrity, or whatever, I think those are pretty much interchangeable. Mr. Simcox's character is above reproach as well.

Mr. FRANK. Will the gentleman yield?

Mr. BURTON of Indiana. Yes, I will be glad to yield.

Mr. FRANK. I would agree that character and integrity are close. The word I used was "credibility." I try to be careful about words. Sometimes I am not always. Credibility seems to me to be something very different than character or integrity.

What I wanted to say was the gentleman suggested that maybe Mr. Simcox did not use the word "wetbacks." I think anyone who uses it has made a very grave error. It is not the kind of thing that I think is inadvertent. I think when you use a very prejudiced term like that, it is very unfortunate, particularly for an official to use it and it ought to be condemned.

If, as the gentleman from Indiana suggests, he may not have said it, I hope he will let us know and I will be glad to acknowledge that.

The gentleman from Indiana said, well, maybe he said it and maybe he did not. I see no indication that he said he was misquoted. He said he meant to say "illegal alien" instead of "wetback." I think that is just a hard mistake; but if the gentleman would report to me that he did not say "wetback," I will be glad to apologize instead of going on the newspaper report.

Mr. BURTON of Indiana. Well, in any event, his credibility cannot be questioned, either, BARNEY, or Mr. FRANK, or Representative, or the Honorable Representative from Massachusetts, whatever.

I might add that I know the gentleman quite intimately. We participated in athletic events as well and even my illustrious colleague from Massachusetts occasionally gets a little exasperated and he is liable to say something he regrets.

Mr. FRANK. Will the gentleman yield?

Mr. BURTON of Indiana. Yes.

Mr. FRANK. I often say things I regret, but I do not use ethnic terms of derogation. There really is a line to be drawn there.

I say some things that I wish I had not said. More often I say things that other people wish I had not said, but I do not lapse, and I do not think the gentleman from Indiana does, either, into these kind of ethnic remarks. I really think that they are a cut different than the other kind of remarks.

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

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding, because the material that was sent around to our offices came from a Member of Congress who did, in fact, use language talking about questioning of integrity in this "Dear Colleague" letter. That is where I got that language and the gentleman, I would say to the gentleman from Massachusetts as well, that no one as I recall has questioned the credibility of the committee chairman who in the last Congress used that terminology in the course of the deliberations of his committee.

Now, if what the gentleman from Massachusetts is saying is that we ought to call into question the credibility and the integrity of that Democratic chairman of that committee, then I think that is the basis on which he can in fact make the same kind of statement with regard to the remarks that evidently Mr. Simcox made.

Mr. FRANK. Will the gentleman yield?

Mr. BURTON of Indiana. Yes; I will be glad to yield.

Mr. FRANK. I thank the gentleman.

I would say, first of all, I was not aware that a chairman on this side had used the phrase. I condemn the use of that phrase by whoever did it and I would question the credibility of someone who used that; that is, I would say to one who in a public position makes ethnically derogatory remarks; that raises questions about credibility.

I would again, though, take exception to when the gentleman said that I should question credibility and integrity. There does seem to me to be a difference between the two.

I mean something different when I talk about integrity and credibility in these statements. I think that when you have, from a public position, engaged in ethnic remarks of a derogatory sort, you are undermining the credibility, by which I mean the kind of respect for your office and your ability to use it that ought to exist. I would apply that to anybody who made those kind of remarks.

Mr. BURTON of Indiana. Let me just end my part in this colloquy by saying that Mr. Simcox has really never been brought up in this body, except in the context of the McIntyre-McCloskey race for Congress. Now all of a sudden our Democrat colleagues are following him around the chicken circuit, you know, when we have our Lincoln Day dinners, listening to every word he utters, trying to discredit this individual.

You know, I am sure he regrets having said this, but this has absolutely nothing to do with the McIntyre-McCloskey race.

□ 1450

And you folks keep conjuring these things up to try to divert the attention of the American people away from the real issue. And the real issue is that you are trying to steal McIntyre's seat. You are trying to give it to a Democrat because you have 70-some more Members in this body than we have.

That is the crux of the argument, not whether or not Mr. Simcox uses some kind of derogatory comment in a speech. That has nothing to do with the argument. What you are trying to do is use the old ball-in-the-air trick. Keep the eye on the ball over here so that the people do not watch what is really going on over here.

The fact of the matter is the argument to be made in the Chamber is whether or not Rick McIntyre should be seated as a Member of Congress. Rick McIntyre won in the original count by 34 votes. He won in the recount by 418 votes. There have been no allegations of fraud. And now you are trying to divert the attention of the American people to some kind of a statement that was made at a Lincoln Day dinner, totally unrelated to the issue.

Mr. FRANK. Will the gentleman yield?

Mr. BURTON of Indiana. Yes; I yield.

Mr. FRANK. I do not understand why the gentleman is so distressed that people would call attention to an unfortunate remark made by an elected official. I think it is perfectly reasonable to nail that kind of prejudice.

Mr. BURTON of Indiana. Let me ask the gentleman this——

Mr. FRANK. If I could respond to the gentleman.

Mr. BURTON of Indiana. If Mr. McIntyre, if this case was not pending before this body, this recount, and if this race was not being questioned, would the gentleman be talking about Ed Simcox today?

Mr. FRANK. I think I would. I would if it was brought to my attention. Yes; any time an elected official makes ethnically derogatory remarks like that, they ought to be condemned.

I think some of our colleagues, the gentleman from Texas [Mr. BUSTAMANTE], the gentleman from New York [Mr. GARCIA], I think Representatives of the Hispanic tradition, yes, they would have been very upset.

But I just want to respond to the question of stealing the election, which I reject. My understanding is that there are two separate questions. I know people have been upset by the failure to seat pending the resolution of the contest.

But to have the neutral observers from the General Accounting Office count—I and others I think have committed ourselves to vote for whoever they come in with—I regret that characterization of that as stealing. I think if you ask the General Accounting Office to count in a straightforward way, that is not stealing an election, and I do not understand why the gentleman would so characterize it. I have committed myself to vote for whoever these objective counters say won the election.

I do not understand why having a count is somehow stealing the election.

Mr. BURTON of Indiana. I guess each person looks at things a little bit differently. I think when a man has been certified the winner, he has been certified the winner in a recount, there has been no allegations of fraud, then he has won the race. That is just the way we look at it out in Indiana. But I guess different States look at it differently.

I yield back the balance of my time.

THE RETIREMENT OF MADELYN REISS

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

Mr. GONZALEZ. Mr. Speaker, I would like to call the attention of my colleagues to the fact of the retirement of Ms. Madelyn Reiss, a face familiar to us and sometimes whose duties are taken for granted, and who becomes nameless, but a very longtime and distinguished and effective and very competent worker who makes it possible to complete what I call the opening and closing of the doors of a session of the House of Representatives. In this case Ms. Madelyn Reiss is retiring as of today.

She is yet relatively young, but as a special assistant to the Reporters of Debates she has been most helpful to the Members who have had the privilege of serving in this House for a couple of decades and a half. I wanted my colleagues to take note by placing into the RECORD this fact, and that I am sure I speak for every one of my colleagues when I say that we wish Ms. Reiss a very happy and successful future career in all of her future endeavors.

I believe her principal reason and motivation for leaving is that she wishes to concentrate more fully on this all-important duty of properly caring for her children and her family. And I believe that this is most laudable and that we should make note formally of her distinguished service to the House of Representatives.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore (Mr. FRANK). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, my purpose for rising on this occasion for this special order is to provide the third continuing chapter of what I call my advice to the privileged orders, which, as I said on the occasion of the first, the whole terminology and the purpose of the address is to one of the most distinguished Americans in the history of our Nation, and that is Joel Barlow, who, in the annals of American history, as the years go by, will loom more and more as a formidable character. He was born in Connecticut and served as a chaplain for the Revolutionary Army.

My colleagues know when we use the word "revolutionary" today it has a sort of unwelcome connotation to most Americans, which I think is very sad, because whether we like it or not, if we follow the basic tenets of our principles and of the reasons for the founding of the Nation as a nation, we are a revolutionary society. We actually continue to be in many respects, despite the fact that that word is suspect and, in fact, not quite acceptable to polite political conversations.

The truth of the matter is that Joel Barlow, in addressing his advice to the privileged orders, the complete denomination or title was "My Advice to the Privileged Orders in the Several States of Europe Resulting From the Necessity and Propriety of a General Revolution in the Principle of Government."

We have in the course of our evolutionary processes, in the 20th century particularly, and more particularly since the beginning of the second half of this century, taken for granted and have quite forgotten about some of the even fundamental principles of our Government as reflected in the fundamental law: the Constitution of our country.

The first five words, as I have said almost ad nauseum, are still the most revolutionary words in the world. At the time Joel Barlow, who joined Thomas Paine in Europe as a leading revolutionary advocate and, in fact, in his "Advice to the Privileged Orders" was advocating revolution. We also had the very stern prescription by Thomas Jefferson saying that the Tree of Liberty had to be nurtured, fertilized by blood now and then.

□ 1500

Those words would a very, very unacceptable today for we think in terms of revolution as those that involve violence, and of course true revolution as we have assessed it in the last two centuries does mean and symbolize some struggle; because as the black leader of the last century, Frederick, said: "Power never concedes anything except on demand." It never has and it never will.

I alluded to Joel Barlow, and his beautiful choice of phraseology, and I say in my advice to the privileged classes of America which, my colleagues, includes you, for you and I are privileged in more ways than one. We are privileged because we are the chosen agents or representatives of the people. We are privileged because economicwise we are in that upper 10 percent of this apex, this pyramid of economic income.

I believe sincerely that in so being privileged we have tended to forget the main reason for our being.

My advice to the privileged order, which I say and repeat includes you, my colleagues, is simply motivated by what I consider to be—and I hope I am not presumptuous in saying so—the main motivating forces that prompted Joel Barlow to do likewise.

What are they? I have discussed some of these specifics. The reason is, as I said about 2 years ago in the course of a special order, that ironically our country has gone full circle and was fast becoming, once again, a debtor nation, in essence; that we were back into the old mercantile system which prevailed during the colonial period and which essentially was at issue during the American revolutionary struggle.

The mercantiles systems provided that the mother country would forever have as a client and consumer, and not as a producer of any of the staples or material goods essential to life, whether it was clothing, where the colonists had to if they wanted to buy other than homespun clothing would have to buy the fine linens and products from England, the other country, or the continent. All kinds of restrictions, taxes, excise, and otherwise, were placed on any attempt on the part of the colonists to be self-sufficient, to encourage manufacture and industry. This was one of the basic reasons for the revolution. These are certainly underlying causes, or one of them.

Today America is in precisely that same situation, perhaps not the mother countries. I am astounded when I hear remarks from my colleagues during the course of the recent so-called debate on the missile known as the MX or more recently, just a few minutes ago from my distinguished colleague from Indiana, when he said, "Look what the Japanese are doing to us. Why, they are taking advantage." But he also says, "I have always been an advocate of free enterprise." But it is precisely in the name of free enterprise, even though it is a horrible degeneration in the use of words, and we are living in a world in which we do have an almost total corruption in the meaning and use of words, an Orwellian era, if you please. How in the world can we stand up and say that we should be surprised any more than as I have been fruitlessly trying to penetrate the level of consciousness of my colleagues and some of the executive branch leaders including Presidents, and I must remind my colleagues I have been in the House of Representatives long enough to have served with six different Presidents; when the other issue, the question of the tremendous exponential increase in our allocation of credit for defense, so-called, but which I say is really a war budget, where we have Presidential wars and a President who defies the expressed will of the Congress, wherein the Constitution places the exclusive and sole power of warmaking.

Those revoluntionary words, the first ones in the Constitution that we have strayed from which Joel Barlow as a revolutionary touting those words, in a world that was ruled by kings who said their power emanated from God, by divine right of from willful potentates, whether they were czars, shahs, or sultans. That was a world that prevailed at the time America announced the revolutionary idea, something that has never been heard of unthought of: "No, all power comes from the people. We, the people of the United States." Not we the Congress, or I the President, or we the judges, but we the people of the United States, "in order to form a more perfect union, insure domestic tranquility, provide for the common defense." There is the source of power. But if you say that today you are immediately accused of being a Socialist or a Communist. This is how far we have strayed from the basic concept which formed this Nation.

As a matter of fact, as I have also pointed out, the first 10 years of our national existence, that is as a national entity, the leaders and the representatives of the people were so fearful or thought so little of the need for an office that today we call the Presidency, that they did not provide for such office the first 10 years of our national existence.

Rather, the first, and second Continental Congress, the Articles of Confederacy, but realizing the fact that in a multiple, pluralistic body, a conglomeration of representatives, no matter how endowed with power, could not act with dispatch in certain matters as a unitary or single person or a group view. But it was never intended, in fact that was the farthest intention and thought as one scrutinizes the proceedings of the Constitutional Convention that what they called during the debates the chief magistrate but which later they officially called the President would, for whatever reason, either arrogate or be delegated these constitutional grants of fundamental power.

□ 1510

The people who wrote those words had been victimized by kings' wars, by kings who did not feel they had to account for the people, their subjects, because God had given them the power to rule.

Of course, the people never said that, but that is the way it was in that world. Today, we have reverted pretty much. Those words are still revolutionary, whether they are in relatively friendly countries or, as we very loosely call democratic—or whether they are an authoritarian type of society.

The consent of the governed, that great utterance in the Declaration of Independence: No government, without the just consent of the governed, was empowered.

Today in America, what do we have? We have full cycle: America is no longer, as of 4 years, a producing nation. We are the dumping ground. The American people, in effect, despite the outcry from some of my colleagues, as the gentleman from Indiana a while ago, have voted for Japanese products by the purchase of those products in such tremendous quantities.

The President, just a matter of less than 2 weeks ago, announced that he was going to unilaterally relinquish all kind of even self-imposed restrictions on imports into the United States by Japanese, but is that addressing the problem?

Can we expect a country that in reality is a vanquished nation and people, to act in accordance, in a noncompetitive way, and subject its national interest to the superior interest of the United States? Can we not say the same thing about the conquered countries in Europe? In my opinion the answer is affirmative.

Well, of course. How can we reasonably expect otherwise?

I was chairman of the Subcommittee on International Finance for 10 years, and I had occasion to have discussions with some representatives of the Japanese industrial world. They had no equivocation; they said, "Ah, yes, during the war this was called war. But now, it's competition." But we proceed on the same basis as war.

How then did we get into this situation? Well, those, in the name of free enterprise who said: "Well, the Japanese can produce more efficient, less expensive goods attractive to the consumer, why should we deprive the consumer?"

The truth of the matter is that that was not the driving force. The driving forces were the hidden, the unaccountable to the American people or their representatives, whether the President or the representative branch of the Government:

Were the financial intricate deals by our megacorporations who do not follow the patriotic or the basic sovereignty of a nation other than as it will yield a profit, maximum.

So that we find that when those financial intricate relationships come into play, in fact, I am equally surprised that at no time have I seen either in the faculties of the universities and by the experts, whether historian or otherwise, are much less than the Congress, or in the offices of the Secretaries of Treasury that I have had the privilege and opportunity to work with, have I heard any mention about the similarity of recurrence with what is happening now as what happened after World War I.

The only difference is that those forces are now back into place for the same reason in that period in the twenties and thirties where the United States, the only creditor nation in World War I and in World War II found itself twisted by the nose, disrespectfully called by the Europeans "Uncle Sap," not Uncle Sam.

We find with astounding surprise to me—and I have total recall and I am a product of that postwar period and the Depression era. I have books now that were written in 1932 that even though 15 years of age I read; dimly understood until later, but which are just as relevant—just change the names of the countries' leaders, change the name of some of the countries that now no longer exist after World War II which, incidentally, has not been finished: There is no peace treaty ending World War II, and we blithefully ignore that as much as we do these revolutionary words in the Constitution.

So that this has come about because first the power to allocate credit, which is the fundamental power in any society, and all through history, has been lost to control to the people of this country.

Whether it was through abdication on the part of their representatives in the representative or policymaking branch of our Government, the Congress; or through a collaboration between the Executive and the representative branch makes no difference; the end result is the same:

The people of America are stripped naked of any protection against the intrusions of the most rapacious economic interests in the world. It always has been and will always be that one of the fundamental reasons for the creation of government is to protect the very people in that respect. And American people have none.

They have been sold out. The American worker has been pitted against every peon, every coolie whether it is now in manufactured goods or agriculture.

I hear the laments now of the representatives, my distinguished colleagues that come from what is now known as the "rust belt." That great, great arsenal of democracy during the war which today, and I think it is unfortunate, but an apt phrase is "rusting"—or whether it is the producing fields that give us bounty, but which we continue the way we are, my colleagues, we will in America be witnessing food riots.

As a matter of fact, when I hear the lamentations from my colleagues as I did a few weeks ago, about the plight of the farmer—but which the people in power in the executive branch, looking at it as cold-hearted geopoliticians, not unlike Hitlers, not in the unlike at all, and in a publication in New York right before the issue was drawn on the special emergency aid to the farmers, a highly placed official, unnamed in the article, but in confidentiality with the reporter writing it said:

"Well, after all, that represents only 2 percent." Two percent.

□ 1520

Well, of course, as I have been saying again ad nauseam, every one of us emerges from one minority section or another in our country, so that if we find ourselves encrusted in the egotistical shell of self-interest, like a turtle, and will snap out only when it is our own appetite that is involved, of course we will be picked off one by one.

The farming element yet, that yoeman, that is, that independent family farmer, that today wage serf, dispossessed, homeless, finding it difficult to even find modicum shelter at affordable rates—forget about ownership. No society can long be the leader of the world if it first abdicates at home the moral responsibility owed the subjects and the citizens of that society by its government, not a concession, not a charity, but a duty, for the prime reason that that is why governments exist.

Should we be surprised if the Japanese should say, "Look, our way enables us to beat you out"? Let us examine why. In Japan, to begin with, you do not have any of the great industrial leaders in Japan living in huge disparate mansions or encampments radically different from the average citizens. First, you do not have that sharp disparity, such as we have. You do not have those moguls of Japanese industry earning a million dollars a year like ours do and who are not satisfied until they have all of the basic tax responsibilities removed, when this Congress adopted the President's mandate through the so-called Gramm-Latta process and then the adoption of the 1981 tax bill which gave away and drained the Treasury of a lifeblood of over $600 billion.

Should we be surprised that we have the monstrous deficit? What cupidity to even act surprised. Some say, "Look what the Japanese have done to us." What do we want? In the case of middle Europe, as I have brought out, there is no apparent notion as to what that real world is out there. I do not see any reflection of anybody reading what is being written, say, in Germany or Poland, where you have now a revival of those ancient and preterit animosities, those complex hatreds, those traditional animosities that have given rise to internecine wars for centuries and into which we have blithely ventured forth, sacrificing our blood and our treasure, because we have relegated to second and third place our own first prime interest.

I spoke about these interests that we have abdicated—our power. The decisions that are basic are not being made in the Halls of this Congress, whether on this side or the other, any more than the basic decisions of the State Legislature of Texas, when I was a member of the State senate, when it came to taxation were being made within those hallowed halls. Rather, in those plush offices of the lobbyists, who had a single-minded purpose year in and year out in Austin, TX, and who then—and I am speaking of 1957, 1958, 1959—were earning over $200,000 a year just to sit there and decide

what it was those in the legislature would be able to debate, and of course, absolutely no thought of taxing gas and oil.

Look at Texas today. The day of reckoning, as we are nationally, the day of reckoning, the day when we as the chosen representatives of the people must ultimately account to the people when they have those blinders removed from their eyes and realize what has been done to them.

Of no avail has it been to hear some voices such as John Dent, who was a member of this body, a distinguished member from Pennsylvania, who, when I first came to the Congress 24 years ago, was talking about and saying, "Beware, my colleagues. I come from these industrial centers and heartlands of our country. We will not long be existing. Our jobs are being shipped out."

Where is the discussion on the real issue? MX? Is MX a real eminent decision? I do not think any cool, detached mentality would say so.

Where is mention of the monstrous international debt? We hear a lot about the deficit domestically. But as I have said and reminded since 1970, when I assumed the chairmanship of the Subcommittee on International Finance, we are headed to a reversion. We will be back. That dumping ground of the old mercantile system. And this is where we are. In 4 years we have ceased from being a producing nation. Even Russia outproduces us in petroleum. Russia has been able to create a little flurry of activity, just like now in the European markets on the dollar.

I want the RECORD to show that I spoke out and asked questions which were not answered until after the fact because of the great secrecy that our money handlers, our dollar barons, our lords of privilege, the potentates of power, the ones who now can decide what the standard of living will be for the average American, the ones who will decide what businesses will be able to survive and which shall die, the ones who have diverted the overwhelming preponderant resources of our banking credit and allocations, blithefully forgetting who now knows that the power to coin and to provide for the money of this Nation is not here, as the Constitution says it should be. All you have to do, and I invite you to do this, my colleagues, reach into your pocket and pull out a dollar bill, and you will see, "Federal Reserve note." When I came to the Congress some 24 years ago if you had 10 one-dollar bills, at least Six of those tens would have said, "U.S. Treasury note."

Now, you may say, "What difference does that make?" It is a vital difference. It means that when the Federal Reserve Board ultimately got its complete hands in the manufacture and making of money and creating the credit allocations and not being a Federal agency, as so many think—yes, it was created by Congress, but who in the Congress will remember that? Who in this Congress will stand up and say, "Hey, we ought to audit the Federal Reserve Board, we ought to demand that the Federal Reserve Board come and account to the Congress or to the President"? No. Those of us who have advocated it for 22 years are immediately accused of being what? Spenders, easy money manufacturers.

And it just pains me to see that in the meanwhile the real thing that has happened is that the American people, the great body of people, still sound, that saving sap of democratic thinking and behavior is still there, but forsaken by those in many instances that they have chosen to represent them over the course of a couple of decades or maybe three. How pathetic to have heard a chairman of the Federal Reserve Board, in answer to a question I propounded, tell me, "Yes, of course, yes, the standard of living of some Americans will deteriorate as a result of this policy," which I could never get him to define or divulge.

□ 1530

When I said, yes, but which Americans have you selected for that? Certainly not the bankers, who control you, because the Federal Reserve Board is a private entity today. It is composed, supposedly, of the 14,000-plus commercial banks, but in reality, overtly, covertly, indirectly, directly controlled by six of the principal financial and banking institutions of this country.

Now, what does that mean? Well, it means that the fiscal; that is a big, fancy word; the monetary, that is another fancy word, but what does it mean? It means that the power of control of the people over their own economic power, production, without which this other is not possible, has been either through abdication or subversion, placed into the hands of the very people that the Founding Fathers warned us against in the very beginning of this Nation.

Should we be surprised if now, such policy as was recently evident in Middle Europe, when the so-called gas pipeline from Siberia to Western Europe was in the making, that we would have a President say, "I think we ought to have sanctions, and I am going to get our so-called allies," and then we never heard any more. When we examine the finances of the deal, yes, Mr. Rockefeller comes back on the plane after a visit and the threatened default of the Polish financial system, in what? In its payback to some of the bankers, principally of West Germany, but in turn, inextricably linked with the American banking interests, and that was the issue.

Solidarity? The President could preach about how a tyrannical situation and how the threat of Russian penetration, this, that and the other, but the truth is that in Poland today there is more fear toward Germany than there is toward Russia, and always has been. They do not like either one, and they have been, of course, a sort of subjugated people, but the history of that area is totally ignored by us. When you have writers in Poland writing books that say, yes, we might be less friendly or less hostile, if we see that the Germans will celebrate the downfall of Hitler.

We have the President that had announced his intention to go and visit on the anniversary of the European war's physical termination, and was going to go visit some of the concentration camps in which millions, not thousands, and I would say the overwhelming preponderance of those being Jewish members of those societies in that area, in and out of Germany, and he changed his mind because of the outcry in Germany.

What was the reason? Why, you will be reviving memories that ought to be forgotten now that the German people should not be held accountable at this time, and that we do not want to evoke that period of time. The President acceded to that. But he also has acceded to those forces in Europe, that, for the first time after all the bitter debates that gave rise to the cold war, which was the rearmament of Germany, and where the big, big issue was well, wait a while, we do, we allow West Germany to join NATO and all of that, where do we provide the power?

Well, finally we have decided that the German finger can be on the trigger of the bomb with our agreement that we literally had to force on the deployment of the so-called Pershing II missiles in West Germany, and now in some of the other countries; Belgium, the Netherlands. Totally overlooking what the fact situation is. Also, are we going to be here and then finally hear some of the Representatives say, "How could the Germans do this to us? How can they be asking us to leave Germany? Why should we wait? Why should we continue to try to avoid our responsibility to confront the American people with the basic questions and issues?" They are unpalatable; they are unpopular; they are tricky political questions. Maybe you might not get elected President; maybe you might get defeated as President if you bring them up, just like the international deficiency in our trade, our so-called accounts balance or imbalance, which is a monstrous $133-plus billion.

Why is it monstrous? Because that we will not be able to play around with. The domestic deficiency or defi-

cit, yes. We can piddle around with that as we have for the last 3 years, and we can piddle around maybe a couple of more, maybe. But the other, we cannot. Because for every $10 billion of that $133 billion, we have lost in American over 20,000 jobs forever. Forever.

Who says that? Now, we have had committee hearings; subcommittee hearings. I belong to the Committee on Small Business since its inception as a legislative committee, and we have had testimony for several years. Some of them invited on my recommendation, and we have had preeminent men tell us, "Look, this is what is going to happen because these are the things that are happening now, and you do not have to be an expert or a prophet to know that this is what will result." Yet, we can never penetrate the level of consciousness of either those men in power over in the executive branch, and I am not speaking necessarily of this administration. Economic matters and fiscal matters and monetary matters are not partisan. Just like international matters; they are not Republican, they are not Democratic; in fact, you cannot even say that you can label them liberal, conservative. In those cases, it is very much like a mathematical formula: You are either right or you are wrong. You cannot defy these basic laws. You cannot, because all history shows, and our experiences now are showing, that you cannot have usury or extortionate or unjust rates of interest without destroying that economy. In our case, particularly so. For, as I have tried to point out, unsuccessfully, even to preeminent economists that, I am no expert in economics, but it is obvious to me because I remember what the world was like before World War II.

When our economy, especially the United States, was predicated on mass production, mass consumption, it really did not have an overwhelming significance until after World War II and the development of mass credit availability. Installment purchases; making available the goods, in great profusion, variety and quantity, that we were, through the blessedness of our system, able to produce, and which today, with less than 70 percent factory production, with an unacceptable rate of unemployment, and with our country the dumping ground of the products of other nations, of course we cannot ask that that be done and that we continue to do it on the basis that there is free trade. That was like Dr. Hilmore Schott, the famous financial wizard of Adolf Hitler, who was able to come to the United States. He had dual citizenship, and he was able to get some of our principal corporate activities to finance Mr. Hitler. General Electric was one of those.

□ 1540

The reason is that at that time there were no such things legally or even verbally known as conglomerates or multinationals, but you had what they called then the cartels. But everybody, when they saw the word "cartel," immediately made it synonymous with German cartels. It is true. Franklin Roosevelt, and I remember the headlines at the outset of the war, said "We are going to produce 50,000 warplanes." It was a dream until the cartel by then transferring its activities to Switzerland, and the German members permitted the exportation of magnesium in sufficient number that we could produce those planes.

The same thing is true today in the case of this pipeline I referred to earlier. Why did the President abruptly drop all kinds of efforts to stop? Why? Well, the gas company, the pipeline, insofar as Europe's consumption was concerned, and remember, we had our so-called allies who were not about to sacrifice their national interest and give up having access to natural gas at an affordable price and forever be confined to American domination in the Middle East production fields and other areas.

Should we be surprised? I do not think so. I think we should be the ones who should be saying, "Hey, look, charity begins at home." Even though I may earn my profits now through an investment transfer over to Europe or Asia or Canton or Mexico where I can capitalize on coolie labor, I am not going to do it because American products are still more efficient. But yes, if that essential element of labor is sold out, of course then I will make my dollar, extra dollar profit percentages.

But I believe in the national interest of the country in which I claim nationality. Well, all history shows us that is too much to expect. All history shows us that. We should read that history, even of those meager beginnings or our nationhood, because those same issues, except on a far more microscopic basis than today, were nevertheless the same, and the power is still inherent in those who control the economic destinies of any people.

When we ask ourselves this question today, where are you with respect to defending the national interest first, not by trying to pound your chest and say, "I am for a real defense and we have to develop star wars and this and that and the other," which by now we ought to know that every single development instead of war has given us less security. Why? Because the fundamental issues giving rise to the reason for the weaponry have been overlooked, or the assumptions predicated on a misconception.

The $315 billion that it looks to me now as if this Congress is going to be approving to tax the American people for so-called defense is predicated on a world that no longer exists. Every argument I have heard, and I admire my colleagues, I am not trying to detract, and I do not blame them because inside and out of our news media, inside and out of our deliberations, there seems to be no awareness that we are not basing any longer a correct assessment of our defense needs on, say, a Europe of 1946, but that is exactly what we are doing. We are assuming that that world has not changed, and of course it has, and anybody who bothers to read the news, the literature of these countries, cannot overlook the fact that it is another world.

It is the same thing south of us. Why have I gotten up and introduced resolutions in which I state categorically that the President is guilty of violating the War Power Limitations Act, because of specific facts which are now beyond any kind of debate. The President, in fact, the day before yesterday, astoundingly, with no challenge I know of from our leaders in the Congress, who should be very sensitive to the coequality, the independence and the separation of the organs of our Government. We are not subordinate. We are coequals. The President is not omniscient and all-powerful. The presidency is an office of limited powers and the President is first among equals, as was so carefully pointed out in the course of the debates in the Constitutional Convention.

Let us go back. Where is the power? Where is the inherent power? Who today says that the reason you have banks and the reason that banks have the power now to coin our currency is that they are chartered. They have to be chartered. Of course, that process has been so corrupted since about 1965, some of us got up and spoke ad nauseum on it. Who cared? Nobody gave a tinker's hoot. But what is the reason banks were chartered? For public need and convenience, public need and convenience. Who dares think that is the reason today.

Today the bankers look upon it as a license to plunder and get this country's destiny foresaken, giving up a great patrimony for a mess of potage, so to speak. In Latin America today the President is waging war. He had the temerity to say the day before yesterday, "Even though I know the Congress has said we do not choose this, I am appealing to private, nongovernmental elements to provide what, the means and whereby of what? Of suboring a country whose country we recognize as a recognized entity, Nicaragua, for we have an Ambassador there, and when we do that we are saying, "Look, our repersentative there, recognizing you as a regime in legitimate power." But we have been trying to assassinate their leaders. As I

speak today we continue to do such things as mining their harbors.

Nicaragua went to the World Court. The World Court ruled against us, said we are in serious and grievous violation of international law. What would we do if Nicaragua mined Chesapeake Bay? Would we say that was an act of war or not? Would we sit by and say, "Well, yes, you have the right to do it because you are accusing us of being Marxist and you are against marxism and you do not like that, so you want to topple us over," the truth being that those policies have been dictated by the other branch of this vast, corporate superstructure that today is in total, complete control of our destinies as a Nation, and that portion of that corporate power is men like J. Peter Grace, the great, renowned billionnaire, princeling son who studied our Government and said, "Oh, I can tell you as a private enterpriser, free enterpriser."

Let me tell my colleagues there is a difference between free enterprise and private enterprise. Adolf Hitler and Benito Mussolini had private enterprise to the day they died in their respective countries. That does not mean they had free enterprise.

That is the same thing today. You call General Motors and the automobile manufacturers free enterprise? Is that not a controlled enterprise? Of course. That is where our financial and institutional forces in that respect are today.

□ 1550

And they are now controlled as never before in the history of our country. Always they were, yes, on the threshold, but always we have had men like Woodrow Wilson in 1916 who saw it coming after the Congress adopted the Federal Reserve Act of 1913.

We had President Lincoln, who said, before he was assassinated:

> I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. Corporations have been enthroned. An era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in a few hands and the Republic destroyed.

I ask my colleagues to tell me if we are not living in an era of the fulfillment of this sad prophecy.

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

INTERNATIONAL TRADE AND INVESTMENT ACT AMENDMENTS 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 a bill entitled the "International Trade and Investment Act Amendments of 1985." The goal of this legislation is twofold: To expand free trade by reducing unfair barriers to market access and to increase the ability of U.S. industries to adjust to international competition.

Title I of the legislation would require that the President take specific action to restore an equitable balance in bilateral trade relationships where a finding has been made that a particular country is running a substantial current account surplus with the United States and is engaging in policies or practices that constitute substantial and systematic barriers to the export of U.S. goods and services or to foreign investment by U.S. persons. Title II would increase the emphasis on industry adjustment in the import relief process by authorizing the President to require adjustment plans as a condition for receiving trade relief under the general "fair trade" statute.

The need for such legislation is readily apparent. In recent years, U.S. industry has faced rising barriers to market access in foreign countries and higher levels of import penetration. Our response so far, while predictable, is apt to prove ultimately self-defeating. While we talk of leveling the international playing field, we have in fact focused on building walls around our own. The thrust of our trade policy is increasingly protectionist, despite the Reagan Administration's rhetoric to the contrary.

Unfortunately, history demonstrates that such wall-building quickly spreads. As more and more countries adopted this approach, we would risk destabilizing a world trade system it has taken decades to build. International trade has been a dynamic source of economic growth. There is a fortuitous relationship between economic growth and trade: Increased growth stimulates even faster growth of trade, which stimulates more economic expansion, and so on. The negative side of that relationship is just as strong. World trade tends to decline at a multiple of the shortfall in growth. This situation fosters sharply increased pressures for trade restrictions—which only steepen the downward spiral. Such a negative spiral is reminiscent of the early 1930's and threatens to be characteristic of our own times.

The legislation that I am proposing will move us away from calls for protectionism, and refocus our attention on what I believe must be the primary goals of trade policy: Expansion of international trade and maintenance of an equitable balance in relationships between trading partners.

That balance is critical to trade expansion but is less and less in evidence. For free trade to be fair trade, countries must not face artificial barriers to bringing competitive products into foreign markets. Yet such barriers are proliferating and adversely affecting the ability of U.S. industries with competitive goods and services to export. Japan provides the all-too-familiar obvious example.

No open world trading system can exist if a major trading nation bases its economy on exporting goods and services to the world, while adamantly refusing to import virtually anything other than necessities such as foods, fuels, and minerals. Yet this description capsulizes the Japanese approach. From their point of view, such an approach may appear useful as it provides an economic incubator in which Japanese growth industies can develop. But the Japanese approach will finally do severe damage to the world trading system on which all nations rely. The pressure on those nations increasingly asked to serve chiefly as the repository of Japanese goods and services is unsustainable.

Despite the risks inherent in the Japanese approach, the United States continues to make it viable by providing Japan with its largest market while failing to make any significant inroads into the Japanese market. If this failure reflected an inability of the United States to produce products and services competitive in the Japanese market, we would be entitled to no recourse. There is substantial indication it does not. What it reflects is the imposition of substantial and systematic barriers to imports of competitive U.S. goods and services. The Department of Commerce estimates that our bilateral trade deficit with Japan could be reduced by $12 billion if U.S. goods and services had open access to Japanese markets.

In those sectors where American companies can compete with the Japanese, Japan must open its markets to our goods and services. The time is long past to confront the Japanese on market-access issues. At this point, the only really useful tool is a willingness to act. If the Reagan administration is unwilling to do so, then the Congress must.

There is every indication that Japan on its own has no real intention of changing its approach. Current United States-Japan telecommunications talks are symptomatic. The breakups of AT&T allowed the Japanese to increase their telecommunications exports to the U.S. market from $600 million to $2 billion. In contrast, the Japanese state-owned telephone monopoly, NTT, has in the past purchased virtually nothing from abroad. Now, Japan's telecommunications market, the second largest in the world, could become a prime target for highly competitive U.S. firms. Legislation passed late last year by the Japanese Diet ended the Government mo-

nopoly and potentially opened the field to competition for the first time. Yet draft regulations still to be issued in final form suggest that U.S. companies will face restrictive and cumbersome bureaucratic requirements severely limiting access to Japanese markets. Experts suggest that, even if the regulations were to be reasonable on their face, interpretations of those regulations will ensure that access will remain minimal. The mere $300 million in U.S. telecommunications exports to Japan is unlikely to significantly increase.

Opening in Japan's telecommunications sector was given top priority by President Reagan in his January talks with Prime Minister Nakasone. If these are the results we can obtain for priority sectors, what can we expect for those that are not?

The legislation I am proposing would amend section 301 of the Trade Act of 1974 to mandate that the President take action to restore a balance in bilateral trade relationships when other countries systematically impose artificial barriers to the export of U.S. goods and services. Under current law, the President has a great deal of discretionary power to act when the U.S. Trade Representative identifies foreign trade practices that are unreasonable, unjustifiable, or discriminatory. However, the process for arriving at such a determination is lengthy, cumbersome, and relatively untested, and the President is never required to take specific action.

My bill would require that the President continually monitor market access barriers in foreign countries and identify patterns of behavior that constitutes unreasonable restraints on U.S. exports. Under the legislation, the President would be required to annually report to the Congress those countries with which the United States is running a substantial current account deficit (in excess of 10 percent of the total current account deficit) and which engage in policies or practices that constitute substantial and systematic barriers to the export of U.S. goods and services or to foreign investment by U.S. persons. If such findings were made in regard to a particular country, the President would be mandated to take specific action designed to have an immediate and identifiable impact on the trade imbalance. The President could exercise his authority with respect to any goods or sector on a nondiscriminatory basis or solely against the foreign country involved, and without regard to whether such goods or sector were involved in the policy or practice identified. The bill would also expand the President's authority to deny or restrict licenses or permits for foreign suppliers.

The significance of this provision is that the President would be required to act once the designated findings were made. While the President would be given discretion regarding what tools he would use, action would be mandatory.

At this point, Japan may be the only country to which this provision would apply. While, for example, our trade imbalance with Canada may be substantial, I see no evidence of a pattern of unreasonable market access barriers. But in any case where a severe trade imbalance is created by unreasonable and artificial barriers to market access, U.S. action is warranted.

When the President would initiate action under this bill, he would also be required to direct the U.S. Trade Representative to begin negotiations with the affected foreign government. Action taken would remain in effect for 6 months or until the satisfactory conclusion of such negotiations, whichever would be earlier. If, after 6 months, negotiations would not have reached a satisfactory conclusion, such action would remain in effect until such a conclusion would be achieved. Presidential action would thus act as an effective spur to the successful completion of negotiations.

While unreasonable market access barriers are a significant factor in our increasing inability to compete, in many cases we are our own worst enemy. Testimony by numerous witnesses in hearings held by the Subcommittee on Economic Stabilization over the last 2 years has indicated that much of the declining competitiveness of our industries is attributable to their failure to take necessary steps to adjust to increased international competition. Title II of my bill would address this issue directly by amending section 201 of the Trade Act of 1974 to increase the emphasis on adjustment in the import relief process. The legislation would authorize the President to require adjustment plans as a condition for receiving trade relief under this general "fair trade" statute.

Section 201 provides temporary relief to an injured industry even if there is no evidence of an unfair trade practice. Such temporary relief is intended to provide breathing room for restructuring. The sad fact is that too often the Federal Government provides extensive relief to industries and workers under this provision without assurances that the basic problems that beset the industry will be addressed. As a result, the industry continues to slide, the work force continues to diminish, the Government continues to pay, and no improvement in the industry's competitive position is achieved. In a period of intense international competition, we need to do much better.

Our import relief law should be administered so as to require an industry that receives trade relief to make a commitment to take the steps necessary to become a world class competitor. Relief from import competition should be conditioned on an industry's modernizing its facilities and taking whatever other steps are necessary to become more competitive. A number of experts testifying before the Economic Stabilization Subcommittee, including Ambassador Brock, stated that the authority to require adjustment commitments from industries receiving trade relief would be a useful instrument as trade assistance programs are developed.

My bill would make a request for import relief an opportunity to take a comprehensive look at the industry's underlying problem—its declining competitive position. This legislation would require that industry, labor, and Government work together before import relief could be granted to develop a comprehensive adjustment program to improve competitiveness. In addition, the bill would make continued relief contingent upon implementation of the adjustment plan by increasing the monitoring responsibilities of the International Trade Commission.

Under the bill, an industry would file a petition with the International Trade Commission alleging serious injury due to import competition. The Commission would then be required to make a preliminary finding within 45 days as to whether such an injury has occurred. This would reduce the enormous waste of resources that occurs when inadequate petitions are pursued through the full investigation and recommendation procedures of section 201.

Once the Commission made a preliminary finding of serious injury, it would be required to initiate a full investigation and convene an adjustment plan board chaired by a member of the Commission. The board would be a tripartite body, comprised of representatives of industry, labor, and Government. It would negotiate a plan and prepare a package of recommendations for the Commission. The ITC would have the authority to make its own determination as to the appropriate trade relief and the adequacy of the adjustment program, and then to make recommendations to the President for final action. If the President were to grant the trade relief, the Commission would continue to monitor the plan. If the plan were not being adequately implemented, the Commission would have the authority to investigate and recommend to the President that the trade relief be reduced or revoked.

The bill would also authorize the Commission to recommend action short of import relief under certain circumstances. In many cases, imports might be having a serious adverse impact on an industry's competitive

position, but their impact might not be sufficient to justify import restrictions. The bill would authorize the Commission to recommend such other relief, short of actual import restrictions, as it would deem appropriate, including, but not limited to, Government loans and/or loan guarantees or specific training and retraining programs.

In summary, this legislation would directly and effectively address the most serious problems accounting for our declining competitive position: unreasonable market access barriers in other countries and the failure of our own industries to take the difficult but necessary steps to adjust to increasing international competition. I firmly believe this is the correct approach to take. Too many discussions of late have focused on legislation authorizing retaliatory action in specific sectors. In my view, it would be extremely ill advised to create legislative mechanisms that would essentially institutionalize special interest pleading.

Congress needs to avoid a legislative situation whereby we encourage "an industry-of-the-month club" as aggrieved line up, claiming special needs to be addressed with particular countries through special legislation. What we must do instead is create an overall process that will allow us to respond quickly and effectively to reduce trade barriers where they exist and facilitate industry adjustment to fair competition. I believe that the legislation that I am introducing today will do just that.●

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. LOTT] is recognized for 30 minutes.

● Mr. LOTT. Mr. Speaker, at the request of President Reagan, I am introducing the Youth Employment Opportunity Wage Act of 1985. Earlier this week, the President sent a message to the Congress asking them to enact this legislation soon. I share Mr. Reagan's sentiments that we cannot afford to waste another summer that would otherwise produce jobs, including that important first job experience, for our young people.

Mr. Speaker, the legislation I am introducing today, joined by 28 of our colleagues, has the potential for creating 400,000 summer youth jobs across the country at no additional cost to taxpayers. This bill, supported by some of our Nation's most prominent mayors, youth, and community organizations, would permit teenagers to accept employment for 75 percent of the statutory minimum wage during the summer months, from May 1 to September 30.

While the weight of economic evidence states that the concept will be successful, without displacement of adult minimum wage workers, it has never been tried in this country. Recognizing this, the President's proposal calls for a 3-year pilot test on the concept. The authorization for the youth wage would extend for three summers, until September 30, 1987, after which a full evaluation would be made to determine the effectiveness of the youth wage in creating summer jobs for youth as well as any adverse effects on other workers. The bill also provides for strict penalties on employers who abuse the youth wage by laying off full-time youth or adult workers in order to hire teenagers eligible for the special wage. These penalties are the same as for other violations of the Fair Labor Standards Act, fines up to $10,000, jail terms up to 6 months, and back pay to the employee, stiff enough to make any employer think twice.

At this point in the RECORD, Mr. Speaker, I include a brief summary of the Youth Employment Opportunity Wage Act of 1985. The summary follows:

SUMMARY—SUMMER YOUTH EMPLOYMENT OPPORTUNITY WAGE

PROPOSAL

Applies to youth age 19 and under from May 1 to September 30.

Allows employers to hire youth at $2.50 per hour, or about 75 percent of the current $3.35 minimum wage, without requiring employers to complete the paperwork that is required under other programs for youth.

Prohibits employers from substituting youth for current employees. Employers who discharge, transfer or demote workers for the purpose of employing eligible youth are subject to various legal remedies and sanctions, including a $10,000 fine, 6 months in prison, and payment of back wages.

Prohibits employers from reducing the wage rate below $3.35 for youth employed by the employer at any time during the 90 day period prior to May 1 of each year.

Establishes a temporary program expiring in September 1987, with an evaluation report to Congress.

ESTIMATED EFFECT

Analysis of previous research indicates that enactment of the proposal at the Federal level would create about 400,000 new summer jobs for youth.

Moreover, if those States with minimum wage laws also provide for a $2.50 summer minimum for youth, the employment increase would be raised to about 640,000 new jobs.

Based on the industry distribution of current minimum wage jobs, over two-thirds of the new jobs would be created in firms other than eating and drinking establishments, such as grocery stores, gasoline service stations, hotels and motels, educational services entertainment and recreation services.

Low-income youth, particularly minorities, would benefit the most from the increase in summer jobs, because studies have shown that such youth have suffered the greatest reductions in employment due to the minimum wage.

RESOLUTION SUPPORTING FEDERAL FOREIGN LANGUAGE AND INTERNATIONAL EDUCATION PROGRAMS

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

● Mr. PANETTA. Mr. Speaker, America is faced with a great national challenge. It is a challenge which involves our national security, our economic prosperity, and our ability to conduct a realistic and successful foreign policy in the troubled times ahead. Yet this is not a challenge to develop more sophisticated weaponry or to conquer the far reaches of space. It is a challenge to improve our ability to understand and communicate with other nations.

Make no mistake about it. The security and prosperity of the United States now depend more than ever on our understanding of other languages and cultures. The revolution in Iran, the continuing cycle of violence in Lebanon, and the threat of upheaval in Central America have been unwelcome reminders that our national security does indeed depend on events outside our control. International economic competition from Japan, West Germany, and the nations of the developing world threatens our ability to export American products and further illustrates the need to improve our understanding of other cultures, languages, and economic systems. Yet in the face of a world becoming more closely intertwined economically, politically, and militarily, the President is attempting to eliminate for the third year in a row the most critical foreign language and international studies program in this Nation.

I oppose President Reagan's fiscal year 1986 budget proposal to eliminate the Office of International Education and Foreign Language Studies in the Department of Education. I believe the President's proposal is extremely shortsighted and if accepted by Congress, would be detrimental to the national security and economic prosperity of the United States. Accordingly, together with Representatives WRIGHT, FASCELL, FORD of Michigan, BOLAND, TALLON, and TOWNS, I am today reintroducing a resolution which expresses the sense of the Congress that fiscal year 1986 funding levels for Federal foreign language and international education and exchange programs should be maintained at fiscal year 1985 levels. Given that our resolution calls for funding these programs at current levels, it is perfectly compatible with efforts to freeze Federal spending for fiscal year 1986.

Mr. Speaker, many leading members of the education and defense-security communities have voiced their opposi-

tion to the elimination of the Office of International Education and Foreign Language Studies. When the President proposed closing the Office in fiscal years 1984 and 1985, Defense Secretary Caspar Weinberger wrote twice to then Secretary of Education Terrell Bell to request that he restore or increase funding for this program. In addition, Secretary Bell's own National Advisory Board on International Education concluded that the programs conducted by the Office of International Education "play a crucial role in ensuring the availability of an adequate capacity in this country for foreign languages and international studies. The Board commends the aims, objectives, and accomplishments of these programs and strongly endorses their continuation."

According to some of our Nation's leading defense and intelligence experts, the crucial shortfall in the foreign language proficiency of our diplomatic and intelligence communities is cause for both alarm and immediate action. In 1981, Adm. Bobby Inman, former Deputy Director of the Central Intelligence Agency, testified that "the importance of adequate foreign language capability in the intelligence community cannot be overstated. * * * The foreign language capability of our country is poor and getting worse." Admiral Inman went on to document the importance of foreign language proficiency to U.S. intelligence activities, and the growing problems the CIA, the NSA, and other intelligence agencies are having in recruiting qualified linguists. He said that "decisive action should be taken on the Federal level to ensure improvement in foreign language training in the United States."

Craig Wilson, Special Assistant to the Secretary of Defense for Intelligence and Human Resources, has testified that of the 13,000 positions in the Department of Defense which require foreign language capability, only half are filled by individuals with the necessary language competence. This critical lack of foreign language skills in our Armed Forces could have dire consequences in the event of war. As the former commander in chief of the U.S. Army in Europe—Gen. George Blanchard—once wrote, "language interoperability is not just a nice-to-have professional skill. In time of war, it may prove to be a decisive element on any potential NATO battlefield."

Perhaps the greatest impact of our lack of proficiency in foreign languages has been in the field of international diplomacy. In 1980, when a Soviet soldier in Afghanistan sought asylum in the American Embassy, none of the embassy staff could speak to him in Russian. Only 6 of the 60 American diplomats in Iran in 1978 spoke the local language, and when the embassy was seized, only 2 of the remaining staff could communicate with their captors. Before the Vietnam war, this country did not have even five American-born experts who could speak the Vietnamese language. What a difference a few more experts might have made.

Our most critical shortfall in the field of diplomacy is in the less commonly taught languages: Russian, Arabic, Chinese, and Japanese, which together, comprise 80 percent of the world's spoken languages. The State Department's overall compliance rate in filling Foreign Service positions that require minimum language competence is a sad 66 percent. However, in the less commonly taught languages, the compliance rate is much lower, only 35 percent in Chinese and in Arabic. Furthermore, according to a study prepared for the President's Commission on Foreign Languages and International Studies, less than half of the Federal positions requiring proficiency in Russian are actually filled by individuals competent in that language.

While there are no easy solutions to correct our lack of foreign language skills, the Office of International Education is one of the best means we have of improving the language capabilities of our intelligence and diplomatic communities. The Office's primary function is to help fund the 91 National Foreign Language and Area Studies Resource Centers around the country, 14 of which focus on the Soviet Union and Eastern Europe. These National Centers are our primary source of candidates for Federal positions in the fields of intelligence, diplomacy, and national defense. In addition, the National Centers are virtually our sole source of specialists in the less commonly taught but strategically important languages and cultures. While the Federal contribution to the National Centers constitutes only a portion of their total operating budgets, the Federal funds represent "seed" money which encourages private donations and symbolizes our Nation's commitment to improving our foreign language capabilities.

The Office of International Education funds several other programs which are essential to the improvement of our communications skills in this interdependent world. The Foreign Language and Area Studies Fellowship Program offers full-year and summer scholarships to graduate students and teachers in order to improve their language competence and knowledge in interdisciplinary fields. The Office also provides grants for undergraduate international education and for the Nation's entire research program devoted to the development of teaching materials for over 170 foreign languages. Most important, the Office funds four essential Fulbright-Hays programs including Foreign Curriculum Consulting, Faculty Research Abroad, and Group Projects Abroad. This last program helps to fund the Overseas Resource Centers where American graduate students study Arabic, Russian, Chinese, Turkish, Indonesian, and other languages while living in these various countries.

Mr. Speaker, the fiscal year 1985 appropriation for the Office of International Education is just $32.05 million, less than two-tenths of 1 percent of the total appropriation for the Department of Education. Yet in spite of the obvious contribution the Office makes to our national security and economic potential, President Reagan attempted to cut funding for the program by over 50 percent in fiscal year 1983, and has proposed the elimination of the program in fiscal years 1984, 1985, and 1986. Thankfully, Congress has consistently rejected the President's proposals in this area, and approved funding increases for the Office of International Education for fiscal years 1983-85. Our resolution expresses the sense of the Congress that for 1986, the programs conducted by the Office of International Education should be funded at 1985 levels.

Through the Office of International Education and Foreign Language Studies, the Federal Government can play an important role in the preparation of our Nation for the decades to come. Federal policy in this area can set an important precedent for the actions of State and local governments, businesses, foundations, and individuals. But in the final analysis, the Federal Government holds the ultimate responsibility for the Nation's security and well-being. This responsibility involves guaranteeing that our Nation has the talent necessary to protect our vital national interests, at home and abroad.

I believe that we need to produce diplomats, intelligence experts, military personnel, and corporate executives who are competent in foreign languages and knowledgeable about world affairs. The programs conducted by the Office of International Education can help provide us with these essential human resources. The cost is small and the benefits for our Nation will be great. I urge my colleagues to support this resolution, and I hope that we will continue to advocate a strong Federal role in American foreign language and international education.

H. CON. RES. 104

Concurrent resolution expressing the sense of Congress that funding levels for Federal foreign language and international education and exchange programs should be maintained or increased

Whereas a number of national education task forces and commissions, including the National Commission on Excellence in Education, have outlined a serious decline in the study of foreign languages in the United

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States and have recommended increased second language training at all educational levels;

Whereas leading members of the defense and intelligence communities have expressed concern about America's lack of expertise in international studies and in foreign language proficiency;

Whereas the United States has produced insufficient numbers of qualified area studies and foreign language specialists during the last decade to meet our future defense, diplomatic, and intelligence needs;

Whereas the study of the less commonly taught but strategically important languages and cultures such as Japanese, Chinese, Arabic, and Russian is extremely limited in the United States;

Whereas new programs in the combined study of business, foreign languages, and international relations would make a significant contribution to the reversal of America's declining economic competitiveness in international trade;

Whereas in comparison with the investments of America's allies and potential adversaries, the United States Government's investment in foreign language and international education historically has been quite small;

Whereas approximately 80 per centum of the Nation's foreign language training in the less commonly taught languages takes place at federally funded National Resource Centers for Foreign Languages and International Studies;

Whereas for fiscal years 1984, 1985, and 1986 the present administration has recommended zero budget funding for the Office of International Education and Foreign Language Studies, which funds the National Resource Centers and the Fulbright-Hays scholarship program; and

Whereas Congress has consistently rejected the administration's proposals and fully funded the Office of International Education and Foreign Language Studies for fiscal years 1984 and 1985: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the fiscal year 1986 funding levels for Federal foreign language and international education and exchange programs should be maintained at fiscal year 1985 levels.●

BILL INTRODUCED TO PRESERVE AND STRENGTHEN EXIMBANK COMPETITIVENESS

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

● Mr. NEAL. Mr. Speaker, today I am introducing a bill to retain the Export-Import Bank direct loan program. My bill prohibits implementation of an interest subsidy payment program, such as the so-called I-Match Program proposed by the administration in its fiscal year 1986 budget recommendations.

The administration proposes to eliminate Eximbank lending, and replace it with this interest subsidy scheme. After a thorough examination of this proposal, including 2 days of hearings in the Subcommittee on International Finance, Trade and Monetary Policy, I have concluded that it has no merit.

The administration claims that the I-Match Program would save the Treasury money. In reality, however, I-Match is merely a bookkeeping gimmick. While it would reduce the recorded budget deficit for a few years, that would not be an economically meaningful reduction. It would seem to reduce the deficit because a commercial loan, with a guarantee and a subsidy payment from Exim, would be substituted for an Exim loan. But there is no economic difference between the Government selling its own bond to finance an Exim loan and the Government guaranteeing the repayment of a private bond sold to finance the same export. If both bonds carry approximately the same interest rate and the export credit funded by them is offered on the same terms—as would be the case with I-Match, the economy can recognize no real difference between these two transactions. The only consequence of a switch from Exim direct loans to I-Match, assuming I-Match could operate as smoothly and effectively as Exim direct lending, would be a change in the name on the debt instrument sold to finance the exports. The claim that I-Match would make any important contribution to deficit reduction, in the sense of a reduction that would benefit the economy, is entirely spurious. It is nothing but budgetary legerdemain.

In fact, it is worse than budgetary legerdemain. I-Match would be inherently more costly than a continuation of Exim's current loan program. A simple illustration will clarify this point.

Assume an Exim loan would carry a rate of 11 percent for 10 years, and that the Treasury must pay 12 percent on its 10-year bonds to finance that loan. If Exim makes the loan, the Government lends at a negative spread of 1 percent. But if a commercial lender made the loan under the I-Match proposal, even with a Government guarantee, it would have to pay a little more to borrow the money than the Treasury. In addition, the commercial lender must cover its own administrative expenses, and show a profit. Finally, as explained in testimony before the subcommittee, a commercial lender would face various technical problems in the management of these funds that are not faced by Exim, problems that would impose greater risk on the commercial lender. If the commercial lender is unwilling to accept these risks, Exim would have to cover them as well, which would entail even higher subsidy payments. Plausible estimates show Exim having to make subsidy payments to the commercial lender to cover a negative interest spread of about 2.0 to 2.5 percent, compared to a 1-percent negative spread on this kind of loan made directly by Exim.

In short, I-Match would make only a bogus contribution to deficit reduction; and it would be even more costly than Exim's current direct loan program.

The direct loan program of the Export-Import Bank has provided critical support to American exporters in their efforts to remain competitive in international markets despite the strong dollar and the efforts of foreign governments to support their own exporters with low-cost financing. These loans do contain a degree of subsidy, but that subsidy has been progressively reduced over the past few years. We now have in place a sound, international agreement that minimizes the amount of subsidy governments can embed in their official export credit, at least for normal commercial transactions. Within the terms of that agreement, the Eximbank's direct loan program is the most efficient and effective means by which the U.S. Government can neutralize foreign export credit competition, and allow our exporters to concentrate on price, quality, and service. There is no need to replace it with something less effective, less efficient, and more costly.

As long as the administration's I-Match proposal, accompanied by its efforts to eliminate Exim lending, lies on the table, our exports are bound to suffer. Our exporters will have a hard time bidding for future sales, as long as they are uncertain as to the kind of export credit support they can expect, as long as they fear they might be stuck with a new, untested, inefficient and costly I-Match Program. And foreign governments will have no incentive whatsoever to negotiate further improvements in the international agreement that imposes some degree of discipline over export credits.

The French Government, in particular, is obstinately resisting any reasonable disciplining of the perverse practice of granting tied aid credit, or so-called mixed credits, which they exploit and abuse for the purpose of stealing markets from American exporters. Under new language the Congress added to the Export-Import Bank Act 2 years ago, Exim is authorized and directed to counter, match, and neutralize these unfair mixed credits with Exim direct loans on comparable terms. The Eximbank would lose this capacity, this vital ammunition, if the administration's proposals were adopted. Without a direct lending capacity of its own, Exim could offer no competition whatsover to the mixed credits employed by other governments, in particular the French—but including the Japanese and the British—to steal our markets. Without this ammunition, we would stand very little chance of securing agreement, through negotiations currently underway, to eliminate, or at least minimize, this perverse form of predatory financing. It is a rather curious strategy

to send negotiators to Paris with a mandate to negotiate better discipline on mixed credits, while simultaneously sending a bill to the Congress that would strip them of the only negotiating leverage they can employ; namely, the threat to match fire with fire until reason prevails.

We have, I think, reached the point where Exim should use its existing mixed credit ammunition more aggressively than it has, targeted to have maximum detrimental effect on the exports of those countries that obstinately refuse to negotiate seriously. Within the Subcommittee on International Finance, which I chair, I intend to explore new ways to strengthen the hand of our negotiators. We cannot, however, make any headway in improving and refining Exim's mixed credit policies until we make sure Exim will at least retain the mixed credit capacity it now enjoys. To do that, we need, first, to preserve Exim's direct loan program, then to think of ways to improve it. Hence we need to kill the administration's Eximbank proposals as quickly and unambiguously as possible. That is what the bill I am introducing today would do.

This bill is not intended simply as a blessing of the status quo. It is intended solely as a definitive statement by the Congress that Exim's current direct loan program should be preserved and strengthened, and neither abolished, as the administration proposes, nor nibbled away over time, as many of our exporters fear, and our foreign competitors hope. Once the preservation of Exim's loan authority is assured, we need to turn our attention to a number of important Exim issues. I have already mentioned mixed credits. In addition, Exim's use of its direct loan budget raises some serious questions. Exim has, in fact, used very little of it—only 19 percent in fiscal year 1983, 38 percent in fiscal year 1984, and about 7 percent through the first 5 months of this fiscal year. Why is that? Are they really being as competitive and aggressive as the Congress desires? And what about their large guarantee and insurance programs? Are there not new and innovative ways to imploy those powers, in cooperation with our exporters and the private financial markets, to boost American exports? These are the issues we should be examining, not a spurious budgetary device like I-Match.●

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 22. Joint resolution designating March 1985 as "National Mental Retardation Awareness Month", and

S.J. Res. 62. Joint resolution commemorating the 25th anniversary of U.S. weather satellites.

PROPOSED RULES OF THE SELECT COMMITTEE ON HUNGER

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

Mr. LELAND. Mr. Speaker, in accordance with rule XI, clause 1(d), I am submitting herewith the rules adopted by the House Select Committee on Hunger, on March 28, 1985:

RULES OF THE SELECT COMMITTEE ON HUNGER

RULE 1.—MEETINGS

The regular meetings of the committee shall be held on the third Tuesday of each month at 9:45 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Every member of the committee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

RULE 2.—QUORUMS

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

RULE 3.—COMMITTEE REPORTS

Every committee report shall be approved by a majority vote of the members voting, a quorum being present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(1)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in committee unless the proposed report has been available to the members of the committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in the committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the committee prior to the consideration of the proposed report in the committee.

RULE 4.—PROXY VOTES

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and specific measure of matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to the measure or matter.

RULE 5.—ROLLCALLS

A rollcall of the members may be had upon the request of any member.

RULE 6.—RECORD OF COMMITTEE ACTIONS

The committee staff shall maintain in the committee offices a complete record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alterations, additions or defacement.

RULE 7.—TASK FORCE

The committee may establish such task forces as it deems appropriate. The jurisdiction of such task forces shall be established by the chairman of the committee in consultation with the ranking minority member of the committee. The chairman and ranking minority member of the committee shall serve as ex officio on each task force.

RULE 8.—HEARING DATES AND WITNESSES

The chairman of the committee, after consultation with the ranking minority member of the committee, shall announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he, after consultation with that member, determines that there is good cause to begin such hearings at an earlier date. Whenever any hearing is conducted by the committee upon any measure or matter, the committee's minority party members shall be entitled, upon request by a majority of them to the chairman of the committee before the completion of the hearing to call witnesses selected by them to testify with respect to that measure or matter during at least one day of hearing. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 72 hours in advance of their appearance.

RULE 9.—OPEN MEETINGS

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

RULE 10.—FIVE MINUTE RULE

Insofar as practicable, witnesses shall be permitted to present their oral statements without interruption, questioning by the committee members taking place afterward. After completing his questioning, the chairman shall recognize the ranking majority and then the ranking minority Member, and thereafter in recognizing members present, he may give preference to the members on the basis of their arrival at the hearing, taking into consideration the majority and minority ratio of the members actually

present. A member desiring to speak or ask a question shall address the chairman and not the witness in order to insure orderly procedure.

Each member may question the witnesses for 5 minutes, the reply of the witness being included in the 5-minute period. After all members have had an opportunity to ask questions, the round may begin again under the 5-minute rule.

RULE 11.—INVESTIGATIVE HEARINGS; PROCEDURES

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE 12.—STENOGRAPHIC RECORD

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE 13.—TV, RADIO, AND PHOTOGRAPHS

When approved by a majority vote, an open meeting or hearing of the committee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alterations, curtailment or discontinuance of coverage as he determines necessary.

RULE 14.—STAFF

The chairman shall have the authority to hire and discharge majority staff and majority-appointed shared staff. The ranking minority member shall have the authority to hire and discharge minority staff and minority-appointed shared staff. The authorization for the creation of new majority and majority-appointed shared staff positions, subject to the Committee's budget, shall rest with the chairman, and the ranking minority member shall have the same authority with respect to minority and majority-appointed shared staff.

RULE 15.—AUTHORIZATION FOR TRAVEL

Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel.

(2) The dates during which travel is to be made and the date or dates of the event for which the travel is being made.

(3) The location of the event for which the travel is to be made.

(4) The names of member and staff seeking authorization.

RULE 16.—ADDITIONAL DUTIES OF CHAIRMAN

The chairman of the committee shall—

(1) make available to other committees the Select Committee's findings and recommendations resulting from the investigations of the committee as appropriate; and

(2) prepare a budget for the committee and present such budget to the committee for its approval.

RULE 17.—AMENDMENT OF RULES

These rules may be modified, amended or repealed by a majority vote of the committee at a meeting at which a quorum is present, if at least two legislative days' written notice of the proposed change has been provided each member of the committee prior to the meeting date on which such changes are to be discussed and voted upon.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. GARCIA) and to revise and extend his remarks:)

Mr. GONZALEZ, for 60 minutes, April 1.

Mr. GONZALEZ, for 60 minutes, April 2.

Mr. GONZALEZ, for 60 minutes, April 3.

Mr. GONZALEZ, for 60 minutes, April 4.

(The following Members (at the request of Mr. HENRY) to revise and extend their remarks and include extraneous material:)

Mr. MOORE, for 10 minutes, today.

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. LOTT, for 30 minutes, today.

Mr. MADIGAN, for 5 minutes, today.

Mr. ROWLAND of Connecticut, for 30 minutes, today.

(The following Members (at the request of Mr. DE LUGO) to revise and extend their remarks and include extraneous material:)

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. PENNY, for 5 minutes, today.

Mr. BUSTAMANTE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. WEAVER, for 5 minutes, today.

Mr. FLIPPO, for 5 minutes, today.

Mr. LAFALCE, for 30 minutes, today.

Mr. RICHARDSON, for 60 minutes, today.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks, and include extraneous matter:)

Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

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

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

Mr. DANNEMEYER.

Mr. SHUSTER.

Mr. MCGRATH.

Mr. LOWERY of California.

Mr. GILMAN.

Mrs. ROUKEMA.

Mr. LEACH of Iowa in two instances.

Mr. KEMP in four instances.

Mr. MICHEL.

Mr. NIELSON of Utah.

Mr. YOUNG of Florida.

Mr. DREIER of California.

Mr. DAUB.

Mr. FIELDS in two instances.

Mr. HAMMERSCHMIDT.

Mr. WEBER.

Mr. LEWIS of California.

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

Mr. MILLER of California.

Mr. GORDON.

Mr. DE LA GARZA in 10 instances.

Mr. GAYDOS.

Mr. YATRON.

Mr. KANJORSKI.

Mr. WHITLEY.

Mr. HEFTEL of Hawaii.

Mr. FORD of Michigan.

Mr. LANTOS in two instances.

Mr. DONNELLY.

Mr. SWIFT.

Mr. LOWRY of Washington in two instances.

Mr. BONER of Tennessee.

Mr. DORGAN of North Dakota in two instances.

Mr. TAUZIN.

Mr. STALLINGS in two instances.

Mr. DYMALLY.

Mr. COELHO.

Mr. OBERSTAR.

Mr. ROSE.

Mr. PEPPER.

Mr. WEISS.

Mr. HAWKINS.

Mr. WAXMAN.

Mr. HUBBARD.

Ms. MIKULSKI.

Mr. MARKEY.

Mr. RANGEL in two instances.

Mr. LEHMAN of Florida in two instances.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 71. Joint resolution to approve the obligation of funds made available by Public Law 98-473 for the procurement of MX missiles, subject to the enactment of a second joint resolution.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 3 o'clock and 53 minutes p.m.), under its previous order, the House adjourned until Monday, April 1, 1985, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Miscellaneous reports filed with the Committee on House Administration and forwarded to the Clerk of the House concerning the foreign currencies and U.S. dollars utilized by Interparliamentary Unions and other similar groups or delegations during calendar year 1984 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, EXPENSES IN THE UNITED STATES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. AND SEPT. 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
P.A. Abbruzzese	1/22	1/23	Florida		75.00		1,179.43				1,254.43
	3/15	3/16	Florida		75.00		308.00				383.00
	6/10	6/13	California		362.00		925.00				1,287.00
	6/13	6/15	Georgia		542.09		([3])				542.09
	8/21	8/31	Florida, Texas, Oklahoma		500.00		833.38				1,333.38
	9/27	10/1	New York		192.89		140.00		631.94		964.83
R. Badham	1/22	1/23	Florida		75.00		1,179.43				1,254.43
A. Roberts	6/20	6/23	California		425.76		894.00				1,319.76
	8/21	8/31	Florida, Texas, Oklahoma		754.09		833.38				1,587.47
S. Stratton	8/21	8/23	Texas		138.96		2,685.50				2,824.46
Official delegation expenses: Meetings in Washington, DC.									1,778.51		1,778.51
Administrative expenses: Meetings outside of Washington, DC.							4,676.48		1,809.03		6,485.51
Committee total					3,140.79		13,654.60		4,219.48		21,014.87

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Price included in California ticket.

DANTE B. FASCELL, Feb. 1, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, SPEAKER AUTHORIZED TRIP TO LUXEMBOURG, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 24 AND MAY 28, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
P.A. Abbruzzese	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
A. Atwater	5/25	5/28	Luxembourg		[4] 436.58		[3] 3,542.87				3,979.45
J.J. Brady	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
J. Brooks	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
S. Burton	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
D. Cabral	5/25	5/28	Luxembourg		[4] 179.12		[3] 3,542.87				3,721.99
J. Fonvielle	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
R. Garcia	5/25	5/28	Luxembourg		472.00		[3] 1,771.44				2,243.44
L. Hamilton	5/25	5/28	Luxembourg		[4] 191.50		[3] 3,542.87				3,734.37
E. Levitas	5/25	5/26	Luxembourg		236.00		[3] 1,771.44				2,007.44
S. Matts	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
G. O'Brien	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
A. Roberts	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
Total					5,291.20		42,514.45				47,805.65
C. Rose	5/25	5/28	Luxembourg		472.00		[3] 3,542.87				4,014.87
J. Salvia	5/25	5/28	Luxembourg		[4] 255.67		[3] 3,542.87				3,798.54
S. Stratton	5/25	5/28	Luxembourg		[4] 322.49		[3] 3,542.87				3,865.36
C. Sullivan	5/25	5/28	Luxembourg		[4] 313.04		[3] 3,542.87				3,855.91
W.G. Whitehurst	5/25	5/28	Luxembourg		[4] 226.07		[3] 3,542.87				3,768.94
Delegation expenses—House share:											
Embassy assistance							3,203.15				3,203.15
Administrative charges							196.42				196.42
Miscellaneous expenses							304.10				304.10
Ground transportation							2,705.89				2,705.89
Total					1,589.27		17,714.35				25,713.18
Grand total											73,518.18

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Represents military transportation per person.
[4] Represents refund of unused per diem.

DANTE B. FASCELL, Jan. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, UNITED KINGDOM, BELGIUM, ITALY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 8 AND NOV. 20, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
R. Badham	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
Bates, J	11/8	11/9	United Kingdom		108.00		68.62		55.12		231.74
	11/9	11/12	France		357.00				110.38		467.38
	11/12	11/14	West Germany		226.00						226.00
	11/14	11/15	Switzerland		108.00						108.00
	11/15	11/16	Belgium		108.00		113.76		497.64		719.40
	11/16	11/20	Italy		460.00		170.10		93.59		723.77
Military transportation							10,952.02				10.952.02
T. Bliley	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/17	Belgium		540.00		113.76		497.64		1,151.40
	11/17	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
Total					4,099.00		32,968.78		2,049.43		39,117.21
Boehlert, S	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
J. Brooks	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
Burton, S	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
R. Coleman R	11/8	11/9	United Kingdom		108.00		68.62		55.12		231.74
	11/9	11/12	France		357.00				110.38		467.38
	11/12	11/14	West Germany		226.00						226.00
	11/14	11/15	Switzerland		108.00						108.00
Total					4,897.00		32,564.92		2,104.55		39,566.47
	11/15	11/16	Belgium		108.00		113.76		497.64		719.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,952.02				10,952.02
C. Collins	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
N. Dicks	11/12	11/17	Belgium		432.00		113.76		497.64		1,043.40
Commercial transportation							1,372.00				1,372.00
R. Lasch	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
Total					3,732.00		34,385.92		2,381.57		40,499.49
S. Matts	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/17	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
C. Rose	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
E. Rudd	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							3,301.32				3,301.32
L.J. Smith	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		460.00		170.18		93.59		723.77
Military transportation							10,479.54				10,479.54
Total					5,098.00		36,081.56		2,530.28		43,709.84
W. Whitehurst	11/8	11/11	United Kingdom		366.00		68.62		55.12		489.74
	11/11	11/16	Belgium		540.00		113.76		497.64		1,151.40
	11/16	11/20	Italy		[3] 400.82		170.18		93.59		664.59
Military transportation							10,479.54				10,479.54
Administrative expenses in Belgium									835.20		835.20
Total					1,306.82		10,832.10		1,481.55		13,620.47
Grand total											176,513.48

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Represents refund of unused per diem.

DANTE B. FASCELL, Jan. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, INTERPARLIAMENTARY UNION, GENEVA, SWITZERLAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 30 AND APR. 8, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Augustus F. Hawkins	3/30	4/8	Switzerland		1,045.00		[3] 1,780.27				2,825.27
Hon. Carroll Hubbard, Jr	3/30	4/8	Switzerland		1,350.00		[3] 1,780.27				3,130.27
Hon. Tony P. Hall	4/3	4/8	Switzerland		650.00		[3] 917.95				1,567.95
Hon. Henry J. Hyde	3/30	4/8	Switzerland		1,141.59		[3] 1,780.27				2,921.86
Hon. Sherwood L. Boehlert	3/30	4/8	Switzerland		1,350.00		[3] 1,780.27				3,130.27
Benjamin J. Guthrie	3/30	4/8	Switzerland		1,350.00		[3] 1,780.27				3,130.27
Vance Hyndman	3/30	4/8	Switzerland		800.00		[3] 1,780.27				2,580 27
Ellen P. Rayner	3/30	4/8	Switzerland		835.00		[3] 1,780.27				2,615.27
Julie Illsley	3/30	4/8	Switzerland		1,055.00		[3] 1,780.27				2,835.27
Delegation expenses:											
Official meals	3/30	4/8	Switzerland		2,310.62						2,310.62
Control room	3/30	4/8	Switzerland		4,266.55						4,266.55
Transportation	3/30	4/8	Switzerland				3,232.52				3,232.52
Overtime (embassy personnel)	3/30	4/8	Switzerland						639.26		639.26
Gratuities	3/30	4/8	Switzerland						31.75		31.75
Miscellaneous	3/30	4/8	Switzerland						54.17		54.17
Committee total					16,153.76		18,392.63		725.18		35,271.57

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

CLAUDE PEPPER, Feb. 28, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, INTERPARLIAMENTARY UNION, GENEVA, SWITZERLAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 22 AND SEPT. 29, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	9/22	9/29	Switzerland		634.48		[3] 1,869.28				2,503.76
Hon. Charles Hatcher	9/22	9/29	Switzerland		798.33		[3] 1,869.28				2,667.61
Hon. Frank Harrison	9/22	9/29	Switzerland		590.00		[3] 1,869.28				2,459.28
Hon. John Paul Hammerschmidt	9/22	9/29	Switzerland		868.50		[3] 1,869.28				2,737.78
Benjamin J. Guthrie	9/22	9/29	Switzerland		910.00		[3] 1,869.28				2,779.28
Vance Hyndman	9/22	9/29	Switzerland		910.00		[3] 1,869.28				2,779.28
Ellen Rayner	9/22	9/29	Switzerland		594.75		[3] 1,869.28				2,464.03
Julie Illsley	9/22	9/29	Switzerland		720.75		[3] 1,869.28				2,590.03
Delegation expenses:											
Official meals	9/22	9/29	Switzerland		1,203.30						1,203.30
Control room	9/22	9/29	Switzerland		3,254.25						3,254.25
Transportation	9/22	9/29	Switzerland				2,094.18				2,094.18
Overtime (embassy personnel)	9/22	9/29	Switzerland						867.98		867.98
Gratuities	9/22	9/29	Switzerland						80.15		80.15
Miscellaneous	9/22	9/29	Switzerland						19.20		19.20
Committee total					10,484.36		17,048.42		967.33		28,500.11

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

CLAUDE PEPPER, Feb. 28, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michael D. Barnes	3/8	3/12	United States		447.00		798.26				1,245.26
Edward P. Boland	3/8	3/12	United States		464.05		798.26				1,262.31
William S. Broomfield	3/8	3/12	United States		464.00		798.26				1,262.26
Baltasar Corrada	3/8	3/12	United States		467.72		798.26				1,265.98
Dante B. Fascell	3/8	3/12	United States		459.50		798.26				1,257.76
Bill Frenzel	3/8	3/12	United States		449.00		798.26				1,247.26
Robert Garcia	3/8	3/12	United States		473.61		798.26				1,271.87
Sam Gibbons	3/8	3/12	United States		444.00		798.26				1,242.26
Lee H. Hamilton	3/8	3/12	United States		457.10		798.26				1,255.36
Frank Horton	3/8	3/12	United States		466.55		798.26				1,264.81
John J. LaFalce	3/8	3/12	United States		460.65		798.26				1,258.91
David Martin	3/8	3/12	United States		489.75		798.26				1,288.01
James L. Oberstar	3/8	3/12	United States		476.57		798.26				1,274.83
Arlan Stangeland	3/8	3/12	United States		451.03		798.26				1,249.29
Larry Winn	3/8	3/12	United States		455.25		798.26				1,253.51
Everett Bierman	3/8	3/12	United States		456.05		798.26				1,254.31
Elizabeth Daoust	3/6	3/12	United States		765.20		[3] 270.00 [4] 399.13				1,434.33
George M. Ingram	3/8	3/12	United States		507.34		798.26				1,305.60
	11/26	12/2	United States		573.03		[3] 1,112.00				1,685.03
Stephen Nelson	3/8	3/12	United States		479.10		798.26				1,277.36
Lillian Pubillones	3/8	3/12	United States		500.79		798.26				1,299.05
CeCe Williams	3/8	3/12	United States		449.90		798.26				1,248.16
Delegation expenses:											
Planning sessions									507.92		507.92
Official delegation meals and meetings									22,202.04		22,202.04

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1984—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Inflight expenses, control room charges, and security.									3,558.18		3,558.18
Stationery supplies									147.57		147.57
Committee total					10,657.19		[3]1,382.00 [4]16,364.33		26,415.71		54,819.23

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.
[4] Department of Defense.

MICHAEL D. BARNES, Mar. 18, 1985.

REPORT OF EXPENDITURES FOR OFFICAL FOREIGN TRAVEL, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1984

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation expenses: [3]											
Planning sessions									13.90		
Official delegation meals and meetings									10,516.32		
Control room charges									1,127.04		
Ground transportation									2,521.00		
Stationery items									1,121.43		
Miscellaneous									90.50		
Committee total									15,390.19		15,390.19

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Does not include House share of some Senate expenses still not received.
Note.—No travel was performed during 1984.

E de la GARZA, Mar. 18, 1985.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

901. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Federal Insecticide, Fungicide, and Rodenticide Act as amended, for 2 years; to the Committee on Agriculture.

902. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the required information concerning the Department of the Navy's proposed letter of offer of defense articles in excess of $50 million to Pakistan, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

903. A letter from the Acting Under Secretary of Defense for Research and Engineering, transmitting a report on independent research and development and bid and proposal costs, pursuant to Public Law 91-441, section 203(c); to the Committee on Armed Services.

904. A letter from the Director, Strategic Defense Initiative Organization, transmitting a letter stating that the strategic defense initiative (SDI) research program can be of optimal benefit if all technology is appropriately classified or unclassified; to the Committee on Armed Services.

905. A letter from the Auditor, District of Columbia, transmitting a report entitled "Escheated Estates Fund Review" to replace the previous copy erroneously issued without the agency comments being included, pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

906. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Safe Drinking Water Act, as amended, for 2 years; to the Committee on Energy and Commerce.

907. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Clean Air Act, as amended, for 2 years; to the Committee on Energy and Commerce.

908. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed letter of offer to Pakistan for defense articles and sevices estimated to cost $50 million, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

909. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for John Dimitri Negroponte, to be the Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, pursuant to Public Law 96-465, section 304(b)(2); to the Committee on Foreign Affairs.

910. A letter from the Director, U.S. Information Agency, transmitting a draft of proposed legislation to authorize appropriations for the U.S. Information Agency for fiscal years 1986 and 1987 to enable the Agency to carry out international information and educational and cultural exchange programs; to the Committee on Foreign Affairs.

911. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Coastal Zone Management Act of 1972, as amended, to authorize appropriations for section 315 of the act and administrative expenses for fiscal years 1986, 1987, and 1988, and for other purposes; to the Committee on Merchant Marine and Fisheries.

912. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Aviation Act of 1958 to advance the scheduled termination date of the Essential Air Service Program, and for other purposes; to the Committee on Public Works and Transportation.

913. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstration for fiscal years 1986 and 1987; to the Committee on Science and Technology.

914. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the

Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

915. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

916. A letter from the Acting Assistant Secretary of State for Legislative and Governmental Affairs, transmitting a draft of proposed legislation to amend and extend the Hostage Relief Act of 1980; jointly to the Committees on Foreign Affairs, Post Office and Civil Service, and Ways and Means.

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. UDALL: Committee on Interior and Insular Affairs. H.R. 1185. A bill to amend the act establishing the Petrified Forest National Park (Rept. No. 99-30). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee in Interior and Insular Affairs. H.R. 1373. A bill to designate the wilderness in the Point Reyes National Seashore in California as the Phillip Burton Wilderness; with an amendment (Rept. No. 99-31). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 1714. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; with amendments (Rept. No. 99-32). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. LOWRY of Washington (for himself, Mr. BIAGGI, Mr. HUBBARD, Mr. TAUZIN, Mr. BORSKI, Mr. BOSCO, Mr. ORTIZ, Mr. MANTON, Mr. YOUNG of Alaska, Mr. DAVIS, Mr. SHUMWAY, Mr. FRANKLIN, Mr. CHAPPIE, and Mrs. BENTLEY):

H.R. 1784. A bill to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CONYERS:

H.R. 1785. A bill to amend the Voting Rights Act of 1965 to prohibit the requirement that a majority, rather than a plurality, of votes cast in a primary election for Federal office be obtained in order to achieve nomination; to the Committee on the Judiciary.

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

H.R. 1786. A bill to reauthorize the Export Administration Act of 1979, and for other purposes; to the Committee on Foreign Affairs.

By Mr. NEAL (for himself, Mr. LEVIN of Michigan, Mr. FAUNTROY, Mr. FRANK, Mr. MANTON, Mr. FUSTER, Mr. LAFALCE, Mr. CHANDLER, Mr. AUCOIN, and Mr. LOWRY of Washington):

H.R. 1787. A bill to amend the Export-Import Act of 1945; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BIAGGI:

H.R. 1788. A bill to amend the Refugee Education Assistance Act of 1980 with respect to determinations of the number of eligible participants under such act; to the Committee on Education and Labor.

By Mr. BREAUX (for himself and Mr. YOUNG of Alaska):

H.R. 1789. A bill relating to the authorization of appropriations for certain components of the National Wildlife Refuge System; to the Committee on Merchant Marine and Fisheries.

By Mrs. BYRON:

H.R. 1790. A bill to withdraw certain public lands for military purposes, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Armed Services.

By Mr. DANNEMEYER:

H.R. 1791. A bill to amend the Internal Revenue Code of 1954 to allow trustees of certain individual retirement accounts to extend credit, with the account as security for such credit, to the individual for whose benefit such account is maintained if such individual agrees to accept a high-deductible option under a group health insurance plan offered by the employer of such individual in return for contributions by the employer to such account; to the Committee on Ways and Means.

By Mr. DERRICK:

H.R. 1792. A bill to amend title 18, United States Code, to regulate polygraph and other detection of deception examinations and prohibit certain practices with respect thereto for the purpose of protecting the privacy rights of employees and individuals seeking employment with employers engaged in any business or activity in or affecting interstate commerce while permitting such employers to use such examinations to protect their businesses and control property losses attributable to employee theft and other acts of misconduct; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. FLORIO, and Ms. MIKULSKI):

H.R. 1793. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin; to the Committes on Energy and Commerce.

By Mr. DORGAN of North Dakota:

H.R. 1794. A bill to permit States to exercise regulatory jurisdiction over intrastate railroad abandonments; to the Committee on Energy and Commerce.

By Mr. DOWDY of Mississippi:

H.R. 1795. A bill to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806; to the Committee on Interior and Insular Affairs.

By Mr. ECKART of Ohio (for himself, Mr. FEIGHAN, Mr. SIKORSKI, and Mr. TORRICELLI):

H.R. 1796. A bill to protect the public interest in stable relationships among communities, professional sports teams, and leagues and in the successful operation of such teams in communities throughout the Nation, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FRANK (for himself and Mrs. BOXER):

H.R. 1797. A bill to amend the Immigration and Nationality Act to permit suspension of deportation without regard to departures which do not meaningfully interrupt continuous physical presence; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 1798. A bill to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal years 1986, 1987, and 1988; to the Committee on Science and Technology.

H.R. 1799. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal years 1986, 1987, and 1988; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. ROSTENKOWSKI (for himself and Mr. DUNCAN):

H.R. 1800. A bill to make technical corrections relating to the Tax Reform Act of 1984, and for other purposes; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. ADDABBO, Mr. ANNUNZIO, Mr. BERMAN, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. BONKER, Mr. CLAY, Mr. CROCKETT, Mr. DURBIN, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FRANK, Mr. HAWKINS, Mr. HAYES, Mr. HOWARD, Mr. KASTENMEIER, Mr. LANTOS, Mr. LEVIN of Michigan, Mr. MARKEY, Mr. MARTINEZ, Mr. MAVROULES, Ms. MIKULSKI, Mr. MOODY, Mr. OBERSTAR, Mr. OWENS, Mr. PRICE, Mr. RODINO, Mr. ROE, Mr. ROYBAL, Mr. SABO, Mr. SOLARZ, Mr. STOKES, Mr. STUDDS, Mr. TORRES, Mr. TOWNS, Mr. VENTO, Mr. WEAVER, and Mr. WEISS):

H.R. 1801. A bill to provide for the solvency of the Medicare Program and to reform the health care financing system; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GILMAN (for himself, Mr. EDGAR, Mr. DYMALLY, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, and Mr. DASCHLE):

H.R. 1802. A bill to amend title 5, United States Code, to establish certain requirements for the procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service; to the Committee on Post Office and Civil Service.

By Mr. HEFTEL of Hawaii:

H.R. 1803. A bill to provide for regional petroleum reserves, as part of the strategic petroleum reserve, in certain regions of the United States; to the Committee on Energy and Commerce.

By Mr. HERTEL of Michigan:

H.R. 1804. A bill to amend the Internal Revenue Code of 1954 to provide that certain State and local real property taxes paid by a financial institution on behalf of a mortgagor shall be treated as paid on December 31; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 1805. A bill to amend the Internal Revenue Code of 1954 to eliminate duplicative mailings by State and local governments by allowing the statement of State and local income tax refunds paid during a

calendar year to be furnished before January of the following calendar year; to the Committee on Ways and Means.

By Mr. KINDNESS (for himself, Mr. BEREUTER, and Mr. OXLEY):

H.R. 1806. A bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 1807. A bill to amend the Internal Revenue Code of 1954 to repeal the tax credit for political contributions made to political action committees; to the Committee on Ways and Means.

H.R. 1808. A bill entitled: the "International Trade and Investment Act Amendments of 1985"; jointly, to the Committees on Ways and Means; Banking, Finance and Urban Affairs; Energy and Commerce; Foreign Affairs; and Education and Labor.

By Mr. LANTOS (for himself, Mr. SCHEUER, Mr. ACKERMAN, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON, Mr. ANNUNZIO, Mr. BARNES, Mr. BENNETT, Mr. BERMAN, Mr. BOLAND, Mrs. BOXER, Mrs. BURTON of California, Mr. CLAY, Mrs. COLLINS, Mr. COUGHLIN, Mr. CROCKETT, Mr. DARDEN, Mr. DELLUMS, Mr. DONNELLY, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. EDWARDS of Oklahoma, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FEIGHAN, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FRANK, Mr. GIBBONS, Mr. GREEN, Mr. GUARINI, Mr. HEFTEL of Hawaii, Mr. HOYER, Mr. JACOBS, Mr. KILDEE, Mr. LEHMAN of California, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Florida, Mr. MAVROULES, Mr. MARTINEZ, Mr. MCGRATH, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. PEPPER, Mr. PORTER, Mr. REID, Mr. RODINO, Mrs. ROUKEMA, Mr. ROYBAL, Mr. RUSSO, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. ST GERMAIN, Mr. STARK, Mr. SWIFT, Mr. TORRICELLI, Mr. TOWNS, Mr. VENTO, Mr. WAXMAN, Mr. WHEAT, and Mr. ZSCHAU):

H.R. 1809. A bill to end the use of steel jaw leghold traps on animals in the United States; to the Committee on Energy and Commerce.

By Mr. LEWIS of California (for himself, Mr. STENHOLM, Mrs. MARTIN of Illinois, Mr. FRENZEL, Mr. MICHEL, Mrs. VUCANOVICH, and Mr. MONTGOMERY):

H.R. 1810. A bill to provide for administration of pay of new Government Printing Office employees under the prevailing rate system and the General Schedule, while protecting the pay of present Government Printing Office employees; to the Committee on House Administration.

By Mr. LOTT (for himself, Mr. STENHOLM, Mr. MICHEL, Mr. PACKARD, Mr. LAGOMARSINO, Mr. BARTLETT, Mr. LUNGREN, Mr. NIELSON of Utah, Mr. OXLEY, Mr. BADHAM, Mr. FRANKLIN, Mr. MOORHEAD, Mr. BLILEY, Mr. STANGELAND, Mr. HYDE, Mr. GINGRICH, Mrs. HOLT, Mr. BARNARD, Mr. MACK, Mr. HUNTER, Mr. RUDD, Mr. CHAPPIE, Mr. MONSON, Mr. ARMEY, Mr. BATEMAN, Mr. CRANE, Mr. SOLOMON, Mr. ZSCHAU, Mr. ROGERS, and Mr. LOWERY of California):

H.R. 1811. A bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 until September 30, 1987, and for other purposes; to the Committee on Education and Labor.

By Mr. LOWRY of Washington (for himself, Mr. COYNE, Mr. DIXON, Mr. TOWNS, Mr. BEDELL, Mr. WHEAT, Mr. DOWNEY of New York, Mr. FAUNTROY, Mr. MILLER of California, Mr. MATSUI, Mr. GARCIA, Mr. MITCHELL, Mr. DELLUMS, Mr. STOKES, Mr. MARTINEZ, Mr. HAYES, Mr. FAZIO, Mr. BONIOR of Michigan, Mr. OWENS, Mr. DYMALLY, Mr. CONYERS, Mr. CROCKETT, Mr. WEAVER, Ms. KAPTUR, Mr. LELAND, Mr. BERMAN, Mr. WEISS, Mr. BARNES, Mrs. COLLINS, Mr. SAVAGE, Mr. WAXMAN, Mr. VENTO, and Mr. DASCHLE):

H.R. 1812. A bill to prohibit any person from exercising any functions of an honorary consular officer of the Republic of South Africa; to the Committee on Foreign Affairs.

By Mr. MACKAY (for himself, Mr. SHAW, Mr. MACK, Mr. MCCOLLUM, Mr. NELSON of Florida, and Mr. YOUNG of Florida):

H.R. 1813. A bill to deauthorize the Cross-Florida Barge Canal, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MADIGAN (for himself, Mr. STANGELAND, Mr. ROBERTS, Mr. EMERSON, Mr. GUNDERSON, Mr. EVANS of Iowa, Mr. SCHUETTE, Mr. BRUCE, Mr. DURBIN, and Mr. JEFFORDS):

H.R. 1814. A bill entitled: the "Farm Emergency Credit Act of 1985"; to the Committee on Agriculture.

By Mr. MATSUI (for himself, Mr. STARK, Mr. DELLUMS, Mr. LUNDINE, Mr. MACKAY, Mr. ADDABBO, Mr. FRANK, and Mrs. BURTON of California):

H.R. 1815. A bill to amend the Federal Power Act to ensure fair competition in the licensing of existing hydroelectric projects and, in doing so, to maintain and enhance diversity within the electric utility industry, thereby ensuring the maximum development and utilization of the Nation's public resources for the benefit of all electric consumers, and for other purposes; to the Committee on Energy and Commerce.

By Ms. MIKULSKI:

H.R. 1816. A bill to amend title 38, United States Code, to provide veterans with toll free telephone access to the Veterans' Administration for the purpose of obtaining crisis counseling and information about services and benefits offered by the Administration; to the Committee on Veterans' Affairs.

H.R. 1817. A bill to amend title 38, United States Code, to direct the Administrator of Veterans' Affairs to establish, maintain, and utilize a central data bank of information for the purpose of providing immediate information to law enforcement personnel in barricade or hostage situations involving a veteran and for the purpose of improving administrative recordkeeping functions of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. ARMEY:

H.R. 1818. A bill to authorize the Administrator of Veterans' Affairs to release a limitation on the use of certain real property conveyed by the Administrator to the city of McKinney, TX; to the Committee on Veterans' Affairs.

By Mr. NIELSON of Utah (by request):

H.R. 1819. A bill to amend the Federal Food, Drug, and Cosmetic Act to restrict the authority of the Secretary of Health and Human Services with respect to regulating food as drugs; to the Committee on Energy and Commerce.

By Mr. OBERSTAR:

H.R. 1820. A bill to amend section 224 of the Social Security Act to permit an individual who is entitled both to disability insurance benefits and to other periodic benefits, and who is consequently subject to benefit reductions under that section, to lessen the amount of such reduction by taking into account certain noncovered earnings in the year of his or her disability and the 5 preceding years; to the Committee on Ways and Means.

H.R. 1821. A bill to amend title II of the Social Security Act to repeal the special limitation on total family benefits which is presently applicable in cases where the primary beneficiary is entitled to disability insurance benefits; to the Committee on Ways and Means.

H.R. 1822. A bill to amend title II of the Social Security Act to provide that widow's and widower's insurance benefits, as well as old-age insurance benefits, may be increased by the application of the delayed retirement credit; to the Committee on Ways and Means.

By Mr. PASHAYAN:

H.R. 1823. A bill to amend the National Housing Act to protect the rights of State-chartered savings and loan associations to engage in activities and make investments authorized under State law, to ensure effective supervision of such associations by State-chartering authorities and to provide for additional funding of the primary reserve of the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEASE (for himself, Mr. BARTON of Texas, Mr. FRENZEL, Mr. GARCIA, Mr. HILER, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. OBEY, Mr. OLIN, Mr. PETRI, Mr. SEIBERLING, Mr. STARK, and Mr. VOLKMER):

H.R. 1824. A bill to amend title 10, United States Code, in order to provide for certain cost savings related to commissaries, movement of household effects of military personnel, the closing or realignment of military installations, and military aircraft fuel conservation; to the Committee on Armed Services.

By Mr. PEASE (for himself, Mr. BARTON of Texas, Mr. DIXON, Mr. FRENZEL, Mr. GARCIA, Mr. HILER, Mr. JEFFORDS, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. OBEY, Mr. OLIN, Mr. PETRI, Mr. PORTER, Mr. SEIBERLING, Mr. STARK, and Mr. VOLKMER):

H.R. 1825. A bill to reduce the costs to the Federal Government of operating, maintaining, leasing, and acquiring motor vehicles, and for other purposes; to the Committee on Government Operations.

By Mr. PEASE (for himself, Mr. BARTON of Texas, Mr. GARCIA, Mr. HILER, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. OLIN, Mr. PETRI, Mr. PORTER, Mr. SEIBERLING, Mr. STARK, and Mr. VOLKMER):

H.R. 1826. A bill to increase revenues by improving Internal Revenue Service enforcement of the tax laws and to repeal the

10-day grace period for the payment of certain tobacco-related excise taxes; to the Committee on Ways and Means.

By Mr. PEASE (for himself, Mr. BARTON of Texas, Mr. DIXON, Mr. FRENZEL, Mr. GARCIA, Mr. HILER, Mr. JEFFORDS, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. OLIN, Mr. PETRI, Mr. PORTER, Mr. SEIBERLING, and Mr. STARK):

H.R. 1827. A bill to implement five user fee recommendations of the Grace Commission respecting the Departments of Agriculture and Energy, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. PEASE (for himself, Mr. BARTON of Texas, Mr. FRENZEL, Mr. GARCIA, Mr. HILER, Mr. JEFFORDS, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. OBEY, Mr. OLIN, Mr. PETRI, Mr. PORTER, Mr. SEIBERLING, and Mr. STARK):

H.R. 1828. A bill to implement two recommendations of the Grace Commission regarding Federal health care, and for other purposes; jointly, to the Committees on Armed Services, Veterans' Affairs, Ways and Means, and Energy and Commerce.

By Mr. RODINO:

H.R. 1829. A bill to recognize the organization known as The Statue of Liberty-Ellis Island Foundation, Inc., and for other purposes; to the Committee on the Judiciary.

H.R. 1830. A bill to amend the Clayton Act to require the Federal Trade Commission and the Department of Justice to maintain a record of outside communications by their employees concerning any proposed acquisition of securities or assets which is subject to the notification and waiting requirements of section 7A of such act; to the Committee on the Judiciary.

H.R. 1831. A bill to amend the Clayton Act to temporarily prohibit certain involuntary acquisitions of persons engaged in commerce or in any activity affecting commerce and to establish an advisory commission to study the effects of voluntary and involuntary mergers; to the Committee on the Judiciary.

H.R. 1832. A bill to establish an Office of Competition and Economic Concentration; to the Committee on the Judiciary.

By Mr. ST GERMAIN (for himself and Mr. WYLIE) (by request):

H.R. 1830. A bill to strengthen and refine the provisions of the Federal Deposit Insurance Act, to provide for more flexible assessment procedures, to improve methods for insuring deposits and for paying insured depositors, to establish priorities among claimants to the estates of failed banks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SCHROEDER:

H.R. 1834. A bill to provide for a mutual, simultaneous, verifiable cessation of the testing of nuclear warheads effective on August 6, 1985, and for other purposes; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. SHUSTER:

H.R. 1835. A bill to amend the Railroad Retirement Act of 1974 to eliminate certain reductions in cost-of-living increases; to the Committee on Energy and Commerce.

By Mr. SLATTERY:

H.R. 1836. A bill to amend the Internal Revenue Code of 1954 to provide that the use of certain public safety and emergency vehicles and certain school buses for commuting purposes shall be treated as a fringe benefit not includible in gross income of the commuter to the extent such use is for the convenience of the employer; to the Committee on Ways and Means.

By Mr. TALLON:

H.R. 1837. A bill to amend the Communications Act of 1934 to eliminate the requirement for carrying of certain out-of-State broadcast signals by any cable system under the must-carry rules of the Commission; to the Committee on Energy and Commerce.

H.R. 1838. A bill to credit certain service performed by National Guard technicians prior to January 1, 1969, as Federal employment for the purpose of civil service retirement benefit; to the Committee on Post Office and Civil Service.

By Mr. TAUZIN:

H.R. 1839. A bill to repeal the provisions of the Tax Reform Act of 1984 relating to the maintenance of contemporaneous records with respect to the business use of certain property, and for other purposes; to the Committee on Ways and Means.

By Mr. TAUZIN (for himself, Mr. ROSE, Mr. WHITTAKER, and Mr. MCEWEN):

H.R. 1840. A bill to amend the Communications Act of 1934 to clarify policies regarding the right to view satellite-transmitted television programming, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WATKINS:

H.R. 1841. A bill to amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to make grants for centers for rural technology development; to the Committee on Agriculture.

H.R. 1842. A bill to provide that the Department of Agriculture shall be known as the Department of Agriculture and Rural Development, to transfer the administration of certain conservation programs from the Farmers Home Administration to the Soil Conservation Service, to establish the Rural Development Administration within the Department of Agriculture and Rural Development, to transfer the administration of certain rural housing programs from the Farmers Home Administration to the Rural Development Administration, to provide that the Farmers Home Administration shall be known as the Farm Administration, and for other purposes; jointly, to the Committees on Agriculture and Banking, Finance and Urban Affairs.

By Mr. WEAVER:

H.R. 1843. A bill to enable States primarily affected by the siting of repositories for high-level radioactive waste or spent nuclear fuel to participate effectively in the site selection, review, and approval process, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. WEISS:

H.R. 1844. A bill to amend the Food Stamp Act of 1977 to establish separate deductions allowable for dependent care expenses and excess shelter expenses for purposes of determining certain benefit levels under the food stamp program, and to increase the maximum amount of such deductions; to the Committee on Agriculture.

By Mr. YOUNG of Alaska (for himself, Mr. DAVIS, Mr. LENT, and Mr. STUDDS):

H.R. 1845. A bill to amend title 38, United States Code, to provide that dependency and indemnity compensation paid to the surviving spouse of an officer who served as Commandant of the Coast Guard shall be paid at the same rate as paid to the surviving spouses of officers who served as chief of one of the other Armed Forces; to the Committee on Veterans' Affairs.

By Mr. PORTER (for himself and Ms. MIKULSKI):

H.J. Res. 218. Joint resolution to designate the week beginning September 15, 1985, as "National Dental Hygiene Week"; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H.J. Res. 219. Joint resolution to reaffirm U.S. solidarity with the aspirations of captive nations in central and Eastern Europe by repudiating the consequences of the 1945 Yalta executive agreements; to the Committee on Foreign Affairs.

By Mr. MONTGOMERY:

H.J. Res. 220. Joint resolution to recognize the vital role played by members of the National Guard and Reserve in the national defense; to the Committee on Armed Services.

By Mr. RINALDO:

H.J. Res. 221. Joint resolution to designate the month of October 1985 as "National Make-A-Wish Month"; to the Committee on Post Office and Civil Service.

By Mr. BEREUTER:

H. Con. Res. 103. Concurrent resolution relating to United States-Japan trade; to the Committee on Ways and Means.

By Mr. PANETTA (for himself, Mr. WRIGHT, Mr. FASCELL, Mr. FORD of Michigan, Mr. BOLAND, Mr. TALLON, and Mr. TOWNS):

H. Con. Res. 104. Concurrent resolution expressing the sense of Congress that funding levels for Federal foreign language and international education and exchange programs should be maintained or increased; jointly, to the Committees on Foreign Affairs and Education and Labor.

By Mr. ANNUNZIO:

H. Res. 117. Resolution electing members of the Joint Committee on Printing and members of the Joint Committee of Congress on the Library; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII,

56. The SPEAKER presented a memorial of the Legislature of the State of California, relative to developmental disabilities funding; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SABO introduced a bill (H.R. 1846) providing for a 5-year extension of each of two patents relating to cardiac drugs; which was referred 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. 3: Mr. PANETTA, Mr. SEIBERLING, Mr. THOMAS of Georgia, Mr. KANJORSKI, Mr. BOUCHER, Mr. FEIGHAN, Mr. LEHMAN of Florida, Mr. SLATTERY, Mr. DERRICK, Mr. SIKORSKI, Mr. AUCOIN, Mr. HUCKABY, Mrs. SCHROEDER, and Mr. LANTOS.

H.R. 7: Mr. TORRES.

H.R. 70: Mr. BROWN of Colorado, Mr. DORNAN of California, Mr. GINGRICH, and Mr. SILJANDER.

H.R. 86: Mr. ARMEY and Mr. DELAY.

H.R. 94: Mr. CHAPPELL.

H.R. 156: Mr. HOWARD, Mr. MANTON, Mr. WHITEHURST, Mr. BORSKI, Mr. LELAND, Mr. ADDABBO, Mr. DWYER of New Jersey, and Mr. MARTINEZ.

H.R. 230: Mrs. BOGGS, Mr. FAZIO, Mr. GRAY of Pennsylvania, Mr. TORRICELLI, and Mr. BONIOR of Michigan.

H.R. 232: Mr. DELLUMS, Mr. HAWKINS, Mr. DIXON, Mr. MORRISON of Connecticut, Mr. SUNIA, Mr. SAVAGE, Mrs. COLLINS, Mr. FRANK, Mr. TOWNS, Mr. RANGEL, Mr. BIAGGI, and Mr. OWENS.

H.R. 241: Mr. SENSENBRENNER.

H.R. 347: Mr. YATRON, Mr. MOODY, Mr. JEFFORDS, Mr. KILDEE, Mr. SMITH of New Jersey, Mr. FAZIO, and Mr. CHANDLER.

H.R. 386: Mr. WOLPE, Mrs. BURTON of California, Mr. DANIEL, Mr. BOEHLERT, and Mr. EDWARDS of Oklahoma.

H.R. 435: Mr. LOWRY of Washington and Mr. DANIEL.

H.R. 479: Mr. BUSTAMANTE, Mr. GOODLING, and Mr. HEFNER.

H.R. 521: Mr. COATS.

H.R. 534: Mr. VALENTINE.

H.R. 650: Mr. GUARINI.

H.R. 747: Mr. LANTOS, Mr. ANDERSON, Mr. AKAKA, Mr. STARK, Mr. MAVROULES, Ms. KAPTUR, Mr. GONZALEZ, and Mr. DE LUGO.

H.R. 864: Mr. WHITLEY, Mr. NEAL, Ms. KAPTUR, Mr. TALLON, Mr. DWYER of New Jersey, Mr. ECKART of Ohio, Mr. LOWRY of Washington, Mr. SHELBY, Mr. GREGG, and Mr. WISE.

H.R. 887: Mr. MATSUI, Mr. WEISS, Mrs. JOHNSON, and Mr. GUARINI.

H.R. 890: Mr. SCHEUER, Mr. MANTON, and Mr. MARTINEZ.

H.R. 893: Mr. VENTO, Mr. WOLPE, and Mr. WEISS.

H.R. 972: Mrs. COLLINS, Mr. GARCIA, Mr. WILSON, Mr. COELHO, Mr. RAHALL, Mr. TAUZIN, Mr. ARMEY, Mr. MURPHY, Mr. DREIER of California, Mr. DANIEL, Mr. KILDEE, Mr. EDWARDS of Oklahoma, and Mr. SILJANDER.

H.R. 976: Mr. HUBBARD, Mr. HARTNETT, and Mr. DYSON.

H.R. 999: Mr. MARTINEZ.

H.R. 1017: Mr. AKAKA, and Mr. KANJORSKI.

H.R. 1042: Mr. DANIEL, Mrs. COLLINS, Mr. MCCURDY, Mr. RINALDO, Mr. MURTHA, Mr. KILDEE, Mr. PACKARD, Mr. BEVILL, Mr. LANTOS, Mr. GALLO, Mr. TORRICELLI, Mr. MCKERNAN, Mr. DORNAN of California, Mr. MCGRATH, Mr. BUSTAMANTE, Mr. KOLBE, Mrs. JOHNSON, Mr. FROST, Mr. VOLKMER, Mr. FAZIO, Mr. FLORIO, Mr. YOUNG of Florida, Mr. DAUB, Mr. LAGOMARSINO, Mr. MYERS, Mr. ROE, Mr. WHITEHURST, Mr. BROWN of Colorado, Mr. TAYLOR, Mr. GROTBERG, Ms. SNOWE, and Mr. RUDD.

H.R. 1059: Mr. JONES of North Carolina and Mr. LEWIS of California.

H.R. 1100: Mr. LUKEN, Mr. UDALL, Mr. GARCIA, Mr. BROWN of California, Mr. WILLIAMS, Mr. ROBERT F. SMITH, and Mrs. KENNELLY.

H.R. 1188: Mr. MICA, Mr. LEVIN of Michigan, Mr. COYNE, Mr. WEBER, Mr. MCCAIN, Mr. MURPHY, Mr. DANNEMEYER, Mr. RIDGE, Mr. HENRY, Mr. ANDREWS, Mr. RALPH M. HALL, Mr. AKAKA, Mr. BARTON of Texas, Mr. NELSON of Florida, Mr. MACKAY, Ms. KAPTUR, Mr. ARMEY, Mr. CARR, Mr. PACKARD, Mr. YATRON, Mr. PURSELL, Mr. WORTLEY, Mr. MARKEY, Mr. DURBIN, Mr. SMITH of Florida, Mr. ORTIZ, Mr. ROSE, Mr. WILLIAMS, Mr. COUGHLIN, Mr. CLINGER, Mr. CONTE, Mr. HORTON, Mr. RITTER, and Mrs. JOHNSON.

H.R. 1200: Mr. CARPER, and Mr. BUSTAMANTE.

H.R. 1268: Mr. TOWNS, Mr. WHITEHURST, Mr. PACKARD, Mr. MARTINEZ, and Mr. LAGOMARSINO.

H.R. 1272: Mr. BARNES, Mr. WAXMAN, Mr. COELHO, Mr. WYDEN, Mr. SCHEUER, Mr. TORRICELLI, Mr. VENTO, and Mr. LEHMAN of Florida.

H.R. 1283: Mr. ROSE.

H.R. 1316: Mr. BARNES, Mr. BERMAN, Mr. BOLAND, Mr. BONER of Tennessee, Mrs. BOXER, Mrs. COLLINS, Mr. CONYERS, Mr. DANIEL, Mr. DARDEN, Mr. DONNELLY, Mr. FASCELL, Mr. FRANK, Mr. HENRY, Mr. HORTON, Mr. HUGHES, Mrs. JOHNSON, Ms. KAPTUR, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LELAND, Mr. LEVINE of California, Mr. MANTON, Ms. MIKULSKI, Mr. MORRISON of Connecticut, Mr. ROE, Mr. ROSE, Mr. SAVAGE, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLARZ, Mr. SUNIA, Mr. TALLON, Mr. UDALL, Mr. VENTO, Mr. WEAVER, Mr. WHITEHURST, Mr. WOLF, and Mr. BOEHLERT.

H.R. 1318: Mr. KANJORSKI, Mr. WIRTH, Mr. ROWLAND of Connecticut, and Mr. DWYER of New Jersey.

H.R. 1319: Mr. ORTIZ.

H.R. 1353: Mr. ROSE, Mr. DE LUGO, Mr. KASTENMEIER, Mr. SMITH of Florida, Mr. SCHUMER, Mr. FAUNTROY, Mr. BERMAN, Mr. LIPINSKI, Mr. ROE, Mr. SAVAGE, Mr. MOAKLEY, Mr. ADDABBO, Mr. FORD of Michigan, Mr. DORNAN of California, Mr. FUSTER, Mr. BONIOR of Michigan, Mr. HUNTER, Mr. PANETTA, Mr. RANGEL, Mr. TORRICELLI, Mr. SMITH of Iowa, Mr. DEWINE, Ms. MIKULSKI, Mr. OWENS, Mr. FAZIO, Mr. MARTINEZ, Mr. MITCHELL, Mr. LELAND, Mr. HOWARD, Mr. KILDEE, Mr. BROWN of California, Mr. NEAL, Mr. CONYERS, Mr. WALGREN, Mr. ECKART, of Ohio Mrs. KENNELLY, Mrs. LLOYD, Mr. WEISS, Mr. STAGGERS, and Mr. DIXON.

H.R. 1379: Mr. DARDEN.

H.R. 1400: Mr. MARKEY, Mr. ECKART of Ohio, Mr. KOLTER, Mr. CONYERS, Mr. MOODY, Ms. MIKULSKI, and Mr. HAYES.

H.R. 1436: Mr. DAUB.

H.R. 1442: Mrs. SCHNEIDER, Mr. OWENS, Mr. DIXON, Mr. BORSKI, and Mr. DWYER of New Jersey.

H.R. 1458: Mr. DASCHLE and Mrs. LLOYD.

H.R. 1461: Mr. COURTER, Mr. PORTER, Mr. CRANE, Mr. BURTON of Indiana, and Mr. DELAY.

H.R. 1515: Mr. KOLTER, Ms. KAPTUR, Mr. VENTO, and Mr. WEAVER.

H.R. 1550: Mr. JONES of North Carolina, Mr. KANJORSKI, and Mrs. BENTLEY.

H.R. 1566: Mr. EVANS of Iowa, Mr. BEREUTER, Mr. MADIGAN, and Mr. HEFTEL of Hawaii.

H.R. 1567: Mr. EVANS of Iowa, Mr. BEREUTER, Mr. MADIGAN, and Mr. HEFTEL of Hawaii.

H.R. 1612: Mr. RICHARDSON, Mr. HILLIS, Mr. FRENZEL, Mr. WHITTAKER, Mr. MARLENEE, Mr. ROBINSON, and Mr. STALLINGS.

H.R. 1615: Mr. MOLLOHAN, Mr. DARDEN, Mr. BEVILL, Mr. WEAVER, Mr. MURPHY, Mr. JONES of North Carolina, and Mr. KOLTER.

H.R. 1630: Mr. LUKEN and Mr. KINDNESS.

H.R. 1650: Mr. MCGRATH.

H.R. 1659: Mrs. COLLINS, Mr. GLICKMAN, Ms. KAPTUR, and Mr. WEAVER.

H.R. 1666: Mr. MAVROULES, Mr. BUSTAMANTE, Mr. LAGOMARSINO, Mr. VENTO, Mr. FAUNTROY, Mr. DAUB, Mr. TOWNS, and Ms. KAPTUR.

H.J. Res. 49: Mr. SENSENBRENNER.

H.J. Res. 64: Mr. ADDABBO, Mr. BENNETT, Mr. BEVILL, Mr. BLILEY, Mrs. BOXER, Mr. BRYANT, Mr. BUSTAMANTE, Mrs. BYRON, Mr. CLAY, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. COYNE, Mr. DANIEL, Mr. DARDEN, Mr. DUNCAN, Mr. DYMALLY, Mr. FLIPPO, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FUSTER, Mr. GUARINI, Mr. HATCHER, Mr. HAYES, Mr. HEFNER, Mr. HORTON, Mr. HOWARD, Mr. IRELAND, Mr. JEFFORDS, Mr. JENKINS, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. KASICH, Mr. KLECZKA, Mr. LAGOMARSINO, Mr. MCDADE, Mr. MCHUGH, Mr. MARTIN of New York, Mr. MURPHY, Mr. NATCHER, Ms. OAKAR, Mr. PERKINS, Mr. RINALDO, Mr. ROE, Mr. ROWLAND of Georgia, Mr. SISISKY, Mr. SMITH of Florida, Mr. SWINDALL, Mr. TALLON, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. WOLF, and Mr. WORTLEY.

H.J. Res. 65: Mr. BEVILL, Mr. BLILEY, Mrs. BOXER, Mr. BRYANT, Mr. BUSTAMANTE, Mr. CHAPPIE, Mr. CLAY, Mrs. COLLINS, Mr. CONTE, Mr. COYNE, Mr. DANIEL, Mr. DARDEN, Mr. DUNCAN, Mr. DYMALLY, Mr. FLIPPO, Mr. FORD of Tennessee, Mr. FUSTER, Mr. HAYES, Mr. HEFNER, Mr. HORTON, Mr. HOWARD, Mr. IRELAND, Mr. JEFFORDS, Ms. KAPTUR, Mr. KASICH, Mr. LAGOMARSINO, Mr. MCHUGH, Mr. MURPHY, Mr. NATCHER, Ms. OAKAR, Mr. PERKINS, Mr. RINALDO, Mr. ROE, Mr. ROWLAND of Georgia, Mr. SISISKY, Mr. SMITH of Florida, Mr. SWINDALL, Mr. TALLON, Mr. TORRICELLI, Mr. TOWNS, Mr. WOLF, and Mr. WORTLEY.

H.J. Res. 79: Mr. O'BRIEN, Mrs. KENNELLY, Mr. PACKARD, Mr. ARCHER, Mr. BLAZ, and Mrs. BURTON of California.

H.J. Res. 100: Mr. BARNES, Mr. BENNETT, Mr. BORSKI, Mr. BROOMFIELD, Mr. CHAPPELL, Mr. CONTE, Mr. DIOGUARDI, Mr. DYSON, Mr. ENGLISH, Mr. HATCHER, Mr. HEFNER, Mr. IRELAND, Mrs. KENNELLY, Mr. KILDEE, Mr. LAFALCE, Mr. LANTOS, Mr. LIGHTFOOT, Mr. MCHUGH, Mr. MORRISON of Connecticut, Mr. MURTHA, Mr. OBERSTAR, Mr. PERKINS, Mr. PETRI, Mr. ROBINSON, Mr. SCHEUER, Mr. STRANG, Mr. TAUZIN, Mr. WEAVER, Mr. WOLPE, Mr. WYLIE, and Mr. YOUNG of Florida.

H.J. Res. 105: Mr. COYNE, Mr. DARDEN, Mr. GIBBONS, Mr. GREEN, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HILER, Mr. HOYER, Mr. JENKINS, Mr. KRAMER, Mr. LENT, Mr. LOWRY of Washington, Mr. MARLENEE, Mr. MARTIN of New York, Mr. ST GERMAIN, Mr. CLAY, Mr. DINGELL, Mr. HUGHES, Mr. MAVROULES, Mr. PENNY, Mr. QUILLEN, Mr. ROSTENKOWSKI, Mr. SWINDALL, Mr. TOWNS, Mr. WALKER, Mr. KASICH, Mr. LIPINSKI, Mr. SABO, and Mr. WYDEN.

H.J. Res. 108: Mr. ORTIZ.

H.J. Res. 123: Mr. LOTT, Mr. NICHOLS, Mr. HARTNETT, Mr. SCHUETTE, Mrs. KENNELLY, Mr. COATS, Mr. MCEWEN, Mr. COUGHLIN, Mr. ECKERT of New York, Mr. AKAKA, Mr. BLILEY, Mr. BOSCO, Mr. MARTIN of New York, Mr. HUTTO, Mr. CHAPPELL, Mr. SAVAGE, Mr. KANJORSKI, Mr. ROEMER, Mr. LEVIN of Michigan, Mr. MOLINARI, Mr. BARNES, Mrs. VUCANOVICH, Mr. HAYES of Illinois, Mrs. BENTLEY, Mr. LELAND, Mr. BROYHILL, Mr. MOLLOHAN, Mr. TOWNS, Mr. BENNETT, Mr. DANIEL, and Mr. SMITH of New Hampshire.

H.J. Res. 136: Mr. MRAZEK, Mr. WILSON, Mr. GALLO, Mr. WOLPE, Mr. GUARINI, Mr. GUNDERSON, Mr. MURPHY, Mr. ERDREICH, Mr. ACKERMAN, Mr. BONER of Tennessee, Mr. LAFALCE, Mr. ROWLAND, of Georgia, Mr. JACOBS, Mr. DIOGUARDI, Mr. GARCIA, Mr. COBEY, Mr. SISISKY, Mr. MCHUGH, Mr. TRAFICANT, Mr. STALLINGS, Mr. COLEMAN of Texas, Mr. DASCHLE, Mr. LANTOS, Mr. APPLEGATE, and Mr. DONNELLY.

H.J. Res. 186: Mr. ACKERMAN, Mr. ADDABBO, Mr. AKAKA, Mr. ANDREWS, Mr. ANNUNZIO,

Mr. ATKINS, Mr. BARNES, Mr. BARTLETT, Mr. BEDELL, Mr. BERMAN, Mr. BEVILL, Mr. BIAGGI, Mr. BOEHLERT, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BREAUX, Mr. BROOKS, Mr. BRUCE, Mrs. BURTON of California, Mr. COELHO, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COYNE, Mr. CROCKETT, Mr. DANIEL, Mr. DARDEN, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DERRICK, Mr. DEWINE, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOWDY of Mississippi, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EDGAR, Mr. EVANS of Illinois, Mr. FASCELL, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLIPPO, Mr. FLORIO, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FRANK, Mr. FROST, Mr. FUQUA, Mr. GRAY of Illinois, Mr. GRAY of Pennsylvania, Mr. GROTBERG, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HAYES, Mr. HERTEL of Michigan, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Ms. KAPTUR, Mr. KASTENMEIER, Mr. KILDEE, Mr. KLECZKA, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. LUKEN, Mr. LUNDINE, Mr. MCKERNAN, Mr. MANTON, Mr. MARTINEZ, Mr. MAVROULES, Ms. MIKULSKI, Mr. MILLER of California, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. NEAL, Mr. NELSON of Florida, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. ORTIZ, Mr. PANETTA, Mr. PERKINS, Mr. REID, Mr. ROE, Mr. ROSE, Mr. SABO, Mr. SCHEUER, Mr. SCHUMER, Mr. SIKORSKI, Mr. SISISKY, Mr. SNYDER, Mr. SOLARZ, Mr. STRATTON, Mr. TALLON, Mr. TAUKE, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. VALENTINE, Mr. VANDER JAGT, Mr. VENTO, Mr. VOLKMER, Mr. WALGREN, Mr. WATKINS, Mr. WEISS, Mr. WHEAT, Mr. WHITLEY, Mr. WILSON, Mr. WIRTH, Mr. WOLPE, Mr. WORTLEY, Mr. YATES, Mr. YOUNG of Missouri, Mr. HAMMERSCHMIDT, Mr. MARTIN of New York, Mr. MACK, Mr. RUDD, Mr. MCGRATH, Mr. REGULA, Mr. DANNEMEYER, Mr. MCKERNAN, Mr. WEAVER, Mr. LEWIS of California, Mr. YOUNG of Florida, Mr. HENRY, Mr. LOTT, Mr. HENDON, Mr. DONNELLY, Mr. ARCHER, Mr. MCDADE, Mr. GREEN, Mr. CALLAHAN, Mr. BUSTAMANTE, Mr. CHAPPIE, Mr. LENT, Mr. BLAZ, Mr. WEBER, Mrs. JOHNSON, Mr. FRENZEL, Mr. MOLINARI, Mr. HANSEN, Mr. HATCHER, Mr. MINETA, Mr. LATTA, Mr. NIELSON of Utah, Mr. HYDE, Mr. MCCAIN, Mr. CHANDLER, Mr. PORTER, Mr. LEVINE of California, Mr. PACKARD, Mr. SMITH of Florida, Mr. COURTER, Mr. SMITH of New Jersey, Mr. BRYANT, Mr. FIELDS, Mr. O'BRIEN, Mr. SAXTON, Mr. LOEFFLER, Mr. RINALDO, Mr. OWENS, Mr. LOWERY of California, Mr. LEACH of Iowa, Mr. GILMAN, Mr. STANGELAND, Mrs. ROUKEMA, Mr. LIGHTFOOT, Mr. MOORHEAD, Mr. KEMP, Mr. CHENEY, Mr. SHAW, Mr. STRANG, Mr. JENKINS, Mr. DIOGUARDI, Mr. RANGEL, Mr. LAFALCE, and Mr. COLEMAN of Missouri.

H.J. Res. 188: Mr. SABO, Mr. GIBBONS, Ms. SNOWE, Mr. MARTINEZ, Mr. STRATTON, Mr. GRAY of Pennsylvania, Mr. EARLY, and Mr. GEPHARDT.

H.J. Res. 189: Mr. ADDABBO, Mr. ANDREWS, Mr. BERMAN, Mr. BLAZ, Mrs. BOGGS, Mr. BROOKS, Mr. BROWN of California, Mrs. BURTON of California, Mr. CHANDLER, Mr. CHAPPIE, Mr. COELHO, Mr. CONYERS, Mr. COYNE, Mr. CROCKETT, Mr. DELLUMS, Mr. DEWINE, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DYMALLY, Mr. DYSON, Mr. FAUNTROY, Mr. FAZIO, Mr. FOLEY, Mr. FRANKLIN, Mr. GRADISON, Mr. GREEN, Mr. GUARINI, Mr. GUNDERSON, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HAYES, Mr. HEFNER, Mr. HOYER, Mr. HUTTO, Mr. JENKINS, Ms. KAPTUR, Mr. KEMP, Mr. KILDEE, Mr. KOSTMAYER, Mr. MCDADE, Mr. MADIGAN, Mr. MANTON, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. NEAL, Mr. NIELSON of Utah, Ms. OAKAR, Mr. O'BRIEN, Mr. ORTIZ, Mr. PEPPER, Mr. RAHALL, Mr. RICHARDSON, Mr. ROEMER, Mr. SCHUMER, Mr. SKELTON, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. STOKES, Mr. TALLON, Mr. TORRICELLI, Mr. TOWNS, Mr. VENTO, Mr. WALGREN, Mr. WOLPE, and Mr. WYDEN.

H.J. Res. 202: Mr. LELAND, Mr. WEISS, Mr. MURPHY, and Mr. TOWNS.

H. Con. Res. 2: Mr. ADDABBO, Mr. BEREUTER, Mrs. BOGGS, Mr. CLAY, Mr. FUQUA, Mr. KANJORSKI, Ms. KAPTUR, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MILLER of Washington, Mr. NIELSON of Utah, Mr. OXLEY, Mr. RANGEL, Mr. SMITH of Florida, Mr. SOLOMON, Mr. STOKES, Mr. WHEAT, and Mr. WILLIAMS.

H. Con. Res. 18: Mr. DIOGUARDI.

H. Con. Res. 69: Mr. HORTON, Mr. HOWARD, Mr. IRELAND, Mr. DWYER of New Jersey, Mr. OWENS, Mr. ROYBAL, Mr. TORRICELLI, and Mr. HEFTEL of Hawaii.

H. Con. Res. 81: Mr. BOULTER, Mr. KOLBE, Mrs. HOLT, Mr. LIVINGSTON, Mr. OXLEY, Mr. LAGOMARSINO, Mr. SHAW, and Mr. WHITEHURST.

H. Con. Res. 83: Mr. SMITH of Florida, Mr. DYMALLY, Mr. MCGRATH, Mr. MACKAY, Mr. BEREUTER, Mr. MARTINEZ, Mr. LAGOMARSINO, Ms. KAPTUR, Mr. TRAFICANT, Mr. RANGEL, and Mr. GILMAN.

H. Con. Res. 84: Mr. ALEXANDER, Mr. YOUNG of Alaska, Mr. RICHARDSON, Mr. CONYERS, Mr. WILLIAMS, Ms. KAPTUR, Mr. RANGEL, and Mr. PERKINS.

H. Con. Res. 90: Mr. WIRTH.

H. Res. 40: Mr. STRANG, Mr. GOODLING, Mr. BOULTER, and Mr. EDWARDS of Oklahoma.

H. Res. 60: Mr. SLAUGHTER, Mr. EDWARDS of Oklahoma, Mr. GROTBERG, and Mr. CARPER.

H. Res. 71: Mr. TORRICELLI, Mr. ARCHER, Mr. YOUNG of Missouri, Mr. ROE, Mr. MRAZEK, Mr. BONIOR of Michigan, Mr. SABO, Ms. KAPTUR, Mr. WEISS, Mr. HORTON, Mr. DURBIN, Mr. BERMAN, Mr. FROST, Mr. KOLTER, Mr. BRYANT, Mr. REID, Mr. MARTINEZ, Ms. MIKULSKI, Mr. RANGEL, Mr. WAXMAN, Mr. COMBEST, Mr. LOWERY of California, Mr. DAUB, Mr. STENHOLM, Mr. FEIGHAN, Mr. MURPHY, Mrs. COLLINS, Mr. DARDEN, Mr. COLEMAN of Texas, Mr. BUSTAMANTE, and Mr. GREEN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

71. The SPEAKER presented a petition of the Department of Development, city of Jamestown, NY, relative to community and economic development programs; which was referred, jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.