United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 22, 1986*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

WASHINGTON, DC,
May 21, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, May 22, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we ask for the gift of belief that we will see life in a new and positive light. Make full our faith so we sense a world of opportunity and not just disappointment, so we can experience hope and not fear. Teach us, O God, to trust in Your way so we will ever know the comfort of Your everlasting presence. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment joint resolutions and a concurrent resolution of the House of the following titles:

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986 as "Critical Care Week";

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day"; and

H. Con. Res. 311. Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 124) "An act entitled the 'Safe Drinking Water Amendments of 1986'."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 2416) "An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing

PUBLIC NOTICE

Effective June 2, 1986, new procedures for public distribution of Congressional Documents will be instituted at the Document Rooms of the Senate and House of Representatives. On that date, public distribution of both House and Senate materials will be handled only through the Senate Document Room located in Room B-04, Hart Senate Office Building. (Members and Congressional staff will be able to use both Document Rooms without change in service.)

The public will be entitled to receive *one* free copy of any bill, report, resolution, public law or other document typically distributed in the Document Room. Additional copies of items may be purchased for a minimal charge at the same time, at the same location. Payments will be accepted in cash, by credit card or through deposit accounts established with the Superintendent of Documents. Public inquiries concerning document availability and ordering procedures should be made on or after June 2 to the Document Room at (202) 224-7860.

Since the Document Rooms have not traditionally furnished copies of committee prints and hearings, a special sales outlet for these publications, named the Congressional Sales Office, has been established across the lobby from the main GPO Bookstore, North Capitol and G Streets, N.W. To obtain information on this outlet, including the titles of publications offered for sale or to place a mail order, please refer the public to the Superintendent of Documents Congressional Desk at (202) 275-3030.

These new procedures have been instituted in response to the sequestrations mandated by the Gramm-Rudman-Hollings deficit reduction act. We believe the system as designed will provide continuing free access to information while reducing the costs of Congressional printing.

By order of the Joint Committee on Printing.

CHARLES McC. MATHIAS, JR., *Chairman.*

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 382. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

The message also announced that the Senate had passed a bill, joint resolution and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2180. An act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974;

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; and

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will postpone recognition of Members for 1-minute statements until after the completion of the business for the day.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4800.

□ 1005

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4800) to enhance the competitiveness of American industry; and for other purposes, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 21, 1986, amendment numbered (8) in House Resolution 456 had been completed. No amendments are in order except the remaining amendments made in order in said resolution.

AMENDMENT OFFERED BY MR. EVANS OF ILLINOIS

Mr. EVANS of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. EVANS of Illinois: Page 355, line 14, after "international trade" insert the following: ", including the mass layoffs and plant closings that are caused by or substantially related to the conduct of government procurements in accordance with title III of the Trade Agreements Act of 1979."

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Illinois [Mr. EVANS] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. EVANS].

Mr. EVANS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate having the opportunity to offer my amendment here today. I believe getting this trade bill to the floor for consideration is urgently needed and commend the House leadership for moving it so quickly.

Like some of you here today, I represent an area that has been devastated by our Nation's trade policies. Just 2 weeks ago, some 1,100 residents of the Quad Cities area learned they were losing their jobs in the heavy manufacturing industry because their company cannot compete with overseas sellers. They join the textile workers, farm equipment workers and the small town businessmen in the unemployment lines, and bloat my area's jobless rate to the mid-teens.

The trade bill reported out by the various committees contains many provisions to try and to help these sectors. I commend the committee chairmen for their yeoman-like work in getting this bill out for consideration. But an essential element is missing from the bill.

Not only are American industries hurting because of imports and unfair trading practices abroad, but the "open trade" policy of U.S. Government procurement is putting people out of work right here in our country.

Some of you may have heard of my efforts and efforts by other Members of Congress in regards to the award of defense contracts to a foreign company that is 15 percent owned by Libya. This is an extreme case where we are providing the funds for the bullets and missiles to be aimed at our own military.

The House recognized the problem and passed House Concurrent Resolution 315, introduced by Representative McCLOSKEY, which urges the Defense Department to withhold awarding this contract which will benefit Libya. But this contract should not be seen as an isolated case.

Across the board, it is clear that current trade policies which give foreign companies access to the U.S. Government procurement process are resulting in the erosion of our vital industrial base, particularly in the heavy manufacturing sector, and in the loss of American jobs.

My amendment to the education and labor section of the bill addresses these problems. It recognizes the link between international trade policy and industrial displacement at home.

All my amendment does is ask that when reports are made about the impact of international trade on mass layoffs and plant closings, those reports also include those layoffs or closings that are caused by or are substantially related to the conduct of Government procurements in accordance with title III of the Trade Agreements Act of 1979.

Title III of this act essentially waives the "Buy American" clauses that exist in current law. It opens up the procurement process to foreigners.

The idea behind this policy is that the foreign governments will then open up their procurement process to American companies. The fact is this tit-for-tat exchange just isn't happening.

What is happening is that foreign companies are repeatedly underbidding U.S. companies and obtaining Government contracts, particularly defense contracts. On the other hand, U.S. companies are still hitting brick walls in their search for foreign contracts.

There is only so much we can do directly to make those foreign governments open up and that's a matter for negotiation. But in the meantime, American workers and American industries are going down the tubes.

I am not asking that title III be abolished or that our trade negotiators' hands be tied in any way. But it is clear that we need to deal with this as a trade issue. Trade policies concerning how this Government lets contracts are affecting the jobs of American workers and threatening our industrial base just as surely as any other import restriction or unfair trade practice. We need to know the extent of this impact. Then based upon that information, we can determine what, if any, remedies are needed.

That is why this amendment belongs on the trade bill and is being offered here today. In fact, title III of the Trade Agreements Act recognized that this waiver of "Buy American" could have serious consequences for certain industries and certain areas. But it seems that the concerns expressed in 1979 have been forgotten. More up-to-date information is needed.

I have said this is a trade matter and that is evident. But we should also recognize the national security issues that are involved here as well.

The erosion of our industrial base, continued chronic unemployment, particularly in our manufacturing centers, and the loss of domestic and foreign markets result not only in a weakened economy, but seriously damage this country's ability to meet its defense needs.

We must maintain an industrial mobilization base that we can respond in times of national emergency or war. The trend toward a service economy is not a question of pink collar versus blue collar. It is a matter of keeping our country's defensive capability strong by keeping our industrial sector strong. Giving more and more contracts to a Fiat, a Komatsu or a Baretta while American companies like Case, International Harvester, and Caterpillar shrink or disappear presents a clear and present danger. If we take no action, we will be the ones who watch over the demise of our industrial defense base.

I urge my colleagues to support this amendment.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. SENSENBRENNER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 15 minutes.

(By unanimous consent, Mr. SENSENBRENNER was allowed to speak out of order.)

JUDGE CLAIBORNE SHOULD RESIGN

Mr. SENSENBRENNER. Mr. Chairman, on May 16, 1986, U.S. District Judge Harry E. Claiborne of Nevada became the first sitting Federal judge to go to prison. He is also the first Federal judge in history to be incarcerated for offenses committed while serving on the bench.

Chief Judge Claiborne was convicted by a jury in August 1984 for failing to report $106,000 income from his law practice on Federal tax returns in 1979 and 1980. He was sentenced to 2 years in prison and a fine of $10,000. The Federal Court of Appeals for the Ninth Circuit affirmed the conviction and the U.S. Supreme Court declined to grant certiorari.

Mr. Chairman, Judge Claiborne has refused to resign from his lifetime position and will continue to draw his $78,000 annual salary unless he is removed by the impeachment process. An impeachment proceeding must be originated in the House of Representatives. At this time, there appears to be no activity to get the impeachment process started.

Therefore, in order to uphold the integrity of the judiciary and prevent erosion in public confidence in judges, I am requesting that Judge Claiborne immediately resign from his position as U.S. district judge. If he does not submit his resignation by June 4, 1986, I will introduce a resolution calling for his impeachment.

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

Mr. EVANS of Illinois. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, the understanding of the amendment is that it merely requires a study of the impact of current government procurement policies on plant closings and mass layoffs. This impact study is to be made in conjunction with studies that are otherwise authorized to be made. Certainly those of us who have looked at this form the viewpoint of including it in title V of the bill under the jurisdiction of the Education and Labor Committee are of the opinion that the study certainly will accomplish some good. I see no reason why one would oppose such a study, and for that reason we are very willing to accept the amendment and hope that it will be adopted.

Mr. EVANS of Illinois. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BOLAND].

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

Mr. Chairman, the grim realities of our trade problem are visible everywhere. They confront us when we read of hollow corporations, and a trade deficit that stood at $25 billion when President Reagan took office, and mushroomed to almost $150 billion last year. But they are perhaps most telling when we walk the streets of our manufacturing centers and encounter closed factories and laid-off workers, or visit the farm States, and see how the loss of overseas markets has driven farmers off the land, their dreams destroyed.

Many Americans have become convinced that two sets of rules apply in international trade; one which the United States follows, and one available to everyone else. We negotiate agreements that are intended to stimulate fair trade and our trading partners ignore them. We open our markets, only to find foreign markets closed to us. We talk to our friends and allies about our trade concerns, and we get promises for the future but no help in the present. It has begun to sink in on the American people that their country is being played for a patsy on the issue of trade. They are angry, they are frustrated, and they want something done.

In response, the administration offers a continuation of the passivity which is the hallmark of its current trade policy. We are told that we can't risk offending our trading partners or they will retaliate. If their markets were now truly open, that would be a legitimate concern. They are not. If we had stabilized the market shares of even our traditionally strong export industries, that would be a reason not to imperil them. We have not. The simple fact is that the administration's trade policy provides the worst of two worlds. It insures a continued flood of imports to our country through a lack of response to violations of existing trade laws and agreements, and it guarantees continued limited markets abroad because of a lack of a demonstratable link between market access to foreign products here, and market access to our products overseas.

We have to be able to do better than that. The trade bill now under consideration is a better alternative. H.R. 4800 offers a plan of action that will: require retaliation against violations of existing trade agreements; permit the imposition of duties where subsidies make fair competition impossible; make it less likely that the behavior of our currency will place us at a disadvantage in international trade; improve the competitiveness of our workforce; and eliminate unnecessary controls on exports. The bill will remove the blinders which we have had on for far too long on matters relating to trade, and establish a new policy based on the realities of an international economy. I hope that the passage of this bill will educate those with whom we trade to the fact that Americans don't like to be taken advantage of. We expect one set of rules to apply to everyone, on trade or any other international activity, and we will no longer ignore instances in which those rules are broken.

Mr. Chairman, we will be considering a number of amendments to H.R. 4800. One, to be offered by Congressman LANE EVANS of Illinois, clearly improves this legislation. Under the Evans amendment, which I intend to support, the Labor Department will conduct a study on the relationship between Federal procurement practices and plant closings and layoffs. We can no longer tolerate a situation in which Government contracts facilitate the loss of American jobs and the ruin of American businesses. I hope that the study required by the Evans amendment will provide the basis for some sensible legislative or administrative initiatives in this area.

Wishful thinking won't improve our trade problems. We need a comprehensive means of attacking them. H.R. 4800 offers that approach and it deserves the support of this House.

Mr. EVANS of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I join in strong support of this amendment. I believe that the request of my colleague, the gentleman from Illinois

[Mr. EVANS], is not only reasonable but it is certainly advisable in light of what has happened to the economy in the Midwest and across this Nation.

Several months ago I joined my colleagues on the Appropriations Committee in asking the Department of Defense to look into this very real issue. Our approach to it is slightly different than Mr. EVANS' approach, and I believe that it is complementary to suggest this amendment, together with the Department of Defense initiative, can result in substantial improvement in the procurement practices by the Department of Defense.

Let me be specific. I live in a part of the world where we have very few defense contractors. In two specific instances in my central and western Illinois congressional district we have had local firms which were willing, ready and able to produce quality products for the Department of Defense lose in the bidding procedure to overseas firms. The Department of Defense has answered my complaints by suggesting that they were awarding the contracts to the lowest bid. But what is raised by Mr. EVANS' amendment and the important consideration today is not what the low bid happens to be but what the real cost of the contract happens to be. What is the real cost of the contract we send overseas when in fact tens if not hundreds of American workers are put out of work and unemployed?

The real cost goes beyond the actual contract. The Government incurs obligations to those people and their families.

In addition are the human costs. These are people who cannot contribute to their communities in the United States because we want to save 50 cents or a dollar on a bid overseas. I am not suggesting that we should take higher bids as a matter of course, but I am suggesting that we should measure the real cost of our defense contracts.

An equally important consideration is the erosion of our mobilization base. God forbid the time should ever come that this Nation would have to mobilize for war again. But should it ever occur, can we expect reliable sources of equipment and materials to come from overseas? Should we not maintain in the United States a basic industrial base that is ready and available to make products from companies like Wagner Castings of Decatur, which recently lost a bid to an overseas firm, to companies like CanAm Industries in Quincy, IL, which had to prevail upon the Department of the Army to change its procedure so that they would have a chance to bid on important tank wheels?

I believe the gentleman from Illinois has offered a very valuable amendment, and I think that what he is suggesting today is reasonable. The frustration of American workers with defense contracts awarded to overseas firms and this administration's trade policy of cloying weakness; this frustration is building across our country. It is becoming a rolling thunder which threatens to shake our Nation and its economy to its core.

This study is timely, it is necessary, and I rise in strong support of the gentleman's amendment.

□ 1015

Mr. SENSENBRENNER. Mr. Chairman, I yield the balance of my time to the gentleman from Vermont [Mr. JEFFORDS].

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

Mr. Chairman, I wish to take just a couple of minutes to explain that my amendment will be coming up next with respect to other improvements which I believe will enhance title V of this bill.

The amendment that I will be offering is an attempt to try and deal with some of the problems that we have as we look toward what must be done in order to meet our trade deficiency. We have spent, in my mind, too much time thinking about defensive tactics and too little time looking at an overall offensive strategy.

My amendment will try to add some funding for the purposes of doing something about our research and development facilities at our colleges and universities which are grossly lacking. In addition to that, it will attempt to deal with other problems, for example, providing technical assistance to labor management committees by regional experts designated by the Secretary of Labor. These committees will be established in order to do something about bringing labor and management together to work toward improving productivity and having fewer disputes regarding the problems and difficulties in their particular industry.

The amendment also requires two research studies. One to increase the data base regarding employment, unemployment and dislocation of farmers and ranchers in order to effect better services to them and to their communities, and, two, to seek means to coordinate employment services in the training programs authorized under this title.

It also would examine management alternatives to production cutbacks other than permanent work force reductions. I bring this amendment to the Members' attention at this time because I did have several amendments printed in the RECORD. This situation came about due to some confusion as to what I would be allowed to do through the rule and what would be in the Republican substitute.

Finally, I want to commend the chairman of the Education and Labor Committee for the effort that he has put into title V, and to insuring that we do have in this bill some positive responses to some of the difficulties that we have in the trade area.

Mr. EVANS of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. MCCLOSKEY].

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

Mr. Chairman, I rise in strong support of the Evans of Illinois amendment to require the Department of Labor to report on the impact of current Government procurement policies on plant closings and mass layoffs.

Just last week, the House and Senate took action in seeking to block the award of a $7.9 million Department of Defense contract to a firm in which the Libyans own a 15-percent interest. The award of such contracts in the past helped force a decision by Case IH to lay off 1,500 employees in Illinois, Indiana, and Iowa. This tragic event underscored the larger dimensions of a problem that is not getting any better.

In fiscal year 1985 alone, the U.S. Department of Defense awarded approximately $8 billion worth of contracts to foreign firms or firms performing contracts outside of the United States.

This policy has thrown open the lucrative U.S. Government procurement market to foreign bidders. It has wrought economic devastation on America's industrial heartland. It threatens to deindustrialize America. It is about time we knew how badly these policies are eroding our industrial base.

The Evans amendment is a vital part of our overall efforts to bring some sense to DOD contracting and other Government procurement policies.

I want to compliment the gentleman from Illinois on his amendment and urge my colleagues to support it.

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

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

Mr. Chairman, I wish to first commend the gentleman from Illinois [Mr. EVANS] for his efforts in this regard.

Mr. Chairman, I am very concerned, coming from a district probably decimated by our trade practices and the economic decline of the American industrial infrastructure as I have lost 55,000 in the last 10 years and replaced them with 7,000 jobs. The 55,000 I lost averaged $9 to $12.50 an hour with full benefits. The ones that we have gained are about $3.50 to $5.50 an hour with no benefits whatsoever.

The amendment that the gentleman brings forward is right to the point. We are not even talking about free trade anymore, Mr. American Citizen and Mrs. America; we are talking about giveaway trade. We are talking

about the American Government's procurement practices and how now they affect American joblessness and the loss of American jobs and the complete demise of the American manufacturing sector.

What the gentleman from Illinois [Mr. EVANS] is bringing forward is basically, "Let us not waive the Buy American provisions; let us keep certain aspects of the American dollar through our procurement practices, the American Government buying with the American people and the American companies who produce those products for us."

I was very concerned about other parts of our tax reform law that just passed, where it gives the American corporations an opportunity to move overseas, make the same products, ship them back, and if they make a profit and reinvest those profits overseas, they do not even pay taxes.

Now, in essence, if we fail to pass the Evans amendment we will let and essentially waive the Buy American provisions that exist under current law. That would be a tragedy, an absolute tragedy.

So this is not free trade anymore, ladies and gentleman, this is now getting to be "giveaway trade," and it is time that we put our foot down.

Mr. Evans, I commend you in your leadership, I am proud to stand here in the well with you, God bless you and keep up your fight. I hope we pass this amendment.

Mr. EVANS of Illinois. Mr. Chairman, I would like to commend the chairman of the Education and Labor Committee for his acceptance of our amendment, and at this time I yield back the balance of my time.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. EVANS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. JEFFORDS: Page 327, line 16, strike out "$500,000,000" and insert in lieu thereof "$480,000,000".

Page 341, line 6 strike out "$500,000,000" and insert in lieu thereof "$470,000,000".

Page 340, after line 25 insert the following new chapter:

CHAPTER 4—COLLEGE RESEARCH FACILITIES

SEC. 545. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection (g) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at universities and colleges. Funds shall be awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. Funds to carry out the program shall be awarded on a competitive basis. The funds so awarded to any university or college shall be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such costs being provided by the instituton involved or from other non-Federal public or private sources).

(c) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved.

(2) the congruence of the institution's research activities with the future research needs of the agencies referred to in subsection (f); and

the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated (in addition to sums authorized by section 511) $50,000,000 for fiscal year 1987 and such sums as may be necessary for each succeeding fiscal year to carry out this section.

Page 350, after line 25, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(f) The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to labor-management committees described in subsection (b).

Page 356, line 13, insert before the close quotation marks the following: "Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher but on the surrounding community.".

Page 357, after line 9, insert the following new subsection:

(e) ADDITIONAL STUDIES.—The National Commission for Employment Policy shall conduct research related to the provisions of this subtitle. Such research shall include examinations of—

(1) the role of the employment services in implementing programs to enhance services provided under this subtitle, and

(2) alternative techniques for managing production cutbacks without permanently reducing workforces.

A report on the research conducted under this subsection shall be submitted to the Congress not later than 18 months after the date of enactment of this Act.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 15 minutes, and a Member opposed to the amendment will be recognized for 15 minutes.

The Chair recognizes the gentleman from Vermont [Mr. JEFFORDS].

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

Mr. Chairman, I rise with an amendment which I hope will enhance title V of the bill. We are involved in a trade war; a serious trade war. A war that we are losing. I do not need to tell anyone that; that is why we are here today.

My concern is that in this bill we spend too much time on tactical defensive measures such as how we can prevent imports from coming into our country, and what we can do to retaliate against those that are taking advantage of our own fair trade practices with their unfair trade practices.

That is fine and that we should do. We should also take care of those that are in need either due to losing jobs or due to plant closings. We must look for ways to train them for other jobs in the work force so that they can continue to have a better life.

At the same time, we should also take a look at the causes of why we are where we are. Why are we losing the trade war? Examine what has happened to us in this last two decades.

After World War II, we were the country that everyone came to; they had to. We had the goods. They were cheaper and they were better. As time went on, we did many things to improve the standard of living of our workers. We improved their lot in life.

At the same time, however, our productivity decreased. Over the course of time, people stole our ideas regarding management, production, and technology that we had developed in this country. As a result they have moved ahead of us.

One of the main areas where they have moved ahead of us is research

and development. The efforts other nations have put into education surpass ours. These countries have used the best and the brightest available in their economic efforts to outdo us, and they have succeeded.

The President's report, a "Nation at Risk," indicated that we had seriously fallen behind in our educational efforts.

□ 1025

The amendments that I will offer today will be an attempt to enhance title V by improving productivity.

We must take a look and see where our deficiencies are. One obvious example is our national priorities, where we put our efforts. I think one of the most glaring examples of misplaced priorities is in the field of athletics. Oh, we all love our baseball, we all love our football and basketball, they are all great. If you talk in terms of national priorities and ask, "What should we be doing to try to take care of the problems that are so important to our jobs?" would you not think that there would be a closer relationship between what we pay to our scientists and our workers who are trying to raise our productivity more into line with what we pay professional athletes.

Well, let us take a look. The average major league baseball player—adjusted for inflation—in 1985 received $232,000, and the others—the basketball and the football players—are not far behind, or are even ahead.

The average salary for a nonagricultural worker is $15,900. For those people who are attempting to help us with the trade war, the average salary for an engineer is $34,000 and for a chemist, $32,000.

Further, let's look at what we do in our educatonal institutions to attract people. We pay on an average $500 more in scholarships for athletics than we do for those that have merit in the academic area.

Why do we do this, and why should we not spend more money on those whose services are vital to our economy? Well, I think the time to do that is now.

However, we also have other areas of great deficiency. A recent study was released last week by the White House Science Council on the health of the U.S. colleges and universities. This panel was chaired by David Packard, chairman of Hewlett-Packard, and D. Allan Bromley, Henry Ford professor of physics at Yale.

They heard from a hundred universities, and the consensus was that what we must do is enhance the research and development capacities of our universities. In this area we are seriously behind. This study indicates that we must put forth some $10 billion in the near future in order to bring those universities, our basic research institutions, up to the kind of standard that can assist us in the trade war.

The gentleman from Florida [Mr. FUQUA] and I commend him, recognizing this, has introduced a bill which is before his committee. I would admit that I stole many of the ideas that he had his bill contained. Through some minor changes, I have taken the concepts of his bill and put them into this amendment, recognizing, as he does, that we must take a step now to try to do something about these serious problems.

Also, the Northeast-Midwest coalition has conducted forums on this issue. I attended one of those at MIT in Boston. The same needs were expressed from businessmen and from educators, that what we must do is to take care of the serious deficiencies in equipment for research and development in our country.

This amendment attempts to do that. It does not increase the authorization of the bill or of the title, but what it does do is take and put as a priority doing something about the serious problems of research and development in our institutions of higher education.

My amendment adds a program that will take a step toward improving the state of our Nation's college and university research and laboratory facilities—our Nation's science infrastructure. The amendment also calls for an expanded data base and greater coordination under existing training programs, and makes available technical assistance to labor-management committees.

The United States—indeed, the world—economy is going through major structural changes. The best, and least expensive way of coping with such changes is to anticipate them and to readily adapt to them. Crucial to such an effort must be a capacity to modernize the skills of the American work force. These efforts must be both short term and long term.

Our short-term efforts should make it easier for out-of-work or dislocated workers to acquire marketable skills. In a period of fast-paced technological and international change, our ability to compete in the global economy will increasingly be dependent on our ability to adjust to the world's changing realities. Most workers will switch jobs four or five times during their lifetimes. The public should be made aware of the increasing need to retrain and to upgrade worker skills at more frequent intervals during the average worker's career. Seventy-five percent of the people who will be at work in the year 2000 are at work today, so we will make or break it during the beginning of the 21st century with today's workers. We've got to be sure that they've got the skills necessary to adapt to the age of technology.

Our long-term efforts must embrace improved educational efforts that begin in elementary school, continue through graduate school, and include adult education in basic subjects. Education in the basics is fundamental to employability. A recent study by the National Alliance of Business predicts that in the year 2000, if Johnny can't read, he won't be able to find a job. This should be a matter of great concern in a nation where it is estimated that 13 percent of the population is illiterate. In addition, an educational system that nurtures math, science, and computer abilities at the elementary level is a basic prerequisite for an adequate supply of talent for advanced degree candidates.

Title V of this bill pays heed to these education and training needs. It recognizes the vital relationship between an educated, well-trained work force and our status in the global economy. Failure to recognize this relationship would reflect a myopic, shortsighted view of our trade problem.

My amendment calls for a program for the modernization and revitalization of college research and laboratory facilities.

It provides for a competitive matching grant program for this purpose, to be administered by the Secretary of Education. In awarding grants the Secretary is to consult with the heads of six major Federal research agencies, so that any proposed upgrading of facilities will be connected with the agencies' needs under specific funded research projects to be conducted on university campuses. The amendment authorizes this program at $50 million; however, the overall authorization of title V has not been increased.

I believe that there is a substantial, growing and unmet need to replace obsolete research instrumentation and to modernize research laboratories. The United States is fundamentally dependent on research and development. It affects our productivity, or security, our prosperity, our health, and our general welfare. R&D is essential to technological developments. Our economy is in turn dependent on maintaining a competitive edge in technology. It is essential, therefore, that we place an increasing emphasis on the source of our technical talent—university research.

University-based research and university-based R&D serve as take-off points for new industrial ventures. They translate into technological developments and into commercially competitive products—products that represent a premier U.S. competitive advantage in the global marketplace. Our economy and educational system depend on the products—new knowledge, trained scientists and engineers—and the byproducts—technolog-

ical advances—of university laboratories.

University research facilities should serve as incubators for new ideas, for new technologies. In the future, it will be too costly to equip every business to meet every likely demand. Small businesses in particular do not have the economies of scale to undertake costly R&D efforts. Colleges and universities should be encouraged to collaborate in such efforts with business and industry. They should become laboratories of applied technology.

Critical to any such effort are up-to-date facilities. With the decline in Federal support for university research facilities, university administrators have been forced to transfer capital expenditures to their operating budgets—where they are the first to be cut in times of fiscal stringency. My amendment to title V will be a step—albeit small—toward the improvement of these college research and laboratory facilities.

Second, this amendment provides authority for the Secretary of Labor to identify individuals who, on a regional basis, are available to provide technical assistance to labor-management committees. When a new program is implemented, I believe that it is critical that there is access to adequate technical assistance so that the program gets started off on the right foot. The Secretary is not limited to designating specific individuals. Rather, he can draw from the available expertise within a region, from diverse backgrounds and experiences, in order to facilitate the establishment of effective committees. Since the problems that can arise stem from a variety of sources, it makes sense to have a broad base of expertise available to provide assistance when needed or requested.

Finally, this amendment adds a reporting requirement and two research studies that will:

Increase our data base in order to effect better services to dislocated farmers and ranchers and their surrounding communities;

Seek means of better coordination between the employment services and the training programs authorized in the bill; and,

Explore management alternatives to production cutbacks other than permanent workforce reduction.

It is unclear the extent to which farmers and ranchers have been affected by our disadvantageous trade position. H.R. 4800 calls for greater data collection regarding farmers and ranchers so that these effects can be better assessed. In addition, because of the small population base in rural areas, it is assumed that the dislocation of farmers and ranchers has a disproportionate, multiplier effect on the surrounding community, both economically and socially. This amendment would require the Secretary of Labor to analyze methods of reducing these adverse effects, and to report this information to the Congress.

The National Commission for Employment Policy [NCEP] is an independent agency established under the Job Training Partnership Act. In designing training programs to meet the needs of at-risk workers, it is incumbent upon us to try to draw together all possible resources. The employment services is a national program first put in place over 50 years ago. To not utilize this system in implementing the training programs in this bill, is to ignore a substantial source of services. My amendment requires NCEP to examine the role of the employment services with respect to the programs authorized in this bill. The intent is to expand our program resource base, achieve greater coordination among training programs, and increase program effectiveness and efficiency.

This amendment also requires NCEP to review alternative techniques for managing production cutbacks other than permanent work force reduction. In order for companies to utilize alternatives other than mass layoffs and plant closings where the demand for a product is reduced, we need to examine the effects of other management techniques and what can be achieved through their implementation. This amendment includes such an examination. Both studies are to be submitted to Congress within 18 months of enactment.

I also would have like to have introduced an amendment, which I could not offer because it would have been out of order,

It would have assured that there is sufficient funding for the programs proposed in my amendment along with those already contained in title V of H.R. 4800. It would have called for the imposition of an import surcharge of up to three-tenths of 1 percent to fund these newly authorized programs. The proceeds of such a surcharge would total approximatley $1 billion, an amount sufficient to fully fund the education and training components contained in the majority bill.

We should insure that what is part of the problem pays for the solution. Without a specific source of funding for these programs, they will be funded out of general revenues and compete in the budget and appropriations process with valuable, existing programs. Why not impose a small import fee of less than 1 percent, which would give us all the money that we need in order to tackle the problems that are seriously deterring us from having adequate productivity. I would hope that in the future the Ways and Means Committee might consider this alternative.

It would not hurt us in our trade areas. It would not be considered a protectionist act. What it would be is a positive act toward ending our problems in this area.

An additional three-tenths of 1 percent added to the cost of imported goods would not run afoul of our existing trade agreements and is, I believe, a small price to pay for programs that could restore the health and vitality of America's trade position and, enable us to meet for years to come the challenge of the changing needs of the world's economy.

Mr. Chairman, I hope that this amendment will be accepted. I believe that it will provide us the kind of tools that we need and that are necessary in order to regain that productivity edge that brought this Nation to greatness. Rather than adopting a defensive strategy, We should be on the offensive again, taking markets away and providing the world and our workers with a better way of life and a better way.

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

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

The Chair recognizes the gentleman from California [Mr. HAWKINS] for 15 minutes.

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

Mr. Chairman, I am pleased to accept the amendment offered by Mr. JEFFORDS which I believe strengthens title V. The amendment, which would devote $50 million to the replacement and modernization of college research facilities, does address a major need.

The Report of the National Commission on Student Financial Assistant, title "Signs of Trouble and Erosion: A Report on Graduate Education in America," noted that:

> Many existing instructional laboratories and much of the instrumentation currently available are obsolete and insufficient to the tasks at hand.

The Commission also reported that:

> University instrumentation inventories are nearly twice as old as those of leading commercial laboratories.

A survey undertaken by the Association of American Universities reported that "The best equipped industrial laboratories surpass almost all university laboratories visited. * * * When asked to contrast their laboratories, a number of university researchers stated that many, most notably those in Japan and West Germany, are now superior" to those in the United States.

The gentleman's amendment addresses this need and he is to be commended for his efforts in this critical area.

More broadly, Mr. Chairman, Mr. JEFFORDS is to be commended for his work on title V in every stage of the process. He was an original cosponsor of H.R. 4728, the Education and Training for American Competitiveness Act, which is not title V of H.R. 4800.

His amendment continues the bipartisan nature of the Education and Labor Committee's approach to our trade crisis. I am grateful to the gentleman for his support and am pleased to accept his amendment.

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

Mr. Chairman, first of all I want to thank the chairman of the committee for supporting the amendment. I think it does provide an improvement, and I want to say that the effort that he has put into title V and bringing the committee together in order to give us some positive answers to our trade problems are certainly in my mind the highlight of this bill, if not the most important part of this bill. I appreciate the gentleman's doing that.

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. DURBIN].

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

Mr. Chairman, I appreciate the opportunity to speak on behalf of this particular amendment and section of the bill.

As has been stated earlier, I live in a portion of the country where we are dealing with the problem of dislocated workers and, coincidentally, also have outstanding university resources. I believe that the gentleman from Vermont [Mr. JEFFORDS] with his amendment makes a serious effort to enhance those resources at a time when it is absolutely critical for the future of the American economy.

I believe that the overall amendment, which addresses the needs of retraining, is particularly appropriate. At this point in time, the JTPA Program is successful, but unfortunately, it is limited in its resources. A February 1986 OTA study found that while title III of the JTPA is succeeding, it is likely that no more than 5 percent of the eligible workers are going to be served by this program. That is why the section which has been added by the Committee on Education and Labor is so appropriate and so timely when we consider the needs of our Nation.

Vocational skills training is also underemphasized in this Nation. At a time when we need to retrain people in basic educational skills, we find that existing programs and agencies virtually neglect this need.

I support looking at this problem from a larger context beyond today's legislation in terms of an individual training account, but unless and until that is passed, I believe that this is an important step forward, and I stand in full support of the amendment before the committee.

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

Mr. Chairman, first of all, I would like to alert others who may have amendments that I do not intend to ask for a vote on this amendment. If they have the next amendment, I would suggest that they might want to get here rather quickly, or else there may be a problem.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

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

Mr. Chairman, I rise in enthusiastic support for the amendment offered by Mr. JEFFORDS to title V of H.R. 4800. While I applaud the Committee on Education and Labor for developing an excellent package of training and education programs to enhance competitive capabilities, I also share Mr. JEFFORDS' concern about the quality of research facilities at our colleges and universities.

As the gentleman from Vermont explained, his amendment would establish a matching grant program for the replacement and modernization of college research and laboratory facilities.

There is no doubt in my mind that such a program will improve our ability to compete in the international marketplace in at least two ways. First of all, business and industry is the primary customer of university research. If American businesses are to expand what is now a slim lead in technological innovation, improved research is critical. Second, the students using these facilities will eventually become a part of the work force, where their expertise will be needed to help develop new products and increase productivity. Without modern research and laboratory facilities, their skills will be out of date.

With the Pennsylvania State University located in my district, I am familiar with the university's research efforts in agriculture, nuclear energy, developing an artificial heart, and with the space program, to name but a few.

I would like to point out that this modernization effort is not limited to the larger universities. Fifteen percent of the funds for this program would be directed to colleges with less than $10 million in Federal obligations for R&D. This would ensure that smaller colleges and universities would not be left behind.

I think this recognizes the tremendous potential in the small colleges and universities to make significant contributions to our overall research and development efforts.

As an example of the importance of maintaining modern research facilities, we can look back to the early 1960's when the Soviet Union launched sputnik and we had no space program at all. We were galvanized into action by that event. We launched a crash research program where our colleges and universities provided the driving force and we caught up.

A vote for the Jeffords amendment is a vote for the future prosperity of this country. The results and gains that can be achieved in productivity through cooperation between the government and academic and the private sector are demonstrated in the partnerships that we established with the land grant institutions.

The Jeffords amendment is a start toward building on this land grant model and expanding it into other areas of our economy. It will help us close the productivity gap and make us more competitive in the world.

SUMMARY OF JEFFORDS' FLOOR AMENDMENT TO TITLE V, H.R. 4800, TRADE BILL

The Jeffords' floor amendment to title V of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, includes the following provisions:

1. No increase in the overall authorization level.

2. An additional program for the *replacement and modernization of college research and laboratory facilities*, authorized at $50 million. This program is a competitive matching grant program to be administered by the Secretary of Education. He is to consult with the heads of six major Federal research agencies, so that any proposed upgrading of laboratory facilities can be tied to the schools' needs for equipment to conduct research for a specific, funded agency research project. Fifteen percent of the funds available for this section will go to colleges with less than $10 million in total Federal obligations for research and development.

3. Technical assistance to labor-management committees by regional experts designated by the Secretary of Labor.

4. A reporting requirement and two research studies that will:

Increase the data base regarding unemployment and dislocation of farmers and ranchers in order to effect better services to them and to their communities.

Seek means to coordinate Employment Services and the training programs authorized by the bill.

Explore management alternatives to production cutbacks other than permanent workforce reductions.

□ 1035

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

Mr. CLINGER. I am happy to yield.

Mr. JEFFORDS. Mr. Chairman, I just want to commend the gentleman from Pennsylvania. I know the gentleman is one of the cosponsors of the Fuqua bill. I certainly want to commend all those that worked on providing me with a bill that I could utilize to try to improve this trade bill, which

is where I think such legislation belongs.

I also would like to commend the gentleman from Pennsylvania for his foresight in looking ahead. I think one of the things the gentleman has done in this institution is to provide us with leadership not only in this area, but in the area of looking at our capital structure and infrastructure. He urges us to look toward the future to see that we do not get into more problems, like we have been faced with here.

So often in this body we spend too much time on things that are on people's minds as they look toward the next election. Of course, it is kind of nice to get reelected, but at the same time it is probably much more advantageous to the Nation if some, like the gentleman from Pennsylvania, look forward and look ahead and tell us what we have got to do to make sure that we do not have future problems.

I thank the gentleman for his efforts in all these areas.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for those kind words. I would return the compliment, because this is exactly the kind of initiative that does look ahead. It takes us down the road and shows us what we are going to be needing 10 or 15 years from now in order to maintain our position in the world.

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

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. JEFFORDS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BROYHILL: Page 382, strike out lines 20 and 21 and insert the following:

PRACTICES, ADJUSTMENT PLAN REVIEW, AND TEXTILE IMPORT ADJUSTMENTS

Page 407, between lines 3 and 4, insert the following:

SEC. 703. ENTRY PROCESSING FOR TEXTILES AND APPAREL.

The Congress determines that it is vital to the purposes of the Multi-Fiber Arrangement that bilateral limitations on shipments of textiles and apparel, and periodic adjustments to those limitations, be carried out on a timely basis in order to respond to the changing United States market for textiles and apparel. The Secretary of Commerce shall, within 90 days after the date of the enactment of this Act, institute procedures to expedite the interagency process for recommending and approving the issuance of notices requesting consultations and negotiations on such limitations and periodic adjustments.

Amend the table of contents to the bill accordingly.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from North Carolina [Mr. BROYHILL] will be recognized for 15 minutes and a Member in opposition will also be recognized for 15 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment is a simple, but vital one. It will require the Secretary of Commerce to expedite the process for issuing textile and apparel "calls"—notices to our trading partners that the United States seeks to negotiate limits on specific categories of imports of textiles and apparel that threaten to disrupt, or do disrupt, U.S. markets.

Under the multifiber arrangement, the United States may request that textile exporting nations negotiate bilateral limits on exports of various categories of textiles and apparel at any time imports in those categories may be disruptive. The process for obtaining these limits is complex and time consuming. Under current practice, the U.S. industry must identify and show proof that imports of a certain product from a certain country are disruptive. The case is made to the Department of Commerce, which heads the Interagency Committee for the Implementation of Textile Agreements [CITA].

Once Commerce receives the information, it verifies it and formulates a recommendation. That recommendation is then submitted for interagency review by the State Department, the USTR, the Treasury Department, and others. In theory, if the facts and numbers show disruption, the decision to seek quotas should be swift and automatic. In practice, there can be reviews and rereviews, debates, and delays. In many cases recently, the issuance of a "call" for negotiations has taken up to 1 year from the time the original request for relief was filed. By that time, of course, imports have flooded the market.

The United States desperately needs this GATT-legal process speeded up. The administration recognizes this and admits that the process must be improved. My amendment directs the Secretary of Commerce, within 90 days of enactment of the legislation, to make this happen. The 90-day deadline is designed to ensure that the process will be streamlined quickly. Action is not discretionary, and there is no flexibility. The Secretary must act. Since this amendment will be part of the Energy and Commerce Committee title of the bill, I guarantee that it will receive the vigorous and careful oversight of our committee. If the Secretary fails to act as directed, I can and will seek to reform the process through legislative reorganization. However, I am confident that will not be necessary.

I urge my colleagues to support this amendment.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. TAUZIN] seek time in opposition to the amendment?

Mr. TAUZIN. No, Mr. Chairman. I support it.

The CHAIRMAN. Without objection, the gentleman from Louisiana is recognized.

There was no objection.

Mr. TAUZIN. Mr. Chairman, on behalf of myself and the Committee on Energy and Commerce, we are prepared to accept the gentleman's amendment.

Mr. BROYHILL. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding me this time, and I praise his efforts to correct a very serious deficiency within our Textile Import Program.

The multifiber arrangement gives developed nations, like the United States, the right to limit damaging textile and apparel imports, both through bilateral agreements, and through procedures which permit us to request quotas on imports not previously restrained.

The latter procedure involves an interagency committee, chaired by the Department of Commerce which must:

First, identify an import surge that disrupts or looks to disrupt our market; and

Second, decide whether the situation warrants requesting negotiations with the exporting nation to set a quota.

The objective of this process is to headoff a surge of imports in time to prevent or halt further market disruption.

However, in practice, the current process is defeating its own purpose. Months are known to pass between the time when the import surge is discovered, and the committee calls for quota negotiations. During those months, the import surge levels increase, and our negotiated levels, because of rules in the MFA, are based on those surge levels. So while our bureaucrats are deciding whether to call for a quota, the imports stroll in, and we base the new quota on those damaging levels.

By the time the quota is called, the damage is done, and our industry is deprived of the protections we have tried to give it.

The "call" process could be an effective tool to cut off import surges at the pass. But the current situation is like sending out the fire trucks after the house has burned down.

The gentleman's amendment would instruct the Commerce Department to expedite the call procedure, and hopefully eliminate the serious procedural

and administrative delays that are so widely acknowledged.

If the 13,000 textile and clothing workers in my district are fighting to be productive, and investing to be competitive, it behooves us to make sure our import programs work to protect that investment.

I urge support for this amendment.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I am aware that the administration is not jumping up and down with delight over the Broyhill amendment. However, I am forced to agree with the distinguished gentleman from North Carolina that the industry has been forced to suffer some travail.

I believe that the gentleman's amendment may relieve some of that suffering on a much more timely basis than we have been able to do in the past.

So I would hope the gentleman's amendment might be accepted without the need for a vote in this House.

I thank the gentleman for yielding.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. MCMILLAN].

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

I rise in support of the gentleman's amendment which calls for expediting procedures to assure swift enforcement of trade agreements. It supports the principle of negotiated fair trade. And that's what this issue is all about.

The United States remains one of the major exporting nations of the world, yet we have allowed subsidized, targeted, and dumped products to penetrate U.S. markets in violation of fair trade principles at the expense of American jobs.

We need to send a message to our trading partners that we are prepared to play under the same rules, but these rules must be based on negotiations for fairness, reciprocity, and balance.

Neither of these bills is perfect: One is too weak, the other excessive. But we need a strong bill at the outset because it is far easier to adjust those parts that don't work than to try to add strengthened provisions at a later date, and later may be too late.

□ 1050

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Chairman, I simply would like to say that his amendment is a good amendment. It is a constructive help to the bill.

There is no disposition on this side of the aisle to make this bill partisan. We would like for it to be a bipartisan work.

I salute the gentleman from North Carolina for his labors and for his work toward this end. I hope that we can put together the kind of a trade initiative that will be worthy of the Congress. There is no need for this to become a bone of controversy. There is no need for this legislation to be hooked upon the internal divisions that sometimes eat us apart in this body.

We welcome the help, the constructive, creative, innovative help of Members on both sides of the aisle. We find no reason not to accept the amendment offered by the gentleman from North Carolina. In that spirit, I should like to suggest that we have a vote upon it and accept the amendment.

Mr. COBLE. Mr. Chairman, I rise in strong support of Mr. BROYHILL'S amendment to H.R. 4800.

The Broyhill amendment is both simple and important. It requires the Secretary of Commerce to expedite the process of issuing textile "calls." A call is a notice to our trading partners that the United States seeks to negotiate limits on specific categories of imports of textiles and apparel that threaten to disrupt or do disrupt American markets.

Under the multifiber arrangement, the United States may request that textile exporting nations negotiate bilateral limits on exports of various categories of textiles and apparel at any time imports in those categories may be disruptive. Unfortunately, the process for obtaining these limits is complex and time consuming. Under current practice, the U.S. industry must identify and show proof that imports of a certain product from a certain country are disruptive. The case is then presented to the Department of Commerce, which heads the Interagency Committee for the Implementation of Textile Agreements [CITA]. What follows is a series of bureaucratic logjams consisting of dilatory reviews and re-reviews by the Department of State, the U.S. Trade Representative, the Department of the Treasury, and other organizations. This practice may last as long as 1 year, during which imports continue to flood our markets.

The Broyhill amendment streamlines this process by directing the Secretary of Commerce to expedite the issuance of a call within 90 days. The 90-day deadline must be met, thereby ensuring relief will be granted in a timely manner. I commend my colleague from North Carolina for his work on behalf of the textile and apparel workers of this country, and I urge the adoption of the amendment.

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

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. BROYHILL].

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. MICHEL: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade Expansion and Competitiveness Act of 1986".

(b) TABLE OF CONTENTS.—

TITLE I—BANKING COMMITTEE PROVISIONS

Sec. 101. Exchange rates.
Sec. 102. Debt resolution.
Sec. 103. Competitive tied aid fund.
Sec. 104. Loan guarantees to promote exports from small, medium-sized, and minority businesses or agricultural concerns.
Sec. 105. United States Executive Directors of multilateral development banks.
Sec. 106. Trade and multilateral bank provisions.

TITLE II—TRADE LAW AND RELATED PROVISIONS

Subtitle A—Enforcement of United States Trade Agreement Rights and Response to Foreign Trade Practices

CHAPTER 1—AMENDMENTS TO TRADE ACT OF 1974

Sec. 201. Determinations and action by the President and the United States Trade Representative.
Sec. 202. Recommendations and action by the Trade Representative.
Sec. 203. Reports on market access.
Sec. 204. Investigation of lumber imports.

CHAPTER 2—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

Sec. 211. Short title.
Sec. 212. Findings and purposes.
Sec. 213. Negotiating objectives.
Sec. 214. Investigation of foreign telecommunications trade barriers.
Sec. 215. Action by the President in response to investigations by Trade Representative.
Sec. 216. Review of trade agreement implementation by Trade Representative.
Sec. 217. Consultations.
Sec. 218. General trade agreement authority.
Sec. 219. Compensation authority.
Sec. 220. Definition of telecommunications product.
Sec. 221. International obligations.

Subtitle B—Relief From Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY BY IMPORT COMPETITION

Sec. 231. United States Trade Representative functions regarding import relief.
Sec. 232. Provision of import relief.
Sec. 233. Interim relief, emergency action regarding perishable products, and antitrust relief.
Sec. 234. Market disruption.

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

Sec. 241. Reference.
Sec. 242. Processed agricultural products.

Sec. 243. Material injury and threat of material injury.
Sec. 244. Diversionary dumping.
Sec. 245. Persistent dumping.
Sec. 246. Miscellaneous amendments.

CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS

Sec. 251. Congressional findings and purpose.
Sec. 252. Protection under the Tariff Act of 1930.
Sec. 253. Negotiating objectives with respect to intellectual property rights.
Sec. 254. Protection of patents.
Sec. 255. Transfer of technology.
Sec. 256. Protection of proprietary information.

Subtitle C—Trade Negotiating Objectives and Authority

Sec. 261. Reagan round of GATT negotiations.
Sec. 262. Extension of trade agreement authority.
Sec. 263. Agreements regarding nontariff barriers to other distortions of trade.
Sec. 264. Compensation authority.
Sec. 265. Tariff agreements with Canada.
Sec. 266. Free trade areas.
Sec. 267. Negotiating objectives regarding high technology access.

Subtitle D—Functions of the United States Trade Representative

Sec. 271. Trade policy functions.
Sec. 272. Fair Trade Advocates Branch.
Sec. 273. Trade policy agenda.

Subtitle E—Miscellaneous provisions

Sec. 281. Time limitation on Presidential action regarding imports affecting national security.
Sec. 282. Entry processing for textiles and apparel.
Sec. 283. Customs Service operations.
Sec. 284. Scofflaw penalties for multiple customs law offenders.
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TITLE I—BANKING COMMITTEE PROVISIONS

SEC. 101. EXCHANGE RATES.

(a) FINDINGS.—The Congress finds that—

(1) the Economic Declaration of May 6, 1986, reaffirmed the support of the seven major industrialized countries for the improvement in the functioning of the world monetary and trading system;

(2) the policies adopted at earlier economic summits have helped to bring about world economic expansion, a reduction in the rate of inflation, and a shift in exchange rates which better reflect fundamental economic conditions;

(3) the implementation of new procedures, through the Group of Five and the Group of Seven Finance Ministers, for effective coordination of international economic policy should lead to smaller swings in exchange rates, the further opening of the international trading system, and the promotion of noninflationary growth;

(4) the Reagan administration has taken significant policy actions to stabilize exchange rate fluctuations and, in conjunction with the Board of Governors of the Federal Reserve System and other central banks, has succeeded in bringing down the value of the dollar in successive stages, thereby improving the competitiveness of United States exporters;

(5) the drop in oil prices has dampened a possible inflationary impulse from the falling dollar and less expensive oil with a lower dollar will mean a large improvement in the United States current account balance in the coming months;

(6) leading experts are unable to agree on what constitutes an appropriate and sustainable level for the dollar in relation to the other key countries of the world; and

(7) global leaders are divided on the need to implement a formal and highly structured exchange rate system, such as a target zone approach, but are united in their determination to better manage the system of floating rates through a policy of enhanced economic cooperation and surveillance.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration has substantially reduced the value of the dollar and is successfully coordinating its economic policies to the maximum degree possible with our major trading partners;

(2) the Reagan administration should continue the progress achieved in the recent Tokyo Economic Summit and in the Group of 5 initiative last year to promote long-term exchange rate stability and sustain noninflationary economic growth; and

(3) any congressional action on the exchange rate issue at this time is unneeded and potentially harmful in that it might further weaken the dollar and stimulate inflation.

SEC. 102. DEBT RESOLUTION.

(a) FINDINGS.—The Congress finds that—

(1) the Reagan administration, under the leadership of Secretary of the Treasury James A. Baker, has put in place a comprehensive debt strategy in coordination with other industrialized countries, the International Monetary Fund, and the World Bank;

(2) the Tokyo Economic Declaration of May 6, 1986 reaffirms the importance of the so-called "Baker Plan" which, under a framework of structural and policy reforms aimed at economic growth, would provide additional public and private resources for the largest debtor nations;

(3) this initiative reinforces, and in no way replaces, the continued need for a case-by-case approach to the international debt problem;

(4) the administration's debt strategy will over time increase United States exports to those developing countries which have been most affected by the debt crisis;

(5) the leading industrialized countries should maintain and, where appropriate, expand bilateral and multilateral financial flows to developing countries and in return, recipient countries must continue to carry out structural adjustment policies coupled with international capital repatriation and domestic capital mobilization measures;

(6) there is an immediate need to improve the climate for foreign direct investment in developing countries and to promote more open trading policies;

(7) all multilateral development bank lending should continue to be measured against stringent economic performance criteria; and

(8) there is a need for closer cooperation between the World Bank and the International Monetary Fund, for increased commercial bank lending, and for flexibility in rescheduling debts.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration should continue to have the maximum amount of discretion and flexibility in implementing its cooperative debt strategy; and

(2) the objectives of such a strategy should continue to emphasize the need for adjustment policies and sound economic planning in developing countries to promote sustained, noninflationary economic growth.

SEC. 103. COMPETITIVE TIED AID FUND.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 15. COMPETITIVE TIED AID FUND.

"(a) FINDINGS.—The Congress hereby finds that—

"(1) tied and partially untied aid credits offered by other countries are being used in a predacious manner to distort competitive markets and undercut American exporters;

"(2) the predacious use of tied and partially untied aid credits undermines export credit discipline under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development; and

"(3) the establishment of a temporary Competitive Tied Aid Fund in the Treasury of the United States to target the export markets of countries which exploit or abuse tied or partially untied aid credits for commercial purposes and which impede progress in negotiating greater discipline over the use of such credits will facilitate negotiations to eliminate the use of such credits for commercial purposes and will thereby help protect American exporters from unfair and predacious official export competition.

"(b) COMPETITIVE TIED AID FUND.—

"(1) ESTABLISHMENT BY SECRETARY OF THE TREASURY.—In order to provide a means for inducing other countries to pursue negotiations on a comprehensive arrangement to restrict the use of tied aid and partially untied aid credits for commercial purposes, the Secretary of the Treasury shall establish a fund in the Treasury of the United States to be known as the 'Competitive Tied Aid Fund', consisting of such amounts as may be appropriated to the Fund.

"(2) EXPENDITURES FROM FUND.—Amounts in the Fund may be used to supplement the financing of United States exports to foreign markets which are actual or potential export markets for any country which—

"(A) engages in predacious official export financing through the use of tied or partially untied aid credits; and

"(B) impedes negotiations to eliminate the use of such credits for commercial purposes.

"(3) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary—

"(A) should avoid using the total amount in the Fund to provide financing for only 1 or 2 export projects;

"(B) should seek to use amounts in the Fund to make financing available only for United States exports that would be reasonably competitive in the absence of the predatory export financing practices of the other country; and

"(C) shall ensure that amounts in the Fund are used only to assist exportation by persons described in paragraph (1), (2), or (3) of section 238(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(c)).

"(4) CONSULTATION WITH ADVISORY COUNCIL.—The Secretary shall consult with the National Advisory Council on International Monetary and Financial Policies in—

"(A) determining the foreign countries which offer predacious tied or partially untied aid credits and which impede negotiations to restrict their use to legitimate foreign aid; and

"(B) reviewing proposed transactions under this section.

"(5) POLICY AND PROCEDURE GUIDELINES.—The Secretary shall establish policy and procedure guidelines for the development and implementation of the Fund. In establishing such guidelines, the Secretary shall—

"(A) devise a method for determining the number of American jobs which will be created or retained through assistance from the Fund, and give such factor consideration in making assistance available; and

"(B) describe the method of publicizing the availability of assistance from the Fund, and the terms and conditions under which such assistance is available to both large and small exporters.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TIED AID AND PARTIALLY UNTIED AID CREDIT.—The terms 'tied aid credit' and 'par-

tially untied aid credit' mean any official credit which has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, and which is, in fact or in effect, tied to—

"(A) the procurement of goods or services from the donor country, in the case of tied aid credit; or

"(B) the procurement of goods or services from a restricted number of countries, in the case of partially untied aid credit.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(3) FUND.—The term 'Fund' means the Competitive Tied Aid Fund established pursuant to subsection (b)(1).

"(d) REPORT TO CONGRESS.—The Secretary shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under this section. Each such report shall include—

"(1) information on applications used by the Secretary for making assistance available under subsection (b)(2);

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the Secretary is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under subsection (b)(2) has been used for the purposes of this section;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits and partially untied aid credits;

"(6) information on the extent to which tied aid credits and partially untied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of such any credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this section has been effective—

"(A) in discouraging the use of tied aid credits and partially untied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is hereby authorized to be appropriated to the Fund for the fiscal year beginning on October 1, 1986, $300,000,000. Except as provided in paragraph (2), such sums shall remain available until expended.

"(2) RESCISSION AUTHORITY.—

"(A) DETERMINATION BY PRESIDENT.—If the President determines that any amount appropriated to the Fund is not required to achieve the purpose of the Fund, the President shall transmit a special message of such determination to the Congress in the manner provided in section 1012(a) of the Impoundment Control Act of 1974.

"(B) SPECIAL MESSAGE.—Any message under this paragraph shall be treated as a special message under such section for purposes of such Act.

"(f) EXPORT-IMPORT BANK.—

"(1) IMMEDIATE IMPLEMENTATION.—Until such time as the funds authorized to be appropriated under subsection (e) become available for expenditure, the Bank shall make aggressive use of the Bank's authority to offer tied aid credits, in accordance with any recommendation of the Secretary of the Treasury as to how such credits could most effectively and efficiently promote the purposes of this section.

"(2) SUBSEQUENT REIMBURSEMENT.—The Bank shall be reimbursed for the cost of any tied aid credits the Bank authorizes pursuant to this subsection from the appropriated funds authorized by this section, when such funds become available.".

SEC. 104. LOAN GUARANTEES TO PROMOTE EXPORTS FROM SMALL, MEDIUM-SIZED, AND MINORITY BUSINESSES OR AGRICULTURAL CONCERNS.

(a) SHARE OF LOAN GUARANTEES.—Section 206 of the Export Trading Company Act of 1982 (12 U.S.C. 635a-4) is amended by striking out "major share" in the next to the last sentence and inserting in lieu thereof "significant share".

(b) REPORT.—Not later than one year after the effective date of this section, the Board of Directors of the Export-Import Bank shall report to the Congress on the implementation of the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 105. UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.

(a) PROJECTS IN RECIPIENT COUNTRIES.—The United States Executive Director of each of the multilateral development banks shall promote procurement opportunities relating to the assistance provided by such banks in recipient countries for United States firms. In promoting procurement opportunities, each such Executive Director shall—

(1) keep United States firms fully informed of bidding opportunities in recipient countries and publicize such opportunities to the greatest extent possible;

(2) assist United States firms in focusing on those projects in which they have a particular interest or competitive advantage;

(3) when appropriate and required, assist United States firms in completing and submitting accurate and timely bidding documents;

(4) thoroughly investigate complaints regarding the awarding of contracts; and

(5) ensure that contract procedures and rules are strictly observed.

(b) ASSIGNMENT OF FOREIGN COMMERCIAL SERVICE OFFICERS.—

(1) WORLD BANK.—The Secretary of Commerce should continue to assign one foreign commercial service officer to the office of the United States Executive Director of the International Bank for Reconstruction and Development.

(2) OTHER MULTILATERAL DEVELOPMENT BANKS.—The Secretary of Commerce shall assign on a part-time basis—

(A) one foreign commercial service officer to the office of the United States Executive Director of the Inter-American Development Bank;

(B) one foreign commercial service officer to the office of the United States Executive Director of the Asian Development Bank; and

(C) one foreign commercial service officer to the office of the United States Executive Director of the African Development Bank.

(3) DUTIES.—Each foreign commercial service officer assigned under this subsection shall assist the Executive Director in the performance of the duties described in subsection (a).

SEC. 106. TRADE AND MULTILATERAL BANK PROVISIONS.

(a) FINANCIAL ASSISTANCE POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT PRACTICES.—

(1) INSTRUCTIONS TO EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the regional development banks to initiate a wide consultation with the presidents of their respective institutions with regard to the development of financial assistance policies which, to the maximum feasible extent—

(A) reduce obstacles to and restrictions on international trade and investment in goods and services;

(B) eliminate unfair trade and investment practices; and

(C) promote mutually advantageous economic relations.

(2) COORDINATION WITH TRADE POLICY COMMITTEE.—The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

(3) COORDINATION WITH GATT.—As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the International Bank for Reconstruction and Development to encourage close cooperation between the staff of the Bank and the Secretariat of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

(b) FAIR TRADE AND INVESTMENT PRACTICE PROVISIONS IN COUNTRY LOAN AGREEMENTS.—

(1) INSTRUCTIONS TO WORLD BANK EXECUTIVE DIRECTOR.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to work to have the Bank obtain, prior to the extension to any country of loans by the Bank, the agreement of such country to eliminate (in a manner consistent with such country's balance of payments adjustment program) unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined have a significant deleterious effect on the international trading system.

(2) UNFAIR TRADE AND INVESTMENT PRACTICES DEFINED.—Unfair trade and investment practices include—

(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

(C) unreasonable import restrictions;

(D) the imposition of trade-related performance requirements on foreign investment; and

(E) practices which are inconsistent with international agreements.

(c) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to ensure that project loans by the respective multilateral development banks for commodities, materials, or prod-

ucts do not contribute to a surplus in world markets in which—

(1) the prices of such commodities, materials, or products are low or are falling; and

(2) the commodities, materials, or products could cause material injury to United States producers of the same, similar, or competing commodities, materials, or products.

TITLE II—TRADE LAW AND RELATED PROVISIONS

Subtitle A—Enforcement of United States Trade Agreement Rights and Response to Foreign Trade Practices

SEC. 201. DETERMINATIONS AND ACTION BY THE PRESIDENT AND THE UNITED STATES TRADE REPRESENTATIVE.

Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended as follows:

(1) Subsection (a) is amended—

(A) by redesignating paragraph (2) as paragraph (4); and

(B) by striking out paragraph (1) and inserting the following:

"(1) IN GENERAL.—If the President determines that action by the United States is appropriate to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(A) is unreasonable or discriminatory and burdens or restricts United States commerce (including commerce between the United States and any other foreign country); or

"(B) constitutes export targeting;

the President shall take all appropriate and feasible action within his power to obtain the elimination of such act, policy, or practice.

"(2) SPECIAL RULES FOR VIOLATIONS OF INTERNATIONAL AGREEMENTS AND UNJUSTIFIABLE ACTS.—

"(A) IN GENERAL.—If the President on his own motion determines, or the Trade Representative determines under section 304(a), that—

"(i) the rights of the United States under any trade agreement are being denied; or

"(ii) an act, policy, or practice of a foreign country—

"(I) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(II) is unjustifiable and burdens or restricts United States commerce (including commerce between the United States and another foreign country);

the President, subject to such paragraph (B), shall take all necessary and appropriate action under subsection (b) or (c), or both, and shall take all other appropriate and feasible action within his power, to enforce such rights or to obtain the elimination of such act, policy, or practice.

"(B) EXCEPTION.—The President is not required to take action under subparagraph (A) in any case in which—

"(i) the Contracting Parties to the General Agreement on Tariffs and Trade (hereinafter in this title referred to as the 'GATT') have determined, or a panel of experts has reported to the Contracting Parties, that—

"(I) the rights of the United States under a trade agreement are not being denied; or

"(II) the act, policy, or practice is not a violation of, or inconsistent with, the rights of the United States, or does not deny, nullify, or impair benefits to the United States under any trade agreement; or

"(ii) the President finds that—

"(I) the foreign country is taking satisfactory measures to grant the rights of the United States under a trade agreement,

"(II) the foreign country has agreed to eliminate or phase out the act, policy, or practice, or has agreed to an imminent solution, that is satisfactory to the President, to the burden or restriction on United States commerce,

"(III) it is impossible for the foreign country to achieve the results described in subclause (I) or (II), as appropriate, but the foreign country agrees to provide to the United States compensatory trade benefits that are satisfactory to the President, or

"(IV) such action is not in the national economic interest of the United States, in which case the President shall announce affirmative measures that may include continuation of negotiations.

"(3) ACTION BY TRADE REPRESENTATIVE.—If the President, under subsection (d)(3)(A)—

"(A) does not differ with the Trade Representative regarding action proposed to be taken under section 304(a)(1)(A); or

"(B) differs with the Trade Representative regarding that action, but a joint resolution referred to in subsection (d)(3)(B) is enacted;

the Trade Representative shall order the Commissioner of Customs to implement the action determined under section 304(a)(1)(A).".

(2) Paragraph (4) of subsection (a) (as redesignated by paragraph (3) of this subsection) is amended by inserting "and the Trade Representative" after "President".

(3) Subsection (b) is amended by striking out that part that precedes paragraph (1) and inserting "The President, upon making a determination under subsection (a)(1), may (in addition to taking action referred to in such subsection), and the Trade Representative, for purposes of carrying out section 304(a)(1), may—".

(4) Paragraph (2)(B) of subsection (c) is amended by striking out "United States Trade Representative (hereinafter in this title referred to as the 'Trade Representative')" and inserting "Trade Representative".

(5) Subsection (d) is amended—

(A) by amending paragraph (2)—

(i) by amending the side heading to read as follows: "ACTION UNDER PRESIDENTIAL AUTHORITY REQUESTED BY PETITION.—;

(ii) by striking out "21" and inserting "20", and

(iii) by striking out "304" and inserting "304(a)(1) (B) or (C): and

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

"(3) OTHER ACTION REQUESTED BY PETITION.—

"(A) Within the 20-day period after the day on which the President receives notification of a determination of the Trade Representative under section 304(a)(1)(A), the President shall decide if—

"(i) he concurs in the determination; or

"(ii) it is in the national economic interest to take action that is different from that determined by the Trade Representative, including a continuation of negotiations.

On the day the President makes a decision under this subparagraph, the President shall transmit to Congress a document describing the determination of the Trade Representative and setting forth the President's decision regarding that determination. In the case of a decision by the President under clause (ii), the document shall set forth the reasons, in terms of the national economic interest, for the decision.

"(B) The decision of the President under subparagraph (A)(ii) shall take effect unless, within the 90-day period beginning on the date on which the document described in subparagraph (A) is transmitted to the Congress, a joint resolution described in section 152(a)(1)(A) is enacted by the Congress.".

(6) Subsection (e) is amended—

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

"The term also includes the unfair natural resource input pricing."; and

(B) by adding at the end thereof the following:

"(7) EXPORT TARGETING.—The term 'export targeting' means any Government plan or scheme consisting of a combination of coordinated actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of a class or kind of merchandise.

"(8) UNFAIR NATURAL RESOURCE INPUT PRICING.—Unfair natural resource input pricing shall be considered to occur if—

"(A) a product (hereinafter referred to in this paragraph as an 'input product')—

"(i) is provided or sold by a government of a government-regulated or controlled entity within a country (hereinafter referred to in this paragraph as the 'exporting country'), for input use within that country, at a domestic price that—

"(I) is lower than the fair market value of the input product, and

"(II) is not freely available to United States producers for purchase, or the equivalent thereof, of the input product for export to the United States; and

"(ii) would, if sold at the fair market value, constitute a significant portion of the total cost of the merchandise in or for which the input product is used;

except that, unfair and inequitable natural resource input pricing shall not be considered to exist either if the input product is not exported solely due to commercial considerations, or the access, or the equivalent thereof, to the input product for export is not denied to United States producers by the government of the exporting country, or

"(B) the right to remove or extract a product (hereinafter in this paragraph referred to as the 'removal right') is provided or sold by a government or a government-regulated or controlled entity within an exporting country and—

"(i) that product is for input use within that exporting country;

"(ii) the removal right is provided or sold at a domestic price that is lower than the fair market value of that right; and

"(iii) the product to which the removal right applies would, if that right was sold at a fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the product is used.

For purposes of this paragraph, the term 'fair market value' means—

"(C) with respect to an input product, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from the exporting country in an arms-length transaction; and in determining the fair market value of an input product, the administering authority shall take into account—

"(i) the export price of the product,

"(ii) prices of the natural resource product in arm's-length transactions within the exporting country,

"(iii) the current market clearing price at which the product can be sold in markets of

other countries (including the United States) that are non-State-controlled-economy-country markets, unless such product cannot be economically transported to such other markets.

"(iv) the prices at which the product is generally available in world markets,

"(v) any cost advantages the exporting country may have in relation to other sellers, and

"(vi) the availability to the exporting country of markets described in clause (iii);

"(D) with respect to a removal right, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the exporting country providing or selling the right; and in determining the fair market value of a removal right, the administering authority shall take into account—

"(i) the price paid in the exporting country for a comparable removal right not subject to government regulation or control,

"(ii) the price paid in the exporting country for a comparable removal right sold or offered for sale through a process of competitive bidding, and

"(iii) the price paid for a comparable removal right in a comparable region of a country other than the exporting country.".

SEC. 202. RECOMMENDATIONS AND ACTION BY THE TRADE REPRESENTATIVE.

(a) IN GENERAL.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended as follows:

(1) The section heading is amended to read as follows: "ACTION OR RECOMMENDATIONS BY THE TRADE REPRESENTATIVE.".

(2) The sideheading for subsection (a) is amended to read as follows: "RECOMMENDATIONS OR ACTION.—".

(3) Subparagraph (A) of subsection (a)(1) is amended by striking out "7 months" and inserting "9 months (or for such longer period as may be requested by the petitioner)".

(4) Subparagraph (B) of subsection (a)(1) is amended by striking out "8 months" and inserting "9 months (or for such longer period as may be requested by the petitioner)".

(5) Subparagraph (C) is amended by inserting ", but in no case later than 9 months after the date of the petition" before the semicolon.

(6) Subparagraph (D) of subsection (a)(1) is amended to read as follows:

"(D) in any case not described in subparagraph (A), (B), or (C)—

"(i) 5 months after the date of investigation initiation in any case regarding the United States rights or an act, policy, or practice described in section 301(a)(2); or

"(ii) 9 months (or for such longer period as may be requested by the petitioner) after the date of investigation in any case not described in clause (i).".

(7) That part of paragraph (1) of subsection (a) that precedes subparagraph (A) is stricken out and the following inserted:

"(1) IN GENERAL.—On the basis of the investigation under section 302, and the consultations (and the proceedings, if applicable) under section 303, and subject to subsection (b), the Trade Representative—

"(A) if he decides, with respect to an act, policy, or practice described in paragraph (1) of section 301(a), that the action taken in response thereto under such paragraph should solely consist of action under section 301(b)(1) or (2), or both, with respect to the matters under investigation, shall determine the nature and extent of the action and notify the President of his intention to implement that action;

"(B) in any case not described in subparagraph (A), shall either—

"(i) recommend to the President those actions that should be taken under section 301(a); or

"(ii) recommend that no action be taken.

"(2) The Trade Representative shall notify the President under paragraph (1)(A), or make the recommendation under paragraph (1)(B) or (C), as the case may be, not later than—".

(8) Paragraph (2) of subsection (a) is redesignated as paragraph (3) and amended—

(A) by striking out "paragraph (1)" each place it appears and inserting "paragraph (2)"; and

(B) by striking out "12-month" each place it appears and inserting "9-month".

(9) Paragraph (3) of subsection (a) is redesignated as paragraph (4) and amended by striking out "paragraph (1)" and inserting "paragraph (2)".

(10) Subsection (b) is amended—

(A) by inserting ", or deciding to take action himself," after "section 301", and

(B) by inserting "or notification" after "recommendation" in the last sentence thereof.

(11) Such section is further amended by adding at the end thereof the following:

"(c) IMPACT REPORT.—Not less than 30 days before submitting a recommendation to the President under subsection (a), the Trade Representative shall submit to Congress a report setting forth the estimated impact of the actions, if any, proposed in the recommendation on consumers and small businesses within, and on the agricultural exports of, the United States.".

(b) CONFORMING AMENDMENTS.—(1) The table of contents of the Trade Act of 1974 is amended by amending the section heading for section 304 to read as follows:

"Sec. 304. Action or recommendations by the Trade Representative.".

(2) Section 152 of the Trade Act of 1974 (as amended by section 104(d)(2) of this Act) is further amended—

(A) by striking out "203" in subsection (a)(1)(A) and inserting a blank;

(B) by striking out "the blank" in subsection (a)(1)(A) and inserting "the first blank space being filled with either '203' or '301(d)(2)', as the case may be, and the second blank"; and

(C) by inserting after "30 days" in subsection (c)(1) the following: "(or 45 days in the case of a resolution described in subsection (a)(1)(A) that pertains to a Presidential decision under section 301(d)(2))".

(c) SPECIAL PROVISIONS REGARDING RECIPROCITY.—Before making any decision under section 304(a)(1)(A) of the Trade Act of 1974, or any recommendation under section 304(a)(1)(B) or (C) of that Act, the United States Trade Representative shall determine whether the foreign country under investigation provides reciprocity in overall trade to United States exports, and assess the degree to which lack of overall reciprocity, if any, contributes to any burden on or restriction to United States commerce. If the United States Trade Representative decides that lack of reciprocity is an important contributing factor or part of a pattern in the foreign country's trade practices, the Trade Representative shall include in his recommendation action against the offending nation's exports to the United States.

SEC. 203. REPORTS ON MARKET ACCESS.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) by amending subsection (a) by—

(A) striking out "and" at the end of paragraph (1)(A)(ii),

(B) by striking out the period at the end of paragraph (1)(B) and inserting "; and",

(C) by inserting at the end of paragraph (1) the following:

"(C) analyze and assess the overall reciprocity accorded to United States products, services, and investment by each of the major trading partners of the United States, and the impact which failures to provide reciprocity have on the major United States product sectors."; and

(2) by amending subsection (b)(1) by adding at the end thereof the following: "Within 90 days after receiving an analysis and estimate, the Committees, after consultation with the Trade Representative and conducting public hearings, shall prepare and issue a joint report setting forth—

"(A) the views of the Committees regarding the priorities for further bilateral and multilateral negotiations regarding the reduction or elimination of trade barriers, and

"(B) the recommendations, if any, of the Committees regarding actions that should be initiated under section 302(c).".

SEC. 204. INVESTIGATION OF IMPORTED LUMBER.

The United States Trade Representative, with respect to a petition filed after the date of the enactment of this Act under section 302(a) of the Trade Act of 1974 requesting action under section 301 of such Act regarding the acts, policies, or practices of the Government of Canada with respect to the production, and exportation to the United States, of lumber—

(1) shall immediately initiate an investigation under section 302 of such Act regarding the matters alleged in the petition; and

(2) shall, on the 60th day after initiating the investigation, report to the Congress, in writing, regarding the progress of the investigation and proposed interim action, if any.

CHAPTER 2—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

SEC. 211. SHORT TITLE.

This chapter may be cited as the "Telecommunications Trade Act of 1986".

SEC. 212. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) rapid growth in the world market for telecommunications products and services will continue for several decades;

(2) the United States can improve prospects for—

(A) the growth of—

(i) United States exports of telecommunications products and services, and

(ii) export-related employment and consumer services in the United States, and

(B) the continuance of the technological leadership of the United States,

by undertaking a program to achieve an open world market for trade in telecommunications products, services, and investment;

(3) most foreign markets for telecommunications products, services, and investment are characterized by extensive government intervention (including restrictive import practices and discriminatory procurement practices) which adversely affect United States exports of telecommunications products and services and United States investment in telecommunications;

(4) unfair and discriminatory trade practices in foreign countries have resulted in, and continue to threaten, the loss of jobs in

the United States telecommunications industry;

(5) the open nature of the United States telecommunications market, accruing from the liberalization and restructuring of such market, has resulted, and will continue to result, in a dramatic increase in imports of telecommunications products and a growing imbalance in competitive opportunities for trade in telecommunications; and

(6) unless this imbalance is corrected through the achievement of fully competitive market opportunities for United States telecommunications products and services in foreign markets, the United States should avoid granting continued open access to the telecommunications products and services, and other products and services, of such foreign countries in the United States market.

(b) PURPOSES.—The purposes of the chapter are—

(1) to foster the economic and technological growth of and employment in the United States telecommunications industry and all United States persons who benefit from a high quality telecommunications network;

(2) to ensure that countries which have made commitments to open telecommunications trade fully abide by those commitments; and

(3) to achieve a more open world trading system for telecommunications products and services through negotiation and achievement of fully competitive market opportunities for United States telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade.

SEC. 213. NEGOTIATING OBJECTIVES.

(a) PRIMARY OBJECTIVES.—The primary negotiating objectives of the United States under this chapter regarding telecommunications products and services are to provide for—

(1) the nondiscriminatory procurement of telecommunications products and related services by foreign entities that provide local exchange telecommunications services which are owned, regulated, or controlled by foreign governments;

(2) assurances that any requirement for the registration of telecommunications products, which are to be located on customer premises, for the purposes of—

(A) attachment to a telecommunications network in a foreign country, and

(B) the marketing of the products in a foreign country,

be limited to the certification by the manufacturer that the products meet the standards established by the foreign country for preventing harm to the network or network personnel;

(3) transparency of, and open participation in, the standards-setting processes used in foreign countries with respect to telecommunications products;

(4) the ability to have telecommunications products, which are to be located on customer premises, approved and registered by type, and, if appropriate, the establishment of procedures between the United States and foreign countries for the mutual recognition of type approvals;

(5) access to the basic telecommunications network in foreign countries on reasonable and nondiscriminatory terms and conditions (including non-discriminatory prices) for the provision of value-added services by United States suppliers; and

(6) monitoring and effective dispute settlement provisions regarding matters referred to in paragraphs (1) through (5).

(b) SECONDARY OBJECTIVES.—The secondary negotiating objectives of the United States under this chapter regarding telecommunications products and services are to obtain—

(1) national treatment for telecommunications products and services that are provided by United States firms;

(2) most-favored-nation treatment for such products and services;

(3) nondiscriminatory procurement policies with respect to such products and services and the inclusion under the Agreement on Government Procurement of the procurement (by sale or lease by government-owned or controlled entities) of all telecommunications products and services;

(4) the reduction or elimination of customs duties on telecommunications products;

(5) the elimination of subsidies, dumping, violations of intellectual property rights, and other unfair trade practices that distort international trade in telecommunications products and services;

(6) the elimination of investment barriers that restrict the establishment of foreign-owned business entities which market such products and services; and

(7) monitoring and dispute settlement mechanisms to facilitate compliance with telecommunications trade agreements.

SEC. 214. INVESTIGATIONS OF FOREIGN TELECOMMUNICATIONS TRADE BARRIERS.

(a) REQUIRED INITIAL INVESTIGATIONS.—

(1) The United States Trade Representative (hereinafter in this chapter referred to as the "Trade Representative"), in consultation with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C 1872), shall undertake an investigation with respect to each foreign country for the purposes of—

(A) identifying and analyzing those acts, policies, and practices in the markets of that foreign country that deny fully competitive market opportunities to telecommunications products and services of United States firms; and

(B) establishing, on the basis of the analysis under subparagraph (A) and after taking into consideration—

(i) the needs of the affected United States industries,

(ii) the competitiveness of United States industries in domestic and world markets,

(iii) the progress being made to expand market opportunities under existing agreements or ongoing negotiations, and

(iv) the availability of appropriate incentives and effective remedies,

the specific primary and secondary negotiating objectives specified in section 213 that should be pursued in negotiations under section 215 in order to obtain fully competitive market opportunities in that foreign country for telecommunications products and services of United States firms.

(2) The Trade Representative may exclude any foreign country from the investigations required to be conducted under paragraph (1) if the Trade Representative determines that the potential market in that country for United States telecommunications products and services is not substantial.

(3) The Trade Representative shall complete each investigation required to be undertaken under paragraph (1) by no later than the 180th day after the date of the enactment of this Act.

(b) OTHER INVESTIGATIONS.—If at any time after the investigations required under subsection (a) are completed the Trade Representative—

(1) on his own motion, considers that there is reason to believe that any act, policy, or practice in the market of a foreign country is such as to deny fully competitive market opportunities to telecommunications products or services of United States firms; or

(2) accepts a petition filed by an interested party alleging that any act, policy, or practice described in paragraph (1) exists;

the Trade Representative may undertake an investigation with respect to the foreign country concerned for the purposes described in subparagraphs (A) and (B) of subsection (a)(1). An investigation undertaken under this subsection shall be completed within 180 days after the date on which the Trade Representative commences the investigation under paragraph (1) or the petition is filed under paragraph (2).

(c) REVIEW OF MARKETS OF COUNTRIES INITIALLY EXCLUDED FROM INVESTIGATION.—The Trade Representative shall—

(1) at least annually, review the potential market for United States telecommunications products and services in countries that were excluded from investigation under subsection (a) and with respect to which no investigation has been initiated under subsection (b); and

(2) if he considers any such country to have a market for United States telecommunications products and services which is substantial, undertake, and complete within 180 days, an investigation for the purposes described in subparagraphs (A) and (B) of subsection (a)(1) regarding that country.

(d) REPORT TO CONGRESS.—The Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the investigations undertaken under subsections (a), (b), and (c). Each report shall be submitted within 30 days after the investigation is completed.

SEC. 215. ACTION BY THE PRESIDENT IN RESPONSE TO INVESTIGATIONS BY TRADE REPRESENTATIVE.

(a) IN GENERAL.—After—

(1) all investigations required under section 214(a) are completed (and in no case later than the 180th day after the date of the enactment of this Act); and

(2) each investigation undertaken under section 124 (b) or (c) is completed;

the President shall enter into negotiations with the foreign country or countries subject to investigation for the purpose of entering into bilateral or multilateral trade agreements, as appropriate, under section 218 which achieve the specific primary and secondary negotiating objectives that were established under section 214(a)(1)(B) with regard to such countries.

(b) ACTIONS TO BE TAKEN IF NO AGREEMENT OBTAINED.—

(1) If the President is unable during the negotiating period to enter into a trade agreement or agreements under section 218 with a foreign country which achieve the specific primary and secondary negotiating objectives established for that country under section 214(a)(1)(B), the President, by no later than the close of the negotiating period—

(A) shall take whatever actions are authorized under paragraph (3) that are necessary and appropriate to achieve the purposes of the primary objectives not covered by agreement; and

(B) may take whatever actions are authorized under paragraph (3) that are necessary to achieve the secondary objectives not covered by agreement.

(2) In taking action under paragraph (1)(A) and (B), the President shall first take those actions which most directly affect trade in telecommunications products and services with the country concerned.

(3) The President is authorized to take any of the following actions under paragraph (1)(A) and (B):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974;

(ii) section 201 of the Trade Expansion Act of 1962; or

(iii) section 350 of the Tariff Act of 1930;

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action described in section 301 of the Trade Act of 1974.

(C) Prohibit the Federal Government from purchasing specified telecommunications products.

(D) Increase domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) for purchases by the Federal Government of specified telecommunications products.

(E) Suspend any waiver of domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) which may have been extended pursuant to the Trade Agreements Act of 1979 with respect to telecommunications products or any other products.

(F) Order the appropriate Federal officials to deny Federal funds or Federal credits for purchases of specified telecommunications products of any specified foreign country.

(G) Suspend, in whole or in part, benefits accorded articles from specified foreign countries under title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.).

(4) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement described in paragraph (3)(A) is terminated, withdrawn, or suspended under paragraph (1) with respect to any duty imposed by the United States, the rate of such duty determined by the President up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(5) No action taken under paragraph (1) shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(6) Any action the President decides to take under subparagraph (3) of this subsection shall be treated as an action necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974.

(c) NEGOTIATING PERIOD.—

(1) For purposes of subsection (b), the term "negotiating period" means—

(A) with respect to a foreign country investigated under section 214(a), the 18-month period beginning on the date of the enactment of this Act; and

(B) with respect to a foreign country investigated under section 214 (b) or (c), the 12-month period beginning on the date the investigation was completed.

(2) The negotiating period with respect to a foreign country may be extended by not more than two 12-month periods. An extension of the negotiating period shall take effect if (and only if)—

(A) the President, not less than 90 days before the negotiating period expires (or if extended previously, before the first extension period expires), submits to the House of Representatives and the Senate—

(i) a draft of a negotiating period extension bill, and

(ii) a statement that—

(I) substantial progress is being made in negotiations with the foreign country concerned, and

(II) further negotiations are necessary to reach an agreement which meets the specific primary and secondary negotiating objectives established under section 214(a)(1)(B) with regard to that country; and

(B) before the expiration of the negotiating period (or the first extension thereof), a negotiating period extension bill is enacted into law.

(3) For purposes of this subsection, the term "negotiating period extension bill" means a bill of either House of Congress the matter after the enacting clause of which is as follows: "That the Congress approves the extension for 12 months of the negotiating period with that was requested by the President on .", the first blank space being filled with the name of the foreign country concerned, and the second blank space being filled with the date on which the submissions to Congress under paragraph (2)(A) regarding the extension were made.

(4) On the day on which submissions to Congress under paragraph (2)(A) regarding an extension are made, the negotiating period extension bill submitted by the President shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a trade agreement is submitted, the implementing bill shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. Such bills shall be referred by the Presiding Officer of the respective Houses to the Committee on Ways and Means and the Committee on Finance.

(5) Subsections (d) through (g) of section 151 of the Trade Act of 1974 apply to any agreement period extension bill. Any reference in such subsections to an implementing bill shall be treated as a reference to a negotiating period extension bill.

(d) MODIFICATION AND TERMINATION AUTHORITY.—The President may modify or terminate any action taken under subsection (b) if, and only if, the foreign country concerned enters into a trade agreement under section 218 which achieves the specific negotiating objective regarding which such action was taken.

(e) REPORT.—The President shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any action taken under subsection (b) or of the modification or termination of any such action under subsection (d).

SEC. 216. REVIEW OF TRADE AGREEMENT IMPLEMENTATION BY TRADE REPRESENTATIVE.

(a) DEFINITION.—For purposes of this section, the term "trade agreement" means—

(1) a trade agreement entered into under section 218 that is in force with respect to the United States; and

(2) a trade agreement regarding telecommunications products or services that was in force with respect to the United States on the date of the enactment of this Act.

(b) PERIODIC REVIEW.—

(1) The Trade Representative shall review each trade agreement to determine whether any act, policy, or practice of the foreign country—

(A) is not in compliance with the terms of the agreement; or

(B) otherwise denies, within the context of the terms of the trade agreement, to telecommunications products and services of United States firms fully competitive market opportunities in that foreign country.

(2) The Trade Representative shall carry out the reviews required under paragraph (1)—

(A) with respect to each trade agreement described in subsection (a)(1), within 6 months after the agreement enters into force with respect to the United States, and annually thereafter; and

(B) with respect to each trade agreement described in subsection (a)(2), within 18 months after the date of the enactment of this Act, and annually thereafter.

(c) REVIEW FACTORS.—

(1) In undertaking reviews under subsection (a), the Trade Representative shall consider any evidence of actual patterns of trade (including United States exports of telecommunications products to a foreign country and sales and services related to those products) that do not reflect patterns of trade which would reasonably be anticipated to flow from the concessions or commitments of such country based on the international competitive position and export potential of such products and services.

(2) The Trade Representative shall consult with the United States International Trade Commission in regard to the actual patterns of trade described in paragraph (1).

(d) ACTION IN RESPONSE TO AFFIRMATIVE DETERMINATION.—If the Trade Representative makes an affirmative determination under subsection (b) with respect to any act, policy, or practice of a foreign country, the Trade Representative shall take whatever action authorized under paragraph (e) that is necessary—

(1) to offset fully such act, policy, or practice, and

(2) to restore the balance of concessions in telecommunications products and services trade between the United States and such foreign country;

except that the Trade Representative may not take any action under subsection (e) on the basis of a review under subsection (b) regarding a trade agreement described in subsection (a)(2) before the President takes action under section 215(b)(3) with respect to any county.

(e) AUTHORIZED ACTIONS.—

(1) The Trade Representative is authorized to take the following actions under subsection (d):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974,

(ii) section 201 of the Trade Expansion Act of 1962, or

(iii) section 350 of the Tariff Act of 1930,

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action under section 301 of the Trade Act of 1974.

(2) Actions described in paragraph (1) may be taken under subsection (d) with respect to other than telecommunications products and services only if—

(A) the Trade Representative has taken all feasible actions described in subparagraphs (A) and (B) of paragraph (1) with respect to telecommunications products and services; and

(B) the applicable objectives established in section 124(a)(1)(B) have not been achieved.

(3) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement is terminated, withdrawn, or suspended under paragraph (1)(A) with respect to any duty imposed by the United States on any product, the rate of such duty determined by the United States Trade Representative up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(4) Any action the Trade Representative decides to take under paragraph (1) shall be treated as necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f) and (g) of section 102 of the Trade Act of 1974.

(f) ACTIONS NOT TO AFFECT CERTAIN CONTRACTUAL OBLIGATIONS.—No action taken under this section shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(g) MODIFICATION AND TERMINATION AUTHORITY.—The Trade Representative may modify or terminate any action taken under subsection (e) if, and only if, he determines that the foreign country has taken appropriate remedial action regarding the act, policy, or practice concerned.

(h) REPORT.—The Trade Representative shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any actions taken under subsection (c) or of the modification or termination of any such action under subsection (g).

SEC. 217. CONSULTATIONS.

(a) ADVICE FROM DEPARTMENTS AND AGENCIES.—For purposes of determining appropriate action under section 215(b) or 216(d), the President and the Trade Representative shall consult with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872).

(b) ADVICE FROM THE PRIVATE SECTOR.—The—

(1) Trade Representative, in conducting investigations and establishing negotiating objectives under section 214, and for purposes of determining appropriate action under section 216(d); and

(2) President, for purposes of determining appropriate action under section 215(b);

shall provide the opportunity for presentation of views by any interested party, including appropriate committees established under section 135 of the Trade Act of 1974.

(c) CONSULTATIONS WITH CONGRESS AND OFFICIAL ADVISORS.—For purposes of conducting negotiations under section 215(a), the President shall keep appropriate committees of the Congress, as well as appropriate committees established pursuant to section 135 of the Trade Act of 1974, currently informed with respect to—

(1) the negotiating priorities and objectives for each country involved;

(2) the assessment of negotiating prospects, both bilateral and multilateral; and

(3) any United States concessions which might be included in negotiations to achieve the objectives described in section 215.

SEC. 218. GENERAL TRADE AGREEMENT AUTHORITY.

(a) IN GENERAL.—During the 42-month period beginning on the date of enactment of this Act, the President may enter into trade agreements, for purposes of achieving the primary and secondary negotiating objectives established under section 214(a)(1)(B), with foreign countries. The trade agreements may provide for—

(1) the harmonization, reduction, or elimination of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade, or

(2) the prohibition of, or limitations on the imposition of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—

(1) For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) (other than a trade agreement provided for under paragraph (2)) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

(2) The President may by proclamation implement any trade agreement entered into under subsection (a) that provides solely for unilateral concessions by a foreign country to the United States.

(c) APPLICATION OF AGREEMENT BENEFITS.—Notwithstanding any other provision of law, any agreement entered into under this section may provide that the benefits and obligations of such agreement—

(1) apply solely to the parties to the agreement, or

(2) not apply uniformly to all parties to such agreement.

SEC. 219. COMPENSATION AUTHORITY.

(a) IN GENERAL.—If—

(1) the President takes action under section 215(b); or

(2) the Trade Representative takes action under section 216(d); and

(3) such action is found to be inconsistent with the international obligations of the United States, including the obligations under the General Agreement on Tariffs and Trade;

the President may enter into trade agreements with the foreign country concerned for the purpose of granting new concessions as compensation for such action in order to maintain the general level of reciprocal and mutually advantageous concessions.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 220. DEFINITION OF TELECOMMUNICATIONS PRODUCT.

For purposes of this chapter, the term "telecommunications product" means any paging alerting device provided for in item 685.70 of the Tariff Schedules of the United States (19 U.S.C. 1202), as in effect on November 14, 1985, and any article that is classified under the following item numbers of such Schedules:

684.57	684.67	685.28	685.48
684.58	684.80	685.30	688.17
684.59	685.16	685.32	688.41
684.65	685.24	685.34	707.90
684.66	685.25		

SEC. 221. INTERNATIONAL OBLIGATIONS.

Nothing in this chapter may be construed to require the President and the United States Congress to act in a manner inconsistent with the legal obligations of the United States, including the General Agreement on Tariffs and Trade.

Subtitle B—Relief from Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

SEC. 231. UNITED STATES TRADE REPRESENTATIVE FUNCTIONS REGARDING IMPORT RELIEF.

(a) IN GENERAL.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251, et seq.) is amended—

(1) by inserting "(hereinafter in this section referred to as the 'Trade Representative')" after "United States Trade Representative" in section 201(b)(1); and

(2) by striking out "President" each place it appears after section 201(b)(1) and inserting "Trade Representative".

(b) USTR AND PRESIDENTIAL ACTION AFTER INVESTIGATIONS.—(1) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended as follows:

(1) by striking out "PRESIDENTIAL ACTION" in the heading thereto and inserting in lieu thereof "ACTION BY THE UNITED STATES TRADE REPRESENTATIVE".

(2) Subsection (a) is amended—

(A) by amending paragraph (1)(A) to read as follows:

"(1)(A) shall provide import relief for such industry pursuant to section 203, unless he has first considered alternative measures for import relief and determines that provision of such relief is not in the national economic interest of the United States; and"; and

(B) by adding at the end thereof the following:

"The Trade Representative may, within 15 days after the date on which he receives an affirmative finding of the Commission with respect to an industry, request information and advice from the Secretary of Commerce, the Attorney General, and such other government officials as he deems appropriate on the probable effectiveness of antitrust relief under section 206 as a means to enhance the competitiveness of firms in the industry. Such information and advice shall be submitted as soon as practicable,

but in no event more than 30 days after the date on which the request is received.

(3) Subsection (b) is amended—

(A) by inserting "(1)" before "Within 60 days";

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(C) by adding at the end thereof the following:

"Not later than the day on which the determination made under subparagraph (A) is submitted to the President under paragraph (2), the Trade Representative shall submit to the Congress a written report describing the estimated impact of the determination on consumers and small businesses within, and on the agricultural exports of, the United States.

"(2) The Trade Representative shall submit the determination made under paragraph (1)(A) to the President who, within the 20-day period after the day of submission, shall decide if—

"(A) he concurs in the determination;

"(B) in the event the determination is not to provide import relief, whether import relief should be provided, and, if so, the kind and extent of that relief; or

"(C) in the event the determination is to provide import relief, and after first considering alternative relief measures, it is in the national economic interest—

"(i) not to provide any import relief, or

"(ii) to provide import relief under this title that is different from that determined by the Trade Representative.

"(3) On the day the President makes a decision under paragraph (2), the President shall transmit to Congress a document describing the determination of the Trade Representative and setting forth the President's decision regarding that determination. In the case of a determination not to provide import relief by the Trade Representative in which the President concurs under paragraph (2)(A), or a decision by the President under paragraph (2)(B)(i), the document shall set forth the reasons why, in terms of the national economic interest, import relief is not being provided and what other steps, beyond adjustment assistance programs immediately available, will be taken by the President or the Trade Representative to help the industry to overcome serious injury and the workers to find productive employment.".

SEC. 232. PROVISION OF IMPORT RELIEF.

Section 203 of such Act of 1974 is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) The import relief which is authorized to be provided under this title consists of the following actions to the extent that, and for such time (not to exceed 5 years) as, they are considered necessary taking into account the considerations specified in section 202(c) to prevent or remedy serious injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question:

"(1) An increase in, or imposition of, any duty on the article causing or threatening to cause serious injury to such industry.

"(2) The imposition of a tariff-rate quota on such article.

"(3) The modification of, or imposition of, any quantitative restriction on the importation into the United States of such article.

"(4) The negotiation, conclusion, and carrying out of orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of such articles.

"(5) Antitrust relief under section 206.

"(6) Any combination of the actions referred to in paragraphs (1) through (5).".

(2) Subsection (b) is amended to read as follows:

"(b)(1) If the Trade Representative determines under section 202(b)(1)(A) not to provide import relief, and the President concurs in that determination under section 202(b)(2)(A), no import relief may be provided under this section for the industry concerned.

"(2) If the Trade Representative determines under section 202(b)(1)(A) to provide import relief and the President concurs in that determination under section 202(b)(2)(A), the Trade Representative shall take action to implement that relief, including the ordering of the Commissioner of Customs to implement the relief, if any, of the kind described in paragraph (1), (2), or (3) of subsection (a).

"(3) If a decision by the President under section 202(b)(2) (B) or (C) differs from the determination of the Trade Representative under section 202(b)(1)(A) and—

"(A) a joint resolution described in section 152(a)(1)(A) is not enacted as provided in subsection (c), the Trade Representative shall implement the Presidential decision, including (if the decision is to provide relief of the kind described in paragraph (1), (2), or (3) of subsection (a)) the ordering of the Commissioner of Customs to implement such relief; or

"(B) a joint resolution described in section 152(a)(1)(A) is enacted as provided in subsection (c), the Trade Representative shall, within 30 days after the date of enactment, order the Commissioner of Customs to implement the import relief recommended by the Commission under section 201(a)(1)(A)."

(3) Subsection (c) is amended to read as follows:

"(c) If the President reports under section 202(b)(3) that he does not concur in the determination of the Trade Representative under section 202(b)(1)(A), the import relief recommended by the Commission under section 201(d)(1)(A) shall take effect as provided in subsection (b)(3)(B) upon enactment of a joint resolution described in section 152(a)(1)(A) within the 90-day period beginning on the date on which the document referred to in section 202(b)(3) is transmitted to the Congress.".

(4) Subsection (d) is amended—

(A) by striking out "subsection (a) or (c)" in paragraph (1) and inserting "subsection (b)"; and

(B) by striking out "subsection (a) or (c)" and "subsection (a)" in paragraph (2) and inserting "subsection (b)".

(5) Subsection (f) is amended by striking out "subsections (a) and (c)" and "subsection (a) or (c)" each place they appear and inserting "subsection (b)".

(6) Subsection (i)(1) is amended to read as follows:

"(i)(1) So long as any import relief remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition). The Commission shall submit to the Trade Representative, and make available to the public, a report on the review undertaken under this paragraph for the first biennial period, and each annual period thereafter, that the import relief is in effect.

(7) Such section is further amended—

(A) by striking out "proclaim" each place it appears and inserting "order",

(B) by striking out "proclaims" each place it appears and inserting "orders",

(C) by striking out "proclaimed" each place it appears and inserting "ordered",

(D) by striking out "proclamation pursuant" in subsection (d)(1) and inserting in lieu thereof "administrative order issued pursuant", and

(E) by striking out "proclamation" each place it appears and inserting in lieu thereof "administrative order".

SEC. 233. INTERIM RELIEF, EMERGENCY ACTION REGARDING PERISHABLE PRODUCTS, AND ANTITRUST RELIEF.

(a) IN GENERAL.—Chapter 1 of such title II is further amended by adding at the end thereof the following new sections:

"SEC. 204. INTERIM RELIEF TO PREVENT IRREPARABLE HARM.

"(a) PETITIONS TO USTR.—If a petition is filed with the Commission under section 201(a) alleging injury from imports of an article (other than a perishable product under section 205 or section 213(f) of the Caribbean Basin Economic Recovery Act), then the petition may also be filed with the Trade Representative, together with—

"(1) a request that interim import relief be granted under subsection (c) with respect to that article; and

"(2) information in support of that request.

"(b) DETERMINATION BY USTR.—Upon the filing of a petition under subsection (a), the Trade Representative shall decide whether—

"(1) it is likely that the article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a product like or directly competitive with the imported article; and

"(2) the absence of relief described in subsection (c)(3) pending action on the petition under sections 201, 202, and 203 would result in irreparable harm to the domestic industry.

"(c) ACTION AFTER DETERMINATION.—(1) If a negative decision is made under subsection (b) regarding a petition, the Trade Representative shall immediately publish notice of the decision in the Federal Register and advise the petitioner of the decision.

"(2) If an affirmative decision is made under subsection (b) regarding a petition, the Trade Representative shall, as soon as possible—

"(A) determine the method and extent of interim import relief to be imposed with respect to imports of the article concerned that is necessary to prevent irreparable harm to the domestic industry until action is taken on the petition under sections 201, 202, and 203;

"(B) immediately submit notice of the determination to the President; and

"(C) unless the President decides within 20 days after the date of such notice that the provision of relief under this section to the domestic industry is not in the national economic interest, order the Commissioner of Customs to impose such relief immediately with respect to imports of that product.

"(3) Interim import relief under this section may consist of either or both of the following:

"(A) An increase in, or the imposition of, a duty on the article.

"(B) A modification of, or the imposition of, a quantitative limitation on the importation into the United States of the article.

"(d) TERMINATION OF INTERIM IMPORT RELIEF.—Interim import relief that is imposed under subsection (c) with respect to an imported article shall cease to apply—

"(1) upon the ordering of import relief under section 203;

"(2) on the day on which a determination under section 203 not to impose import relief becomes final;

"(3) in the event of a report of the Commission containing a negative finding under section 201, on the day the Commission's report is submitted to the Trade Representative; or

"(4) whenever the Trade Representative determines that because of changed circumstances such relief is no longer warranted.

"SEC. 205. EMERGENCY ACTION REGARDING IMPORTS OF PERISHABLE PRODUCTS.

"(a) IN GENERAL.—If a petition is filed with the Commission under section 201 alleging injury from imports of a perishable product, the petitioner may also file, at any time during the 150-day period after the date of filing under such section, a request with the Secretary of Agriculture (hereinafter in this section referred to as the 'Secretary') that emergency action be taken under subsection (d) with respect to that product.

"(b) DETERMINATION BY SECRETARY.—Within 20 days after a request is filed under subsection (a), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested parties, shall decide—

"(1) whether there is reason to believe that the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product; and

"(2) if the decision under paragraph (1) is affirmative, whether emergency action under subsection (c) is warranted.

For purposes of paragraph (1), normal seasonable fluctuations in imports of a perishable product may not be treated as being a substantial cause of serious injury or the threat thereof.

"(c) NEGATIVE DECISION.—(1) If a negative decision is made under subsection (b) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision.

"(2) After a negative decision is made under subsection (b), a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative decision; or

"(B) after the 150th day after the date on which the petition was initially filed under section 201.

"(d) AFFIRMATIVE DECISION.—(1) If an affirmative decision is made under subsection (b) regarding a request, the Secretary shall—

"(A) determine the method and extent of emergency action to be imposed with respect to imports of the perishable product concerned that is necessary to prevent injury to the domestic industry;

"(B) immediately submit notice of the determination to the Trade Representative; and

"(C) unless the Trade Representative decides within 7 days after the date of such notice that the taking of emergency action under this section to the domestic industry is not in the national economic interest, order the Commissioner of Customs to take such action with respect to imports of the perishable products.

"(2)(A) Except as provided in subparagraph (B), emergency action under this section may consist of either or both of the following:

"(i) An increase in, or the imposition of, a duty on the perishable product.

"(ii) A modification of, or the imposition of, a quantitative limitation on the importation into the United States of the perishable product.

"(B) If a decision by the Secretary under subsection (b) covers any article that is a perishable product—

"(i) of a beneficiary country within the meaning of paragraph (5) of section 213(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(f)(5)); or

"(ii) of Israel within the meaning of subsection (e) of section 404 of the Tariff and Trade Act of 1984 (19 U.S.C. 2112 note);

the Secretary may take with respect to that product only the emergency action authorized under such section 213(f) or section 404, as the case may be.

"(e) TERMINATION OF EMERGENCY ACTION.—(1) Any person who is adversely affected by the taking of emergency action may, on or after the 30th day after the day such action first took effect, request the Secretary to terminate the action.

"(2) Within 20 days after a request is filed under paragraph (1), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested persons, shall decide whether changed circumstances warrant the termination of the emergency action.

"(3) If a negative decision is made under paragraph (2) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision. After a negative decision under paragraph (2) is made, a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative determination; or

"(B) after the day on which the Commission issues its report under section 204(f) regarding the petition filed under section 201.

"(4) If an affirmative determination is made under paragraph (2) regarding a request, the Secretary shall order the Commissioner of Customs to immediately terminate the action.

"(f) TERMINATION OF EMERGENCY ACTION.—Unless terminated under subsection (e)(4), emergency action that is taken under subsection (c) with respect to an imported perishable product may not remain in effect after the date on which—

"(1) the Commission reports under section 204(f) that it did not find the serious injury or threat thereof described in section 204(a) to the industry;

"(2) the denial of import relief for the industry under section 206 becomes final; or

"(3) import relief for the industry first takes effect under section 205(a) or 206(a)(5) except that the Secretary may terminate such action whenever he determines that because of changed circumstances such action is no longer warranted.

"(g) DEFINITION OF PERISHABLE PRODUCT.—For purposes of this section, the term 'perishable product' has the same meaning that is given that term under section 404(e) of the Tariff and Trade Act of 1984 (12 U.S.C. 2112 note).

"SEC. 206. ANTITRUST RELIEF.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'antitrust laws' has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that the term includes section 5 of the Federal Trade Commission Act to the extent that section 5 applies to unfair methods of competition.

"(2) The term 'merger or acquisition' means the acquisition of the whole or any part of the assets, stock, or other share capital of one or more firms in the industry by another firm in the industry.

"(b) CERTIFICATES OF EXEMPTION FOR MERGERS AND ACQUISITIONS.—

"(1) If the Trade Representative provides antitrust relief to an industry under this section as import relief under section 205, members of the industry may, during the time period designated by the Trade Representative, apply for a certificate of exemption for a proposed merger or acquisition.

"(2) To apply for a certificate of exemption under this subsection, the parties to a proposed merger or acquisition shall file a notification describing their proposed merger or acquisition, identifying all parties thereto, and containing information sufficient to identify the parties as members of the industry, to the Attorney General and the Secretary of Commerce.

"(3) Information and documentary material filed pursuant to this subsection shall be exempt from disclosure under section 552 of title 5 of the United States Code, and no such information or documentary material may be made public except as may be relevant to any administrative or judicial proceeding. Nothing in this paragraph is intended to prevent disclosure to either body of Congress or to any duly authorized committee or subcommittee of Congress.

"(4) Within 30 days of receipt of an application under this subsection, the Attorney General, with the concurrence of the Secretary of Commerce, shall determine whether the proposed merger or acquisition is limited to members of the industry. If the Attorney General determines that the proposed merger or acquisition is so limited, the Attorney General shall issue a certificate of exemption. The certificate shall specify:

"(A) the firms to which it is issued, and

"(B) the merger or acquisition to which it applies.

If the Attorney General determines that the proposed merger or acquisition is not so limited, the Attorney General shall notify the applicant of that determination and the reasons for it.

"(5) An applicant may, within 30 days of the issuance of a notification of denial, request the Attorney General to reconsider the determination. The Attorney General, with the concurrence of the Secretary of Commerce, shall notify the applicant of the determination upon reconsideration within 30 days of receipt of the request.

"(6) No action of the Attorney General or the Secretary of Commerce under this section shall be subject to judicial review.

"(7) A certificate of exemption issued under this subsection shall be effective as of the date of its issuance. The certificate shall convey the antitrust exemption set forth in

subsection (c) permanently only if the certificated merger or acquisition is consummated during the period in which the President's order under section 203(a)(6) is in effect.

"(c) ANTITRUST EXEMPTION.—

"(1) No criminal or civil action may be brought under any of the antitrust laws against any merger or acquisition which is the subject of a certificate of exemption under this section on the ground that such merger or acquisition would adversely affect competition in any relevant market including or included within the industry unless there is a significant probability that such merger or acquisition would substantially increase the ability of the resulting firm profitably to maintain prices above competitive levels in such market for a significant period of time.

"(2) No person shall have standing under section 4 or section 16 of the Clayton Act (15 U.S.C. 15, 26) to challenge any merger or acquisition which is the subject of a certificate of exemption under this section on the ground that such merger or acquisition would adversely affect competition in any relevant market including or included within the industry.

"(d) CONSTRUCTION.—Nothing in this section shall in any way alter the requirements, application, or operation of section 7A of the Clayton Act or any regulations under that section.

"SEC. 209. MISCELLANEOUS PROVISIONS.

"(a) ARTICLES TO WHICH CHAPTER NOT APPLICABLE.—No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this chapter unless 2 years have elapsed since the last day on which such import relief was provided with respect to that article.

"(b) OTHER PROVISIONS.—

"(1) Actions by the Trade Representative to this chapter may be taken without regard to the provisions of sections 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 204(b)(3)(C), then the Trade Representative shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1)."

(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Trade Act of 1974 is amended—

(A) by inserting at the end of section 201(a)(1) the following: "A person that files a petition under this paragraph may also file a petition for interim relief under section 204 or a request for emergency action under section 205.";

(B) by striking out "Presidential action" in the item relating to section 202 and inserting in lieu thereof "Action by the United States Trade Representative"; and

(C) by inserting after the entry for section 203 the following:

"Sec. 204. Interim relief to prevent irreparable harm.

"Sec. 205. Emergency action regarding imports of perishable products.

"Sec. 206. Antitrust relief.".

(2) Section 152(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2241) is amended by striking out "the action taken by, or the determination of, the President under section 203" and inserting in lieu thereof "the decision of the President under section 202(b)(2)".

SEC. 234. MARKET DISRUPTION.

Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended—

(1) by striking out "Communist country" each place it appears therein and inserting "non-market economy country"; and

(2) by amending subsection (e) to read as follows:

"(e) For purposes of this section, the term 'non-market economy country' means any country dominated or controlled by communism."; and

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

"(f)(1) For purposes of this section, market disruption exists within a domestic industry whenever an article is being imported into the United States in such increased quantities (either absolutely or relatively) as to be an important cause of material injury or the threat thereof, to the domestic industry providing an article like or directly competitive with the imported article.

"(2) In making its determination under paragraph (1), the Commission shall consider, among other factors—

"(A) the volume of imports of the merchandise which is the subject of the investigation;

"(B) the effect of imports of the merchandise on prices in the United States for like or directly competitive articles;

"(C) the impact of imports of such merchandise on domestic producers of like or directly competitive articles; and

"(D) evidence of disruptive pricing practices, or other efforts to unfairly manage trade patterns.

"(3) For purposes of paragraph (2)—

"(A) In evaluating the volume of imports of merchandise, the Commission shall consider whether the increase in the volume of imports of the merchandise, either in absolute terms or relative to production or consumption in the United States, is significant.

"(B) In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether—

"(i) there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States, and

"(ii) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

"(C) In examining the impact on the affected industry, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to—

"(i) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity.

"(ii) factors affecting domestic prices, and

"(iii) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.

"(4) In making its determination under paragraph (1), the Commission shall, where appropriate, cumulate imports from 2 or more non-market economy countries subject to investigation under this section.

"(g) The Commission may recommend, in addition to other relief available under this section, a variable tariff based on a comparison of average domestic producer prices and average import prices.

"(h) The Trade Representative may deny import relief with respect to imports from a non-market economy country only if the provision of such relief would have a serious negative impact on the domestic economy.".

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

SEC. 241. REFERENCE TO THE TARIFF ACT OF 1930.

Unless otherwise provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, section, subsection, or other provision, the reference shall be considered to be made to a title, subtitle, section, subsection, or other provision of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

SEC. 242. PROCESSED AGRICULTURAL PRODUCTS.

(a) DEFINITION OF INDUSTRY.—Section 771(4) (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) INDUSTRY PRODUCING PROCESSED AGRICULTURAL PRODUCTS.—

"(i) IN GENERAL.—In an investigation involving a processed agricultural product produced from any raw agricultural product, the producers or growers of the raw agricultural product may be considered part of the industry producing the processed product if—

"(I) the processed agricultural product is produced from the raw agricultural product through a single continuous line of production; and

"(II) there is a substantial coincidence of economic interest between the producers of the raw agricultural product and the producers of the processed agricultural product based upon relevant economic factors, which may, in the discretion of the Commission, include price, market value added by the producers, or other economic interrelationships (regardless of whether such coincidence of economic interest is based upon any legal relationship).

"(ii) PROCESS.—For the purposes of this subparagraph, the processed agricultural product shall be considered to be processed from a raw agricultural product through a single continuous line of production if—

"(I) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

"(II) the processed agricultural product is produced substantially or completely from the raw product.

"(iii) EVALUATION OF FACTORS.—For purposes of this subparagraph, in evaluating the factors relevant to the question of coincidence of economic interest, the Commission shall—

"(I) if price is taken into account, consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

"(II) if market value added by the producers is taken into account, consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product.

"(iv) RAW AGRICULTURAL PRODUCT.—For purposes of this subparagraph, the term 'raw agricultural product' means any farm, forest, or fishery product.".

(b) DEFINITION OF MATERIAL INJURY.—Section 771(7)(F) (19 U.S.C. 1677(7)(F)) is amended—

(1) by striking out "and" at the end of subclause (VII);

(2) by striking out the period at the end of subclause (VIII) and inserting ", and"; and

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

"(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that an affirmative determination by the Commission with respect to either the raw agricultural product or the processed agricultural product (but not both) would result in an increase in the imports of the other agricultural product to an injurious level.".

(c) DEFINITION OF INTERESTED PARTIES.—Section 771(9) (19 U.S.C. 1677(9)) is amended—

(1) by striking out "and" at the end of subparagraph (E) and inserting in lieu thereof a comma;

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and"; and

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

"(G) in any investigation under this title involving an industry engaged in producing a processed agricultural product, as defined in paragraph (4)(E), a coalition or trade association which is representative of either processors or processors and producers.".

(d) CONFORMING AMENDMENTS.—

(1) Title VII is amended by striking out "subparagraph (C), (D), or (E) of section 771(9)" each place it appears and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G) of section 771(9)".

(2) Subsections (g)(2) and (h)(1) of sections 704 and 734 (19 U.S.C. 167c; 1673c) are each amended by striking out "subparagraphs (C), (D), (E), and (F)" and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G)".

(3) Section 514 (19 U.S.C. 1514) is amended by striking out "as defined in section 771(9)(C), (D), (E), and (F) of this Act".

(4) Subsection (a) of section 516 (19 U.S.C. 1516(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Any producer of a raw agricultural product who is considered under section 771(4)(E) to be part of the industry producing a processed agricultural product of the same class or kind as the designated imported merchandise shall, for purposes of this section, be treated as an interested party producing such processed agricultural product.".

SEC. 243. MATERIAL INJURY AND THREAT OF MATERIAL INJURY.

Section 771(7) (19 U.S.C. 1677(7)) is amended—

(1) by amending clause (iv) of subparagraph (C) to read as follows:

"(iv) CUMULATION.—For purposes of clauses (i) and (ii), the Commission shall where appropriate cumulatively assess the volume and effect of imports from two or more countries of like products if such imports compete with each other, and with like products of the domestic industry, in the United States market, and if such imports—

"(I) are subject to any investigation under section 303, 701, or 731 in which there is an affirmative preliminary determination on the petition;

"(II) are subject to any final order or suspension agreement resulting from an investigation under section 303, 701, or 731; or

"(III) were entered before any quantitative restraint was imposed on the importation of like products, if such restraint was the basis on which a petition filed under section 330, 701, or 731 was withdrawn after the administering authority made an affirmative preliminary determination on the petition.

Subclauses (II) and (III) apply only if the order, agreement, or restraint concerned came into effect within the 12-month period ending on the date the investigation with respect to which this clause is being applied is initiated.";

(2) by amending clause (i) of subparagraph (F) (as amended by section 152(b))—

(A) by inserting the following before the comma at the end of subclause (I): "provided by a foreign country and effects likely to be caused by the subsidy";

(B) by striking out "and" at the end of subclause (VIII);

(C) by striking out the period at the end of subclause (IX) and inserting in lieu thereof ", and"; and

(D) by adding at the end thereof the following new subclauses:

"(X) any government plan or scheme consisting of a combination of coordinated government actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of the merchandise; and

"(XI) the extent to which the United States is a focal point for exports of the merchandise by reason of restraints on exports of the merchandise to, or on imports of the merchandise into, third country markets.";

(3) by adding at the end of paragraph (F) the following new clause:

"(iii) EFFECT OF DUMPING IN THIRD-COUNTRY MARKETS.—In investigations under subtitle B, the Commission shall consider whether dumping in third country markets, as evidenced by findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation, suggests a threat of material injury to the domestic industry. In the course of its investigation, the Commission shall request information from the foreign manufacturer, exporter, or United States importer concerning this issue. For purposes of this clause, the term 'GATT member market' means any country which is a signatory to The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), and the European Community shall be treated as being one country."; and

(4) by adding at the end thereof the following:

"(G) SPECIAL RULES FOR FUNGIBLE PRODUCTS.—

"(i) IN GENERAL.—The Commission shall not determine that there is no material injury, or no threat of material injury, to United States producers of a fungible product by reason of imports (or sales or offers of sale for importation) of that fungible product solely on the basis of evidence that—

"(I) sales or offers of sale of the imported merchandise were not the first sales or offers at a reduced price in the relevant market;

"(II) price declines of similar magnitude occurred in other comparable markets (including submarkets or localities) where there is a relationship between the prices in such markets and the prices in the import impacted market;

"(III) United States producers also import the merchandise under investigation; or

"(IV) United States producers of the product are profitable.

"(ii) DEFINITION.—For the purposes of this clause, the term 'fungible product' means merchandise sold by weight or volume without significant product differentiation in such merchandise whether produced by foreign or domestic producers.".

SEC. 244. DIVERSIONARY DUMPING.

(a) IN GENERAL.—Subtitle B (19 U.S.C. 1673 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 739. DIVERSIONARY DUMPING.

"(a) DEFINITION OF DUMPED INPUT PRODUCT.—For purposes of this section, the term 'dumped input product' means a class or kind of merchandise to which there applies either—

"(1) an antidumping duty order issued under section 736(a), or

"(2) an international arrangement or agreement described in subsection (c)(2)(B) which was entered into after at least a preliminary affirmative determination under section on 733(b) was made.

"(b) IN GENERAL.—If the administering authority finds, during an investigation under this subtitle, that—

"(1) a dumped input product is incorporated into, or otherwise used in the manufacture or production of, the merchandise that is the subject of the investigation;

"(2) such dumped input product comprises not less than 35 percent of the exporter's sale price of such merchandise; and

"(3) the manufacturer or producer of such merchandise purchased the dumped input product for a price that is less than the adjusted foreign market value of that product;

the administering authority shall determine the diversionary dumping benefit for the merchandise and apply that benefit in determining the foreign market value of the merchandise under section 773(a).

"(c) DIVERSIONARY DUMPING BENEFIT.—

"(1) IN GENERAL.—The amount of a diversionary dumping benefit for merchandise is the difference, if any, by which—

"(A) the adjusted foreign market value of the dumped input product concerned exceeds

"(B) the price for which the manufacturer purchased the dumped input product.

"(2) ADJUSTED FOREIGN MARKET VALUE.—The adjusted foreign market value for a dumped input product is—

"(A) if an antidumping duty order issued under section 736(a) applies to the product, the foreign market value used to determine the current antidumping duty imposed on the product; or

"(B) if the investigation regarding the dumped input product under this subtitle was terminated or suspended because of the entry into force with respect to the United States of any international arrangement or agreement that contains quantitative restrictions on, or other terms and conditions relating to, the importation into the United States of the product, the foreign market value of the product as determined by the administering authority on the basis of the best available information, including any information gathered in the previous investigation of the dumped input product and the allegations contained in the petition filed with respect to such investigation.".

(b) CONFORMING AMENDMENTS.—

(1) Section 773(a) (19 U.S.C. 1677b(a)) is amended by striking out "increased by," and inserting "increased by the amount of any diversionary dumping benefit determined under section 739(a) and by,".

(2) The table of contents for subtitle B is amended by inserting after the entry for section 738 the following.

"Sec. 739. Diversionary dumping.".

SEC. 245. PERSISTENT DUMPING.

Section 733(e) of the Tariff Act of 1930 (19 U.S.C. 1673b(e)) is amended by adding at the end thereof the following:

"(3) PRESUMPTIONS AND MONITORING IN CASES OF PERSISTENT DUMPING.—

"(A) IN GENERAL.—If a manufacturer or exporter of merchandise subject to an investigation under this subtitle was the manufacturer or exporter of merchandise with respect to which, during the 5-year period preceding the date of the initiation of such investigation, two or more antidumping duty orders were issued under section 736(a), then the administering authority shall presume, for the purpose of such investigation, that there is a reasonable basis to believe that the factors referred to clauses (i) and (ii) of paragraph (1)(A) exist.

"(B) MONITORING.—Any—

"(i) manufacturer, producer, or wholesaler in the United States;

"(ii) certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, or wholesale in the United States; or

"(iii) trade or business association a majority of whose members are engaged in the manufacture, production, or wholesaling in the United States;

of a product like an article that—

"(I) is manufactured or produced by a manufacturer or exporter referred to in subparagraph (A), and

"(II) is being imported into the United States;

may request the Commission to monitor imports of that article into the United States and to provide periodic reports on the results of such monitoring.".

SEC. 246. MISCELLANEOUS AMENDMENTS.

(a) APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO GOVERNMENTAL IMPORTATIONS.—Section 771 (19 U.S.C. 1677) is further amended by adding at the end thereof the following new paragraph:

"(18) APPLICATION TO GOVERNMENTAL IMPORTATIONS.—Merchandise imported by, or for the use of, an agency of the United States Government is not exempt from the imposition of countervailing duties or antidumping duties under this title.".

(b) ACCESS TO INFORMATION.—Section 777 (19 U.S.C. 1677f) is amended—

(1) by amending subsection (b)(1)(B)(ii) to read as follows:

"(ii) a statement to the administering authority that certain types of business proprietary, privileged, or classified information should not be released under administrative protective order, or a statement to the Commission that information should not be released under administrative protective order.";

(2) by amending subsection (c)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority shall make all confidential information presented to, or obtained by it, during a proceeding (except privileged information, classified information, and information of a type which the administering authority determines should not be released under administrative protective order) available under a protective order described in subparagraph (B), regardless of when the information is submitted during a proceeding. The Commission may make confidential information submitted by any other party to the investigation available under a protective order described in subparagraph (B).."; and

(B) by adding at the end thereof the following new subparagraphs:

"(C) TIME LIMITATION.—The administering authority shall determine whether to make information available under this paragraph not later than 14 days (or 21 days if the statements described in subsection (b)(1)(B)(ii) are submitted with such information) after the date on which an application for disclosure is submitted under subparagraph (A). If the determination is affirmative, confidential information already submitted to the administering authority shall be made available, subject to the terms and conditions of the protective order, on the date such determination occurs. Confidential information submitted to the administering authority after such determination shall be served as required by subsection (d).

"(D) FAILURE TO DISCLOSE.—If a person submitting information refuses to disclose confidential information (except privileged information, classified information, or information of a type which the administering authority determines should not be released under protective order) pursuant to a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting it and shall not consider them."; and

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

"(d) SERVICE.—Any party submitting information to the administering authority during a proceeding shall, at the same time, serve the information upon all other parties to the proceeding. The administering authority shall not accept any such information that is not accompanied by a certificate of service. Confidential information shall only be served upon parties that are subject to protective order; however, a nonconfidential summary thereof shall be served upon all other parties.

"(e) NOTIFICATION.—The administering authority shall, within 14 days of receipt, notify all parties of the submission of information relevant to the proceeding by a person who is not a party to the proceeding.

"(f) TIMELY SUBMISSIONS.—Information shall be submitted to the administering authority during the course of a proceeding on a timely basis and shall be subject to comment by other parties within such reasonable time as the administering authority shall provide. If information is submitted without an adequate opportunity for other parties to comment thereon, the administering authority shall return the information to the party submitting it and shall not consider it.".

(c) DRAWBACK TREATMENT.—

(1) Section 779 (19 U.S.C. 1677h) is amended by striking out "shall be treated as any other customs duties." and inserting "may not be treated as being regular customs duties.".

(2) The section heading for such section 779 is amended by striking out "drawbacks" and inserting "drawback treatment".

(3) The table of contents for title VII is amended by striking out "Drawbacks." in the entry for section 779 and inserting "Drawback treatment.".

(d) CERTIFICATION OF SUBMISSIONS IN COUNTERVAILING AND ANTIDUMPING PROCEEDINGS.—

(1) Subtitle D (19 U.S.C. 1677 et seq.) (as amended by section 157) is amended by adding at the end thereof the following new section:

"SEC. 781. CERTIFICATION OF SUBMISSIONS.

"Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.".

(2) CONFORMING AMENDMENT.—The table of contents for title VIII is amended by inserting at the end thereof the following:

"Sec. 781. Certification of submissions.".

(e) STANDARD OF DETERMINATION.—Section 771(7)(E) is amended to read as follows:

"(E) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) or (D) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.".

CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS

SEC. 251. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) international protection of intellectual property rights is vital to the international competitiveness of United States persons that rely on intellectual property protection;

(2) United States persons that rely on intellectual property protection are among the most advanced and competitive in the world;

(3) the existing protection under section 337 of the Tariff Act of 1930 against unfair trade practices is cumbersome and costly and has not provided United States owners of intellectual property rights with adequate protection against foreign companies violating such rights;

(4) the upcoming multilateral trade negotiations provide—

(A) a forum in which foreign market access for United States persons that rely on intellectual property protection can be enhanced, and

(B) an opportunity to develop and strengthen international rules and procedures for intellectual property right protection and enforcement;

(5) foreign barriers, including restrictions and conditions on investment, permits and various other regulatory restrictions on business operations, seriously impede the ability of the United States persons that rely on intellectual property protection to operate overseas thereby harming the economic interests of the United States.

(b) PURPOSES.—The purpose of this chapter are—

(1) to provide for the development, with appropriate consultations, of an overall strategy to foster open international markets for United States persons that rely on intellectual property protection, and the au-

thority to carry out such strategy through strengthened unilateral, bilateral, and multilateral efforts and the use of all appropriate instruments to achieve the objectives set forth in this chapter;

(2) to amend section 337 of the Tariff Act of 1930 to make it a more effective remedy for the protection of United States intellectual property rights; and

(3) to set forth principal United States negotiating objectives for multilateral and bilateral agreements in order to strengthen and expand international rules and procedures for intellectual property rights protection and enforcement and to enhance foreign market access.

SEC. 252. PROTECTION UNDER THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section:

"(A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in subparagraphs (B), (C), and (D)) into the United States, or in the sale of such articles by the owner, importer, consignee, or agent of either, the threat or effect of which is—

"(i) to destroy or substantially injure an industry, in the United States;

"(ii) to impair or prevent the establishment of such an industry; or

"(iii) to restrain or monopolize trade and commerce in the United States.

"(B) The unauthorized importation into the United States, or the unauthorized sale within the United States after importation, of articles that—

"(i) infringe a valid and enforceable United States patent or a valid United States copyright registered under title 17, United States Code; or

"(ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.

"(C) The importation into the United States, or the sale within the United States after importation, of articles that infringe a valid and enforceable United States trademark registered under the Trademark Act of 1946, if the manufacture or production of the article was unauthorized.

"(D) The importation of a semiconductor chip product in a manner that constitutes infringement of a mask work registered under chapter 9 of title 17, United States Code.

"(2) Subparagraphs (B), (C), and (D) of paragraph (1) apply only if an industry in the United States, relating to the articles, patent, copyright, trademark, or mask work concerned, exists or is in the process of being established.

"(3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles, patent, copyright, trademark, or mask work concerned—

"(A) significant investment in plant and equipment;

"(B) significant employment of labor or capital; or

"(C) substantial investment in its exploitation, including engineering, research and development, or licensing.".

(2) Subsection (b) is amended—

(A) by amending the third sentence of paragraph (1) to read as follows: "The Commission shall conclude any such investigation, and make its determination under this section, at the earliest practicable time, but not later than 8 months (10 months in more complicated cases) after the date of publication of notice of such investigation.";

(B) by striking out "one-year and 18-month periods" in the fifth sentence of paragraph (1) and inserting "8-month and 10-month periods"; and

(C) by striking out "1-year and 18-month periods" in paragraph (3) and inserting "8-month and 10-month periods".

(3) Subsection (c) is amended by inserting before the period in the first sentence the following: ", except that the Commission may, by issuing a consent order or on the basis of a settlement agreement, terminate any such investigation, in whole or in part, without making such a determination".

(4) Subsection (e) is amended—

(A) by striking out "If" in the first sentence and inserting "(1) If"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) A complainant may petition the Commission for the issuance of an order under this subsection. The Commission shall make a determination with regard to such petition by no later than the 90th day after the date on which the Commission's notice of investigation is published in the Federal Register. The Commission may extend the 90-day period for an additional 60 days in a case it designates as a more complicated case. The Commission shall publish in the Federal Register its reasons why it designated the case as being more complicated. The Commission may require the petitioner to post a bond as a prerequisite to the issuance of an order under this subsection.

"(3) The Commission may grant preliminary relief under this subsection or subsection (f) with respect to a violation involving a registered trademark, copyright, or mask work or a patent, to the same extent as preliminary injunctions and temporary restraining orders may be granted under the Federal Rules of Civil Procedure.".

(5) Subsection (f) is amended—

(A) by striking out "In lieu of" in paragraph (1) and inserting "In addition to, or in lieu of,"; and

(B) by striking out "$10,000" in paragraph (2) and inserting "$100,000".

(6) Such section is further amended—

(A) by redesignating subsections (g), (h), (i), and (j) as subsections (i), (j), (k), and (l), respectively; and

(B) by inserting after subsection (f) the following new subsection:

"(g)(1) If—

"(A) a complaint is filed against a person under this section;

"(B) the complaint and a notice of investigation are served on the person;

"(C) the person fails to respond to the complaint and notice or otherwise fails to appear to answer the complaint and notice;

"(D) the person fails to show good cause why the person should be not be found in default; and

"(E) the person seeks relief affecting solely that person,

the Commission shall presume the facts alleged in the complaint to be true and shall, upon request, issue an exclusion from entry or a cease and desist order, or both, which affects only that person unless, after considering the effect of such exclusion or order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, the Commission finds that such exclusion or order should not be issued.

"(2) A general exclusion from entry of the articles concerned, regardless of the source or importer of the article, may be issued if—

"(A) no person appeared to contest an investigation concerning a violation of the provisions of this section, and

"(B) such a violation is established by substantial, reliable, and probative evidence.

"(h) The Commission may by rule prescribe sanctions for abuse of discovery and abuse of process to the extent authorized by Rule 11 and Rule 37 of the Federal Rules of Civil Procedure.".

(7) Subsection (j) (as redesignated by paragraph (5)(A) of this section) is amended—

(A) by inserting "(1)" before the first sentence; and

(B) by adding at the end the following:

"(2) If any person who has previously been found by the Commission, on the basis of a contested proceeding, to be in violation of this section petitions the Commission for a determination that the petitioner is no longer in violation of this section or for a modification or rescission of an exclusion from entry or order under subsection (d), (e), (f), or (g)—

"(A) the burden of proof in any proceeding before the Commission regarding such petition shall be on the petitioner; and

"(B) relief may be granted by the Commission with respect to such petition—

"(i) on the basis of new evidence or evidence that could not have been presented at the prior proceeding, or

"(ii) on grounds which would permit relief from a judgment or order under the Federal Rules of Civil Procedure.".

(8) Subsection (k) (as redesignated by paragraph (5)(A) of this section) is amended—

(A) by striking out "claims of United States letters patent" in the first sentence and inserting "proceeding under subsection (a)(1) (B), (C), or (D)", and

(B) by striking out "a patent owner" in the second sentence and inserting "an owner of the patent, copyright, trademark, or mask work".

(8) Such section is further amended by adding at the end the following:

"(m)(1) Information submitted to the Commission or exchanged among the parties in connection with proceedings under this section which is designated as confidential by the person submitting it may not be disclosed (except under a protective order issued under regulations of the Commission which authorizes limited disclosure of such information) to any person (other than a person described in paragraph (2)) without the consent of the person submitting it.

"(2) Notwithstanding the prohibition contained in paragraph (1), information referred to in that paragraph may be disclosed to—

"(A) an officer or employee of the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted, or

"(B) an officer or employee of the United States Customs Service who is directly involved in administering an exclusion from entry under this section resulting from the investigation in connection with which the information is submitted.".

(b) TECHNICAL AMENDMENTS.—Section 337 (as amended by subsection (a)), is further amended—

(1) by amending subsection (c)—

(A) by striking out "(d) or (e)" and inserting "(d), (e), or (f)",

(B) by striking out "or (f)" and inserting "(f), or (g)", and

(C) by striking out "and (f)" and inserting "(f), and (g)";

(2) by striking out "or (f)" each place it appears in subsection (i) and inserting "(f), or (g)";

(3) by striking out "(g)" in subsection (j) and inserting "(i)"; and

(4) by striking out "or (f)" in subsection (k) and inserting "(f), or (g)".

(c) CONFORMING AMENDMENT.—The Act entitled "An Act to limit the importation of products made, produced, processed, or mined under process covered by unexpired valid United States patents, and for other purposes", approved July 2, 1940 (54 Stat. 724, 19 U.S.C. 1337a) is repealed.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the amendments made by this chapter shall apply with respect to findings made by the United States International Trade Commission under section 337 of the Tariff Act of 1930 on or after the date of the enactment of this Act.

(2) INVESTIGATIONS.—In the case of any investigation under section 337 of the Tariff Act of 1930 which must be completed by the International Trade Commission within 6 months after the date of the enactment of this Act, the Commission may, upon determining and declaring that the investigation is complicated, take up to an additional 3 months beyond the original statutory deadline to complete the investigation.

SEC. 253. NEGOTIATING OBJECTIVES REGARDING INTELLECTUAL PROPERTY RIGHTS.

(a) IN GENERAL.—Chapter 1 of title I is amended by inserting after section 104A the following new section:

"SEC. 104B. NEGOTIATING OBJECTIVES WITH RESPECT TO INTELLECTUAL PROPERTY RIGHTS.

"Principal United States negotiating objectives under section 102 shall be—

"(1) to seek enactment and effective enforcement by foreign countries of laws which adequately recognize and protect intellectual property under copyrights, patents, trademarks, mask works and trade secrets; and

"(2) to develop and strengthen bilateral and multilateral international rules and dispute settlement procedures against trade-distorting practices arising from inadequte national protection and enforcement of intellectual property rights, including—

"(A) early adoption of the GATT Anti-Counterfeiting Code, and concurrent development in the GATT, in cooperation with international technical organizations such as the World Intellectual Property Organization (WIPO), of substantive norms and standards for the protection and enforcement of other forms of intellectual property, and

"(B) the supplementing and strengthening of standards for protection and enforcement in existing international intellectual property conventions, including expansion to cover new and emerging technologies and elimination of discrimination or unreasonable exceptions or pre-conditions to protection.".

(b) CONFORMING AMENDMENT.—The table of contents for such chapter 1 is amended by inserting after the entry for section 104A the following:

"Sec. 104B. Negotiating objectives with respect to intellectual property rights.".

SEC. 254. PROTECTION OF PATENTS.

(a) CONTENTS OF PATENT.—Section 154 of title 35, United States Code, is amended by inserting after "United States," the following: "and, if the invention is a process, of the right to exclude others from using or selling products produced thereby or importing products produced thereby into, the United States.".

(B) INFRINGEMENT.—Section 271 of title 35, United States Code, is amended by—

(1) inserting "(1)" after "(a)"; and

(2) adding at the end of subsection (a), the following:

"(2) If the patented invention is a process, whoever without authority uses or sells within, or imports into, the United States during the term of the patent therefor a product produced by such process infringes the patent.";

(c) LIMITATION ON DAMAGES.—Section 287 of title 35, United States Code, is amended by—

(1) inserting "(a)" before "Patentees,"; and

(2) adding at the end thereof the following new subsection:

"(b) No damages shall be recovered by the patentee for infringement under section 271(a)(2) of this title from an infringer who did not use the patented process except on proof that such infringer knew of or was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such knowledge or notice. Filing of an action for infringement shall constitute such notice.".

(d) PRESUMPTION.—

(1) Title 35, United States Code, is amended by adding the following new section 295:

"§ 295. Presumption: Product produced by patented process.

"In actions alleging infringement of a process patent based on use or sale of a product produced by the patented process, if the court finds (1) that a substantial likelihood exists that the product was produced by the patented process and (2) that the claimant has made a reasonable effort to determine the process actually used in the production of the product and was unable so to determine, the product shall be presumed to have been so produced, and the burden of establishing that the product was not produced by the process shall be on the party asserting that it was not so produced.".

(2) The table of sections for chapter 29 of title 35, United States Code, is amended by adding after the item relating to section 294 the following:

"295. Presumption: Product produced by patented process.

(d) APPLICATION.—The amendments made by this section shall apply only to products produced or imported after the date of the enactment of this Act.

SEC. 255. TRANSFER OF TECHNOLOGY.

(a) SHORT TITLE.—This section may be cited as the "Federal Laboratory Technology Utilization Act of 1986".

(b) COOPERATIVE RESEARCH AND DEVELOPMENT ARRANGEMENTS.—Each Federal agency is authorized to permit laboratories of the agency to—

(1) enter into cooperative research and development arrangements (subject to such review procedures as the agency deems appropriate) with other Federal agencies, units of State or local government, industrial organizations, universities, or other persons including licensees of inventions owned by the Federal agency or general partners of research and development limited partnerships. Under such arrangements the laboratory may—

(A) accept funds, services, and property from collaborating parties and provide services and property to collaborating parties;

(B) grant or agree to grant in advance to a collaborating party, without regard to the provisions of sections 208 and 209 of title 35, United States Code, patent licenses or assignments, or options thereto, in any invention made by a Government employee under the arrangement, retaining such rights as the Federal agency deems appropriate;

(C) waive, in whole or in part, any right of ownership which the Government may have under any other statute to any inventions made by a collaborating party or employee of a collaborating party under the arrangement; and

(2) negotiate licensing agreements under section 207 of title 35, United States Code, or other authorities for Government-owned inventions made at the laboratory and other inventions of Federal employees that may be voluntarily assigned to the Government.

(c) DISTRIBUTION OF ROYALTIES.—

(1) Any royalties or other income received by the laboratory from the licensing or assignment of inventions under section 192 or under section 207 of title 35, United States Code, or other authority shall be disposed of as follows:

(A) At least 15 per centum of the royalties or other income received each year by the laboratory on account of any invention shall be paid to the inventor or coinventors if they were employees of the agency at the time the invention was made; except that payments made under this subsection are in addition to the regular pay of the employee and to any awards made to that employee, and such payments shall not affect the entitlement to or limit the amount of the regular pay or other awards to which the employee is otherwise entitled or eligible.

(B) The balance of any royalties or related income earned during any fiscal year may be retained by the laboratory up to an amount equal to 5 per centum of the budget for that year of the laboratory involved; except that these funds must be used or obligated by the end of the fiscal year subsequent to the one in which they are received either—

(i) for mission-related research and development of the laboratory;

(ii) to support development and education programs for employees of the laboratory;

(iii) to reward employees of the laboratory for inventions of value to the Government that will not produce royalties;

(iv) to further scientific exchange to and from the laboratory, or

(v) for payment of patenting costs and fees and other expenses incidental to the administration and licensing of inventions, including the fees or costs for the services of other agencies or other persons or organizations for invention management and licensing services.

Any funds not so used or obligated by that time shall be paid to the Treasury of the United States. If the balance for any laboratory exceeds 5 per centum of the annual budget of the laboratory, then 75 per centum of the excess shall be paid to the Treasury of the United States and the remaining 25 per centum shall be used for the purposes listed in subparagraphs (A)

through (E) by the end of the fiscal year subsequent to the one in which they were received, and any funds not so used or obligated by that time shall be paid to the Treasury of the United States.

(C) In the event the invention was one assigned to the agency either—

(i) by a contractor, grantee, or the holder of a cooperative agreement of the agency; or

(ii) by an employee of the agency that was not working in a laboratory at the time the invention was made, then for purposes of this section the agency unit that funded or employed the assignee shall be considered to be a laboratory.

(2) Agencies shall report annually to the appropriate oversight and appropriations committees of the Senate and House of Representatives detailing the amount of royalties or other income referred to in subsection 3(a) received and the expenditure of such royalties or income.

(d) DUTIES OF THE SECRETARY.—

(1) The Secretary of Commerce, in consultation with other Federal agencies, shall—

(A) develop and disseminate to appropriate agency personnel techniques and procedures for Federal laboratories and agencies to use on a voluntary basis to aid in the early determination of the commercial potential of new technologies generated in performance of Federal laboratory research;

(B) develop and administer training courses and materials to increase the awareness of laboratory researchers regarding the commercial potential of inventions and to educate laboratory personnel in methods and options for commercialization which are available to the Federal laboratories, including research and development limited partnerships;

(C) develop and disseminate to appropriate agency personnel model provisions for use on a voluntary basis in cooperative research and development arrangements; and

(D) upon request, furnish advice and assistance to laboratories concerning their cooperative research and development program and projects.

(2) Two years after the date of enactment of this Act, and every two years thereafter, the Secretary shall submit a report to the President and the Congress on the use by the agencies and the Secretary of the authorities under this part. Other Federal agencies shall cooperate with the Secretary in providing information necessary to prepare the reports.

(e) EMPLOYEE ACTIVITIES.—

(1) It shall be the policy of the Government to encourage the efforts of Government employees or former employees to obtain commercialization of inventions made by them while they were in the service of the United States, and it shall not be a violation of the provisions of section 207 of title 18, United States Code, for former employees or the partners of employees to negotiate licenses or cooperative research and development arrangements relating to such inventions with Federal agencies, including the agency with which the employee is or was formerly employed. Federal employees or former employees who receive royalty payments or participate (whether as a principal of, a consultant to, or an employee of an organization that is attempting to commercialize the invention, or otherwise) in efforts to commercialize their inventions shall not, because of such receipt or participation, be deemed to be in violation of section 201, 203, 205, 207, 208, or 209 of title 18 of the United States Code. In the case of an active employee of the Government, this section is not intended to negate any requirements which the agency may have concerning the need for approval of outside employment to prevent substandard levels of performance.

(2) Upon the request of a Government employee or former employee who made an invention during the course of his employment with the Government to which the Government has the right of ownership, the agency shall allow the inventor to retain title to the invention (subject to reservation by the Government of a nonexclusive, nontransferable, irrevocable, paid up license to practice or have practiced the invention throughout the world by or on behalf of the Government) unless the agency intends to file for a patent application in order to promote commercialization of the invention. However, such a request need not be granted if this would be inconsistent with the obligations of the Government to other parties under a cooperative research and development arrangement or otherwise, or if the agency intends to transfer its ownership rights to another party that was a coinventor or which employed a coinventor of the invention. In addition, the agency may condition the inventor's title on the timely filing of a patent application or statutory invention registration in cases when the Government determines that it has or may have a need to practice the invention.

(3) For purposes of this subsection, Federal employees include "special Government employees" as defined at section 202 of title 18, United States Code.

(f) DEFINITIONS.—As used in this section—

(1) The term "cooperative research and development arrangement" means any agreement, but not a procurement contract as that term is used at section 6303 of title 31, United States Code, between one or more Federal agencies and one or more non-Federal parties under which the agency (or agencies collectively) through one or more laboratories provides personnel, services, facilities, equipment, or other resources (but not funds to non-Federal parties) and the non-Federal parties provide funds, personnel, services, facilities, equipment, or other resources toward the conduct of specified research or development efforts which are consistent with the missions of the agency.

(2) The term "Federal agency" means any executive agency as defined at section 105 of title 5, United States Code, and the military departments as defined at section 102 of title 5, United States Code.

(3) The term "invention" means any invention under title 35 of the United States Code, or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(4) The term "laboratory" means a facility or group of facilities owned, leased, or otherwise used by a Federal agency, a substantial purpose of which is the performance of research and development by Government employees.

(5) The term "made" when used in conjunction with "inventions" means conceived or first actually reduced to practice.

(6) The term "Secretary" means the Secretary of Commerce or his or her designee or delegee.

(g) RELATIONSHIP TO OTHER LAWS.—Nothing in this section is intended to limit or diminish existing authorities of any agency.

SEC. 256. PROTECTION OF PROPRIETARY INFORMATION.

Section 552(b) of title 5, United States Code, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) commercial and financial information that is obtained from a person and proprietary or sensitive, but not exempt under paragraph (4), but only if the person is notified of the request for release and given a period of 60 days after notification in which to present arguments regarding why the information should be exempt under this paragraph.".

Subtitle C—Trade Negotiating Objectives and Authority

SEC. 261. REAGAN ROUND OF GATT NEGOTIATIONS.

(a) IN GENERAL.—It is the sense of the Congress that the President should initiate, as soon as possible, multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade in order to—

(1) resolve those issues that were not resolved in earlier negotiations; and

(2) to develop multilateral disciplines in those areas where trade problems have emerged, or are becoming more acute, such as—

(A) the trade in services and high technology products and software;

(B) protection of intellectual property rights; and

(C) the proliferation of nontariff barriers and other government intervention designed to protect domestic industries unfairly as tariffs and quantitative restrictions are reduced or eliminated.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—The principal trade negotiating objectives of the United States under sections 101 and 102 of the Trade Act of 1974 are as follows:

(1) To improve the dispute settlement mechanisms and procedures of the GATT so as to ensure the expeditious and decisive resolution of all types of disputes covered by GATT rules.

(2) To strengthen the GATT rules pertaining to subsidy practices and countervailing measures by—

(A) prohibiting the use of export subsidies on primary products;

(B) treating as subsidies prohibited under such rules resource subsidies, subsidized inputs, and other forms of government intervention that have the effect of subsidizing domestic producers and causing injury or other adverse effects to foreign interests;

(C) sanctioning the imposition of special penalty measures to discourage, rather than merely offset, the persistent use by governments of subsidy practices which cause injury to foreign producers; and

(D) in cases in which subsidies on exports to a third country market lead to the displacement of another country's exports, authorizing the country suffering displaced exports to impose countervailing measures on imports of the subsidizing country (preferably on a like or similar product) equivalent to the amount of displacement.

(3) To strengthen the GATT rules pertaining to dumping practices and antidumping measures by—

(A) developing procedures to determine and effective measures to deter and counteract diversionary dumping practices through the use of dumped inputs which are injurious to foreign producers;

(B) expediting procedures in order to provide more timely antidumping relief, particularly for products with short-life cycles;

(C) developing effective means to counteract dumping practices which displace sales in third country markets; and

(D) authorizing the imposition of special sanctions to deter repetitive dumping practices by manufacturers, producers, or exporters.

(4) To develop rules to limit and counteract industrial export targeting practices which are injurious to foreign producers.

(5) To bring about greater balance between international trade benefits and obligations and the fuller participation of developing countries in the international trading system by—

(A) reducing and eliminating the reliance of developing countries on special and differential treatment from developed countries;

(B) requiring developing countries, commensurate with their attaining more advanced and competitive levels of economic development—

(i) to provide reciprocal benefits, and

(ii) to assume equivalent obligations with respect to their import and export practices; and

(C) ensuring that all developed countries share equally the responsibility for advancing the economies of developing countries.

(6) To develop principles, rules, and procedures regarding, and to reduce barriers and other distortions affecting, those kinds or conditions of international trade not presently or adequately covered, including—

(A) barriers to trade in services and high technology products, requirements or restrictions affecting investment flows and high technology transfers, and other barriers referred to in section 104A of the Trade Act of 1974; and

(B) protection and enforcement of intellectual property rights referred to in section 104B of the Trade Act of 1974;

in order to create an international system that reflects and addresses, on a comprehensive basis, present and future trade and trading practices.

(7) To achieve more open and fair conditions of trade in agricultural commodities by—

(A) developing, strengthening, and clarifying rules to discipline restrictive and trade-distorting import and export practices; and

(B) eliminating and reducing substantially specific constraints to fair and open trade, such as tariffs, quantitative restrictions, export subsidies, and other nontariff practices.

(8) To improve the operation and expand the coverage of, and the participation of countries in, the agreements concluded in the Tokyo Round of GATT negotiations.

(9) To strengthen the GATT rules regarding the conditions and procedures for applying all types of safeguard measures taken by governments to limit injurious import competition in order to ensure transparency and to promote adjustment in the use of such measures.

(10) to develop principles, rules, and procedures concerning offsets and other countertrade requirements in order to minimize any adverse effect of such requirements on domestic products and industries;

(11) To promote world market access on an equitable and reciprocal basis by achieving the maximum reduction, elimination, or harmonization of existing specific tariff and nontariff trade barriers to exports, particularly—

(A) those barriers that are identified from time-to-time in the analyses and estimates required under section 181 of the Trade Act of 1974; and

(B) those disparities in tariff levels which impede access to particular export markets.

(12) To develop rules that impose a greater responsibility on countries with large and persistent current account surpluses to undertake policy changes aimed at restoring current account equilibrium, including expedited implementation of trade agreements where feasible and appropriate.

(13) To develop mechanisms to assure greater coordination, consistency, and cooperation between international trade and monetary systems and institutions.

(c) AGREEMENTS TO ACHIEVE OBJECTIVES.—The principal objectives listed in subsection (b) are to be achieved, to the maximum extent feasible, through multilateral trade agreements (negotiated with both developed countries and developing countries) that provide, on a reciprocal and mutually advantageous basis, for—

(1) the reduction, elimination, or harmonization of barriers to, and other distortions of, international trade; and

(2) the development, clarification, or extension of principles, rules, and procedures governing that trade;

except that bilateral agreements and other agreements of kinds other than multilateral agreements should be negotiated to achieve such objectives in circumstances where the use of such other kinds of agreements would be more effective or appropriate, or the entering into of multilateral agreements is not feasible.

SEC. 262. EXTENSION OF TRADE AGREEMENT AUTHORITY.

(a) BASIC EXTENSION.—

(1) TARIFF REDUCTION.—Section 101 (19 U.S.C. 2111) is amended—

(A) by striking out "5-year period" in subsection (a)(1) and inserting "21-year period"; and

(B) by striking out "January 1, 1975" each place it appears therein and inserting "January 1, 1987".

(2) NONTARIFF BARRIER REDUCTION OR ELIMINATION.—Section 102(b)(1) (19 U.S.C. 2112(b)(1)) is amended by striking out "13-year period" and inserting "21-year period".

(b) ADDITIONAL EXTENSION.—If before November 3, 1995, the United States Trade Representative submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report certifying that—

(1) sufficient progress has been made under the authority of sections 101 and 102 of the Trade Act of 1974 to justify the continuation of negotiations under such sections; and

(2) such a continuation of negotiations is likely to achieve the principal United States negotiating objectives set forth in section 261(b);

then, effective January 3, 1989, sections 101(a)(1) and 102(b)(1) of the Trade Act of 1974 are each amended by striking out "21-year period" and inserting "20-year period".

SEC. 263. AGREEMENTS REGARDING NONTARIFF BARRIERS TO, AND OTHER DISTORTIONS OF, TRADE.

(a) CUSTOMS ACTION UNDER CERTAIN TRADE AGREEMENTS.—Section 102(b) (19 U.S.C. 2112(b)) is amended by adding at the end thereof the following new paragraph:

"(5) In the implementation of any bilateral trade agreement entered into with a foreign country under paragraph (2)(A) or (4)(A), the Commissioner of Customs shall issue such rules and regulations as are necessary to prevent the transshipment through the country of articles subject to quantitative import restrictions under United States law.".

(b) CONSULTATION WITH COMMITTEES.—The second sentence of section 102(c) is amended to read as follows: "Such consultation shall include—

"(1) the nature of the agreement;

"(2) how and to what extent the agreement will achieve the principal United States negotiating objectives set forth in section 261(b) of the Trade Expansion and Competitiveness Act of 1986;

"(3) whether the agreement will affect any import sensitive article and, if so, the treatment proposed to be accorded to that article under the agreement; and

"(4) all matters relating to the implemenation of the agreement under subsections (d) and (e).".

(c) FAST TRACK.—The first sentence of section 102(f) is amended—

(1) by striking out "may recommend" and inserting in lieu thereof "shall recommend"; and

(2) by striking out "is consistent" and inserting in lieu thereof "is appropriate and consistent".

SEC. 264. COMPENSATION AUTHORITY.

Section 123(a) (19 U.S.C. 2133(a)) is amended to read as follows—

"(a) Whenever any action taken under chapter 1 of title II or chapter 1 of title III, by statute, or through any tariff reclassification increases or imposes any duty or other import restriction, the President—

"(1) may enter into trade agreements with foreign countries or instrumentalities for the purpose of granting new concessions as compensation in order to maintain the general level of reciprocal and mutually advantageous concessions; and

"(2) may proclaim such modification or continuance of any existing duty, or such continuance of existing duty-free or excise treatment, as he determines to be required or appropriate to carry out any such agreement;

but only if the entering into of any such agreement is necessary or appropriate to meet the international obligations of the United States.".

SEC. 265. TARIFF AGREEMENTS WITH CANADA.

(a) IN GENERAL.—Chapter 2 of title I is amended by inserting at the end thereof the following new section:

"SEC. 129. NEGOTIATION OF CERTAIN MISCELLANEOUS TARIFF AGREEMENTS WITH THE GOVERNMENT OF CANADA.

"(a) In order to facilitate negotiations with respect to a trade agreement with the Government of Canada authorized pursuant to subsection (b)(4) of section 102, the President may, subject to the provisions of subsections (b), (c), and (d) of this section—

"(1) enter into tariff agreements relating to the items listed in this section; and

"(2) may proclaim the modification or elimination of any existing duty on these items as he deems appropriate.

"(b) The President shall exercise his authority under this section only with respect to articles provided for in the following items of the Tariff Schedules of the United States (19 U.S.C. 1202):

"(1) Frozen cranberries (provided for in item 146.71).

"(2) Dialysis cyclers (provided for in item 709.17).

"(3) Packaging goods for tea (described in headnote 2 to subpart A of part 11 of schedule 1).

"(4) Dried fababeans (provided for in items 140.11 and 140.16).

"(5) Cat litter (provided for in items 256.90 and 512.24).

"(6) Mechanics tool boxes (provided for in item 706.62).

"(7) Medical tubing (provided for in item 772.65).

"(8) Synthetic fireplace materials (provided for in item 792.32).

"(9) Spirits (provided for in items 169.21 and 169.22).

"(10) Miners safety lamps, components, and battery chargers (provided for in items 683.80 and 682.60).

"(11) Computerized paper cutter control retrofit units (provided for in items 685.90 and 676.15).

"(c) The President shall exercise his authority to proclaim changes in existing duties under this section only to the extent that tariff concessions of approximately equivalent value are granted by the Government of Canada in exchange for reductions authorized under this section.

"(d) The President may exercise the authority granted under this section only during the 5-year period beginning on the date of the enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of chapter 2 of title I is amended by adding at the end thereof the following:

"Sec. 129. Negotiation of Certain Miscellaneous Trade Agreements with the Government of Canada.".

SEC. 266. FREE TRADE AREAS.

(a) REVIEW BY USTR.—The United States Trade Representative shall conduct, and submit to Congress, a review of the bilateral relationships between the United States and its major trading partners in order to determine those countries that offer the most potential for the establishment of free trade areas with the United States. In undertaking the review, the United States Trade Representative shall take into account the extent to which countries—

(1) maintain open markets;

(2) refrain from government subsidies for exports and other intrusive trade practices; and

(3) extend reciprocal treatment under their trade laws and practice to United States goods and services.

SEC. 267. NEGOTIATING OBJECTIVES REGARDING HIGH TECHNOLOGY ACCESS.

Section 104A (19 U.S.C. 2114b) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection.

"(d) ACCESS TO HIGH TECHNOLOGY.—

"(1) IN GENERAL.—Principal United States negotiating objectives shall be to obtain the elimination or reduction of foreign barriers to, and foreign government acts, policies, or practices which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

"(A) restricting the participation of United States persons in government-supported research and development projects;

"(B) denying equitable access by United States persons to government-held patents;

"(C) requiring the approval or agreement of government entities, or imposing other forms of government intervention, as a condition for the granting of licenses to United States persons by foreign persons (except for approval or agreement which may be necessary for national security purposes to control the export of critical military technology); and

"(D) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

"(2) DOMESTIC OBJECTIVES.—In pursuing the objectives described in paragraph (1), the United States shall take into account the policies of the United States Government in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.".

Subtitle D—Functions of the United States Trade Representative

SEC. 271. TRADE POLICY FUNCTIONS.

(a) TRADE REPRESENTATIVE.—Section 141(c) of the Trade Act of 1974 (19 U.S.C. 2171(c)) is amended to read as follows:

"(c)(1) The United States Trade Representative shall—

"(A) have primary responsibility for developing, and for coordinating the implementation of, United States international trade policy, including commodity matters, and, to the extent they are related to international trade policy, direct investment matters;

"(B) serve as the principal advisor to the President on international trade policy and shall advise the President on the impact of other policies of the United States Government on international trade;

"(C) have lead responsibility for the conduct of, and shall be the chief representative of the United States for, international trade negotiations in which the United States participates;

"(D) issue policy guidance to departments and agencies on basic issues of policy and interpretation arising in the exercise of international trade functions, to the extent necessary to assure the coordination of international trade policy and consistent with any other law;

"(E) act as the principal spokesman of the President on international trade;

"(F) be chairman of the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962, and shall consult with and be advised by such Committee in the performance of his functions.".

(b) INTERAGENCY TRADE ORGANIZATION.—Section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)) is amended to read as follows:

"(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by the trade laws and to advise the United States Trade Representative in carrying out his functions under section 141 of the Trade Act of 1974. Such organization shall be composed of the following:

"(1) The Trade Representative, who shall be chairperson.

"(2) The Secretary of Commerce.

"(3) The Secretary of State.

"(4) The Secretary of the Treasury.

"(5) The Secretary of Agriculture.

"(6) The Secretary of Labor.

The Trade Representative may invite representatives from other agencies, as appropriate, to attend particular meetings if subject matters of specific functional interest to such agencies are under consideration. It shall meet at such times and with respect to such matters as the President or the Chairman shall direct.".

SEC. 272. FAIR TRADE ADVOCATES BRANCH.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171 et seq.) is amended by adding at the end thereof the following new subsection:

"(g) FAIR TRADE ADVOCATES BRANCH.—

"(1) There is established in the Office a Fair Trade Advocates Branch (hereinafter referred to as the 'Branch') which shall assist qualifying industries in obtaining remedies and benefits under the trade laws—

"(A) by preparing and initiating cases (other than those which, in the opinion of the Branch, are frivolous) for qualifying industries under the trade laws;

"(B) acting as an advocate in proceedings regarding such cases before the respective agencies responsible for administering the trade laws; and

"(C) in pursuing administrative and judicial appeals, where appropriate, of such cases.

"(2) For purposes of this subsection—

"(A) The term 'qualifying industry' means—

"(i) any small business which, in the judgment of the Branch, due to its small size has neither the adequate internal resources nor the financial ability to obtain qualified legal or technical assistance;

"(ii) any industry which, because of its competitive position or location in export markets would suffer serious adverse economic impact, including reprisals, if it pursued on its own a case under a trade law; or

"(iii) any industry whose case, in the judgment of the Branch, is meritorious for policy or other reasons, and the industry lacks adequate resources to obtain remedies against unfair trade practices.

A decision by the Branch regarding whether any industry is a qualifying industry under this subsection is not reviewable by any other agency or by any court.

"(B) The term 'trade law' means the following:

"(i) Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties).

"(ii) Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

"(3) Each agency responsible for administering a trade law shall provide technical and other assistance to the Branch to enable it to prepare and file petitions and applications to obtain the remedies and benefits that may be available under that law.".

SEC. 273. TRADE POLICY AGENDA.

(a) IN GENERAL.—By no later than March 1 of each year, the United States Trade Representative shall submit in writing (in confidence if appropriate) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (hereinafter referred to as the "Committees") a statement of—

(1) the trade policy objectives and priorities of the United States for the year, and the reasons therefor;

(2) the actions proposed or anticipated to be undertaken during the year to achieve such objectives, including actions under the authority of the trade laws and any negotiations contemplated with foreign countries; and

(3) any proposed legislation necessary or appropriate to achieve such objectives.

(b) CONSULTATION BEFORE STATEMENT.—Before submitting the statement required under subsection (a) for any year, the United States Trade Representative shall

seek advice from the appropriate sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and shall consult with the Committees.

(c) CONSULTATION AFTER STATEMENT.—The United States Trade Representative and the officials of other Federal agencies, as appropriate, shall consult periodically with the Committees with respect to the objectives and priorities set forth in the statement required under subsection (a) for any year regarding the status and results of the actions undertaken, and any development which may require, or result in, changes to any of such objectives or priorities.

Subtitle E—Miscellaneous Provisions

SEC. 281. TIME LIMITATION ON PRESIDENTIAL ACTION REGARDING IMPORTS AFFECTING NATIONAL SECURITY.

(a) IN GENERAL.—The last sentence of section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended by inserting ", within the 90-day period after the day on which the advice was received," before "shall take such action".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply with respect to findings made by the Secretary of Commerce under section 252(b) of the Trade Expansion Act of 1962 before, on, or after the date of the enactment of this Act; except that with respect to any such finding made before such date of enactment and regarding which the President did not take action under such section before such date, a sixty-day, rather than a 90-day, limitation shall be used in applying the amendment.

SEC. 282. ENTRY PROCESSING FOR TEXTILES AND APPAREL.

The Congress determines that it is vital to the purposes of the Multi-Fiber Arrangement that bilateral limitations on shipments of textiles and apparel, and periodic adjustments to those limitations, be carried out on a timely basis in order to respond to the changing United States market for textiles and apparel. The Secretary of Commerce shall, within 90 days after the date of the enactment of this Act, institute procedures to expedite the interagency process for recommending and approving the issuance of notices requesting consultations and negotiations on such limitations and periodic adjustments.

SEC. 283. CUSTOMS SERVICE OPERATIONS.

(a) IN GENERAL.—The Commissioner of Customs, in order to assure the orderly and uniform entry of goods in accordance with law and regulations and to prevent fraud, circumvention, and other violations of, and otherwise to enforce, such law and regulations, shall—

(1) increase the number of inspectors, import specialists, and customs patrol officers in the Customs Service by not less than eight hundred above the level of such personnel employed as of September 30, 1985;

(2) implement, as soon as possible, the Automated Commercial System, and other appropriate changes, if any, in information, documentation, and clearance procedures, at all ports of entry; and

(3) implement, on a priority basis, a program for detecting, investigating, and prosecuting patent and copyright infringement cases.

The Commissioner of Customs shall report quarterly to the appropriate authorizing and appropriating committees of the Congress on the operation and effect of the program required to be implemented under paragraph (3).

(b) EXCEPTION REGARDING CERTAIN CUSTOMS OBLIGATIONS.—Notwithstanding any other provision of law, obligations or outlays for expenses incurred in providing any Customs Services for which reimbursement or refund to any appropriation is authorized or required under section 1524 of the Tariff Act of 1930 (19 U.S.C. 1524) or section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 shall not be subject to sequestration or reduction unless otherwise provided.

SEC. 284. SCOFFLAW PENALTIES FOR MULTIPLE CUSTOMS LAW OFFENDERS.

(a) ORDERS BY SECRETARY OF THE TREASURY.—

(1) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall by order prohibit any person who is a multiple customs law offender from—

(A) introducing, or attempting to introduce, foreign goods into the customs territory of the United States; and

(B) engaging, or attempting to engage, any other person for the purpose of introducing, on behalf of the multiple customs law offender, foreign goods into such customs territory.

If the multiple customs law offender is a firm, corporation, or other legal entity, the order shall apply to all officers and principals of the entity. The order shall also apply to any employee or agent of the entity if that employee or agent was directly involved in the violations of the customs laws concerned.

(2) The prohibition contained in an order issued under paragraph (1) shall apply during the period which begins on the 60th day after the date on which the order is issued and ends on the third anniversary of that 60th day.

(b) IDENTIFICATION OF MULTIPLE CUSTOMS LAW OFFENDERS.—Each Federal agency shall notify the Secretary of all final convictions and assessments made incident to the enforcement of the customs laws under jurisdiction of that agency.

(c) PENALTY.—Whoever violates, or knowingly aids or abets the violation of, an order issued by the Secretary under this section shall be fined not more than $250,000.

(d) RULES.—The Secretary shall prescribe rules to carry out this section, including rules governing the procedures to be used in issuance of orders under subsection (a). Such rules shall also include a list of the customs laws.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "multiple customs law offender" means a person that, during any period of 7 consecutive years occurring after the date of the enactment of this Act, was either convicted of, or assessed a civil penalty for, 3 separate violations of one or more customs laws finally determined to involve gross negligence, fraud, or criminal culpability.

(2) The term "customs law" means any Federal law providing a criminal or civil penalty for an act, or failure to act, regarding the introduction of, or the attempt to introduce, foreign goods into the customs territory of the United States; including, but not limited to, sections 496 and 1001 (but only with respect to customs matters), and any section of chapter 27, of title 18, United States Code, and section 592 of the Tariff Act of 1930.

SEC. 285. IMPORT MONITORING BY THE INTERNATIONAL TRADE COMMISSION; TECHNICAL AMENDMENTS.

(a) MONITORING OF IMPORTS.—The United States International Trade Commission shall, beginning on the date of the enactment of this Act, monitor imports into the United States for the purposes of identifying, ranking, and providing analysis with respect to, those classes or kinds of imported merchandise that may pose potential significant problems from import competition for United States industries, based on such factors as changes in net trade balances of the articles concerned and evidence of increasing import penetration of the domestic market. The Commission shall submit to the Committee on Ways and Means a quarterly report regarding the monitoring required under this subsection.

(b) CONFIDENTIAL INFORMATION.—The first sentence of section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by striking out ", and shall report to Congress" and inserting ". However, the Commission may not release information which the Commission considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. The Commission shall report to Congress".

(c) PAPERWORK REDUCTION.—Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall be considered to be an independent regulatory agency for purposes of chapter 35 of title 44, United States Code.".

SEC. 286. TRADE IN SEMICONDUCTORS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the maintenance of a healthy domestic semiconductor industry is essential to the development of the United States economy and the preservation of the national security of the United States;

(2) the U.S. semiconductor industry is a world leader in semiconductor technology and has demonstrated its competitiveness in all markets to which it has had free access;

(3) in 1983, the Department of Commerce and the United States Trade Representative concluded that evidence "suggested that the intent of the Government of Japan . . . has been to offset the effects of liberalization" of the semiconductor market;

(4) on June 14, 1985, the Semiconductor Industry Association filed a petition with the United States Trade Representative requesting the President to take action to open the Japanese semiconductor market to United States semiconductor manufacturers, and, on July 11, 1985, the United States Trade Representative initiated an investigation into the allegations supporting such request;

(5) negotiations are underway with the Government of Japan to resolve the issue of free access to the Japanese semiconductor market, but such negotiations have not progressed; and

(6) the semiconductor trade issue should be resolved through a program to increase, rather than restrict, international semiconductor trade.

(b) SENSE OF CONGRESS.—In view of the findings in subsection (a), it is the sense of the Congress that—

(1) the Government of Japan should allow United States semiconductor manufacturers

full and substantial access to the Japanese semiconductor market; and

(2) the President should immediately—

(A) take all appropriate and feasible action in his power to achieve full and substantial access to the Japanese semiconductor market for United States semiconductor manufacturers; and

(B) determine if the actions of the Government of Japan in restricting access to its semiconductor market warrant Presidential action under section 301 of the Trade Act of 1974.

TITLE III—TARIFF AND CUSTOMS PROVISIONS

SEC. 301. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule, headnote, item, or other provision, the reference shall be considered to be made to a schedule, headnote, item, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

Subtitle A—Miscellaneous Tariff and Customs Provisions

CHAPTER 1—PERMANENT CHANGES IN TARIFF TREATMENT

SEC. 311. IMPORTATION OF FURSKINS.

Headnote 4 to subpart B of part 5 of schedule 1 is repealed.

SEC. 312. SALTED AND DRIED PLUMS.

Subpart B of part 9 of schedule 1 is amended—

(1) by amending the item description for item 149.26 to read as follows: "Dried, salted, or not salted but not otherwise further prepared"; and

(2) by striking out item 149.28 and inserting the following:

	"Otherwise prepared or preserved:		
149.30	Plums, soaked in brine and dried	2¢ per lb.	2¢ per lb.
149.31	Other	17.5% ad val.	35% ad val.".

SEC. 313. CARROTED FURSKINS.

Subpart D of part 15 of schedule 1 is amended—

(1) by amending item 186.20—

(A) by striking out "use, and carroted furskins" in the article description and inserting "use", and

(B) by striking out "15% ad val." in column 1 and inserting "Free"; and

(2) by inserting after item 186.20 the following new item:

"186.22	Carroted furskins	15% ad val.	35% ad val.".

SEC. 314. BROADWOVEN FABRICS OF MAN-MADE FIBERS.

(a) AMENDMENT.—Subpart E of part 3 of schedule 3 is amended by striking out item 338.50 and inserting the following new items with the article description for item 338.60 at the same indentation level as the article description for item 338.40:

"338.60	Containing 85% or more by weight of continuous man-made fibers	2¢ per lb. + 17.9% ad val.	81% ad val.
	Other:		
338.70	Weighing not more than 5 oz. per square yard	2¢ per lb. + 17.9% ad val.	81% ad val.
338.80	Other	2¢ per lb. + 17.9% ad val.	81% ad val.".

(b) STAGING.—The rate of duty in column numbered 1 for each of items 338.60, 338.70, and 338.80 (as added by subsection (a)) shall be subject to all staged rate reductions for item 338.50 which were proclaimed by the President before the date on which the amendments made by subsection (a) take effect.

SEC. 315. SILICONE RESINS AND MATERIALS.

(a) AMENDMENT.—Part 4 of schedule 4 is amended—

(1) by amending subpart A—

(A) by striking out "provided for in part 1C" in headnote 1 and inserting ", other than silicones, provided for in part 1", and

(B) by amending headnote 2 to read as follows:

"2. (a) The term 'synthetic plastics materials' in this subpart—

"(i) embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which an antioxidant, color, dispersing agent, emulsifier, extender, filler, pesticide, plasticizer, or stabilizer may have been added; and

"(ii) includes silicones (including fluids, resins, elastomers, and copolymers) whether or not such materials are solid in the finished articles.

"(b) The products referred to in (a) contain as an essential ingredient an organic substance of high molecular weight; and, except as provided in (a)(ii) of this headnote, are capable, at some stage during processing into finished articles, of being molded or shaped by flow and are solid in the finished article. The term includes, but is not limited to, such products derived from esters of acrylic or methacrylic acid; vinyl acetate, vinyl chloride resins, polyvinyl alcohol, acetals, butyral, formal resins, polyvinyl ether and ester resins, and polyvinylidene chloride resins; urea and amino resins; polyethylene, polypropylene, and other polyalkene resins; siloxanes, silicones, and other organo-silicon resins; alkyd, acrylonitrile, allyl, and formaldehyde resins, and cellulosic plastics materials. These synthetic plastics materials may be in solid, semi-solid, or liquid condition such as flakes, powders, pellets, granules, solutions, emulsions, and other basic crude forms not further processed.",

(C) by inserting after item 445.54 the following new item with the article description at the same indentation level as the article description for item 445.54:

"445.55	Silicone resins and materials	3.9% ad val.	3.7% ad val.	25% ad val.",

and

(D) by redesignating item 445.56 as item 445.60; and

(2) by amending headnote 2 to subpart B by adding at the end thereof the following:

"(c) For the purpose of the tariff schedules, the term 'rubber' does not include silicones.".

(b) STAGING.—Effective with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1986, item 445.55 is amended—

(1) by striking out "3.9% ad val." in column 1 and inserting "3.7% ad val."; and

(2) by striking out "3.7% ad val." in the "Special" column.

(c) CONSEQUENTIAL AMENDMENT.—(c) Whenever the rate of duty specified in column 1 for item 445.55 is reduced to the same level as the corresponding rate of duty specified in the column entitled "Special" for such item, or to a lower level, the rate of duty in such "Special" column shall be deleted.

SEC. 316. CLASSIFICATION OF NAPHTHA AND MOTOR FUEL BLENDING STOCKS.

Part 10 of schedule 4 is amended—

(1) by amending headnote 1 by inserting "motor fuel blending stocks," immediately after "except";

(2) by amending headnote 2—

(A) by striking out "and" at the end of subdivision (a);

(B) by striking out the period at the end of subdivision (b) and inserting "; and "; and

(C) by adding at the end thereof the following:

"(c) 'Motor fuel blending stock' (item 475.27) means any product (except naphthas provided for in item 475.35) derived primarily from petroleum, shale oil, or natural gas, whether or not containing additives, to be used for direct blending in the manufacture of motor fuel.";

(3) by inserting in numerical sequence the following new item:

"475.27	Motor fuel blending stocks	1.25¢ per gal.	2.5¢ per gal.";

and

(4) by amending 475.30 by striking out "fuel)" and inserting "fuel or motor fuel blending stocks)".

SEC. 317. TELEVISION APPARATUS AND PARTS.

(a) PERMANENT TREATMENT.—The headnotes to part 5 of schedule 6 are amended—

(1) by amending headnote 3 by striking out "assembled," in subparagraph (a) and inserting "assembled in its cabinet,";

(2) by redesignating headnotes 4, 5, and 6 as headnotes 5, 6, and 7, respectively; and

(3) by inserting after headnote 3 the following new headnote:

"4. Picture tubes imported in combination with, or incorporated into, other articles are to be classified in items 687.35 through 687.44, inclusive, unless they are—

"(i) incorporated into complete television receivers, as defined in headnote 3;

"(ii) incorporated into fully assembled units such as word processors, ADP terminals, or similar articles;

"(iii) put up in kits containing all the parts necessary for assembly into complete television receivers, as defined in headnote 3; or

"(iv) put up in kits containing all the parts necessary for assembly into fully assembled units such as word processors, ADP terminals, or similar articles.".

(b) TEMPORARY TREATMENT.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"912.14	Television picture tubes which would be included in assemblies provided for in item 684.96 but for headnote 4 to part 5, and not provided in item 912.16	11% ad val.	No change	On or before 10/31/87"; and
"912.16	Television picture tubes, color, having a video display diagonal of less than 12 inches and under (provided for in item 687.35, part 5, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 318. BICYCLE-TYPE AND EXERCISER-TYPE SPEEDOMETERS.

(a) AMENDMENT.—Subpart D of part 2 of schedule 7 is amended by striking out item 711.93 and inserting the following new item with the article description at the same in-

dentation level as the article description for item 711.90:

"711.92 Bicycle-type and exerciser-type speedometers and parts thereof	18.3% ad val.	17% ad val.	110% ad val.".

(b) STAGING.—

(1) the rate of duty in column numbered 1 for item 711.92 (as added by subsection (a)) shall be subject to all staged rate reductions for item 711.93 that were proclaimed by the President before the 15th day after the date of the enactment of this Act.

(2) whenever the rate of duty specified in column numbered 1 for such item 711.92 is reduced to the same level as the corresponding LDDC rate of duty specified in the column entitled "Special" for such item, or to a lower level, the LDDC rate of duty in such "Special" column shall be deleted.

SEC. 319. MARKING OF WATCHES AND WATCH COMPONENTS.

Headnote 4 to subpart E of part 2 of schedule 7 is amended to read as follows:

"4. Special Marking Requirements: Any movement or case provided for in this subpart, whether imported separately or attached to any article provided for in this subpart, shall not be permitted to be entered unless legibly and indelibly marked by cutting, die-sinking, engraving, stamping, or mold-marking (either indented or raised), as specified below:

"(a) Watch movements shall be marked on one or more of the bridges or top plates to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) in words, the number of jewels, if any, serving a mechanical purpose as frictional bearings.

"(b) Clock movements shall be marked on the most visible part of the front or back plate to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) the number of jewels, if any.

"(c) Watch cases shall be marked on the inside or outside of the back case, or, at the option of the manufacturer, bezels shall be marked, to show—

"(i) the name of the country of manufacture; and

"(ii) the name of the manufacturer or purchaser.

If the manufacturer chooses to mark the bezels, it shall be entitled to use an alphanumeric code to designate the name of the country of manufacture and the name of the manufacturer or purchaser, so long as each such code and its referent are not duplicative of any other code and referent and are subject to inspection by the public.

"(d) Clock cases provided for in this subpart shall be marked on the most visible part of the outside of the back to show the name of the country of manufacture.".

CHAPTER 2—TEMPORARY CHANGES IN TARIFF TREATMENT

SEC. 331. COLOR COUPLERS AND COUPLER INTERMEDIATES.

Subpart B of part 1 of the Appendix is amended—

(1) by inserting ", but excluding 6,7-dihydroxy-2- naphthalene sulfonic acid sodium salt provided for in item 403.57," after "schedule 4" and before the paren in item 907.10; and

(2) by striking out "9/30/85" in each of items 907.10 and 907.12 and inserting in lieu thereof "12/31/90".

SEC. 332. POTASSIUM 4-SULFOBENZOATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.26 P-sulfobenzoic acid, potassium salt (provided for in item 404.28, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 333. 2.2'-OXAMIDO BIS-[ETHYL 3-(3,5-DI-TERT-BUTYL-1-HYDROXYPHENYL)PROPIONATE.].

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.09 2,2'-Oxamido bis-[ethyl 3-(3,5-di-tert- butyl-4-hydroxy-phenyl) propionate] (provided for in item 405.34, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 334. DICYCLOHEXYLBENZOTHIAZYLSULFENAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.45 Dicyclohexylbenzothiazylsulfenamide (provided for in item 406.39, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 335. 2,4 DICHLORO-5-SULFAMOYL BENZOIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.48 2,4 Dichloro-5-sulfamoyl benzoic acid (provided for in item 406.56, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 336. DERIVATIVES OF N-[4-(2-HYDROXY-3-PHENOXYPROPOXY)PHENYL]ACETAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.11 Mixtures containing derivatives of N-[4-(2-hydroxy-3-phenoxypropoxy)phenyl] acetamide (provided for in item 407.16, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 337. 1,2-DIMETHYL-3,5-DIPHENYL-1-H-PYRAZOLIUM METHYL SULFATE (DIFENZOQUAT METHYL SULFATE).

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.24 1,2-Dimethyl-3,5-diphenyl-1-h-pyrazolium methyl sulfate (difenzoquat methyl sulfate) (provided for in item 408.19, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 338. DICOFOL.

Item 907.15 of the Appendix is amended to read as follows:

"907.15 1,1-Bis(4-chlorophenyl)-2,2,2, trichloroethanol (Dicofol) (provided for in item 408.28, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 339. CERTAIN KNITWEAR FABRICATED IN GUAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.45 Sweaters that— (i) do not contain foreign materials in excess of the percentage of total value limitation contained in general headnote 3(a), and (ii) are assembled in Guam, exclusively by United States citizens, nationals, or resident aliens, by joining together (by completely sewing, looping, linking, or other means of attaching) at least 5 otherwise completed major knit-to-shape component parts of foreign origin, if entered before the aggregate quantity of sweaters described in (i) and (ii) that is entered during any 12-month period after October 31, 1985 exceeds the duty-free quantity for that period. The duty-free quantity— (I) for the 12-month period ending October 31, 1986 is 161,600 dozen; and (II) for any 12-month period thereafter is an amount equal to 101 percent of the duty-free quantity for the preceding 12-month period	Free		Before 11/1/92".

SEC. 340. 3,7-BIS(DIMETHYLAMINO)-PHENAZATHIONIUM CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.43 3,7-Bis(dimethyla- mino)-phenazathionium chloride (methylene blue) (provided for in item 409.74, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 341. 3,5-DINITRO-O-TOLUAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.42 3,5-Dinitro-o-toluamide (provided for in item 411.93, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 342. SECONDARY BUTYL CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.55	Secondary butyl chloride (provided for in item 429.47, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 343. CERTAIN NONBENZENOID VINYL ACETATE-VINYL CHLORIDE-ETHYLENE TERPOLYMERS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.83	Nonbenzenoid vinyl acetate-vinyl chloride-ethylene terpolymer, containing by weight less than 50 percent derivates of vinyl acetate (provided for in item 445.48, part 4A, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 344. TUNGSTEN ORE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"910.95	Tungsten ore (provided for in item 601.54, part 1, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 345. CERTAIN STUFFED TOY FIGURES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.32	Stuffed toy figures of animate objects (except dolls) not having a spring mechanism and not exceeding 25 inches in either length, width, or height (provided for in item 737.30, Part 5E, Schedule 7)	Free	No change	On or before 12/31/90".

SEC. 346. CERTAIN PLASTIC SHEETING.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.10	Transparent plastic sheeting containing 30% or more of lead, by weight (provided for in item 774.55, part 12B, schedule 7)	Free	No change	On or after 12/31/90".

SEC. 347. DUTY FREE ENTRY OF PERSONAL EFFECTS AND EQUIPMENT OF PARTICIPANTS AND OFFICIALS INVOLVED IN THE 10TH PAN AMERICAN GAMES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.20	Personal effects of aliens who are participants in or officials of the Tenth Pan American Games, or who are accredited members of delegations thereto, or who are members of the immediate families of any of the foregoing persons, or who are their servants; equipment for use in connection with such games; and other related articles as prescribed in regulations issued by the Secretary of the Treasury	Free	Free	On or before 9/30/87".

SEC. 348. DOLL WIG YARNS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.30	Grouped filaments and yarns, not textured, in continuous form, colored, of nylon or modacrylic, whether or not curled, of not less than 20 denier per filament, to be used in the manufacture of wigs for dolls (provided for in item 309.32 and 309.33, part 1E, schedule 3, or item 389.62, part 7B, schedule 3)	Free	No change	On or before 12/31/90".

SEC. 349. CARDING AND SPINNING MACHINES.

(a) IN GENERAL.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.03	Carding and spinning machines specially designed for wool, other than machines specially designed for the manufacture of combed wool (worsted) yarns (provided for in item 670.04, part 4E, schedule 6)	Free	No change	On or before 12/31/90".

(b) PARTS.—The headnote to Subpart E of part 4 of schedule 6 is amended by striking out "item 912.04" each place it appears and insert in lieu thereof "item 912.03 or 912.04".

SEC. 350. CERTAIN BICYCLE PARTS.

(a) IN GENERAL.—

(1) GENERATOR LIGHTING SETS.—Item 912.05 of the Appendix is amended by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(2) BICYCLE CHAINS.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.06	Bicycle chains (provided for in items 652.13 and 652.15, part 3F, schedule 6)	Free	No change	On or before 12/31/90".

(3) OTHER BICYCLE PARTS.—Item 912.10 of the Appendix is amended—

(A) by striking out "multiple free wheel sprockets" and inserting in lieu thereof "free wheel sprockets";

(B) by inserting "front and rear derailleurs, shift levers, cables and casings for derailleurs" immediately after "drum brakes";

(C) by inserting "and" after "frame lugs,";

(D) by striking out ", and parts of bicycles consisting of sets of steel tubing cut to exact length and each set having the number of tubes needed for the assembly (with other parts) into the frame and fork of one bicycle"; and

(E) by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(b) EXCEPTION TO CUSTOMS EXEMPTION APPLICABLE TO FOREIGN TRADE ZONES.—Section 3(b) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c(b)), is amended by striking out "June 30, 1986" and inserting in lieu thereof "December 31, 1990".

SEC. 351. 1-(3-SULFOPROPYL) PYRIDINIUM HYDROXIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"906.48	1-(3-Sulfopropyl) pyridinium hydroxide (provided for in item 406.42, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 352. d-6-METHOXY-α-METHYL-2-NAPHTHALENEACETIC ACID AND ITS SODIUM SALT.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.39	d-6-Methoxy-α-methyl-2-naphthaleneacetic acid and its sodium salt (provided for in item 412.22, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 353. CERTAIN PESTICIDES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"907.26	Dinocap (provided for in item 408.16, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.27	Mixtures of 1,1-bis(4-chlorophenyl)-2,2,2-trichloroethanol (dicofol) and application adjuvants (provided for in item 408.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.28	Mixtures of Mancozeb and dinocap (provided for in item 408.38, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.29	Dinocap (provided for in item 408.38, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 354. CHOLESTYRAMINE RESIN USP.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.30	Cross-linked polyvinylbenzyltrimethylammonium chloride (cholestyramine resin USP) (provided for in item 412.70, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 355. 3-AMINO-3-METHYL-1-BUTYNE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.53	3-amino-3-methyl-1-butyne (provided for in item 425.52, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 356. MANEB, ZINEB, MANCOZEB, AND METIRAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.60	Maneb, zineb, mancozeb and metiram (provided for in item 432.15, part 2E, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 357. NICOTINE RESINS.

Item 907.63 is amended—

(1) by amending the article description to read as follows: "Nicotine resin complex put up in measured doses in chewing gum form (provided for in item 438.02, part 3B, schedule 4)"; and

(2) by striking out "12/31/87" and inserting "12/31/90".

SEC. 358. HOSIERY KNITTING NEEDLES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.12	Hosiery knitting needles (provided for in item 670.62, part 4E, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 359. EXTENSION OF CERTAIN EXISTING SUSPENSIONS.

Each of the following items is amended by striking out the date in the effective date column and inserting "12/31/90":

(1) Item 903.60 (relating to mixtures of mashed or macerated hot red peppers and salt).

(2) Item 903.65 (relating to cantaloupes).

(3) Items 905.10 and 905.11 (relating to certain wools).

(4) Items 906.10 and 906.12 (relating to needlecraft display models).

(5) Item 907.01 (relating to triphenyl phosphate).

(6) Item 907.17 (relating to sulfapyridine).

(7) Item 911.25 (relating to synthetic rutile).

(8) Item 911.95 (relating to certain clock radios).

(9) Item 912.07 (relating to machines designed for heat-set, stretch texturing of continuous man-made fibers).

(10) Item 912.08 (relating to hosiery knitting machines).

(11) Item 912.09 (relating to double-headed latch needles).

(12) Items 912.30, 912.34, and 912.36 (relating to stuffed dolls, certain toy figures, and skins thereof).

(13) Item 912.45 (relating to umbrella frames).

(14) Items 903.70 and 903.80 (relating to crude feathers and down).

CHAPTER 3—OTHER CUSTOMS AND EFFECTIVE DATE PROVISIONS

SEC. 361. GSP TREATMENT OF WATCHES.

Section 503(c)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)(B)) is amended to read as follows:

"(B) watches, except those watches the United States Trade Representative specifically determines, after public notice and comment, will not cause material injury to watch manufacturing and assembly operations in the United States or the United States insular possessions,".

SEC. 362. MARKING OF CONTAINERS OF IMPORTED MUSHROOMS.

Imported preserved mushrooms shall not be considered to be in compliance with section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or any other law relating to the marking of imported articles unless the containers thereof indicate in English the country in which the mushrooms were grown.

SEC. 363. CUSTOMS SERVICES AT PONTIAC/OAKLAND, MICHIGAN, AIRPORT.

Section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) is amended—

(1) by striking out "and" at the end of subsection (a)(1);

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3); and

(3) by inserting after paragraph (1) of subsection (a) the following new paragraph:

"(2) the airport located at Pontiac/Oakland, Michigan, and"; and

(4) by striking out "20" in subsection (c).

SEC. 364. ETHYL ALCOHOL AND MIXTURES THEREOF FOR FUEL USE.

(a) IN GENERAL.—During the effective period of item 901.50 of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter referred to in this section as the "Schedules"), and except as provided in subsection (b), no ethyl alcohol or a mixture thereof may be considered—

(1) for purposes of general headnote 3(a) of such Schedules, to be—

(A) the growth or product of an insular possession of the United States,

(B) manufactured or produced in an insular possession from materials which are growth, product, or manufacture of any such possession, or

(C) otherwise eligible for exemption from duty under such headnote as the growth or product of an insular possession; or

(2) for purposes of section 213 of the Caribbean Basin Economic Recovery Act, to be—

(A) an article that is wholly the growth, product, or manufacture of a beneficiary country,

(B) a new or different article of commerce which has been grown, produced, or manufactured in a beneficiary country,

(C) a material produced in a beneficiary country, or

(D) otherwise eligible for duty-free treatment under such Act as the growth, product, or manufacture of a beneficiary country;

unless the ethyl alcohol or mixture thereof is an indigenous product of that insular possession or beneficiary country.

(b) EXCEPTION.—

(1) Subject to the limitation in paragraph (2), subsection (a) shall not apply to ethyl alcohol that is—

(A) imported into the United States during calendar years 1987 and 1988; and

(B) produced in an azeotropic distillation facility located in an insular possession of the United States or a beneficiary country, if that facility was established before, and in operation on, January 1, 1986.

(2) The exception provided under paragraph (1) shall cease to apply during each of calendar years 1987 and 1988 to ethyl alcohol produced in a facility described in paragraph (1)(B) after 20,000,000 gallons of ethyl alcohol produced in that facility are entered into the United States during that year.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "ethyl alcohol or a mixture thereof" means ethyl alcohol or any mixture thereof described in item 901.50 of the Appendix to the Schedules.

(2) Ethyl alcohol or a mixture thereof may be treated as being an indigenous product of an insular possession or beneficiary country only if the ethyl alcohol or a mixture thereof—

(A) has been both dehydrated and produced by a process of full-scale fermentation within that insular possession or beneficiary country; or

(B) has been dehydrated within that insular possession or beneficiary country from hydrous ethyl alcohol that includes hydrous ethyl alcohol which is wholly the product or manufacture of any insular possession or beneficiary country and which has a value not less than—

(i) 30 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1987 (except that this clause shall not apply to any ethyl alcohol or mixture which has been dehydrated in the United States Virgin Islands by a facility with respect to which (I) the owner has entered into a binding contract for the engineering and design of full-scale fermentation capacity, and (II) authorization for operation of a full-scale fermentation facility has been granted by the Island authorities before May 1, 1986),

(ii) 60 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1988, and

(iii) 75 percent of the value of the ethyl alcohol or mixture, if entered after December 31, 1988.

(d) AMENDMENT TO APPENDIX TO SCHEDULES.—The item designation for item 901.50 of the Appendix to the Schedules is amended to read as follows: "Ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) or any mixture containing such ethyl alcohol (provided for in part 1, 2 or 10, schedule 4) if such ethyl alcohol or mixture is to be used as fuel or in producing a mixture of gasoline and alcohol, a mixture of a special fuel and alcohol, or any other mixture to be used as fuel (including motor fuel provided for in item 475.25), or is suitable for any such uses.".

(e) CONFORMING AMENDMENTS.—

(1) General headnote 3(a)(i) of the Schedules is amended by inserting "and except as provided in section 364 of the Trade Expansion and Competitiveness Act of 1986," after "part 7 of schedule 7,".

(2) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting "and subject to section 364 of the Trade Expansion and Competitiveness Act of 1986," after

"Unless otherwise excluded from eligibility by this title,".

(3) The headnotes to subpart A of part 1 of the Appendix to the Schedules are amended by adding at the end thereof the following:

"2. For purposes of item 901.50, the phrase 'is suitable for any such uses' does not include ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) that is certified by the importer of record to the satisfaction of the Commissioner of Customs ('Commissoner') to be ethyl alcohol or a mixture containing such ethyl alcohol imported for uses other than fuel use or in producing such fuel related mixtures. If the importer of record certifies nonfuel use for purposes of establishing actual use or suitability under item 901.50, the Commissioner shall not liquidate the entry of ethyl alcohol until he is satisfied that the ethyl alcohol has in fact not been used for fuel use or use in producing such fuel related mixtures. If he is not satisfied within a reasonable period of time not less than 18 months of the date of entry, then the duties provided for in item 901.50 shall be payable retroactive to the date of entry. Such duties shall also become payable, retroactive to the date of entry, immediately upon the diversion to fuel use of any ethyl alcohol or ethyl alcohol mixture certified upon entry as having been imported for nonfuel use.".

SEC. 365. CUSTOMS BOND CANCELLATIONS STANDARDS.

Section 623(c) of the Tariff Act of 1930 (19 U.S.C. 1623(c)) is amended by adding at the end thereof the following new sentence: "In order to assure uniform, reasonable, and equitable decisions, the Secretary of the Treasury shall publish guidelines establishing standards for setting the terms and conditions for cancellation of bonds or charges thereunder.".

SEC. 366. RELIEF OF THE W.M. KECK OBSERVATORY PROJECT, MAUNA KEA, HAWAII.

The Secretary of the Treasury is authorized and directed to admit free of duty the following articles for the use of the California Association for Research in Astronomy in the construction of the optical telescope for the W.M. Keck Observatory Project, Mauna Kea, Hawaii:

(1) The telescope structure.

(2) The observatory domes, produced by Brittain Steel, Ltd., of Vancouver, British Columbia, Canada.

(3) The primary mirror blanks, produced by the Schott Glassworks, Frankfurt, Federal Republic of Germany.

If the liquidation of the entry of any such article has become final, the entry shall be reliquidated and the appropriate refund of duty made.

SEC. 367. RELIEF OF MINEMET, INC., NEW YORK

Notwithstanding any provision of the Tariff Act of 1930 or any other provision of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States, as in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 13, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a certificate of actual use (remelt certificate) for the articles covered by the four entries is submitted to the United States Customs Service at the port of entry within 120 days from the date of enactment of this Act.

SEC. 368. EFFECTIVE DATES.

(a) IN GENERAL.—(1) Except as provided in paragraphs (2), through (6) and in subsection (b), the amendments made by chapters 1 and 2 and sections 361 and 362 shall apply with respect to articles entered on or after the 15th day after the date of the enactment of this Act.

(2) Section 319 applies to articles entered on or after the 30th day after the date of the enactment of this Act.

(3) Section 339 applies to articles entered after October 31, 1985.

(4) Section 350 applies to articles entered after June 30, 1986.

(5) The amendment made by paragraphs (8) and (13) of section 359 and by section 364 applies to articles entered after December 31, 1986.

(6) The amendment made by sections 357(2) and 359(14) applies to articles entered after December 31, 1987.

(7) Section 363 takes effect January 1, 1987.

(b) RETROACTIVE APPLICATION.—(1) 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 paragraph (2) shall be treated as provided in such paragraph.

(2)(A) In the case of the application of any amendment made by sections 313, 331, 338, 347, 357, and by paragraphs (1) through (7) and (9) through (12) of section 359 to any entry—

(i) which was made after the applicable date and before the 15th day after the date of the enactment of this Act; and

(ii) with respect to which there would have been no duty if the amendment made by 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.

(B) For purposes of subparagraph (A), the term "applicable date" means—

(i) in the case of section 357, November 14, 1984;

(ii) in the case of section 359(2), May 15, 1985;

(iii) in the case of section 359 (1), (3), (4), and (11), June 30, 1985;

(iv) in the case of sections 331, 338, and 359 (5) and (10), September 30, 1985;

(v) in the case of sections 313 and 359 (6), (9), and (12), December 31, 1985;

(vi) in the case of section 347, May 31, 1986; and

(vii) in the case of section 350, June 20, 1986.

(c) DEFINITIONS.—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.

Subtitle B—Implementation of Nairobi Protocol

CHAPTER 1—SHORT TITLE, PURPOSE, REFERENCE, AND EFFECTIVE DATE

SEC. 371. SHORT TITLE.

This subtitle may be cited as the "Educational, Scientific, and Cultural Materials Importation Act of 1986".

SEC. 372. PURPOSE.

The purpose of this subtitle is—

(1) to provide for the implementation by the United States of the Protocol (S. Treaty Doc. 97-2, 9; hereinafter referred to in this Act as the "Nairobi Protocol") to the Agreement on the Importation of Educational, Scientific, and Cultural Materials (17 UST (pt. 2) 1835; commonly known as the "Florence Agreement");

(2) to clarify or modify the duty-free treatment accorded under the Educational, Scientific, and Cultural Materials Importation Act of 1982 (Public Law 97-446, 96 Stat. 2346-2349; hereinafter referred to in this title as the "1982 Act"), the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-65, 80 Stat. 897 et seq.), and Public Law 89-634 (80 Stat. 879); and

(3) to continue the safeguard provisions concerning certain imported articles provided for in the 1982 Act.

SEC. 373. REFERENCE.

Whenever an amendment or repeal in this subtitle is expressed in terms of an amendment to, or repeal of, an item, headnote, or other provision, the reference shall be considered to be made to an item, headnote, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter in this subtitle referred to as the "TSUS").

SEC. 374. EFFECTIVE DATE.

This subtitle takes effect on, and the amendments to the TSUS made by it apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the latest of—

(1) the 15th day after the date of the enactment of this Act; or

(2) the 15th day after the deposit of the United States ratification of the Nairobi Protocol.

SEC. 375. RETROACTIVE APPLICATION.

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 effective date of this subtitle, in the application of the relevant provisions of this subtitle to the entry of any article—

(1) which was made on or after August 12, 1985, and before the effective date of this subtitle; and

(2) with respect to which there would have been no duty if the relevant provisions of this subtitle applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on or after the effective date of this subtitle.

CHAPTER 2—AMENDMENTS TO IMPLEMENT THE NAIROBI PROTOCOL

SEC. 381. REPEAL OF 1982 ACT.

The 1982 Act is repealed.

SEC. 382. TREATMENT OF PRINTED MATTER AND CERTAIN OTHER ARTICLES.

(a) Items 270.45 and 270.50 are redesignated as 270.46 and 270.48, respectively.

(b) Part 5 of schedule 2 is amended as follows:

(1) The following new item is inserted in numerical sequence:

"270.90	Catalogs of films, recordings, or other visual and auditory material of an educational, scientific, or cultural character	Free	Free".

(2) Items 273.45 through 273.55 and the superior heading thereto are stricken and the following new item is inserted in lieu thereof:

"273.52	Architectural, engineering, industrial, or commercial drawings and plans, whether originals or reproductions	Free	Free".

(3)(A) The superior heading to items 274.50 through 274.70, inclusive, is amended by inserting "(including developed photographic film; photographic slides; transparencies; holograms for laser projection; and microfilm, microfiches and similar articles except those provided for in item 737.52)" after "Photographs".

(B) The following new items are inserted in numerical sequence under the superior heading "Printed not over 20 years at time of importation:", and before and at the same hierarchical level as "Lithographs on paper:":

"274.55	Loose illustrations, reproduction proofs or reproduction films used for the production of books	Free	Free
274.56	Articles provided for in items 270.05, 270.10, 270.25, 270.55, 270.63, 270.70, and 273.60 in the form of microfilm, microfiches, and similar film media	Free	Free".

(C) Item 735.20 is stricken out and the following new items and superior heading thereto are inserted in lieu thereof:

	"Puzzles; game, sport, gymnastic, athletic, or playground equipment; all the foregoing, and parts thereof, not specially provided for:		
735.21	Crossword puzzle books, whether or not in the form of microfilm, microfiches, or similar film media	Free	Free
735.24	Other	5.52% ad val.	40% ad val.".

(D) Item 737.52 is amended by inserting "(whether or not in the form of microfilm, microfiches, or similar film media)" after "Toy books".

(E) Item 830.00 is amended by inserting "; official government publications in the form of microfilm, microfiches, or similar film media" at the end of the article description thereof.

(F) Item 840.00 is amended by inserting ", whether or not in the form of microfilm, microfiches, or similar film media" after "documents".

SEC. 383. VISUAL AND AUDITORY MATERIAL.

(a) Headnote 1 of part 7 of schedule 8 is amended to read as follows:

"1. (a) No article shall be exempted from duty under item 870.30 unless either:

"(i) a Federal agency or agencies designated by the President determines that such article is visual or auditory material of an educational, scientific, or cultural character within the meaning of the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, or Cultural Character (17 UST (pt. 2) 1578; Beirut Agreement), or

"(ii) such article—

"(A) is imported by, or certified by the importer to be for the use of, any public or private institution or association approved as educational, scientific, or cultural by a Federal agency or agencies designated by the President for the purpose of duty-free admission pursuant to the Nairobi Protocol to the Florence Agreement, and

"(B) is certified by the importer to be visual or auditory material of an educational, scientific, or cultural character or to have been produced by the United Nations or any of its specialized agencies.

For purposes of subparagraph (i), whenever the President determines that there is or may be profitmaking exhibition or use of articles described in item 870.30 which interferes significantly (or threatens to interfere significantly) with domestic production of similar articles, he may prescribe regulations imposing restrictions on the entry under that item of such foreign articles to insure that they will be exhibited or used only for nonprofitmaking purposes.

"(b) For purposes of items 870.32 through 870.35, inclusive, no article shall be exempted from duty unless it meets the criteria set forth in subparagraphs (a)(ii) (A) and (B) of this headnote.".

(b) Item 870.30 is amended by inserting "(except toy models)", and by striking out "headnote 1" and inserting in lieu thereof "headnote 1(a)" after "models".

(c) The following new items and superior heading are inserted in numerical sequence in part 7 of schedule 8:

	"Articles determined to be visual or auditory materials in accordance with headnote 1 of this part:		
870.32	Holograms for laser projection; microfilm, microfiches, and similar articles	Free	Free
870.33	Motion-picture films in any form on which pictures, or sound and pictures, have been recorded, whether or not developed	Free	Free
870.34	Sound recordings, combination sound and visual recordings, and magnetic recordings; video discs, video tapes, and similar articles	Free	Free
870.35	Patterns and wall charts; globes; mock-ups or visualizations of abstract concepts such as molecular structures or mathematical formulae; materials for programmed instruction; and kits containing printed materials and audio materials and visual materials or any combination of two or more of the foregoing	Free	Free".

SEC. 384. TOOLS FOR SCIENTIFIC INSTRUMENTS OR APPARATUS.

Part 4 of schedule 8 is amended by adding in numerical sequence the following new item:

"851.67	Tools specially designed to be used for the maintenance, checking, gauging or repair of scientific instruments or apparatus admitted under item 851.60	Free	Free".

SEC. 385. ARTICLES FOR THE BLIND AND FOR OTHER HANDICAPPED PERSONS.

(a) Items 825.00, 826.10, and 826.20 are repealed.

(b) Part 7 of schedule 8 is amended—

(1) by adding the following new headnote after headnote 2:

"3. For the purposes of items 870.65, 870.66, and 870.67—

"(a) The term 'blind or other physically or mentally handicapped persons' includes any person suffering from a permanent or chronic physical or mental impairment which substantially limits one or more major life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

"(b) These items do not cover—

"(i) articles for acute or transient disability;

"(ii) spectacles, dentures, and cosmetic articles for individuals not substantially disabled;

"(iii) therapeutic and diagnostic articles; or

"(iv) medicine or drugs."; and

(2) by inserting, in numerical sequence, the following new items:

	"Articles specially designed or adapted for the use or benefit of the blind or other physically or mentally handicapped persons:		
	Articles for the blind:		
870.65	Books, music, and pamphlets, in raised print, used exclusively by or for them	Free	Free
870.66	Braille tablets, cubarithms, and special apparatus, machines, presses, and types for their use or benefit exclusively	Free	Free
870.67	Other	Free	Free".

CHAPTER 3—AUTHORITY TO MODIFY CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER THIS SUBTITLE

SEC. 391. AUTHORITY TO LIMIT CERTAIN DUTY-FREE TREATMENT.

(a) AUTHORITY TO LIMIT.—(1) The President may proclaim changes in the TSUS to narrow the scope of, place conditions upon, or otherwise eliminate the duty-free treatment accorded under sections 384 and 385 with respect to any type of article the duty-free treatment of which has significant adverse impact on a domestic industry (or portion thereof) manufacturing or producing a like or directly competitive article, and provided the effect of such change is not inconsistent with the provisions of the relevant annexes of the Florence Agreement or the Nairobi Protocol.

(2) If the President proclaims changes to the TSUS under paragraph (1), the rate of duty thereafter applicable to any article which is—

(A) affected by such action, and

(B) imported from any source,

shall be the rate determined and proclaimed by the President as the rate which would then be applicable to such article from such source if this title had not been enacted.

(b) RESTORATION OF TREATMENT.—If the President determines that any duty-free treatment which is no longer in effect because of action taken under subsection (a) could be restored, in whole or in part, without a resumption of significant adverse impact on a domestic industry or portion thereof, the President may proclaim changes to the TSUS to resume such duty-free treatment.

(c) OPPORTUNITY TO PRESENT VIEWS.—Before taking an action under subsection (a) or (b), the President shall afford an opportunity for interested Government agencies and private persons to present their views concerning the proposed action.

(d) CONTINUATION OF PROCEEDINGS UNDER 1982 ACT.—Any action in effect or any proceeding in progress under section 166 of the 1982 Act on the day that Act is repealed shall be considered as an action or proceeding, and shall be continued or resumed, under this section.

SEC. 392. AUTHORITY TO EXPAND CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER SECTION 312.

(a) EXPANSION OF DUTY-FREE TREATMENT.—If the President determines such action to be in the interest of the United States, he may proclaim changes to the TSUS in order to remove or modify any condition or restriction imposed under headnote 1 of part 7 of schedule 8 on the importation of articles provided for in items 870.30 through 870.35, inclusive (except as to articles entered under the terms of headnote 1(a)(i) of part 7 of schedule 8), in order to implement the provisions of annex C-1 of the Nairobi Protocol.

(b) EFFECTIVE DATE OF CHANGES.—Any change to the TSUS proclaimed under subsection (a) shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date on which the President proclaims such change.

SEC. 393. CHANGES TO TSUS TO IMPLEMENT FLORENCE AGREEMENT PROVISION.

(a) AMENDMENT OF ITEM 851.60.—Item 851.60 is amended by striking out "Instruments" and inserting in lieu thereof "Scientific instruments".

(b) HEADNOTE CHANGE.—Headnote 6 of part 4 of schedule 8 is amended—

(1) by amending subdivisions (a) and (b) to read as follows:

"6. (a) For purposes of item 851.60—

"(i) the term 'scientific instruments and apparatus' means scientific instruments and apparatus for deriving information from, or generating data necessary to, scientific experimentation by means of sensing, analyzing, measuring, classifying, recording, or similar operations; and

"(ii) the term 'scientific' means pertaining to the physical or life sciences and, under certain circumstances, to applied sciences. Such instruments and apparatus do not include materials or supplies, or ordinary equipment for use in building construction or maintenance or in supporting activities (such as administration or operating residential or dining facilities) of the institution seeking their entry under this item.

"(b) An institution desiring to enter an article under this item shall make an application therefor to the Secretary of Commerce, including therein (in addition to such other information as may be prescribed by regulation) a description of the article, the purposes for which the instrument or apparatus is intended to be used, the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for such purposes is being manufactured in the United States (as to which the applicant shall have the burden of proof), and a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention to place an order therefor on or before the final day specified in paragraph (d) of this headnote. If the Secretary finds that the application is in accordance with pertinent regulations, he shall promptly forward copies thereof to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by him before the United States Court of Appeals for the Federal Circuit, the institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such article, it shall promptly so notify the Secretary of Commerce or the Court, as the case may be.";

(2) by amending subdivision (c) by—

(A) striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(B) by striking out, in the third sentence, "the Secretary of the Treasury and", and by striking out, in the last sentence, "the Treasury" and inserting in lieu thereof "Commerce";

(3) Subdivision (e) is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(4) Subdivision (f) is amended to read as follows:

"(f) The Secretary of Commerce may prescribe regulations to carry out his functions under this headnote.".

SEC. 394. STATISTICAL INFORMATION.

In order to implement effectively the provisions of section 391, the Secretary of the Treasury, in conjunction with the Secretary of Commerce, shall take such actions as are necessary to obtain adequate statistical information with respect to articles to which amendments made by section 385 apply, in such detail and for such period as the Secretaries consider necessary.

TITLE IV—EXPORT ENHANCEMENT

SEC. 401. SHORT TITLE.

This title may be cited as the "Export Enhancement Act of 1986".

Subtitle A—Export Promotion

SEC. 411. UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Commerce shall establish, within the International Trade Administration, the United States and Foreign Commercial Service. The Secretary shall, to the greatest extent practicable, transfer to the Commercial Service the functions of the United States and Foreign Commercial Services.

(2) ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL.—The head of the Commercial Service shall be the Assistant Secretary of Commerce and Director General of the Commercial Service, who shall be appointed by the President, by and with the advice and consent of the Senate.

(3) COORDINATION WITH FOREIGN POLICY OBJECTIVES.—The Secretary shall take the necessary steps to ensure that the activities of the Commercial Service are carried out in a manner consistent with United States foreign policy objectives, and the Secretary shall consult regularly with the Secretary of State in order to comply with this paragraph.

(4) AUTHORITY OF CHIEF OF MISSION.—All activities of the Commercial Service shall be subject to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927).

(b) STATEMENT OF PURPOSE.—The purpose of the Commercial Service is to promote and protect United States business interests abroad. In pursuit of this purpose, the Commercial Service shall place primary emphasis on the promotion of exports of goods and services from the United States, particularly by small businesses and medium-sized businesses, by carrying out activities such as—

(1) identifying United States businesses with the potential to export goods and services and providing such businesses with advice and information on establishing export businesses;

(2) providing United States exporters with information on economic conditions, market opportunities, and the legal and regulatory environment within foreign countries;

(3) providing United States exporters with information and advice on the necessary adaptation of product design and marketing strategy to meet the differing cultural and technical requirements of foreign countries;

(4) providing United States exporters with actual leads and contacts within foreign countries;

(5) assisting United States exporters in locating reliable sources of business services in foreign countries;

(6) assisting United States exporters in their dealings with foreign governments and enterprises owned by foreign governments; and

(7) assisting the coordination of the efforts of State and local agencies and private organizations which seek to promote United States business interests abroad so as to maximize their effectiveness and minimize the duplication of efforts.

(c) OFFICES.—

(1) IN GENERAL.—The Commercial Service shall consist of a headquarters office, district offices located in major United States cities, and foreign offices located in major foreign cities.

(2) HEADQUARTERS.—The headquarters of the Commercial Service shall provide such managerial, administrative, research, and other services as the Secretary considers necessary to carry out the purposes of the Commercial Service.

(3) DISTRICT OFFICES.—The Secretary shall establish district offices of the Commercial Service in any United States city in a region in which the Secretary determines that there is a need for Federal Government export assistance.

(4) FOREIGN OFFICES.—(A) The Secretary shall, after consultation with the Secretary of State, establish foreign offices of the Commercial Service. These offices shall be located in foreign cities in regions in which the Secretary determines there are significant business opportunities for United States exporters.

(B) The Secretary shall, in consultation with the Secretary of State, assign to the foreign offices Commercial Officers and such other personnel as the Secretary considers necessary. In employing Commercial Officers and such other personnel, the Secretary shall use the Foreign Service personnel system in accordance with the Foreign Service Act of 1980. The Secretary shall designate a Commercial Officer as head of each foreign office.

(C) Upon the request of the Secretary, the Secretary of State shall attach the Commercial Officers and other employees of each foreign office to the diplomatic mission of the United States in the country in which that foreign office is located, and shall obtain for their diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(D) For purposes of official representation, the senior Commercial Officer in each country shall be considered to be the senior United States commercial representative in that country, and the United States chief of mission in that country shall accord that officer all privileges and responsibilities attending such a position.

(E) The Secretary of State is authorized, upon the request of the Secretary, to provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the operation of the foreign offices. The Secretary is authorized to reimburse or advance funds to the Secretary of State for such services.

(d) RANK OF COMMERCIAL OFFICERS IN FOREIGN MISSIONS.—

(1) MINISTER-COUNSELOR.—(A) The Secretary shall, within 6 months after the date of the enactment of this Act, submit to the President and the Congress a list of those United States missions abroad which the Secretary determines to be commercially significant or to be located in a geographical area of commercial importance to the United States.

(B) Notwithstanding any other provision of law, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Commercial Officer assigned to

any of the missions designated under subparagraph (A).

(2) CONSUL GENERAL.—In any United States consulate in which a vacancy occurs in the position of Consul General, the Secretary of State, in consultation with the Secretary shall consider filling that vacancy with a Commercial Officer if the primary functions of the consulate are of a commercial nature and if there are significant business opportunities for United States exporters in the region in which the consulate is located.

(e) REPORT BY THE PRESIDENT.—Within 1 year after the date of the enactment of this Act, the President shall submit a report to the Congress containing an evaluation of existing export promotion services of the Department of Commerce, recommendations for improving those services, and proposals for new export promotion services.

(f) INFORMATION DISSEMINATION.—In order to carry out subsection (b)(7), to lessen the cost of distribution of information produced by the Commercial Service, and to make that information more readily available, the Secretary should establish a system for distributing that information in those areas where no district offices of the Commercial Service are located. Distributors of the information should be State export promotion agencies. The distribution system should be consistent with cost recovery objectives of the Department of Commerce.

(g) AUDITS.—The Inspector General of the Department of Commerce shall perform a general audit of the operations of the Commercial Service within 1 year after the date of the enactment of this Act, and within every 2-year period thereafter. The Inspector General shall report to the Congress the results of each such audit. In addition to an overview of the activities and effectiveness of Commercial Service operations, the audit shall include—

(1) an evaluation of the current placement of domestic personnel and recommendations for transferring personnel among district offices; and

(2) an evaluation of the current placement of foreign-based personnel and recommendations for transferring such personnel in response to newly emerging business opportunities for United States exporters.

(h) REPORT BY THE SECRETARY.—Not later than January 1, 1987, the Secretary shall submit a report to the Committee on Foreign Affairs of the House of Representatives and the appropriate committee of the Senate on the feasibility and desirability, progress to date, the present status, and the 5-year outlook of the comprehensive integration of the functions and personnel of the foreign and domestic export promotion operations within the International Trade Administration of the Department of Commerce.

(i) DEFINITIONS.—For purposes of this section—

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

(2) the term "Commercial Service" means the United States and Foreign Commercial Service;

(3) the term "United States exporter" means—

(A) a United States citizen;

(B) a corporation, partnership, or other association created under the laws of the United States or of any State; or

(C) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in subparagraphs (A) and (B),

that is engaged in exporting goods or services produced in the United States;

(4) the term "small business" means any small business concern as defined under section 3 of the Small Business Act (15 U.S.C. 632);

(5) the term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States; and

(6) the term "United States" means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

SEC. 412. DIPLOMATIC MISSIONS.

(a) IN GENERAL.—(1) The Secretary of State and the Secretary of Commerce shall periodically review the current number of personnel assigned to United States diplomatic missions outside the United States to determine whether an adequate number of such personnel are engaged in economic or commercial duties to assist United States exporters and businesses doing business outside the United States. Whenever the Secretary of State and the Secretary of Commerce determine such number to be insufficient, they shall take such steps as may be necessary to increase the number of such personnel by adjustment of resources and personnel and other appropriate measures.

(2) The Secretary of State and the Secretary of Commerce should extend the length of assignment required of personnel described in paragraph (1) in order to ensure greater continuity in promoting United States exports.

(b) REPORTS.—Each chief of a United States diplomatic mission to a country which is an important United States trading partner and which has significant potential for United States export sales shall, not later than 1 year after the date of the enactment of this Act, and every 12 months thereafter, prepare and transmit to the President and to the Congress a report describing—

(1) the strategy used by such mission to expand United States exports; and

(2) the efforts of such mission to assist United States industries in expanding export sales and in improving their market position relative to other foreign competitors.

SEC. 413. FOREIGN COMMERCIAL SERVICE OFFICERS AND DEVELOPMENT BANKS.

(a) APPOINTMENT.—The Secretary of Commerce, in consultation with the Secretary of the Treasury, should appoint an officer of the United States and Foreign Commercial Service to serve with each United States Executive Director of each multilateral development bank.

(b) DUTIES OF OFFICERS.—It shall be the duty of each officer appointed under subsection (a) to assist the United States Executive Director with respect to whom such officer is appointed—

(1) in promoting opportunities for exports of goods and services from the United States;

(2) in keeping United States businesses fully informed of bidding opportunities in countries receiving loans from the respective banks;

(3) in providing assistance to United States businesses with respect to projects in which they have a particular interest or competitive advantage, and in completing and submitting timely and conforming bidding documents where appropriate; and

(4) in investigating thoroughly any complaints from United States bidders about the awarding of procurement contracts by the multilateral development banks in order to ensure that all contract procedures and rules of those banks are strictly observed and that United States businesses are treated fairly.

(c) FUNCTIONS OF EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to carry out the functions described in paragraphs (1) through (4) of subsection (b).

SEC. 414. AGRICULTURAL TRADE POLICY.

(a) STATEMENT OF POLICY.—It is the policy of the United States—

(1) to provide, through all possible means, agricultural commodities and the products thereof for export at competitive prices, with full assurance of quality and reliability of supply;

(2) to support the principle of free trade and the promotion of fair trade in agricultural commodities and the products thereof;

(3) to support fully the negotiating objectives set forth in section 261(b) of this Act to eliminate or reduce substantially constraints to fair and open trade in agricultural commodities and the products thereof;

(4) to utilize fully statutory authority to counter aggressively unfair foreign trade practices and to use all other available means, including export restitution, export bonus programs, and, if necessary, restrictions on United States imports of foreign agricultural commodities and the products thereof, in order to encourage fair and more open trade; and

(5) to provide for increased representation of United States agricultural trade interests in the formulation of national fiscal and monetary policy affecting trade.

(b) AMENDMENTS TO PUBLIC LAW 480.—

(1) WOOD AND WOOD PRODUCTS.—Section 104(b)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)(1)) is amended in the first sentence by inserting "(including wood and wood products of the United States)" after "agricultural commodities".

(2) DEFINITION.—Section 108(i) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1708(i)) is amended—

(A) in paragraph (1) by striking "and";

(B) in paragraph (2) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(3) the terms 'private sector development activity' and 'private enterprise investment' include the construction of low- and medium-income housing and shelter."

(c) MARKET DEVELOPMENT ACTIVITIES.—In order to improve the market development activities of the United States Department of Agriculture, the following shall apply:

(1) In order to provide enhanced trade policy and international economic information, the Secretary is authorized to expand the number of agricultural counselors, attaches, assistant attaches, and other diplomatic representatives of the Department of Agriculture overseas. The Secretary shall, to the maximum extent possible, assign agricultural marketing specialists or agricultural trade officers in overseas posts that offer short- or long-term market potential for United States agricultural commodities or products thereof and that are not served by an Agricultural Trade Office, agricultural trade officer, or agricultural marketing specialist.

(2) The Secretary shall assist departments of agriculture of the States in supporting the export efforts of private companies, in-

cluding the stationing of marketing specialists in States or regions as a part of the normal rotation of these specialists between Washington, D.C. and overseas locations.

(d) AMENDMENT TO THE AGRICULTURAL TRADE AND EXPORT POLICY COMMISSION ACT.—Section 1224 of the Agricultural Trade and Export Policy Commission Act (Public Law 98-412) is amended by striking "sixty" and inserting "ninety".

SEC. 415. AGRICULTURAL TRADE RESEARCH AND REPORTS.

(a) RESEARCH.—There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to conduct research that would enhance the long-term competitiveness in world markets of United States agricultural commodities and the products thereof.

(b) REPORTS.—The Secretary of Agriculture shall—

(1) monitor research and trade practices carried out by foreign countries to promote the export of agricultural commodities and the products thereof; and

(2) report annually to the Congress concerning—

(A) trends in the comparative position of the United States and foreign countries in the export of agricultural commodities and the products thereof, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products;

(B) new developments in research conducted by foreign countries that may affect the competitiveness of United States agricultural commodities and the products thereof;

(C) the level of subsidies provided by foreign countries and the United States to promote the export of agricultural commodities and the products thereof; and

(D) the marketing in nonmarket economies of United States agricultural commodities and the products thereof.

SEC. 416. EXPORT-IMPORT BANK.

(a) FINDINGS.—The Congress makes the following findings:

(1) The actual level of support provided by the Export-Import Bank to United States exporters has decreased significantly since 1980, including a reduction from $5,400,000,000 in direct loans in fiscal year 1981 to $1,500,000,000 in direct loans in fiscal year 1984.

(2) The value of nonagricultural United States exports supported by the Export-Import Bank, in relation to all such exports, has also declined consistently during the last 5 years, from approximately 13 percent in 1980 to approximately 7 percent in 1985.

(3) The level of official financing provided by the governments of other industrialized countries to their exporters is typically from 25 to 40 percent of the nonagricultural exports from those countries.

(4) The programs of the Export-Import Bank, especially the direct loan program, enable United States exporters to compete in world markets on the basis of quality, price, and service, and are often crucial to the success of export endeavors. Export-Import Bank programs are particularly important for high technology products and large scale projects that are very capital intensive or that require longer terms.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the availability of adequate and flexible financing provided by the United States Government for United States exports contributes to the maintenance and expansion of United States exports and at the same time can serve to reverse the trend towards overseas production.

SEC. 417. COUNTRY REPORTS ON ECONOMIC POLICY AND TRADE PRACTICES.

The Secretary of State shall, not later than January 31 of each year, prepare and transmit to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Finance of the Senate a detailed report regarding the economic policy and trade practices of each country with which the United States has an economic or trade relationship. The Secretary may direct the appropriate officers of the Department of State who are serving overseas, in consultation with appropriate officers or employees of other departments and agencies of the United States, including the Department of Agriculture and the Department of Commerce, to coordinate the preparation of such information in a country in order to prepare the report under this section. The report shall identify and describe, with respect to each country—

(1) the macroeconomic policies of the country and their impact on the overall growth in demand for United States exports;

(2) the impact of macroeconomic and other policies on the exchange rate of the country and the resulting impact on price competitiveness of United States exports;

(3) any change in structural policies (including tax incentives, regulations governing financial institutions, production standards, and patterns of industrial ownership) that may affect the country's growth rate and its demand for United States exports;

(4) the management of the country's external debt and its implications for trade with the United States;

(5) acts, policies, and practices that constitute significant barriers to United States exports or foreign direct investment in that country by United States persons, as identified under section 181(a)(1) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1));

(6) acts, policies, and practices that provide direct or indirect government support for exports from that country;

(7) the extent to which the country's laws and enforcement of those laws afford adequate protection to United States intellectual property, including patents, trademarks, copyrights, and mask works; and

(8) the country's laws and enforcement of those laws with respect to internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974), the conditions of worker rights in any sector which produces goods and in which United States capital is invested and the extent of such investment, and the extent to which the goods produced under these conditions are imported into the United States.

SEC. 418. AUTHORIZATION OF APPROPRIATIONS.

Section 203 of the Export Administration Amendments Act of 1985, as redesignated by section 104(a)(1) of this Act, is amended (effective October 1, 1986) by striking "$113,273,000 for each of the fiscal years 1985 and 1986" and inserting "$123,922,000 for each of the fiscal years 1987 and 1988".

Subtitle B—Export Controls

SEC. 421. NATIONAL SECURITY CONTROLS.

(a) MULTIPLE LICENSE AUTHORITY.—Section 4(a)(2)(A) of the Export Administration Act of 1979 (50 U.S.C App. 2403(a)(2)(A)) is amended in the first sentence by inserting "(except the People's Republic of China)" after "controlled countries".

(b) EXPORTS OF LOW TECHNOLOGY ITEMS.—Section 5(b)(2) of such Act (50 U.S.C. App. 2404(b)(2)) is amended to read as follows:

"(2) No authority or permission to export may be required under this section for the export to any country other than a controlled country of any goods or technology which is at such a level of performance characteristics that the export of the goods or technology, were it made pursuant to the agreement of the group known as the Coordinating Committee, would require only notification of participating governments of the Committee. The Secretary may require any person exporting any such goods or technology to a country other than a controlled country to notify the Department of Commerce of those exports.".

(c) LIST REVIEWS.—

(1) CONTROL LIST.—Section 5(c)(3) of such Act (50 U.S.C. App. 2404(c)(3)) is amended—

(A) in the first sentence—

(i) by striking "shall review" and inserting "shall conduct partial reviews of"; and

(ii) by striking "year" and inserting "calendar quarter";

(B) in the second sentence—

(i) by striking "annual" the first place it appears and inserting "quarterly"; and

(ii) by striking "annual" the second place it appears;

(C) in the third and fifth sentences by striking "such" and inserting "each"; and

(D) by adding at the end the following: "All goods and technology on the list shall be reviewed at least once each year.".

(2) LIST OF MILITARILY CRITICAL TECHNOLOGIES.—Section 5(d)(5) of such Act (50 U.S.C. App. 2404(d)(5)) is amended in the first sentence by striking "at least annually" and inserting "on an ongoing basis".

(d) FOREIGN AVAILABILITY DETERMINATIONS.—Section 5(f)(3) of such Act (50 U.S.C. App. 2404(f)(3)) is amended by inserting after the second sentence the following: "In a case in which an allegation is received from an export license applicant, the Secretary shall respond in writing to the applicant, and publish in the Federal Register, within 30 days after receipt of the allegation, that—

"(A) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4);

"(B) the foreign availability may exist but further examination of the issue is necessary in order to make a determination; or

"(C) the foreign availability does not exist.

In the case in which subparagraph (B) applies, the Secretary shall, within 6 months after the initial response and publication, respond in writing to the applicant and publish in the Federal Register, that—

"(i) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4); or

"(ii) the foreign availability does not exist.

In any case in which the publication is not made within that 6-month period, the Secretary may not require a license for the export of the goods or technology with respect to which the foreign availability allegation was made.".

(e) AGREEMENTS ON EXPORT CONTROLS.—Section 5(k) of such Act (50 U.S.C. App. 2404(k)) is amended by adding at the end the following: "In any case in which such negotiations produce an agreement on export controls on any goods or technology which are comparable in practice to those

export controls imposed under this section, and the Secretary of State determines, 1 year after the country involved has maintained such export controls, that such controls are comparable in practice to those imposed under this section, the Secretary may not, while that determination is effective, require a validated license for the export to that country of the goods or technology that are subject to the agreement.".

SEC. 422. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $35,935,000 for the fiscal year 1987, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act;

"(2) $35,935,000 for the fiscal year 1988, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

(b) ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE.—Section 12(a)(6) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(6)) is amended by striking "$12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986" and inserting "$14,000,000 in the fiscal year 1987 and not more than $14,000,000 in the fiscal year 1988".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1986.

SEC. 423. GAO REPORT.

The Comptroller General of the United States shall conduct an evaluation of activities of the Department of Defense conducted pursuant to the Presidential Directive of January 4, 1985, regarding the review of export license applications, under the Export Administration Act of 1979, for the export of goods and technology to countries other than controlled countries. One purpose of the evaluation is to determine if Department of Defense activities provide information about the diversion of United States technology from sources outside the United States to controlled countries that would not otherwise be available to other agencies with enforcement responsibilities under that Act. The evaluation shall include a review of all Department of Defense activities in determining export control policy, making foreign availability determinations, and reviewing the control list, and the relationship between the Department of Defense and other agencies responsible for implementing the Export Administration Act of 1979. In conducting the evaluation, the Comptroller General shall make a special effort to gather information from United States exporters, particularly those that have had applications for proposed exports to countries other than controlled countries reviewed by the Department of Defense. The Comptroller General shall submit a report on the evaluation to the Congress not later than 6 months after the date of the enactment of this Act. If necessary, the report may be submitted on a classified basis.

Subtitle C—Debt, Development, and World Growth

SEC. 431. INTERNATIONAL NEGOTIATIONS.

(a) MULTILATERAL NEGOTIATIONS.—The President and the Secretary of the Treasury shall take the necessary steps to continue ongoing negotiations with West Germany, the United Kingdom, France, and Japan, as well as to initiate negotiations with other countries through appropriate multilateral organizations, including the Organization for Economic Cooperation and Development, the United Nations, and the International Monetary Fund, in order to—

(1) coordinate macroeconomic policies of the major industrial countries so as to promote stable exchange rates and growth patterns;

(2) achieve expansionist economic policies and agreements which have the specific purpose of increasing the size of the market for exports from the United States and developing countries;

(3) promote growth-oriented economic policies in both developed and developing countries;

(4) encourage both developed and developing countries to base growth on a balance of foreign and domestic demand and to discourage excessive reliance by those countries on exports for growth; and

(5) advise the trading partners of the United States that the United States is prepared to retaliate against countries, in an equivalent manner, in cases involving unfair trade practices.

(b) INTERNATIONAL ECONOMIC OR TRADE DISCUSSIONS.—

(1) DECLARATION OF THE UNITED STATES OBJECTIVE.—The Congress hereby declares that a key objective of the United States in its participation in economic summits and international meetings on economics or trade is to obtain the agreement of the participants in any such summit or meeting to adopt growth-oriented national economic policies and to take such actions as may be necessary to increase the size of the market for exports from the United States and developing countries.

(2) EXECUTIVE ACTIONS.—The President and the Secretaries of the Treasury and State shall seek to place discussions with respect to the agreement described in paragraph (1) on the agenda of any economic summit or international economic meeting to which the United States is a party and shall report to the Congress on any success they may have had in achieving such agreement at any such meeting.

SEC. 432. TRADE LIBERALIZATION IN DEVELOPING COUNTRIES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that increases in the development of, and the achievement of prosperity for, developing countries and the recovery of the economic strength of the United States and the other industrialized countries can only be assured if world trade is expanded and market access for all countries is increased.

(b) DECLARATION OF POLICY.—The Congress declares it to be the policy of the United States that any foreign assistance provided by the United States to developing countries shall be consistent with and supportive of long-term trade liberalization in those countries.

SEC. 433. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) REAFFIRMATION OF SUPPORT FOR OPIC.—The Congress reaffirms its support for the Overseas Private Investment Corporation as a United States Government agency serving important development assistance goals. In order to enhance the Corporation's ability to meet these goals, the Overseas Private Investment Corporation should increase its loan guaranty and direct investment programs.

(b) INCREASE IN GUARANTIES AND DIRECT INVESTMENTS.—

(1) LOAN GUARANTIES.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following:

"(5) Subject to paragraphs (2), (3), and (4), the Corporation shall issue at least $200,000,000 in guaranties under section 234(b) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such guaranties.".

(2) DIRECT INVESTMENT.—Section 235(b) of the Foreign Assistance Act of 1961 is amended—

(A) by striking the comma after "Act of 1981" and inserting a period; and

(B) by striking "and the Corporation shall use" and all that follows through "funding" and inserting the following:

"The Corporation shall make loans in amounts of not less than $25,000,000 under section 234(c) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such loans".

(c) INCREASE IN STAFF.—In increasing the guarantee and direct investment programs provided by the amendments made by subsection (b), the Congress expects that the Overseas Private Investment Corporation will increase its professional and administrative staff to the extent necessary to administer fully those expanded programs.

SEC. 434. TRADE AND DEVELOPMENT PROGRAM.

(a) REAFFIRMATION OF SUPPORT FOR TRADE AND DEVELOPMENT PROGRAM.—The Congress reaffirms its support for the Trade and Development Program, and believes that the Program's ability to support high priority development projects in developing countries would be enhanced by an increase in the funds authorized for the Program as well as by a clarification of the Program's status as a separate component of the International Development Cooperation Agency.

(b) INCREASE IN AUTHORIZATION AND ESTABLISHMENT AS SEPARATE AGENCY.—Section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) is amended—

(1) in subsection (b)—

(A) by striking "(b)" and inserting "(c)"; and

(B) by striking "$20,000,000 for fiscal year 1987" and inserting "$25,000,000 for fiscal year 1987"; and

(2) by inserting after subsection (a) the following:

"(b) The purposes of this section shall be carried out by the Trade and Development Program, which shall be a separate component agency of the International Development Cooperation Agency. The Trade and Development Program shall not be an agency within the Agency for International Development or any other component agency of the International Development Cooperation Agency.".

SEC. 435. COUNTERTRADE.

(a) FINDING.—The Congress finds that developing countries are relying increasingly on countertrade as a means of sustaining imports as well as foreign markets in the short-term, and as a means of developing new export industries and exploiting underdeveloped natural resources in the long-term.

(b) ESTABLISHMENT OF INTERAGENCY GROUP.—The President shall establish an interagency group on countertrade, to be composed of such Government departments and agencies as the President considers appropriate. The Secretary of Commerce shall be the chairman of the interagency group. The interagency group shall review United States policy on countertrade and shall make recommendations to the President and the Congress on the use of countertrade as a mechanism for enhancing bilateral United States foreign economic assistance programs and on expanding the information available on countertrade, including information on export opportunities.

Subtitle D—Protection of United States Business Interests Abroad

SEC. 441. PROTECTION OF UNITED STATES INTELLECTUAL PROPERTY.

It is the sense of the Congress that—

(1) the Secretary of State, the United States Trade Representative, and the relevant United States Ambassadors should engage in immediate discussions with the appropriate countries to reduce instances of piracy of copyrights, patents, and mask works and counterfeiting of trademarks, to obtain adherence to existing international conventions for the protection of copyrights, patents, and trademarks, to work toward the development of an international convention for mask works, and to gain the participation and support of those countries in the development of international intellectual property codes in future multilateral trade negotiations;

(2) the Secretary of State should urge international technical organizations, such as the World Intellectual Property Organization, to provide expertise and cooperate fully in developing effective standards, in the General Agreement on Tariffs and Trade, for the international protection of intellectual property rights;

(3) the President should take immediate and forceful action against those countries which are not prepared to commit formally to immediate improvements in their protection of United States intellectual property; and

(4) development assistance programs administered by the Agency for International Development, especially the reimbursable development program, should, in cooperation with the Copyright Office and the Patent and Trademark Office, include technical training for officials responsible for the protection of patents, copyrights, trademarks, and mask works in those countries that receive such development assistance.

SEC. 442. LIABILITY CRISIS FOR UNITED STATES BUSINESSES.

(a) FINDINGS.—The Congress finds that—

(1) United States manufacturers and service industries are currently facing a crisis in the cost and availability of liability insurance;

(2) the number of product liability suits filed in Federal courts rose from 1,579 in 1975 to 10,745 in 1984;

(3) the amount of jury awards in product liability and malpractice suits tripled between 1975 and 1984;

(4) exponential increases in insurance premiums or nonavailability of insurance coverage is increasingly undermining United States competitiveness in both domestic and international markets;

(5) liability risks faced by United States manufacturers and service industries far exceed those of foreign competitors, and cost differentials constitute a significant competitive price disadvantage for American industries;

(6) liability risks associated with the introduction of new technology products are increasingly prohibitive, and are therefore impeding and jeopardizing United States technological leadership; and

(7) the liability crisis is adversely affecting United States employment.

(b) REFORM OF LIABILITY LAWS NEEDED.—It is the sense of the Congress that reform of liability laws is urgently needed at both the State and Federal level in order to maintain the international competitiveness of the United States in world markets.

Subtitle E—General Provisions

SEC. 451. TRADING WITH THE ENEMY ACT.

(a) TERMINATION OF OFFICE OF ALIEN PROPERTY.—(1) The Trading with the Enemy Act is amended by striking subsections (b) through (e) of section 39 (50 U.S.C. App. 39) and inserting the following new subsection:

"(b) The Attorney General shall cover into the Treasury, to the credit of miscellaneous receipts, all sums from property vested in or transferred to him under this Act—

"(1) which he receives after the date of the enactment of the Export Enhancement Act of 1986, or

"(2) which he received before that date and which, as of that date, he had not covered into the Treasury for deposit in the War Claims Fund, other than any such sums which the Attorney General determines in his discretion are the subject matter of any judicial action or proceeding.".

(2) Subsection (f) of such section is amended—

(A) by striking "(f)" and inserting "(c)"; and

(B) by striking "through (d)" and inserting "and (b)".

(b) REMOVAL OF REPORTING REQUIREMENT.—Section 6 of such Act (50 U.S.C. App. 6) is amended in the next to last sentence by striking ": *Provided further*," and all that follows through the end of the section and inserting a period.

(c) IMPORTATION OF PUBLICATIONS, ETC.—Section 5(b) of such Act (50 U.S.C. App. 5(b)) is amended by adding at the end the following new paragraph:

"(4) The authority granted to the President in this subsection does not include the authority to regulate or prohibit directly or indirectly the importation (commercial or otherwise) of publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, or other informational materials from any country.".

SEC. 452. BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this title shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

TITLE V—FOREIGN CORRUPT PRACTICES

SEC. 501. FOREIGN CORRUPT PRACTICES ACT AMENDMENTS.

(a) PROHIBITED TRADE PRACTICES BY ISSUERS.—Section 30A of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY ISSUERS

"SEC. 30A. (a) It shall be unlawful for any issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports under section 15(d) of this title, or for any officer, director, employee, or agent of such issuer or any stockholder thereof acting on behalf of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing, or recklessly disregarding a substantial risk, that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b)(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the perform-

ance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made, was expressly permitted under a law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) An issuer may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such issuer has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the issuer with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such issuer shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2).

"(d) Not later than one year after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of representatives of the business community and other interested persons through public notice and comment and in public hearings, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which the Attorney General determines constitute compliance with the preceding provisions of this section; and

"(2) general precautionary procedures which issuers may use on a voluntary basis to ensure compliance with the preceding provisions of this section, and to create a rebuttable presumption of compliance with such provisions.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e)(1) The Attorney General shall, within 30 days after receiving a request which relates to compliance with the preceding provisions of this section, review the proposed conduct and state the enforcement intention of the Department of Justice. Such a statement shall be final and binding on the Department, subject to the discovery of new evidence with respect to the conduct.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by an issuer for a statement under paragraph (1) concerning compliance with the preceding provisions of this section, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department of Justice responds to such a request or the issuer withdraws such request before receiving a response. The Attorney General shall protect the privacy of each such issuer, and shall adopt rules assuring that information submitted in connection with such a request will be kept confidential and will not be used for any purpose that would unnecessarily discourage requests for statements under paragraph (1).

"(3) The Attorney General and the Commission shall, to the maximum extent practicable, provide timely guidance concerning compliance with the preceding provisions of this section to potential exporters and small businesses which are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning compliance and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

"(f) For purposes of this section—

"(1) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality;

"(2) a person has 'knowledge' for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3); and

"(3) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(b) VIOLATIONS.—Section 32(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended to read as follows:

"(c)(1) Any issuer that violates section 30A(a)(1) or (2) shall be fined not more than $2,000,000.

"(2)(A) Any issuer that violates section 30A(a)(3) while knowing (as that term is defined by section 30A(f)(2)) that the money or thing of value will be used in the manner prohibited by section 30A(a)(3) shall be fined not more than $2,000,000.

"(B) Any issuer that violates section 30A(a)(3) while recklessly disregarding a substantial risk (as that term is defined by section 30A(f)(3)) that the money or thing of value will be used in a manner prohibited by section 30A(a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(3) Any officer or director of an issuer, or stockholder acting on behalf of such issuer, who willfully violates section 30A(a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(4) Any employee or agent of an issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such issuer), and who willfully violates section 30A(a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(5) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates section 30A(a)(3) while recklessly disregarding a substantial risk (as that term is defined by section 30A(f)(3)) that the money or thing of value will be used in a manner prohibited by section 30A(a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(6) Whenever a fine is imposed under paragraph (3), (4), or (5) upon any officer, director, employee, agent, or stockholder of an issuer, such fine may not be paid, directly or indirectly, by such issuer.".

(c) PROHIBITED TRADE PRACTICES BY DOMESTIC CONCERNS.—Section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY DOMESTIC CONCERNS

"SEC. 104. (a) PROHIBITION.—It shall be unlawful for any domestic concern, other than an issuer which is subject to section 30A of the Securities Exchange Act of 1934, or for any officer, director, employee, or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with,

or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing, or recklessly disregarding a substantial risk, that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b) DEFENSES.—(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the performance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made was expressly permitted under any law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) DUE DILIGENCE.—A domestic concern which is not an individual may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such domestic concern has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the domestic concern with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such domestic concern shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2). The first sentence of this subsection shall be considered an affirmative defense to actions under subsection (a).

"(d) GUIDELINES FOR COMPLIANCE.—Not later than 6 months after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Securities and Exchange Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of representatives of the business community and other interested persons through public notice and comment and in public hearings, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which the Attorney General determines constitute compliance with the preceding provisions of this section; and

"(2) general precautionary procedures which domestic concerns may use on a voluntary basis to ensure compliance with the preceding provisions of this section, and to create a rebuttable presumption of compliance with such provisions.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e) OPINIONS OF THE ATTORNEY GENERAL.—(1) The Attorney General shall, within 30 days after receiving a request which relates to compliance with the preceding provisions of this section, review the proposed conduct and state the present enforcement intention of the Department of Justice. Such a statement shall be final and binding on the Department, subject to the discovery of new evidence with respect to the conduct.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by a domestic concern for a statement under paragraph (1) concerning compliance with the preceding provisions of this section, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department of Justice responds to such a request or the domestic concern withdraws such request before receiving a response. The Attorney General shall protect the privacy of each such concern, and shall adopt rules assuring that information submitted in connection with such a request will be kept confidential and will not be used for any purpose that would unnecessarily discourage requests for statements under paragraph (1).

"(3) The Attorney General and the Commission shall, to the maximum extent practicable, provide timely guidance concerning compliance with the preceding provisions of this section to potential exporters and small businesses which are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning compliance and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

"(f) VIOLATIONS.—(1)(A) Except as provided in subparagraph (B), any domestic concern that violates subsection (a)(1) or (2) shall be fined not more than $2,000,000.

"(B) Any individual who is a domestic concern and who willfully violates subsection (a)(1) or (2) shall be fined not more than $20,000, or imprisoned not more than 5 years, or both.

"(2)(A) Any domestic concern that violates subsection (a)(3) while knowing (as that term is defined by subsection (h)(4)) that the money or thing of value will be used in the manner prohibited by subsection (a)(3) shall be fined not more than $2,000,000.

"(B) Any domestic concern that violates subsection (a)(3) while recklessly disregarding (as that term is defined by subsection (h)(5)) that the money or thing of value will be used in a manner prohibited by subsection (a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(3) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who willfully violates subsection (a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(4) Any employee or agent of a domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who willfully violates of subsection (a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(5) Any officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such concern, who violates subsection (a)(3) while recklessly disregarding a substantial risk (as that term is defined by subsection (h)(5)) that the money or thing of value will be used in a manner prohibited by subsection (a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(6) Whenever a fine is imposed under paragraph (3), (4), or (5) upon any officer, director, employee, agent, or stockholder of a domestic concern, such fine may not be paid, directly or indirectly, by such concern.

"(g) INJUNCTIONS.—Whenever it appears to the Attorney General that any domestic concern or officer, director, employee, agent, or stockholder thereof is engaged, or is about to engage, in any act or practice constituting a violation of subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or a temporary restraining order shall be granted without bond.

"(h) DEFINITIONS.—As used in this section—

"(1) the term 'domestic concern' means—

"(A) any individual who is a citizen, national, or resident of the United States; and

"(B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States;

"(2) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an offi-

cial capacity for or on behalf of any such government or department, agency, or instrumentality;

"(3) the term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State or between any State and any place or ship outside thereof, and such term includes the intrastate use of—

"(A) a telephone or other interstate means of communication, or

"(B) any other interstate instrumentality.

"(4) a person has 'knowledge' for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3); and

"(5) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(d) INTERNATIONAL AGREEMENT.—

(1) NEGOTIATIONS.—It is the sense of the Congress that the President should pursue the negotiation of an international agreement, among the largest possible number of countries, to govern persons from those countries concerning acts prohibited with respect to issuers and domestic concerns by the amendments made by this section. Such international agreement should include a process by which problems and conflicts associated with such acts could be resolved.

(2) REPORT TO CONGRESS.—(A) Within 1 year after the date of the enactment of this Act, the President, taking into consideration the report submitted under subsection (d), shall submit to the Congress a report on—

(i) the progress of the negotiations referred to in paragraph (1),

(ii) those steps which the executive branch and the Congress should consider taking in the event that these negotiations do not successfully eliminate the competitive disadvantage of United States businesses that results when persons from other countries commit the acts described in paragraph (1); and

(iii) possible actions that could be taken to promote cooperation by other countries in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries.

(B) The President shall include in the report submitted under subparagraph (A)—

(i) any legislative recommendations necessary to give the President the authority to take appropriate action to carry out clauses (ii) and (iii) of subparagraph (A);

(ii) an analysis of the potential effect on the interests of the United States, including United States national security, when persons from other countries commit the acts described in paragraph (1); and

(iii) an assessment of the current and future role of private initiatives in curtailing such acts.

TITLE VI—AGRICULTURAL TRADE

Subtitle A—Improvement of Agricultural Trade Policy and Market Development Activities

SEC. 601. PURPOSE OF SUBTITLE.

It is the purpose of this subtitle to increase the effectiveness of the Department of Agriculture in agricultural trade policy formulation and implementation and in assisting United States agricultural producers participate in international agricultural trade, by reorganizing and strengthening the operations of the Department of Agriculture in these areas.

SEC. 602. DESIGNATION OF THE DEPARTMENT OF AGRICULTURE AS LEAD AGENCY FOR AGRICULTURAL TRADE.

(a) IN GENERAL.—Subject to subtitle D of title I of this Act, and except as provided in subsection (b), the Department of Agriculture shall have primary responsibility within the executive branch of the Federal Government with respect to all matters concerning agricultural trade and agricultural trade policy.

(b) EXCEPTION.—The designation made in subsection (a) does not limit the exercise by the Department of Commerce and the International Trade Commission of the responsibilities and authority assigned them with respect to the regulation of United States agricultural imports.

SEC. 603. CONSULTATION BY THE SECRETARY OF AGRICULTURE.

The Secretary of Agriculture shall, through such mechanism as the President shall establish by executive order, consult with the appropriate officials of the other agencies of the Federal Government to coordinate actions and programs of such agencies affecting agricultural trade policy with the programs of the Department of Agriculture and with the agricultural trade policy of the United States.

SEC. 604. REORGANIZATION OF THE DEPARTMENT OF AGRICULTURE.

(a) UNDER SECRETARY FOR TRADE AND INTERNATIONAL AFFAIRS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Trade and International Affairs (hereinafter in this title referred to as the "Under Secretary for Trade").

(2) The Under Secretary for Trade shall—

(A) assume the duties relating to international affairs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of—

(i) the Board of Directors of the Commodity Credit Corporation;

(ii) the Trade Policy Review Group; and

(iii) the Subcommittee on Food Aid of the Development Coordination Committee;

(C) direct—

(i) all programs and duties performed by the Office of International Cooperation and Development;

(ii) all programs or duties performed by the International Transportation Service Branch of the Office of Transportation; and

(iii) such programs or duties currently assigned to the Forest Service, the Soil Conservation Service, the Food Safety and Inspection Service, the Federal Grain Inspection Service, the Animal and Plant Health Inspection Service, and other agencies within the Department of Agriculture as the Secretary of Agriculture finds to be directly related to agricultural export sales, market development, and relevant technical assistance; and

(D) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(b) UNDER SECRETARY FOR COMMODITY PROGRAMS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Commodity Programs.

(2) The Under Secretary of Agriculture for Commodity Programs shall—

(A) assume the duties relating to commodity programs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of the Board of Directors of the Commodity Credit Corporation; and

(C) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(c) CONFORMING REPEAL.—Section 501(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 2211a(a)) is repealed.

(d) ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE.—The President, by and with the advice and consent of the Senate, may appoint in the Department of Agriculture up to two additional Assistant Secretaries of Agriculture to assist the Under Secretary for Trade.

SEC. 605. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended by—

(1) in section 5314, striking out

"Under Secretary of Agriculture for International Affairs and Commodity Programs."

and inserting in lieu thereof the following:

"Under Secretary of Agriculture for Commodity Programs.

"Under Secretary of Agriculture for Trade and International Affairs."; and

(2) in section 5315, striking out "Assistant Secretaries of Agriculture (7)." and inserting in lieu thereof "Assistant Secretaries of Agriculture (9).".

SEC. 606. TRANSFER OF ENTITIES TO THE FOREIGN AGRICULTURAL SERVICE AND ESTABLISHMENT OF COMMODITY DIVISION.

(a) TRANSFER OF ENTITIES.—The International Economics Division of the Economic Research Service, and the World Agricultural Outlook Board, of the Department of Agriculture shall be entities within the Foreign Agricultural Service of the Department of Agriculture.

(b) ESTABLISHMENT OF COMMODITY DIVISION.—(1) The Secretary shall establish within the Foreign Agricultural Service a commodity division to promote value-added products not covered by cooperator agreements and to help to develop a cooperator organization to support the marketing role of the division.

(2) The work and activities of such division shall include market analysis for products described in paragraph (1), as well as market development.

(3) Any cooperator organization referred to in paragraph (1) shall be as broadly based as possible and shall include export trading companies and export management companies dealing in food products, as well as manufacturers and distributors of individual brands and product lines.

SEC. 607. ESTABLISHMENT OF THE GENERAL SALES MANAGER'S OFFICE.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture an office to be known as the "Office of the General Sales Manager" and appoint a General Sales Manager to head

such office. The General Sales Manager shall be under the direction of the Under Secretary for Trade.

(b) DUTIES.—The General Sales Manager shall assume responsibility for all programs or duties performed by the Foreign Agricultural Service with respect to—

(1) export sales;

(2) market development;

(3) agricultural trade offices; and

(4) the requirements of titles I and III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.).

SEC. 608. ESTABLISHMENT OF OFFICE TO MONITOR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall—

(1) continuously monitor and study trade practices carried out by other nations to promote the export of agricultural commodities and products; and

(2) submit quarterly reports of its findings to the Secretary of Agriculture.

(c) REPORTING BY THE SECRETARY.—(1) Within 15 days after receiving a report under subsection (b), the Secretary of Agriculture shall submit to the committees listed in paragraph (2) any report received under subsection (b)(2), together with the Secretary's findings and recommendations with respect to the level of subsidies provided by other nations and the United States to promote the export of agricultural commodities and products.

(2) Items described under paragraph (1) shall be reported to—

(A) the Committee on Agriculture, Nutrition, and Forestry, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and

(B) the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives.

SEC. 609. ESTABLISHING AN OFFICE TO PROVIDE ASSISTANCE TO VICTIMS OF UNFAIR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall take the following actions with respect to United States citizens and organizations damaged by unfair agricultural trade practices and policies:

(1) The Office shall assist such persons in preparing cases before—

(A) the United States Trade Representative;

(B) the International Trade Commission;

(C) the United States Department of Commerce;

(D) the Court of International Trade; and

(E) any other similar agency.

(2) The Office shall provide and update information to such persons regarding the incidence and severity of such practices and policies.

(3) The Office shall inform such persons of any adverse effect on them caused by such practices and policies of which they are not aware.

(4)(A) The Office shall report information relating to such unfair trade practices and the effects of such practices to the appropriate Federal agency or agencies, together with a recommendation by the Secretary of Agriculture with regard to what actions should be initiated under existing trade laws as may be amended.

(B) Upon receipt of such information and recommendation, the appropriate Federal agency or agencies shall consult with the Secretary of Agriculture with regard to what actions, if any, will be initiated and the reasons therefor.

(c) REPORT.—The Secretary of Agriculture shall submit, with the information described in section 108(c), a report of the assistance provided under this section.

(d) COORDINATION.—The Office shall coordinate its activities with the Fair Trade Advocate established under title I of this Act.

SEC. 610. PROVISION OF TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

The Secretary of Agriculture shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

SEC. 611. LONG TERM AGRICULTURAL TRADE STRATEGY REPORTS.

(a) PREPARATION; MATTERS TO BE INCLUDED.—(1) The Secretary of Agriculture shall prepare, and the President shall submit together with the budget for each fiscal year, a Long Term Agricultural Trade Strategy Report establishing recommended policy and spending goals for United States agricultural trade and exports for 1-year, 5-year, and 10-year periods, beginning on October 1 of the next fiscal year. Each such report shall include the following:

(A) Findings with respect to trends in the comparative position of the United States and other nations in the export of agricultural commodities and products, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products.

(B) Findings with respect to new developments in research conducted by other nations that may affect the competitiveness of United States agricultural commodities and products.

(C) Findings and recommendations with respect to the marketing in nonmarket economies of United States agricultural commodities and products.

(D) The agricultural trade goals for every agricultural commodity and value-added product produced in the United States for the period in question, expressed in both physical volume and monetary value.

(E) Recommended Federal policy and programs to achieve the agricultural trade goals.

(F) Recommended levels of Federal spending on international programs and activities of the Department of Agriculture to meet the agricultural trade goals.

(G) Recommended levels of Federal spending on programs and activities of agencies other than the Department of Agriculture to meet the agricultural trade goals.

(H) Recommended long-term strategies for growth in agricultural trade and exports—

(i) taking into account United States domestic competitiveness, trade negotiations, and international monetary and exchange rate policies; and

(ii) including specific recommendations with respect to export enhancement programs (including credit programs and export payment-in-kind programs), market development activities, and foreign agricultural and economic development assistance activities needed to implement such strategies.

(2) Provisions of each Long Term Agricultural Trade Strategy Report that relate to recommended levels of spending on international activities of the Department of Agriculture for the upcoming fiscal year shall be treated as the President's annual budget submission to Congress for such programs for such fiscal year, and shall be submitted in addition to the budget request for other programs of the Department of Agriculture for such fiscal year.

(3) The President shall include in each Long Term Agricultural Trade Strategy Report recommendations for such changes in legislation governing international programs of the Department of Agriculture as are required to meet the long term goals established in the Report.

(b) IDENTIFICATION OF CHANGES THAT MAY AFFECT PREVIOUS REPORTS.—The President, in each succeeding annual Long Term Agricultural Trade Strategy Report after the first such report, shall identify any such recommendations that might modify the long term policy contained in any previous such report.

(c) ESTABLISHMENT OF OFFICE.—The Secretary of Agriculture shall establish within the Department of Agriculture an Office of Agricultural Trade Policy Planning and Evaluation. Such office shall coordinate the preparation of the President's Long Term Agricultural Trade Strategy Report.

SEC. 612. DECLARATION OF POLICY RESPECTING FOOD AID AND MARKET DEVELOPMENT.

It is the policy of the United States to use food aid and agriculturally related foreign economic assistance programs more effectively to develop markets for United States agricultural commodities and products.

SEC. 613. REPORTING BY THE SECRETARY OF AGRICULTURE.

(a) REPORTING ON CERTAIN PROGRAMS.—The Secretary of Agriculture, after consultation with the Administrator of the United States Agency for International Development, shall report annually to Congress on the extent that food aid and agriculturally related foreign economic assistance programs of the previous year, other than direct feeding or emergency food aid, that are administered by Federal agencies or by nongovernmental entities serve direct market development objectives for United States agricultural commodities and products.

(b) SCOPE OF REPORTING REQUIREMENT.—The programs referred to in subsection (a) include—

(1) programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) programs under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) and the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

(3) technical and economic assistance programs carried out by United States Agency for International Development.

SEC. 614. ESTABLISHMENT OF OFFICE OF FOOD AID POLICY.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture the Office of Food Aid Policy (hereinafter in this section referred to as the "Office").

(b) DIRECTOR.—The Secretary of Agriculture shall appoint a director of the Office who shall—

(1) serve under the direction of the General Sales Manager;

(2) develop in cooperation with the director of the Office of Agricultural Trade Policy Planning and Evaluation a comprehensive strategy for coordinating agriculturally related foreign economic assistance, food aid, and market development objectives for United States agricultural commodities and products;

(3) monitor the compliance of programs and policies of Federal agencies and related entities with the market development objectives of the Department of Agriculture; and

(4) serve as the principal staff representative of the Secretary of Agriculture in deliberations of the staff working group of the Subcommittee on Food Aid of the Development Coordination Committee.

SEC. 615. COMMODITIES FOR COOPERATOR ORGANIZATIONS.

The Secretary of Agriculture is authorized to make available to cooperator organizations commodities owned by the Commodity Credit Corporation, which shall be used by such cooperators in demonstration projects designed to expand markets for United States agricultural commodities and products.

SEC. 616. DEPARTMENT OF AGRICULTURE CONTRACT AUTHORITY FOR INDIVIDUALS ABROAD.

The Secretary of Agriculture may contract with individuals outside the United States for personal services to be performed outside the United States. Such individuals shall not be regarded as employees of the United States Government under any law, including any law administered by the Office of Personnel Management.

SEC. 617. LIMITATION ON SPENDING AUTHORITY.

Any new spending authority created by the amendments made by section 605 shall be effective for any fiscal year only to the extent provided for in advance in appropriation Acts.

SEC. 618. EXPORT ENHANCEMENT PROGRAM.

Section 1127(b) of the Food Security Act of 1985 (7 U.S.C. 1736v) is amended by—

(1) striking out paragraph (2) and inserting in lieu thereof the following:

"(2) shall, to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, give priority to all interested foreign purchasers who—

"(A) have traditionally purchased United States agricultural commodities and the products thereof; and

"(B) continue or begin to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;";

(2) striking out "and" at the end of paragraph (4);

(3) striking out the period at the end of paragraph (5) and inserting "; and" in lieu thereof; and

(4) adding at the end the following:

"(6) shall report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Forestry, and Nutrition of the Senate every 30 days a current list of countries provided agricultural commodities and products under this section and a justification for participation in this section.".

SEC. 619. SENSE OF CONGRESS—ACTION IN RESPONSE TO FOREIGN IMPORT RESTRICTIONS ON UNITED STATES CITRUS FRUITS AND BEEF PRODUCTS.

(a) FINDINGS.—The Congress finds that—

(1) trade partners of the United States are engaging in unreasonable, unjustifiable, and discriminatory acts, policies, and practices, including the use of import quotas, that tend effectively to prohibit or unreasonably burden United States exports of—

(A) oranges, grapefruit, and other citrus fruits; and

(B) fresh, chilled, and frozen beef and other beef products; and

(2) such acts, policies, and practices deny access to such markets for United States producers of such exports, reduce agricultural exports and farm income, and contribute to the United States trade deficit and the Federal budget deficit.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if a country is found to engage, in violation of the General Agreement on Tariffs and Trade, in any such acts, policies, and practices against any such United States exports the President should take steps, including the imposition of import fees and duties, which will result in the exclusion of the importation of similar or other products from such country found to be in violation of the General Agreement on Tariffs and Trade into the United States until such acts, policies, and practices are eliminated.

SEC. 620. IMPLEMENTATION OF CERTAIN SECTIONS OF 1129 AND 1167 OF THE FOOD SECURITY ACT.

It is the sense of Congress that the Department of Agriculture should expedite the implementation of sections 1129 and 1167 of the Food Security Act of 1985 (Public Law 99-198), relating to the barter of agricultural commodities. Congress recognizes the importance of barter programs in expanding agricultural trade, and emphasizes this importance to the Department.

Subtitle B—Domestic Markets for Agricultural Commodities and Products

SEC. 631. STUDY RELATING TO HONEY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine the impact of imported honey on United States honey producers, the availability of honey bee pollination within the United States, and whether imports of honey tend to interfere with or render ineffective the honey price support program of the Department of Agriculture.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 632. ROSE STUDY AND REPORT.

(a) STUDY.—The Secretary of Agriculture, in conjunction with the United States Trade Representative, not later than 120 days after the date of enactment of this Act, shall complete a study—

(1) to determine the effect of rose imports during the period beginning January 1, 1982, and ending with the most recent calendar quarter for which information is available, into the United States on the domestic rose growing industry; and

(2) to provide an economic analysis of factors of production and marketing of such imports.

(b) REPORT.—The Secretary shall report the results of the study conducted under subsection (a), as soon as the study is completed, to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 633. DETERMINING MATERIAL INTERFERENCE CAUSED BY IMPORTED TOBACCO.

Section 22(a) of the Agricultural Adjustment Act (7 U.S.C. 624(a)) is amended by adding at the end thereof the following: "For purposes of any investigation conducted with respect to tobacco, or articles containing tobacco, imported into the United States, the Commission shall consider the impact of contributions and assessments imposed under section 106A and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1, 1445-2) on tobacco producers in determining whether such imported tobacco or articles materially interfere with the tobacco price support program carried out by the Department of Agriculture.".

SEC. 634. IMPORT INVENTORY.

(a) COMPILATION AND REPORT ON IMPORTS.—The Secretary of Agriculture, in consultation with the Secretary of Commerce, the International Trade Commission, the Special Trade Representative of the United States, and any other Federal agency, shall compile and report statistics on the total value and quantity of imports raw and processed agricultural products.

(b) COMPILATION AND REPORT ON CONSUMPTION.—The Secretary shall also compile data on the total amount of production and consumption of domestically produced raw and processed agricultural products.

(c) ISSUING OF DATA.—The data required from the Secretary under this section shall be compiled and issued in a format that correlates statistics for the quantity and value of imported agricultural products to the production and consumption of domestic agricultural products. The Secretary shall issue this report on a quarterly basis.

SEC. 653. FINDINGS AND SENSE OF CONGRESS WITH RESPECT TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) as part of the terms under which Spain and Portugal joined the European Community in January of this year, the European Community has imposed quotas on oilseeds and oilseed products in Portugal, in violation of the General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT");

(2) the European Community has imposed a quota requiring that Portugal purchase at least 15.5 per centum of its grain from other European Community countries, in violation of the GATT;

(3) the European Community has replaced GATT-bound 20 percent tariffs on corn and grain sorghum imports entering Spain with the European Community's variable levy system, which is currently equivalent to a tariff of more than 100 percent, before negotiating compensation as agreed to previously and directed by international trade rules;

(4) the restrictions imposed by the European Community will impair access for as much as $1,000,000,000 worth of United States agricultural products to markets in Portugal and Spain, and adversely affect the economic livelihood of United States farmers and related industries;

(5) despite Cabinet-level approaches to the European Community in recent months, the European Community has been unwilling to rescind the illegal quotas or to compensate the United States for the damage caused by the higher tariffs;

(6) prior enlargements of the European Community in 1973 and 1981 have adversely affected United States agricultural exports to the Community;

(7) the President on March 31 announced his intention to use existing authority to respond to the restrictions of the European Community by imposing quotas and tariff increases or by withdrawing tariff bindings to produce equivalent restrictive effects or comparable loss of trade on European Community imports into the United States; and

(8) the President's proposed actions to defend legitimate United States trade interests are consistent with his belief in a free but fair trade policy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the administration should continue to firmly oppose actions by the European Community to—

(A) impose quotas on oilseeds and oilseed products in Portugal;

(B) impose a grain purchase requirement quota on Portugal; and

(C) place variable levies on corn and grain sorghum entering Spain before negotiating compensation;

(2) if compensation is to be negotiated on this issue, the Administration should insist that such compensation be United States agricultural commodities and products to be exported to the European Community; and

(3) unless the European Community rescinds the trade-restrictive measures referred to in paragraph (1) or the United States receives prompt and complete compensation for any loss of trade resulting from the enlargement of the European Community, the administration should take actions, such as the President has announced, to impose trade restrictions on a sufficient value of exports of the European Community to the United States to reestablish the balance of concessions under the GATT and other international trade agreements.

Subtitle C—Miscellaneous

SEC. 651. CLASS I AND II MILK.

(a) IN GENERAL.—Notwithstanding any other provision of law, milk produced by dairies—

(1) owned or controlled by foreign persons or entities; and

(2) financed by or with the use of industrial revenue bonds;

shall not be classified as class I or class II milk for the purposes of the milk marketing program under provisions of the Agricultural Adjustment Act reenacted with amendments by Agricultural Marketing Agreement Act of 1937.

(b) REGULATIONS.—The Secretary of Agriculture shall prescribe regulations to carry out this section.

(c) LIMITATION.—This section shall not apply with respect to any diary that has begun operation before the date of the enactment of this Act.

SEC. 652. STUDY OF GRAIN STANDARDS.—(1) In conducting any grain quality study under section 1673 of the Food Security Act of 1985, it is the sense of the Congress that the Office of Technology Assessment should—

(A) evaluate the competitive problems the United States faces in international grain markets that may be attributed to grain quality standards and handling practices, rather than price;

(B) identify the extent to which United States grain export quality standards and handling practices have contributed toward the recent decline in United States grain exports; and

(C) perform a comparative analysis between—

(i) the grain quality standards and practices of the United States and the major grain export competitors of the United States; and

(ii) the grain handling technology of the United States and the major grain export competitors of the United States;

(D) evaluate the consequences on United States export grain sales, the cost of exporting grain, and the prices received by farmers should United States export grain elevators be subject, by law or regulation, to requirements that—

(i) use of the term "dockage" be discontinued and all material currently considered to be dockage in a sample be included in the determination of foreign material and be reported on a .10 percent basis;

(ii) no dockage or foreign material (including dust or particles of any origin) once removed from grain may be recombined with any grain if there is a possibility that the recombined product may be exported from the United States;

(iii) no dockage or foreign material of any origin may be added to any grain that may be exported if the result will be to reduce the grade or quality of the grain or to reduce the ability of the grain to resist spoilage;

(iv) no blending of grain with a similar grain of different moisture content may be permitted if the difference between the moisture contents of the grains being blended is more than 1 percent;

(v) Federal Grain Inspection Service (FGIS) report protein on a standard moisture basis and that wheat testing under 11 percent moisture shall receive a weight premium equal to the percentage of moisture shortfall and there shall be no discounts for moisture on wheat testing between 11 percent and 14 percent moisture;

(vi) current statistical averaging used to determine whether a cargo meets contract specifications be discontinued; and each sublot making up a cargo must meet the load order requirements as may be specified for numerical grade factors such as protein;

(vii) the FGIS grain inspection laboratory be used to take a sample and determine origin and that destination buyers notify origin shippers as to the grades and protein results within 48 hours, that grades and protein test to be used as a backup to confirm and defend destination grade and protein, and that all grain shipped be paid on official origin as to their grades basis when accompanied by an FGIS certificate;

(viii) wheat flour, or any other product used for human consumption, containing cellulose or wood fiber be so labeled; and

(ix) FGIS use an alpha amylase test to detect previsable sprout damage; and

(E) evaluate the current method of establishing grain classification, the feasibility of utilizing new technology to correctly classify grains, and the impact of new seed varieties on exports and users of grain.

(2) In conducting such study, the Office of Technology Assessment should coordinate and cooperate with private sector and industry studies on grain quality and standards, including the North America Export Grain Association (NAEGA), and to the maximum extent possible include the recommendations of the NAEGA and other farm and agricultural commodity associations within its report.

(3) Not later than December 1, 1986, the Office of Technology Assessment should submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study required under this subsection, together with such comments and recommendations for the improvement of United States grain export quality standards and handling practices as the Office of Technology Assessment considers appropriate.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Illinois [Mr. MICHEL] will be recognized for 30 minutes and a Member opposed will likewise be recognized for 30 minutes.

The Chair recognizes the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

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

Mr. Chairman, earlier in the year when Members on our side recognized that there would be this day when we would be considering trade legislation, we put our forces to work, including many of those responsible in their respective committees for developing trade legislation. We ended up putting together what we perceived to be a pretty good package, which is now in the form of the substitute which we have before the House.

There are various views which had to be harmonized. Earlier in this debate, for example, we heard from the distinguished ranking member on the Trade Subcommittee on our side, the gentleman from Illinois [Mr. CRANE], and from the gentleman from North Carolina [Mr. BROYHILL], both of whom hold significantly different views on trade issues. Both, however, are cosponsors of our substitute.

The entire trade issue is one that encompasses a great range of viewpoints, not only between the parties, but within the parties. It is also the source of division between the legislative and executive branches.

The point is, if we want a bill that can be signed into law, we need to take into account the President's concerns as well as our own. If we get too far afield, we will simply be going through the motions here.

The proponents of the Democratic majority's bill say their bill is not protectionist and they will tell us, as they have, that their bill makes us more competitive. That is a positively Orwellian misuse of language.

I am reminded that a few years ago I was the victim of a mugging outside my Washington home. Now if the perpetrators of that mugging said to me, "Look, what we did to you was not really a mugging; it is a demonstration of hands-on urban economic persua-

sion," the pain would have been the same and the crime would have been the same.

Saying the Democratic bill, for example, is not protectionist does not make it less protectionist; it merely hides an ugly reality behind the latest socioeconomic jargon.

America today exports over $200 billion a year in various types of products. Some 5 million jobs in this country are dependent upon exports. If we think farmers have it bad today, just wait until they see what it is like under protectionist trade laws that we might enact in this Congress. You know, we no longer live in a world where foods is in chronic short supply and America is the world's bread basket. Most nations now produce enough to live on and have extra products which they themselves seek to export. We now have to compete more extensively than we ever have to sell our crops abroad. Other nations are just waiting for us to give them an excuse to shut the doors to our products.

Enact this bill, and we give them that excuse.

As my colleagues know, I come from a heavily industrialized district, in addition to the agricultural area that surrounds the industrial community. Caterpillar Tractor is my dominant industry, a multinational concern. Over 40 percent of Caterpillar products are exported abroad. The figures will show that 45,000 American jobs are directly and indirectly related to these exports. They result in a positive trade balance of some $1.4 billion a year.

Here, for example, is what Caterpiller says about the Democratic trade bill:

> There is a growing realization that enactment of H.R. 4800 will cause other countries to erect reciprocal barriers to U.S. exports, and those exports could very well be Caterpillar machines.

I do not think this House seeks to damage industries like Caterpillar, and cause more layoffs in communities such as my hometown of Peoria, nor does this House want to erect more barriers to our farm products, such as soybeans, corn, wheat, thus causing more foreclosures in our rural areas.

Some in this House, in their zeal to curry the favor of those impacted by imports, have lost sight of those who on the other side of the equation rely heavily on exports. We all must recognize the needs of Americans working in both import-threatened and export-expansion areas.

We have not dealt with unfair trade practices of other nations with the vigor and aggressiveness that we require, and I would be the first to admit that. I think it was nearly 2½ years ago that I took some of our industrial corporate executives down to visit with Bill Clark, the former NSC adviser, along with the President and the Secretary of Commerce, and the Treasury Department, too, for that matter, to see if we could not get something moving within the administration.

Clearly, too many other nations subsidize their products before shipping them here, thereby placing our domestic manufacturers at a competitive disadvantage. That playing field out there has not been a level one in many respects. Many more nations close their doors to our products, thereby denying our producers the markets they have a right to expect under any system of fair trade.

Our substitute contains strong provisions which seek to redress these wrongs effectively by strengthening the authority of the U.S. Trade Representative and the President to work out satisfactory solutions. I have to say, quite frankly, that the administration is not all that enamored with the authority we would give the Trade Representative as distinguished from the President himself.

□ 1100

This is our administration, but I am not altogether sure that it would be any different if it were a Democratic administration. I am sure a Democratic President would say, I do not want to surrender those powers to anyone subservient to me in my own administration. I think what we want to do is make certain that we work out satisfactory solutions here without going to the absurd degree of giving a Presidential appointee more authority than the President himself.

We include dates and timetables within which the administration must act on unfair trade cases. There is no question but that the administration in previous years has been too slow to act.

What we do not do, however, is indulge in irresponsible excess which invite, encourage, and almost demand counter-retaliation by other nations. The administration needs flexibility in deciding when and how to use the stick in negotiations with foreign nations.

We need to concentrate on expanding our markets and increasing our exports. Our proposal contains a number of provisions designed to enable us to do a better job in this regard.

Our substitute also provides guidelines for a new round of GATT talks, bilateral free trade agreements, and continued efforts to develop stabilized exhange rates.

We include provisions in our proposal designed to close the loopholes currently allowing other nations to avoid the duty on ethanol imports. The ethanol industry in this country is a major market for our farmers, as well as being a key to our Nation's long-range energy needs.

We must also do everything possible to reduce our budget deficit in order to keep down interest rates and prices, and thereby make our goods more competitive worldwide. The committee bill, or that crafted by the Democratic majority, would add $6 billion to the deficit over the next 3 years through the increased spending programs that have been alluded to time and time again during the course of this debate. Most of this is not even included in your own budget resolution passed here on the floor just a week or so ago.

It is so typical of this House to adopt a budget 1 day and ignore it the next.

Our proposal recognizes the need to keep expenditures under control and thus does not include those big spending initiatives.

Now, for over 30 years, I have represented a congressional district that depends upon exports in order to survive. When you grow up in that kind of a district, you know that the world is your marketplace out there. I know what a tough job it has been for industries and farmers in my district to compete in the world market. We have gone through bad times recently, desperate times, frankly, for many. The people of my congressional district want fairness, but they do not want to be protected or isolated. They want to compete and they are willing to do that.

I made the reference earlier to that dominant industry called Caterpillar. They have cut their expenditures and cost of doing business by 22 percent in the last 3 years with a goal of another 10 percent in the next 2 years, all to be competitive. Yes, automating, computerizing, robotics, and whatever else is needed in today's world just to keep competitive.

My constituents want to be able to work and to prosper and provide for their families and I do not think we want to lock them in a closet and shove food and clothing under the door to them. It is easy for politicians in Washington to shake their fists at foreign countries and talk tough, but it will be the families in our respective districts and millions of others who suffer if we invite retaliation with our misguided machoism.

The Democratic leadership seems to me to be more interested, frankly, in picking a fight, rather than solving a problem.

I think our substitute is realistic. It is not partisan veto bait. It is a legitimate trade reform which has a realistic chance in the other body and a realistic chance with the President, two critical qualities missing in the committee alternative.

As I said from the outset, I think it is a sham that these bills have to be partisan labeled at all. It does not speak all that well for this legislative process. It must be a real disappoint-

ment to those millions of American workers who were counting on us to set partisanship aside and accomplish something for them this year.

Having said that, I would hope that Members would give serious consideraiton to this package of proposals that we have put together and which is now before the House in the form of what has become known as the Michel substitute.

The CHAIRMAN. The gentleman from Illinois [Mr. MICHEL] has consumed 13 minutes.

Does any Member seek time in opposition to the amendment?

The Chair recognizes the gentleman from Texas [Mr. WRIGHT] for 30 minutes.

Mr. WRIGHT. Mr. Chairman, I yield 4 minutes to the gentleman from Mississippi [Mr. WHITTEN], the distinguished chairman of the Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, the Department of Agriculture, through the Commodity Credit Corporation, has the authority and obligation to support farm prices for basic or storable commodities to overcome high American production cost and pass such cost to the purchaser. This it refuses to do—though such a program worked for years, when the farmer was paying for the land he is now losing. The Department has the authority and obligation to sell commodities in world trade at competitive prices.

FARMERS PENALIZED

The American farmer has paid the cost of our foreign policy; in 1974, 1975, 1976, 1980—and from 1980 to the present. This is largely the cause of the $214 billion debt owed by farmers with high interest rates.

FARMER PAYS

To punish Russia and to hold down prices at home, the United States Government has imposed embargoes on exports. If you bought from the farmer and were prevented by the Government from selling—the Government paid the purchaser for his losses but not the producer.

Under existing law the Government has authority to waive interest, or debt, which was largely caused by such faulty governmental policy. But the Government refuses to do so. Thousands upon thousands of acres of land lie idle. Farmland values have dropped 75 percent in many areas.

The House of Representatives passed House Joint Resolution 465 directing the Department to regain and retain our world markets by a vote of 212 to 208. This died in conference.

In H.R. 4515, reported by our Committee on Appropriations, we then called on the Department of Agriculture to use existing law to save the American farmer. This request, not protected by the rule, went out on a point of order.

CASH FLOW—REQUIRED ONLY BY REGULATIONS

To make bad matters worse, the Farmers Home Administration this year required the borrower to show a cash-flow—that is enough cash to be coming in to pay the farmer's cost of production, his cost of living, and to pay his past due debt. Thousands upon thousands of farmers could not do this.

Such a requirement is not required by the new farm law but is imposed by regulations issued by voice in meetings and by telephone.

Under the PIK Program, which is estimated to have cost the Government $12,000,000,000, charged to American agriculture, 11 percent of our foreign markets in reality was lost, for as they reduced, their competitors abroad increased their production.

The situation is desperate and I again call on the Government to change its policy—use the existing law to hold up the payment of interest and debt in proper cases, to sell our surplus at competitive prices in order to keep up our volume and thereby save the American farmer, our biggest industry, industry and labor's greatest customer, and the American consumer's best and most economic supplier—and normally our greatest dollar earner in world trade.

PERISHABLE COMMODITIES

Perishable commodities are largely different. Here we buy up surpluses—and attempt to keep domestic supply and demand in balance.

In addition to farmers who became bankrupt, 120 banks, largely in agricultural areas, went bankrupt last year, and an equal number is expected this year.

I hope the leadership will join us in urging the Farmers Home Administration and the executive branch to use this authority to save the farmer and thereby our country.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MILLER].

□ 1110

Mr. MILLER of Washington. Mr. Chairman, I rise in support of the Michel substitute.

Today we are presented with the majority's so-called trade bill. There are some good parts in this bill, but many parts just don't make sense.

Consider: This bill says that the President must slap a tariff on products from any country with a significant American trade surplus. This is the "hope and pray" provision. We hope and pray that when we say no to Chinese cloth they still say yes to American airplanes. The premise here apparently is: If we build fortresses of tariffs and quotas to keep foreign products out—we hope and pray our trading partners don't retaliate in kind. That doesn't make sense.

Consider: This bill allows American firms to sue their American competitors for daring to buy foreign made parts at prices lower than those set by a DC bureaucrat. That means a Northwest business that buys a foreign part can be sued by an Alabama supplier. This bill says to American businesses, "Circle your wagons! and start shooting at each other!" That doesn't make sense either.

Yes, we need to reduce the thousands of products on the export restriction list and yes, we need to protect the research and inventions of American scientists and inventors. But these good parts of the bill are surrounded by parts that could gravely damage American business.

We need to keep reducing our deficit to ease the musclebound dollar; we need to invest in basic research; we need to streamline our trade bureaucracy. These are the positive steps not in this bill that will bring both more trade and a stronger economy. That's the kind of positive approach that is included in the Michel substitute.

The goal of any trade legislation should be to open other markets, not to close ours. That may be the goal of all these tariff quota and lawsuit promoting provisions. But history and plain old horse sense says the exact opposite will be the result. Smoot-Hawley didn't work 50 years ago, and no matter how artfully packaged, son of Smoot-Hawley won't work today.

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I commend my colleague, the gentleman from Illinois [Mr. MICHEL], for recognizing that we can no longer tolerate the status quo.

For 5 years, American workers and farmers have asked for help and they have received excuses from this administration. In that period of time, Illinois, my State, has lost 105,000 manufacturing jobs. Illinois, which leads the Nation in agricultural exports, has seen those exports decline by 66 percent since 1980, from $22 billion to $7 billion.

My colleague and I have fought with this administration over the ethanol issue, and unfortunate rulings they have made which have not only hurt workers, but farmers in our State.

The minority leader, in his substitute, transfers authority to the U.S. Trade Representative. I have the greatest confidence in Mr. Yeutter, but I do not believe the substitute goes far enough.

The Michel substitute weakens a strong bill. It equivocates when we need decisive action. It acknowledges the need to address the debilitating trade deficit, but refuses to prescribe medicine strong enough to cure the patient.

It is unfortunate that the administration's steadfast refusal to address this problem has led us to the point where we need the omnibus trade bill which has been suggested.

I support that bill and ask my colleagues to join me in opposing the Michel substitute.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BRYANT].

Mr. WRIGHT. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, I rise in strong support of the trade reform legislation currently before the House, and to express my opposition to the Michel substitute. The legislation produced by the committees of jurisdiction is a responsible and comprehensive response to the trade crisis. The Michel substitute would eliminate or fatally weaken many of its most important provisions.

The administration apparently believes that the best trade policy is no trade policy. Over the last 5 years, the U.S. trade deficit has grown from $40 to $150 billion. Incredibly the United States is presently the world's largest debtor.

As a result of the trade deficit, the United States has lost an estimated 1.7 million manufacturing jobs to foreign competition. Failure to correct the administration's policy of ignoring the trade deficit would be the height of irresponsibility. We can no more grow our way out of the trade deficit than we can grow our way out of the Federal deficit. Congress must act, and H.R. 4800 is the right kind of action. It responds to immediate trade problems, strengthens the international trading system, and improves American competitiveness. Adoption of the Michel substitute would be an abandonment of those goals, in effect a vote for the status quo, and would send the wrong signal, to both the American people and our trading partners.

H.R. 4800 provides a much-needed reform of section 301 procedures. It transfers the authority to determine whether a foreign country is engaged in unfair trade practices from the President to the U.S. Trade Representative. The President must take action in cases of foreign countries' violations of existing trade agreements, unjustifiable trade practices, and export targeting. The entire procedure is subject to stringent time limitations. Section 301 was designed to be an efficient, effective enforcement tool; the committee bill ensures that U.S. companies will not continue to experience frustrations in the enforcement of section 301.

The Michel substitute does not sufficiently strengthen section 301 to make it a viable tool against unfair foreign practices. Although the substitute does transfer decisionmaking authority to the U.S.Trade Representative, it contains an enormous loophole: Whenever significant national economic interest warrants, the President may reject the U.S. Trade Representative's recommendation. By invoking this escape clause, the President can continue to control section 301 procedures and thwart the goals of U.S. industries. It effectively retains current law, which has repeatedly been proven inadequate for redress of unfair trade practices.

H.R. 4800 also strengthens and improves current section 201 procedures for import relief. Decisionmaking authority is again transferred from the President to the U.S. Trade Representative and a new emergency procedure for provisional import relief is created. The recent experience of the domestic footwear industry in filing for section 201 import relief typifies the shortcomings of the current procedure. After faithfully following the required steps, presenting overwhelming evidence of import injury, and obtaining a finding of injury, the industry was denied relief because of a Presidential veto. This would not recur under H.R. 4800.

The Michel substitute also authorizes the U.S. Trade Representative to allow a relaxation of U.S. antitrust regulations for domestic firms determined to be injured by imports, in lieu of tariffs or quotas. There is no evidence that relaxation of antitrust laws is an appropriate response to import penetration. This trade legislation is certainly not the appropriate vehicle for addressing that question. Only the committee bill ensures that section 201 will be available as a useful tool to industries in the future.

One of the most important provisions of H.R. 4800 provides a streamlined funding mechanism for trade adjustment assistance. The President will no longer have authority to intervene and determine if trade adjustment assistance should be granted. Any revenues generated by import relief granted under section 201, and by auctioning import licenses, will go into the trade adjustment assistance trust fund. The Michel substitute eliminates that provision. Workers who lose their jobs because of failed trade policy deserve a comprehensive adjustment program, free from political maneuvering. H.R. 4800, not the Michel substitute, provides workers that assurance.

Finally, H.R. 4800 directly takes on one of the primary causes of the trade deficit, the overvalued dollar. It creates a strategic currency reserve, a pool of foreign currencies to be used to intervene in foreign exchange markets to maintain competitive exchange rates. The Michel substitute merely congratulates the administration for a corrective policy that is too little too late. Congress must act decisively in this area; the Michel substitute is hardly decisive.

In sum, the Trade Reform Act is a clear signal, to both the American people and our trading partners, that the days of aimless trade poicy and mounting trade deficits are over. Now is the time for action, not rhetoric. The committee bill provides action; the Michel substitute merely more rhetoric. I urge my colleagues to reject Michel and support H.R. 4800 in sufficiently overwhelming numbers to send the same message to those on the other end of Pennsylvania Avenue who are contemplating a veto.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, the economic future of our Nation depends on our ability to fashion an effective trade policy that will preserve jobs, open markets, and knock down trade barriers. This bill, H.R. 4800, will help create employment to replace the millions of jobs we have lost as a result of a rudderless policy on trade.

This administration has been without a trade policy. While we drown in $150 billion sea of trade red ink, the administration slaps a quota on the importation of candy from Europe. While Lone Star Steel lays off thousands of workers because of unfair competition, the administration enters faint-hearted negotiations and then gives away the steel market to exceed the percentage that was the goal of the administration. While OPEC opens the oil floodgate to put domestic energy producers out of business, the administration last week lends OPEC member Ecuador $150 million to ease them over the oil crisis.

The Michel substitute is a weak-kneed handwriting answer, when we should be flexing America's economic muscle. It takes away the new tools to increase access for American goods overseas, placing discretion back in the hands of the President—discretion he has demonstrated he is unwilling to exercise. It eliminates the Gephardt amendment, the slave labor provision, the fund for America's future education and training, and eliminates the separate procedure to combat targeting.

The Republican substitute embodies the quivering cowardice of the administration's approach. Instead of charging into the fight and using the strength of the United States, the Republican substitute retreats in fear that the world may respond by saying "boo." That attitude made us a debtor Nation for the first time in 72 years.

Senator J. William Fulbright told the Nation 22 years ago, "We are handicapped by (foreign) policies based on old myths rather than current realities." The choice before the

House is one between the old myth of "free trade" that has helped make Uncle Sam an Uncle Sucker of trade and a new policy that reflects the current reality of nations taking advantage of our markets. I urge my colleagues to reject the Republican substitute and support H.R. 4800.

□ 1120

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, the trade deficit of this Nation continues at alarming levels; last year it totaled nearly $250 billion. We need to bring this deficit down but this bill is not the way to do it. In fact, it will make our international trading position even worse. This is because some Members of Congress have used this serious situation for purely partisan reasons. They claim they are interested in improving the competitiveness of the United States abroad, but what they really want is to embarrass the administration in an election year and further their own political goals even at the expense of U.S. competitiveness. I for one, and I hope a majority of the Members of this House, will not fall for their deceptive rhetoric.

Most of this bill isn't for fair trade, and it isn't for free trade. It is a jumbled, unorganized hodgepodge of almost every protectionist, special interest, and antiadministration proposal of the 99th Congress. It was assembled without regard for its total effect on this country's trading position and without regard for the international trade laws it cavalierly violates.

Our trade deficit is a serious problem, but by trying to magically legislate it away, we will only invite a worse trade problem—retaliation against our vital exports. The Democrats who drafted this bill tell us they are for jobs, that they are for fair trade and open competition. But what they are really saying is that the American worker isn't competent enough or competitive enough to compete fairly.

But our competitors will not take this silently, as indeed they should not. They will retaliate. And that retaliation will strike against the very industries that contribute the most to America's trade accomplishments in the world—high technology, and aircraft, and chemical exports. They will retaliate against those industries that can least afford it, the ones this bill pretends to help—our paper and wood products industries, agriculture, and automobiles.

But this bill does not stop at its invitation of foreign retaliation against U.S. jobs, it does not stop at its abrogation of international law. In fact, it will worsen the very causes of our current trade crisis. We have heard testimony on the trade crisis in dozens of hearings during this session of Congress, and time and time again, the experts say it is the high budget deficit above anything else that brought us to where we are today. The reduction of our budget deficit is the best trade action we can take. Yet this bill will raise our deficit. Preliminary analysis by the administration projects it will increase outlays by $6.5 billion in unnecessary, duplicative programs already authorized by four agencies.

The Democrats would have us believe that this bill is needed because the President "has no trade policy." This is the most ridiculous assertion of all. President Reagan's trade policies have resulted in market-opening measures in many of the most troubled trade areas. They have resulted in a significant drop in the inflated value of the dollar and they continue to work for truly fair trade through the improvement of America's products and the diplomatic fight to eliminate unfair trade practices around the world. It is in fact Congress that has no trade policy, because this bill is no trade policy. It is a political document—nothing more. It will worsen our trade deficit and it must be rejected.

Mr. MICHEL. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I rise in support of the substitute offered by my friend and leader, the gentleman from Illinois, [Mr. MICHEL].

The provisions of the banking title, title IV of H.R. 4800, alone are enough reasons for Members to support Mr. MICHEL's substitute. Let me tell you why.

First, the Michel substitute does not include a $25 million new, permanent bureaucracy to begin centrally planning our economy. The Democratic bill, however, does. And when the bill's sponsors tell you it does nothing of the sort, ask them to send you a copy of section 464 and see for yourself.

Farmers in our Nation's heartland, exporters on either coast, and small businesses on Main Street seeking Government assistance will all find themselves pleading before this additional bureaucracy if it is created.

Second, the Michel substitute does not encourage either more and faster World Bank lending or the creation of an unguided World Bank bank that can lend up to $5 billion without any strings attached. The Democratic bill, however, does.

Third, the Michel substitute does not create a new, redundant fund to manipulate the value of the dollar or impose congressional tinkering on the currency exchanges. The Democratic bill, however, does.

Fourth, the Michel substitute does not create a new entitlement program within the existing Eximbank bureaucracy. Instead, the Michel substitute, as President Reagan requested last year, empowers the Secretary of the Treasury to selectively target unfair trade financing practices of other countries.

A most important provision of the Michel substitute requires that a significant share of Eximbank loan guarantees go to promote exports to small, medium-sized, and minority businesses. The Democratic bill, however, does not.

Our Nation's economy does not need new bureaucracies, more Government intervention, or needless deficit spending. The Michel substitute takes a strong stand against these extremes. The Michel substitute is responsible and makes good economic sense.

I urge my colleagues to support the Michel substitute.

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

Mr. PEASE. Mr. Chairman, I rise in opposition to the Michel amendment. I think it is a good effort on the part of the minority; however, we have a better one which we ought to vote for.

Mr. Chairman, the administration opposes this bill because it sanctions action against unfair trade practices for which no international rules yet exist.

But in fixating upon the prospect of unilateral action, the administration is missing the primary point made by this legislation.

The focus of the bill is not on unilateral action. Its focus is on forceful negotiations to extend international rules to new and troublesome unfair trade practices.

The bill is not about closing U.S. markets. It is about bringing our natural leverage as the world's biggest market to bear in negotiations to improve the international rules of the game.

This bill is an attempt to legislate an assertive negotiating posture for the United States. And there is nothing in international law which prohibits tough negotiating.

That's why I like to say that this bill is not protectionism; it's an exercise in trade activism.

We require the administration to take up and press the issue of unfair trade with our trading partners. At the same time, we leave the ultimate decision as to whether the United States should retaliate to the administration. In most of the provisions in the bill, the administration can refrain from taking any action affecting trade flows if it decides this is not in the national economic interest.

Just because rules have yet to be designed to cope with certain unfair trade practices doesn't mean that the U.S. Government should stand by idly while American firms and workers are injured. Unfair trade is unfair, and we should take all appropriate and feasible action to eliminate it.

It is appropriate and feasible to play our best hand at the negotiating table.

In general, the Reagan administration has been reluctant to act of its own accord on trade. It took a tremendous demonstration of political pressure last summer and fall to bring the administration to intervene in the exchange markets and to self-initiate four unfair trade cases. Similarly, it has taken the prospect of the House approving this trade to bring the President to act on a machine tool industry petition that has been gathering dust on his desk for over 2 years.

In view of this sorry record, one can hardly expect the American people and Congress to accept on faith that the administration will aggressively press America's case on unfair trade over the next few, crucial, years. I am particularly concerned that after the election this fall—without political pressure driving its trade policy—the administration will revert to

the ideological inaction that marked its first 4½ years in office.

It is this inaction that the House bill is designed to avoid.

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Ohio, [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the Michel amendment and for one of the reasons specifically, his amendment would delete the bill's provisions which mandate Presidential action against violations of existing trade agreements and unjustified foreign trade practices.

Now, if we take that a step further, if we are not going to allow the President to put some teeth into the actions of the American trade law, that means we will continue to tolerate violations of unfair trading practices by foreign competition.

I think we should put our foot down here today. This is probably the most important vote that we will have in this Congress.

We need a national industrial policy that focuses on the industrial makeup of our country, and it must be coupled with a strong trade law that must have some teeth in it.

So I commend the legislation that has come forward, H.R. 4800. I oppose the Michel amendment.

Mr. WRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Chairman, distinguished minority leader, distinguished majority leader, and my fellow colleagues, as all of you know, in recent months I have risen on numerous occasions to assist the minority leader in reference to Contra aid, specifically the President's attempt to implement a containment policy to stop the Soviet expansionist policy.

Today I rise, however, conversely, to oppose this administration's expansionist policy in exporting American jobs to the tune, by some estimates, of 4 million jobs.

This administration's trade policies are cold, cruel, arbitrary, capricious and callous, as evidenced by a letter that I want to read to my colleagues from the U.S. Department of Commerce, International Trade Administration, signed by the director, Timothy J. Hauser, Director, Office of Multilateral Affairs, to a manufacturer in Arkansas who was concerned about the trade imbalance.

Let me quote what he says in part:

> In some cases this necessitates adjustments such as the transfer of manufacturing facilities to foreign countries where production costs, primarily labor, may be less expensive.

Our own administrative procedures are being initiated through the Department of Commerce encouraging American plants to move overseas.

That is cruel, arbitrary, capricious.

Vote against Michel, vote for jobs, vote for H.R. 4800.

They talk about Smoot-Hawley, S and H. Well, our bill is also an S and H bill; upon passage it is a slap in the face to those people who have treated us unfairly in the world markets. And when we enforce it, it is an H, a hit between the eyes.

Vote down this amendment, it is a wolf-in-sheep's-clothing amendment.

I thank the Chairman.

Mr. MICHEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in strong support of the Michel substitute as an alternative to the ill conceived provisions contained in the bill under consideration before us.

I would like to highlight three changes the substitute would make to eliminate dangerous and unworkable sections of the bill.

The substitute removes the dangerous son-of-surcharge amendment, strikes unsustainable exchange rate targeting along with an unnecessary strategic currency reserve, and deletes the deceptive fair market value provisions from the natural resource subsidy section.

My colleague from Illinois, Mr. CRANE, has been most eloquent in his objection to those sections of the bill which call for mandatory 10-percent reductions in trade from Japan, Taiwan, and West Germany. I want to thank him for his leadership on this issue.

I and my friends from agricultural States have spoken here before on the dangers this son-of-surcharge provision poses for our farm economy. We have heard from a long list of major farm organizations who object to the risks they see in this legislation. We need to heed their call.

Many of those objecting to this provision are wheat and feed grain groups. But they are not the only ones who will be affected. While we think about taking measures that bulldoze our way through the specific trade problems we have with the Japanese, we should remember that in 1985 those same Japanese bought 76 percent of all U.S. beef and veal that went to export, along with 44 percent of exported pork.

The substitute removes the dangerous son-of-surcharge amendment. I urge you to vote for the substitute.

The bill as it stands now would require the Secretary of the Treasury to establish targets for the proper value of the dollar and to maintain a strategic currency reserve to assist in intervening in foreign exchange markets.

There is not a Member in this House who has not heard the Secretary of the Treasury refuse to offer any indication where, if any place, he thought was a good point for the dollar to stabilize. Do the proponents of this bill think he is doing this just to be obstinate? He is refusing to comment because he knows that no government in the world can set and maintain a given exchange rate for its currency. The currency markets would drive us to bankruptcy if we tried to take them on.

But not only does this bill ask the Secretary to set a competitive value for the dollar, it asks him to publicize that figure and announce to all the world how he intends to keep it there. This is sheer lunacy. There would be no end to the arbitrage around the U.S. position. How long could any currency reserve, no matter how mighty, last in such a situation?

The administration has already acted on this front. The value of the dollar has fallen significantly since the Group of Five met in New York last September. And even though our allies were faced with significant new problems in their own export market, they agreed at the Tokyo summit to commit themselves to further currency stabilization moves.

Publicized currency targets are unsustainable. There is already a currency reserve making an additional one unnecessary. The substitute strikes these provisions. I urge you to support the substitute.

Natural resource subsidies are an issue that needs to be addressed, but the fair market value provisions of this bill are deceptive. I can only wonder how they would strike at ranchers leasing Federal grazing rights.

The bill's sponsors would like to tell you that their position is projobs. We have heard a lot of things these last 2 days about how concerned the sponsors of trade reform are about unemployment in America. They want to tell us that if we could only put America back on a level playing field our economy would find jobs for everyone. Let's look at what their playing field does to America.

This section of the bill would raise the price of lumber by forcing action to limit imports of Canadian softwood timber. According to an independent study done by Wharton Econometric Forecasting Associates, the resulting playing field would push 27,000 people out of the job market. For every job saved in lumber, four would be lost in other industries.

This playing field would drive up the price of a new home by more than $1,000, which according to the National Home Builders, would drive 300,000 people out of the housing market.

To enter this playing field the American consumer would have to pay $180,000 for every job saved in the lumber industry.

Twenty-seven thousand more unemployed; 300,000 without homes. This is not a playing field. It is a mine field, and I am not going to make my constituents dance through it.

The Michel substitute addresses legitimate concerns about subsidized inputs, but does not try to adjust the internal policies of foreign governments to suit our tastes. I urge you to vote for the substitute.

The substitute removes the dangerous son-of-surcharge amendment, strikes unsustainable exchange rate targeting along with an unnecessary strategic currency reserve, and deletes the deceptive fair market value provisions from the natural resource subsidy section.

I urge you to vote for the Michel substitute.

Mr. BRYANT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 139]

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

□ 1145

The CHAIRMAN. Three hundred ninety-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair would advise the Members that the gentleman from Illinois [Mr. MICHEL] has 11 minutes remaining and the gentleman from Texas [Mr. WRIGHT] has 16 minutes remaining.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SILJANDER].

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

Mr. Chairman, I rise today in strong support of the Republican substitute to the Democrat trade bill, H.R. 4800. For some time now we have heard those on the Democrat side of the aisle bemoan the U.S. trade deficit. Such lamenting has spawned a growing sentiment in Congress for protectionism. And, today, regardless of what anyone may say H.R. 4800, the Democrat bill, is nothing more than protectionism in disguise.

The Democrat bill would force the United States to violate international agreements, and mandate retaliation on the part of the United States, thereby, exposing American exports to retaliation and damaging our trade and economic interests in both the short and long run. Such mandatory action would jeopardize the 3 to 5 million jobs dependent on U.S. manufacturing and agricultural exports, and increase the cost of both domestic and foreign products in the United States.

While I support provisions that improve export promotion, I oppose the national security provisions in the Democrat bill which, if adopted, would increase the sale and diversion of high technology to the Soviet bloc.

The Democrat bill is not a "fair trade" bill, but a less trade bill. Less trade does not mean less foreign trade, or less foreign imports, but less U.S. trade, less U.S. exports overseas, particularly less farm exports! The Democrat bill is not a "fair jobs" bill either, but a less jobs bill. Simply put, opening the floodgate to protectionism as the Democrat bill would do would result in retaliation against U.S. agriculture and mean less U.S. jobs.

Not only is the Democrat bill a protectionist measure, it is a costly protectionist measure. The Democrat bill would add significantly to the budget deficit. It is estimated that the Democrat bill would result in increased outlays of $6.5 billion over the years 1987–89.

Our trade policy should be to encourage reciprocity and mutual cooperation from our trading partners, not retaliation. That is why I support the Republican substitute, a positive alternative to a negative and defeatist Democrat bill. The Republican substitute deals with the complex problems of unfair trade practices without harming U.S. agriculture exports and without increasing American unemployment.

The Republican substitute provides greater emphasis on reciprocity to remove or redress the effect of unfair trade. The Republican substitute also provides greater emphasis on opening markets, not closing them. Of great importance, the Republican substitute directs the Secretary of Agriculture to make commodities of the Commodity Credit Corporation available for bonus sales. After meeting with members of the European Parliament in January 1984, I am convinced of the need for new direction in U.S. agricultural export policy. The Republican substitute includes such language, language which will enhance promotion of

U.S. agricultural products abroad and not retaliation.

Finally, the Republican substitute provides for greater emphasis on mutual cooperation. The substitute calls for a bilateral free trade zone with Canada as well as examining the potential of additional bilateral free trade agreements with other major trading partners. At a time when the United States is experiencing many problems on the trade front, it is essential that we openly welcome and seize the opportunity to enhance, rather than restrict, trade flow between countries.

I urge my colleagues to support the Republican substitute because it provides American farmers and American business with the opportunity to compete effectively in international trade. Americans do not want to be protected from competition, they want to be part of it.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. KOLTER].

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

Mr. Chairman, I rise in opposition to the Michel amendment in the nature of a substitute.

The omnibus trade bill was designed to encourage exports, promote fair trade, and offer new opportunities to American workers who lost their jobs through no fault of their own. I think the bill, H.R. 4800, represents a step in the right direction.

By passing this bill, we make it clear that the United States will no longer tolerate unfair trade practices, but at the same time, we will still keep our markets among the most free and open in the world.

There are three provisions that were included in the omnibus trade bill that would be removed if the Michel substitute is adopted which are very important to domestic industries and their employees.

First, the substitute would remove the provision that would permit domestic industries that are injured by unfair trading practices to recover damages. Presently, any import relief is prospective only. An industry that suffers injury cannot seek compensation for damages suffered due to subsidies or dumping. H.R. 4800 would permit an industry that successfully proves that it suffered damage from dumped or subsidized goods to file suit in the Court of International Trade and seek compensation.

Mr. Chairman, this provision is very important because it would allow the victims of unfair trade practices the opportunity to seek access to additional capital for reinvestment. Many companies within industries that have suffered heavily from imports such as steel, often have a difficult time in securing access to capital for investment in more modern equipment. The provision in H.R. 4800 would provide that opportunity. The Michel substitute would deny it.

Second, the Michel substitute would delete language that was designed to combat the transshipment of steel to the United States. Under the current steel import restraint program, a country that is a party to an import restraint agreement with the United States can ship steel to a third nation that does not have such an agreement. That third country can either ship the same steel here to the United States, as if it had produced it domestically, or the third country can transform it and then ship it here. For example, steel melted in Brazil, a country with which the United States has an import restraint agreement, was being shipped to Panama and then transformed into welded tube before being shipped here. Since the United States does not have an agreement with Panama, this steel actually produced in Brazil is considered to have been produced in Panama.

If the substitute is adopted, nations that have chosen to violate the good faith in which the import restraint agreements were negotiated will continue to prevail. We must send a signal that transshipment of steel will not be tolerated. A vote for this substitute would encourage transshipment. A vote against the Michel substitute is a vote for the domestic steel industry and American jobs.

The final item I would like to mention is the most important because it is related to jobs and the future. The Michel substitute would strike the section of the bill that authorizes $1 billion to assist workers who have lost their jobs through no fault of their own. H.R. 4800 would authorize funds to assist American workers to retrain for new careers. It would provide opportunities for displaced workers to seek additional education and preparation for new jobs.

While this bill does not completely answer the question of what to do with displaced workers, it does represent a step in the proper direction. A vote for the Michel substitute is a vote to do nothing for the unemployed. A vote for the bill is a vote to try and help create new opportunities for the victims of international competition.

In closing, Mr. Chairman, I view this entire debate as a matter of leadership. A vote for the Michel substitute indicates that we should stand by and do nothing for domestic industries that demonstrate that they have been victims of subsidies or dumping. Supporting this substitute also sends a message to the displaced worker. That message is: We in Congress do not want to do anything to assist you in finding new opportunities. Simply stated, H.R. 4800 attempts to remedy many serious trade and related problems while the Michel substitute is an attempt to maintain the status quo.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. WATKINS].

Mr. Chairman, I rise in opposition to the Michel substitute and in support of the trade bill.

Mr. Chairman, I rise in opposition today to the Michel substitute to H.R. 4800 because whatever trade policy the United States has today is not working.

The current policies of the United States are, unilaterally, disarming our businesses and industries in their effort to compete with foreign countries. President Reagan would never allow unilateral disarmament of our military but has done just that by not allowing the United States to protect itself from unfair trade practice.

Think of it, Mr. Chairman: We have told our steel mills, our machine tool industries, our petroleum industry, our timber industry, that it doesn't matter if we have to import vitally needed products and manufacturing capabilities.

Six years ago, the United States was the largest creditor nation in the world and had large surpluses. Now, because of the horrendous and continually escalating imbalance in trade, we are a debtor nation for the first time since 1914! We owe more than any other country in the world. We have gone from a trade surplus position to one where the trade deficit is now $150 billion and could easily become much worse.

This must be corrected because we are not only losing jobs overseas, we are also lowering the standard of living of the citizens of the United States. We are exporting disposable income as we send manufacturing jobs and capabilities overseas.

We continue to decimate many areas of our commodities and as a consequence, the petroleum industry is today a basket case. The machine tool industry is faltering. Just this week in my district, in a county which already "celebrates" 10.9 percent unemployment, a jeans manufacturing plant closed its doors, throwing 250-plus more workers out of jobs. Because of the aggressiveness of our neighbors to the north, 4 out of every 10—40 percent—of the board feet in a new American home today are imported from Canada.

Mr. Chairman, our posture on trade—letting the imports take over the market domestically while the administration, and until now, the Congress, sit calmly by—is to the point where it is jeopardizing national security.

Mr. Chairman, we in Oklahoma, faced with a depression in the petroleum and agriculture industries, our largest income producers, are now embarked on economic development, a goal I have had since I first came to this body in 1977. A part of that diversification is the creation in Oklahoma of a Center for International Trade Development. With the cooperation of this body, we will have a center where we will teach the basic tools of international trade—languages, finance, transportation, insurance, and what else is needed—to give a leg up for those industries which wish to participate in fair and free trade. We will also have a center which can serve as a gathering place for international traders to meet and exchange ideas, goods, and services. We must move forward if we are to preserve a quality of life for our children and grandchildren as least as good as we received from our parents, Mr. Chairman.

What would this body do, Mr. Chairman, if our military capability was being eroded as badly as our trade capability. This measure may not be perfect for few creations of mankind are, however, it is a move in the right direction and it is long overdue.

No, Mr. Chairman, I cannot support the Michel substitute and I encourage my colleagues to vote aye on H.R. 4800 as amended.

Mr. WRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. BONKER], the chairman of the task force.

Mr. HERTEL of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. HERTEL of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the Democratic Members on this side are prepared to vote for this bill as it currently stands, and I ask the Members on the other side of the aisle to consider that they also should defeat this current amendment. Do not be afraid to maintain and take back American jobs; do not be afraid to strengthen the American economy; do not be afraid to vote against this weakening amendment. The American people are not afraid. They demand fair trade, and this bill will ensure it.

Mr. BONKER. Mr. Chairman, the Michel substitute contains many provisions that are in H.R. 4800. Really, we are not that far apart. But there are important distinctions. While we all agree that we need to strengthen our trade laws and improve trade procedures to deal with disputed cases, we need to do a lot more. Unlike the Michel amendment, the bill identifies new factors that constitute unfair trade practices, like export targeting and resource subsidies and international worker rights. They constitute an unreasonable trade practice that we have got to deal with at some point.

The Michel amendment also strikes many of the provisions regarding worker rights and adjustment for industries that are affected. The people who are really impacted by unfair trade in this trade deficit are the workers. We need to have important provisions in this bill that will help to deal with retraining and relocation so that we can revive American industry once again.

The Michel amendment also eliminates the Gephardt amendment. Gephardt is not protectionist. What it does is keep other countries accountable. When they rack up a huge trade deficit against the United States and they continue to engage in a pattern of unfair trade practices, that in itself is unfair trade. All Gephardt does is to place these countries on a list and will keep them accountable to the sizable trade deficits which they have with the United States. If the President finds in a certification that the imposition of any import fees would harm America's economic interests, then he can waive them. So the waiver authority gets him off the hook.

H.R. 4800 is a lot more than just beefing up our trade remedy laws. It has a lot to do with export promotion and how we can facilitate new and expanding export opportunities for American businessmen. It has a lot to do with competitiveness, how we can enhance our education, especially in areas of math and foreign languages.

I urge that the Members oppose the Michel amendment, support H.R. 4800, and make America competitive once again.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, the Michel substitute should be supported, although under normal circumstances it would be vetoed. It would be vetoed by an administration of either party. The Carter administration, the Reagan administration or any other administration will examine this trade bill from the position of the executive branch, not willing to recognize that article I, section 8, of the Constitution gives a dominant role in the regulation of foreign commerce to the Congress of the United States.

The Michel substitute is excellent legislation, taking back congressional authority for international trade and giving tougher, fair trade direction to the executive branch; it also removes Presidential discretion and mandates STR expeditions mandatory action where appropriate.

In bringing us a partisan bill to put us in a box, our Democratic colleagues have probably done us a favor, but only if we act in support of the Michel substitute. In this box, there is only one favorable and responsible exit, and it is the Michel substitute. This is a substitute, offered by the Republican leader of the House that the President cannot veto.

Mr. Chairman, the Michel substitute is a proper step.

It is, again for emphasis, one the administration cannot afford to veto. It moves us in the right direction.

I would like to say to my colleagues that while I have interest in many areas of trade, I want to emphasize what the Michel substitute does for agriculture. It strikes the Gephardt provisions. Thank God, it strikes the Gephardt provisions because they are fatal for agriculture. They invite retaliation; they ensure retaliation.

The Democrats' bill is a "slap in the face." The slap in the face is directed against American agricultural producers by the House bill. It will prompt a response from Japan and Taiwan, major markets for American agriculture exports.

Those provisions in the House bill that are pro exports and pro agriculture are also contained in the Michel substitute. They deserve to be there. It is important, my colleagues, that we put this in the proper context. A vote for the Michel substitute is a vote for agriculture. A vote for the Democratic alternative is a vote against agriculture. It is unintended, but it will certainly cause retaliatory steps against American agricultural products.

As a Member who represents a congressional district heavily dependent upon agriculture and agricultural exports, the Michel substitute is clearly the better of the two trade bills that we have before us today.

Both bills have protrade provisions. But one trade bill is inconsistent, fatally flawed and downright dangerous when it comes to agricultural trade. The omnibus trade bill marches in two directions at the same time. While some of its provisions would effectively remove impediments to effective, fair trade and move us forward, other mindlessly macho sanctions in the omnibus trade bill will destroy, by certain retaliation, what important markets we have remaining in agriculture.

I would point out that the Michel substitute contains virtually all of the positive protrade, proagricultural provisions that are contained in the omnibus trade bill. Both bills would require the Department of Agriculture to establish long-range trade strategies for promoting U.S. agricultural exports. Both bills give more authority to the Department of Agriculture to marshal resources, promote exports and develop new markets. Both bills would expand the Export PIK Program to include and reward countries that have been traditionally good customers of the United States. Both bills place emphasis on the importance of quality of our agricultural exports, especially grain exports. Both bills address the problems faced by the ethanol and livestock industries from unfair foreign competition.

These provisions, to name only a few, will create a sound policy and provide new direction for increasing U.S. agricultural exports. However, the Michel substitute does not contain the negative antiagricultural trade baggage which will invite retaliation by the very trading partners that American farmers and agribusiness firms sell to overseas.

Over the past 15 years, the United States has lacked a definite agricultural export policy. This trade bill gives us the opportunity to establish a strong and consistent policy for promoting U.S. agricultural exports. The omnibus trade bill is a step backward, particularly the Gephardt and Pease provisions. Like the Carter grain embargo and protectionist acts of the past, it will be the farmers and agricultural producers of this country who will pay for the folly and partisan message this bill is set to deliver.

Last year, during the debate over the 1985 farm bill, many of my colleagues could not understand the high cost of that farm bill. Part of the answer lies in the fact that our agricultural exports have declined over the last several years. The history of agriculture shows that the only time we have had prosperity in agriculture has been during periods when there was growth and development of new markets—especially foreign markets—for our agricultural commodities.

Make no mistake about it; the vote on the Michel bill today will be one of the key agricultural votes of this Congress. A vote for the Michel substitute is a vote for agriculture and increased agricultural exports. A vote against the Michel substitute or for the House bill is a vote to reduce agricultural exports and reduce farm income at a time when we can least afford it.

As political campaigns and rhetoric begin to heat up this year, many will point the finger of blame at the Republicans for the state of our

agricultural economy. I think it should be made clear today on the floor of this House who seeks to build and expand our foreign markets for U.S. agricultural products and who would unintentionally, but surely, take away our foreign markets.

When the omnibus trade bill is vetoed, as this one surely will be vetoed, what will we have accomplished? The answer is absolutely nothing. The trade problems of this country are too important and too critical for Congress to use as a political football. We do need action and the Michel substitute will bring that action. The people of my State want tangible results in the area of trade, not political rhetoric.

We, who serve in this Congress, have a responsibility to act responsibly. Unless we adopt the Michel bill, this House will be abdicating its responsibility for political gamesmanship.

The trade deficit of the United States is a serious problem that concerns all of us, but let's not make it worse by giving away what markets we have left for our agricultural products. That's what the omnibus trade bill will do.

Americans, especially farmers, have suffered enough from the foolhardy trade policies of the past. These are policies of administrations of both parties. They have already paid the price of protectionism and they cannot afford to pay again by losing additional foreign markets.

For all who are concerned about the agricultural economy of this country and increasing agricultural exports, I would strongly urge you to vote for the Michel bill and save our agricultural export markets.

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Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. GIBBONS] the chairman of the Trade Subcommittee of the Committee on Ways and Means.

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

Mr. Chairman, I just want to call to the attention of the Members that yesterday we had a key vote. On that key vote, some 98 Members sitting over here to my left voted against Frenzel II. The amendment of the gentleman from Illinois [Mr. MICHEL] is just like Frenzel II.

So if you want to be consistent, you will vote against Michel because yesterday you voted against Frenzel. The amendment of the gentleman from Illinois [Mr. MICHEL] does exactly what Frenzel II attempted to do yesterday in which 98 of you voted against it.

If you have forgotten about how you voted, I will leave the record of the vote right here on the table for your inspection, and I am sure you can get it back at the Clerk's desk here.

This is a good bill. I hope we will stay consistent to policy. Stick with the committee bill.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. KOLBE].

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

Mr. Chairman, I rise today in support of the Republican substitute, H.R. 4830.

Mr. Chairman, last Monday, I had the opportunity to address this matter before a small business group, and I would like the text of that speech inserted in the RECORD.

I am pleased to be able to speak before you today on a timely subject of interest to me and of great significance in the 99th Congress. This week a comprehensive trade package, H.R. 4800, is being considered by the full House. I believe that the general thrust of this bill—put forward in a blatant effort to capitalize on public fears—is dangerously protectionist and an extremely misguided attempt at solving greater underlying problems. With the trade deficit increasing monthly, we are hearing the sound of protectionist trumpets as rarely before. I'll come back to the specifics of the trade bill in a few minutes. First, however, we need to understand why trade—fair and unfettered trade—is important to Arizona.

There can be no dispute that international trade is of growing importance to Arizona. We have ready access to Mexico and Central and South America and we have thriving high technology firms that do business in the Orient. In a recent study, the Arizona Department of Commerce found that Arizona firms exported at least 2.2 billion dollars' worth of goods and services last year. That translates into 50,000 jobs for our families and neighbors. The Department says that this is a very conservative figure and that the actual number could be double. Also, and of great importance to those assembled here today, $461 million of that $2.2 billion was generated by firms of 100 people or less. Thus, it is evident that trade doesn't just affect the multinational megacorporations. There are hundreds of companies of every size in Arizona making millions of dollars and providing thousands of jobs, all dues to trade with other nations.

Unfortunately, the Arizona success story is not evident in all areas of the country or in all sectors of the economy. The trade deficit last year hit a record $148.5 billion; through this past March it was already up to $14.5 billion. The so-called rust belt manufacturers in the Midwest, the farmers and the textile industries in the South are examples of whole sectors of the economy reeling from an onslaught of foreign competition.

There are several reasons for the massive trade deficits of the past several years. The most notable being the inflated U.S. dollar of the early 1980's. Because of this artificially strong dollar, foreign currencies have been cheaper and American goods have not been price competitive. Furthermore, during this same period, the economies of Western Europe have been relatively stagnant, so those countries have not been buying as many finished goods from us. Because investment opportunities in Europe have been less attractive, capital has flowed out of Europe, much of it to this country. As a result, between 1982 and 1984, both the trade account, which is trade in manufactured goods, raw materials, and agricultural products, and the current account balance, which includes investment and services, have deteriorated; the latter declining by nearly $23 billion.

The same can be said of Japan's domestic economy as of Europe's. Their export economy may be flourishing, but their domestic economy is sluggish. Also, the savings rate in Japan is so high that its huge capital surplus is exported, mostly to the United States.

The interrelationship of world economies definitely affects our economy. Our interest rate and inflation rate are low at the present time, which keeps the dollar high in value. This means exports are more expensive, so there is less exporting.

Another macroeconomic problem is related to the lesser developed countries. These nations, such as those in South America, have cut imports ruthlessly and pushed exports in a desperate effort to earn dollars to service their external debt. In the late 1970's, these countries had been the United States' fastest growing export market, but from 1982 to 1984, our trade balance with them deteriorated by $34 billion; an enormous boon for them, but a disaster for us. Granted these countries need to sell their wares if they are ever going to emerge from their debt crisis, but the United States has been forced to shoulder too much of this burden in comparison with the European Community and Japan.

Because of the dramatic change in the trade patterns, and the resulting dislocation it causes for some industries and States, the sentiment for protectionist legislation has been gaining momentum in recent months. I am, quite frankly, alarmed by this protectionist trend. I firmly believe that history has taught us an inescapable conclusion: The freer the flow of world trade, the stronger the tides for human progress and peace among nations. Free and open markets produce jobs, a more protective use of our national resources, more rapid innovation, and a higher standard of living.

Chrysler automotive president Lee Iacocca, whose own industry has been one of the hardest hit by foreign competition, once candidly admitted, "If you don't go to the lowest cost source, you're an idiot." This is one of the most essential arguments against protectionist policies. It is an economic fact that American consumers pay for protectionism through higher prices for both imported and domestic products.

I would like to take a couple of moments to dispel some myths that the protectionist claim justify their position. First, it is demonstrably untrue that imports drag down the American economy, depressing employment, especially in manufacturing. In reality, employment in the United States has increased dramatically in recent years, an increase that far exceeds Japan and Europe combined. The United States has added 8 million jobs in the past 5 years, while Europe has been treading water. Furthermore, U.S. industrial production has hit all-time highs in each of the past 2 years. Even the number of manufacturing jobs—where the loss is supposedly most profound—has remained steady at 19 million since 1970.

Protectionists claim that trade barriers are the best way to save U.S. jobs, yet the facts illustrate that protectionist actions actually cost more jobs than they save. Let me cite

one example. If the United States had imposed a 15-percent import quota on steel in 1984, as the steel industry sought, 26,000 steel worker jobs could have been saved, but, only at the expense of 93,000 jobs in steel-using industries. Higher prices for protected domestic steel would have made American automobile and durable-goods products less competitive and considerably more expensive for you, the consumer.

I'll let you in on a little secret. Protectionism is actually nothing more than a welfare program for American industry, and an incredibly inefficient welfare program at that. A Government spending program in which the benefits delivered to recipients amounted to only 50 or 60 percent of the costs would be criticized as shamefully wasteful. Yet, in the case of protectionism, the typical increase in prices paid by American consumers far exceeds the total wages of the jobs that are saved. Protectionism is a political delight because it delivers visible benefits to the protected parties while imposing the costs as a hidden tax on an unsuspecting public through higher prices at the cash register.

Having said all that, I want to emphasize that by definition, free trade is fair trade. If the international trading system is going to work, all involved nations must abide by the rules and work to guarantee open markets. When domestic markets are closed to the exports of others, it is no longer free trade. When France subsidizes its farmers so that they can dump wheat in Egypt, that is not free trade. When governments permit counterfeiting or copying of American products, it is stealing our creativity, and it is no longer free trade. When governments subsidize industries for commercial advantage and underwrite costs, placing an unfair burden on competitors, it is no longer free trade. When Chile and Zaire underwrite the costs of their copper mines and no environmental restrictions are imposed, that is not fair competition for Arizona's mines. The administration and the Congress of the United States should not stand by and watch American businesses fail because other nations do not play by the rules of international trade.

With prodding from Congress, this administration has begun to attack unfair trading practices. Last fall, for the first time in history, President Reagan began requesting that the U.S. Trade Representative, Clayton Yeutter, initiate unfair trade practice investigations. These cases have ranged from an investigation of a Korean law that prohibits fair competition for United States insurance firms to a Brazilian law which restricts the sale of United States high technology products to Japanese restrictions on the sale of United States tobacco products. The Banking Committee, on which I serve, has also voted to give Treasury Secretary Baker a $300 million war chest to fight unfair government subsidization of trade. When France—the most notorious practitioner of this abuse—undercuts the world market price for wheat in making a sale to Egypt, our wheat growers will be able to come to Treasury and tap this war chest to match the French dollar for dollar. The objective, of course, is to convince France that it doesn't pay to engage in this kind of unfair government trade subsidies.

Secretary Baker has also announced a plan to promote economic growth in foreign countries, especially the less developed countries. The intent is twofold; to reduce these nations' monstrous, growing debt, and to open up these markets for U.S. imports. Also, the administration helped finally get the industrialized nations of the world to sit down at the bargaining table this year to renegotiate the General Agreement on Tariffs and Trade [GATT] which has governed international trade for 24 years. The administration intends to press GATT members to reduce trade barriers in agricultural products, services, technologies, and investments, as well as a faster procedure for investigating and settling disputes. This is of special concern as some cases have been known to take 15 and 16 years before being settled. Such a delay is completely unacceptable.

Unfortunately, however, there are many in Congress who feel that these actions have not gone far enough and that brings us back to the trade bill, H.R. 4800, does not stop at simply reducing trade barriers; it creates them. It's not as if we didn't have a precedent for what we are doing. We need only go back 56 years in history, to the enactment of the infamous Smoot-Hawley Act to get a whiff of the consequences of this kind of legislation.

The time was 1930. This Nation was coming off a turbulent but largely prosperous decade following World War I. But agriculture was sick—as sick as it is today. And the stock market had virtually collapsed a few months before, throwing the financial markets into turmoil. The initial proposal, however, was a modest one: to give some protection and stability to agriculture. But once the door was open, there was no stopping the demands of Senators and Congressmen who wanted to protect various industrial sectors. The result was a bill that erected massive tariff barriers and brought international trade to a virtual standstill. The results were disastrous. At the mimimum, the Smoot-Hawley Tariff Act exacerbated a declining world economic situation. The act immediately triggered foreign retaliation on U.S. exports, and world trade declined precipitously. Between 1929 and 1932, the value of world trade dropped from $66.6 billion to $26.3 billion, while total U.S. trade plunged from $9.5 billion to only $2.9 billion. By 1934, with chaos across the global landscape and Adolf Hilter in power in Germany, the act was amended to reduce or eliminate most of the tariffs. But it was too late. Recovery only came 6 years later with the beginning of another world war.

I am not predicting that adoption of the current trade bill will lead to another depression, but I do believe that history illustrates both the dangers and ineffectiveness of protectionist legislation. Have no illusions about it: H.R. 4800 is protectionist in nature. Among the provisions in H.R. 4800 that invites—nay demands—foreign retaliation is one, proposed by Representative GEPHARDT, that would force the President to negotiate trade agreements with host countries that maintain large trade surpluses with the United States and other nations. In those negotiations, the President would have to achieve annual 10 percent reductions in those surpluses or be mandated to institute tariffs and/or import quotas to reduce the surpluses. Retaliatory consequences would inevitably follow. The best hope we have for raising our standard of living is to expand our overseas markets. But this isn't going to happen if the doors on our huge foreign markets—China, Brazil, and Mexico—are closed in reaction to protectionist legislation enacted by our Government. Furthermore, these foreign markets would then have an adequate rationalization for their own export controls, something they lack now. A trade war would also choke off economic growth worldwide and seriously strain international relations, impairing the stability of the international financial and trading systems.

The bill would also penalize countries that violate internationally recognized standards such as child labor laws and collective bargaining rights. This will be sure to provoke retribution, and I do not believe it is the United States' place to set minimum wages in other countries.

There are provisions of H.R. 4800 which are sound and badly needed. These are the protection of intellectual property rights, the reauthorization of the Export-Import Bank, and a section that would codify the Baker plan to increase World Bank and private bank lending to debt-ridden LDC's. Much of this lending would be tied to the opening of these markets to U.S. imports. This provision includes an amendment that I introduced that would keep countries that subsidize products that are in world oversupply from receiving loans. But unless the rule under which we debate this bill allows an opportunity for amendments, those of us who favor free and fair trade will have no alternative but to vote against it.

I do not support lying back and doing nothing, however. First and foremost, the value of the dollar must continue to decrease. There has been a 26.6-percent drop in the last year, so we are on the right track. It will make our exports more attractive to overseas buyers, and help control the Federal deficit. We must continue our attack on unfair trade practices through section 301 of the current trade law. This section allows the President to retaliate if an offending country refuses to negotiate. The administration must work to include the service industries, investment, and intellectual property in any trade agreements. As to the service industries, let me make a quick point. As a nation, we must realize that we are undergoing a structural economic change—from an industrial based economy to one that is service based, and no legislation will be able to halt this. If we are going to succeed in the world market, we must recognize this. We must also provide for those workers who will be displaced by this transition, but that can be done by job training and incentives for industries to offer credits for higher education.

In conclusion, it is wrong for American workers and American businesspeople to bear the burden imposed by those who abuse the world trading system. I know that American business has never been afraid to compete. I know too that when a trading system follows the rules of fair trade, American business is the most innovative, efficient, and competitive in the world.

The United States must insist that all nations face up to their responsibilities of pre-

serving and enhancing free and fair trade everywhere. We do not want nor can we afford a trade war with other nations; we want and need other nations to join us in enlarging and enhancing the world trading system for the benefit of all. We do not dream of protecting America from other's success; we seek to include everyone in the success of the American dream.

Mr. MICHEL. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. CRANE].

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

Mr. Chairman, last might I had a troubled sleep. Perhaps it was the heat-oppressed brain that was the consequence of listening to much of the debate that went on yesterday on this bill. As a result, I dreamt, I tossed and turned, and last night in my dreams I saw a strange constellation of historic figures.

In that dream, I saw former President William McKinley seated comfortably next to former President Herbert Hoover. There was Representative Halley and Senator Smoot. But also in that dream was Samuel Gompers, former head of the AFL, and he was seated next to Grover Cleveland, one of our great Presidents.

Before them was a heavenly C-SPAN television, and they were watching the activities here on the floor of the House. Every time they heard an advocate get up and defend H.R. 4800, calling for erecting tariff barriers and protectionism, there was President McKinley and President Hoover, Mr. Halley, Mr. Smoot applauding vigorously. Every time they heard someone get up and defend free trade, breaking down tariff barriers, promoting aggressively the expansion of exports and guaranteeing in the process jobs and lower consumer prices and a higher standard of living for one and all, Mr. Gompers and, simultaneously, Grover Cleveland were cheering.

Then, all of a sudden, they looked puzzled, because they discovered in the course of the debate on C-SPAN that the defenders of protectionism, high tariff barriers, reduced exports, loss of jobs, higher consumer prices, and a lower standard of living were not the representatives of Mr. Gompers party or Grover Cleveland's party. Simultaneously President McKinley and President Hoover were a little startled also over the role reversal that had taken place. It was as if the two parties had caught one another skinny dipping and they mutually made off with one another's clothes.

Mr. Chairman, the point I would like to make is that the thrust of the Michel amendment and what the Republican side has attempted to do is to put pressures on foreign trading partners to expand markets worldwide, not to contract markets.

I submit to you, Mr. Chairman, the thrust of H.R. 4800 is to put tariff barriers up in retaliation against those that have been obdurate in our efforts and importunities to get them to expand their markets, and to retaliate by putting the walls up.

The end consequence, I can assure you, Mr. Chairman, will be that we will have restricted markets worldwide; that we will have less opportunities to export our goods, and, most especially, any of you from agricultural States, be assured that that which is our biggest single worldwide export is going to suffer if H.R. 4800 becomes law.

I urge all of the Members to get behind the Michel substitute. It is in the interests of Democrats and Republicans alike. Free trade, a higher standard of living, more job opportunities for one and all.

Mr. Chairman, the goal of trade reform should be to increase trade and export opportunities for U.S. products in foreign markets. The emphasis should not be to restrict imports in an attempt to protect domestic industries, but to expand worldwide trade. Restricting imports has proven historically unsuccessful; that is, Smoot-Hawley, yet the thrust of H.R. 4800 is to do just that, limit imports coming into this country.

Several of the most offensive provisions contained in H.R. 4800 that are aimed directly at imports are:

First, the Gephardt provision, which would mandate retaliatory action against countries that are guilty of nothing more than successfully exporting their products.

Second, the Pease provision, which puts the United States in pious judgment of every other country in the world. Those countries that fail to meet the arbitrarily defined human rights standards would then face immediate action against their exports.

Third, the Guarini provision, which would incorporate a section 201 injury test for the sole purpose of making targeting easier to take action against, would also mandate retaliation in cases where there is a positive finding.

These are only a few examples, but interestingly, they will amend the section of the existing trade statutes that is aimed at market access. Clearly these aforementioned provisions will do nothing to gain market access. In contrast, not only will they limit trade by reducing imports, but they will surely reduce U.S. exports when the affected foreign countries retaliate. Thus, this great Democrat trade reform package will not benefit the United States, but instead, it will cost American jobs, burden the American consumer, destabilize the rebounding economy, and drive inflation back up into the double digits.

Rather than a less-trade bill as H.R. 4800 has been dubbed, the Republican alternative is progressive trade reform. It's objective is to open markets and expand trade by using the trade remedies as leverage to bring about negotiated settlements. Using the section 301 provisions as an example again, by mandating penalties you have taken away the incentives to open markets through negotiations. Greater market access is the ultimate goal of section 301, and this cannot be achieved in a hostile environment where mandated penalties are ubiquitous.

Some Democrats have also been arguing that the administration has not been enforcing the existing trade laws, and therefore, tougher laws are necessary. A look at the facts will prove otherwise. The Reagan administration has been the first to self-initiate section 301 investigations, and to date, it has also used section 301. to successfully gain greater market access in Japan, Korea, Taiwan, and the EC, to name a few. Yet, the Republican alternative will encourage greater use by transferring the authority to the U.S. Trade Representative and reducing the timeframe for decisionmaking.

The argument that H.R. 4800 is fundamentally protectionist is further strengthened when one looks at its negotiating authority section in comarison to the Republican alternative. Allowing only 2½ years, with the possible extension of 2 more years, to conclude a new round of multilateral trade talks is more likely to ensure failure than help produce satisfactory results under a continuing process. Our alternative, by contrast, allows 8 years with a possible 2-year extension.

In addition, the Republican bill does not contain the exclusion of a specified list of import sensitive products. This provision was added to H.R. 4800 to satisfy purely parochial concerns. Sensitive products always receive special treatment during negotiations, but to exclude certain groups automatically is to make others bear all the tough choices and to further undermine the success of the negotiations.

Before we pass legislation aimed at restricting imports into the United States it would be wise to remember that the United States is also the world's leading exporter. H.R. 4800 will put our exports in jeopardy and then all we will have is less worldwide trade.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the chairman of the Committee on Ways and Means, the gentleman from Illionois [Mr. ROSTENKOWSKI].

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

Mr. Chairman, I must oppose the Michel substitute—not because it's bad trade reform, but because it's not good enough.

It is neither as comprehensive nor as effective as the main bill. It's major weakness is its lack of muscle in confronting unfair trade practices abroad.

The substitute is not evenhanded in its promotion of U.S. interests. It provides reforms for some constituents, while other industries and workers are ignored.

Perhaps most glaring is the gross contradiction of its stated antiprotectionist theme. Of the 16 provisions in titles I and II cited by the administration as "the most unsupportable and GATT-illegal"—the Michel substitute contains eight in either identical or similar form.

The minority can't have it both ways. First you attack the omnibus bill

as sullied by partisan protectionists. And now you see fit to pick and choose those so-called protectionist measures that are convenient to your ends.

But there's a much larger question raised by the Michel substitute—and that's the temper and range of congressional participation in U.S. trade policy.

If we begin with the assumption that our trade policy is not in sync with the new realities of world economics, then it follows that something ought to be done. The administration clearly opposes any congressional meddling in trade affairs.

And to that end, it has done what it can to stymie the legislative process. It virtually refused to discuss trade matters with committees—other than to defend the status quo in the face of mounting deficits and unfair practices.

At first Ambassador Yeutter seemed receptive to negotiations. But that quickly changed. In his only appearance during Ways and Means Committee hearings and markup, he cautioned Congress not to "endanger" the President's Trade Action Program.

Failing to deter ours and other committees from acting, the next tactic was to brand trade reform as purely partisan—as if unfair trade practices only struck industries and workers in Democratic districts.

The divisions on this floor are as artificial as they are regrettable. They belie the frustration we all feel over administration intransigence. We don't want to fight. We want to see our trade policy adjusted to meet challenges from the rest of the world. That won't happen unless we're all willing to compromise—to meet halfway. And I think that can happen—and I think it can happen this year.

I hope the final vote today will prove to be more bipartisan than the administration believes—if no more than to declare our collective opposition to the status quo.

I think there's a reasonable chance that the Senate will act on trade reform in the fall—and that we can go to conference—that we can arrive at an agreement that the President can sign.

It's easy to bury trade reform under a welter of partisan attacks. It's much more difficult to forge a bipartisan compromise on an issue that we all know must be confronted.

The Michel substitute falls short of that compromise, it is in my view an incomplete response—but it may be a mark from which our Republican colleagues can seek to work with us as the legislative process continues. Building a consensus for a new, more realistic trade policy is our only hope if we want to compete in this brave new world of international trade.

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Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Chairman, I rise in strong support of the Michel substitute.

It is a tougher bill, if you look at sections 301 and 201, it is certainly very tough on dumping, and it certainly provides a new and more appropriate fast track to resolve trade disputes.

It is not a bill in the extreme. It is a substitute that does not include the Gephardt amendment and the Pease amendment. It is a bill that is much more favorable to agriculture, with its export bonus program and its addition of new countries into the program.

Just look at the escape clause, section 201 of the Trade Act, the retaliatory authority, and section 301 of the Trade Act. The dominant thrust of H.R. 4800, the Democrat bill, is to protect the U.S. market against imports under a variety of dubious circumstances. It ensures thereby, with these restrictions, driving up of consumer prices, and certainly an effort to shrink the pie, to give us fewer choices.

If you want to call the majority bill a trade bill, I agree. It trades rural jobs for urban jobs; it trades new jobs for old jobs. Cooperatives, ag machinery equipment suppliers and manufacturers, meat packing plants and processing plants across the Midwest have closed and their laborers have taken wage adjustments.

Or you could call it a trade pill and not a trade bill, for if you lost $1 billion in ag exports, you lose 30,000 to 35,000 jobs from the farm to the grocery store.

I ask my colleagues to take a good look at a reasonable substitute, the Michel substitute, and recall as they vote on this substitute and on final passage their individual votes on the Textile Protection Act and on the domestic auto content bill. That will, with those three votes, demonstrate to their constituents what their commitment is to free, fair, and open trade.

I thank the gentleman from Illinois [Mr. MICHEL] for the great work that he has done on this substitute.

Mr. MICHEL. Mr. Chairman, we have only one more speaker remaining on our side.

Mr. WRIGHT. Mr. Chairman, we have one more speaker on this side.

The CHAIRMAN. The gentleman from Texas is supposed to close.

Mr. MICHEL. As the author of the amendment, would I not have the prerogative of speaking last?

The CHAIRMAN. No, the gentleman in opposition does.

The gentleman from Illinois [Mr. MICHEL] has 4 minutes remaining.

Mr. MICHEL. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Minnesota [Mr. FRENZEL], who serves with such distinction on the Committee on Ways and Means, and particularly on the Subcommittee on Trade.

Mr. WRIGHT. Mr. Chairman, if the minority would like to close debate, with the consent of the Chair, I would be perfectly willing for that arrangement to apply, if it is the desire of the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, I appreciate the courtesy of the gentleman, and that would be our druthers, if the gentleman is amenable.

Mr. WRIGHT. Of course.

The CHAIRMAN. The Chair recognizes the distinguished gentleman from Texas [Mr. WRIGHT] for 7 minutes.

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

Mr. Chairman, we must reject the substitute and pass the bill. I hope we can pass it by an overwhelming bipartisan majority. Ninety percent of the provisions contained in this landmark legislation are truly bipartisan in character. Four of the six titles in the bill were reported unanimously by their respective committees. This is a congressional initiative of which all of us can be proud.

The Michel substitute seeks to rejoin the debates we settled yesterday, most of them by truly decisive margins. It renews the question of whether America has the right to insist in simple fairness that other nations treat our exports exactly as we've been treating theirs all along. I say we do have that right. The American people are demanding that Congress assert that right. The Gephardt amendment affirms that right and makes it a reality. It levels the playing field. It makes reciprocal trade truly reciprocal and free trade an open, two-way street. The substitute would strike that Gephardt provision.

The Michel substitute would strike the requirement that our President must act when clearly discriminatory policies on the part of other countries close markets arbitrarily to American goods, close our factories, and shrivel away the opportunity of American workers.

The substitute would wipe out all reference to cutthroat competition based on human exploitation—on slave labor, on child labor, on starvation wages. Yesterday we rejected the blinders that would avert our eyes from these cruel forms of unfair trade discrimination. We must reject those blinders again today.

Hundreds of thousands of Americans thrown out of work in midcareer by the tidal wave of imports need job training to compete with the new realities in the marketplace. The bill provides that training to hone and

sharpen the skills of the American workers. The substitute eliminates it.

This is a bill in which all of us, Republicans and Democrats alike, can take pride. Its thrust is positive, not negative. It aims not to punish imports but open markets for American exports. Its purpose is to make America competitive once again in world markets, to restore the label "Made in the U.S.A." as a symbol of quality and value throughout the world.

The feeble efforts of a few to label this bill as protectionist have met the resounding rejection they intellectually deserve. This bill is antiprotectionist. It provides incentives for other countries to abandon the protectionism they currently practice against American goods. It doesn't close markets, it opens them.

For years American industry rode the waves of healthy, comfortable trade surpluses. We were able to ignore the deliberate trade restrictive devices of other countries. American workers thrived, their families bought automobiles and sent their children to college. Then the tides of trade began to turn. The open avenues of commerce that once spawned new companies began to close American plants. One bedrock industry after another has closed its factories, many to open in other countries. Hardly an American community remains unscathed.

The trade drain is gnawing like a cancer at the vital organs of the American economy; only 6 years ago we had a healthy trade surplus; this year, we're running a $150 billion trade deficit, the largest in historys; 4 years ago we were the world's biggest creditor nation; today, we're the world's largest debtor.

Translate that to approximately 4 million American jobs—4 million workers whose livelihood has been jerked from under them and sent overseas—to an eroding industrial base, a declining economic growth rate, an America potentially less secure, and a shrinking opportunity horizon for America's youth.

We must not settle for that. America can do better than that. The public looks to Congress to provide the leadership. We need to launch a purposeful plan to reindustrialize America, modernize our plants and methods, improve our productivity, and restore the cutting edge of America's productive genius.

With your help, and the help of Members on both sides of the aisle, we can restore America to its rightful role. I ask your vote against the substitute and an overwhelming vote in support of this bill.

Mr. MICHEL. Mr. Chairman, I yield the balance of our time to the distinguished gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, we have come to the end of the trade bill for all practical purposes.

We now must make the choice between the Michel substitute and the committee bill.

You have already heard that the Democrat bill was assembled by the majority leader in a partisan manner. Probably he and the committee chairman did not intend it that way, but that is what happened. The administration certainly tried to work with our committee, but its leadership was not interested.

Incidentally, because the administration has been accused of being inactive, I insert here a list of administration trade policy actions of the past 9 months. I believe it is impressive.

Mr. Chairman, as a part of the President's trade policy announced September 23, 1985, the administration has:

Taken the unprecedented step of self-initiating section 301 unfair trade cases on:

Brazilian informatics market and investment restrictions, September 13, 1985;

Korean fire and life insurance market restrictions, September 13, 1985;

Japanese market restrictions on tobacco products, September 13, 1985;

Korean lack of protection for intellectual property rights, October 16, 1985.

Self-initiated for the first time a section 305 investigation to gather information on the potential trade barrier posed to U.S. meat exports by the proposed EC third country meat directive, March 31, 1986.

Initiated the first case ever brought under section 307, initiating an investigation of Taiwan's automotive export performance requirements, March 31, 1986.

Achieved a negotiated resolution on the issue of Japan's market restrictions on leather and leather footwear December 20, 1985. Japan agreed to compensation through reduced tariffs worth $236 million in increased market access and the United States will impose prohibitive tariffs on $24 million of Japanese leather exports to the United States.

Announced a GATT subsidies code case against European Community wheat export subsidies, October 16, 1985.

Secured market-opening concessions from Taiwan on tobacco, wine, and beer in response to the threat of a 301 case, October 16, 1985.

The administration has formed the President's Strike Force on Trade, chaired by Commerce Secretary Baldrige, to identify specific trade barriers which may require further action. To date, the strike force has:

Recommended to the Economic Policy Council in November 1985 that the U.S. Government initiate an antidumping investigation on 256K DRAM [Dynamic Random Access Memory] and above semiconductors from Japan. The U.S. Government self-initiated the antidumping investigation December 6, 1985. This is the first antidumping investigation December 6, 1985. This is the first time ever that the Department has self-initiated an unfair trade investigation outside an established program such as the steel trigger price mechanism. The International Trade Commission found preliminary injury, 5–0, on January 22, 1986. The Department of Commerce announced preliminary dumping margins on March 13. A final dumping determination is expected by May 30.

Recommended to the Economic Policy Council in January 1986 that the U.S. Government undertake informal consultations with Airbus governments—France, Federal Republic of Germany, United Kingdom—to contain or eliminate unfair trade practices on current and future Airbus programs. The first round of discussions took place March 20–21 in Geneva. As the issue remains open, a second round of discussions will take place in June.

Recommended to the Economic Policy Council that a comprehensive strategy for dealing with unfair intellectual property rights practices be undertaken. This strategy, announced April 7, 1986, includes: A legislative initiative; intensified bilateral pressure through consultations, possible denial of GSP benefits, and possible 301 cases; heightened multilateral efforts; and an administration policy statement on intellectual property rights.

The working group level of the strike force is considering many issues, some of which are being developed further. These issues will be forwarded to the strike force over the next few weeks.

We have moved to resolve four disputes with the European Community:

We have reached agreement with the European Community under the President's steel program which provides for voluntary restraints on most European steel exports to the United States through September 1989. To remedy the problem of diversion by European Community exporters from licensed products to semifinished steel, as of January 1, 1986, the United States imposed quotas on imports of European Community semifinished steel.

In December 1985, we negotiated resolution of the European Community canned fruit case, obtaining a European Community commitment to reduce its production subsidy by 25 percent by July 1986 and eliminate it entirely by July 1987.

Following the failure of the United States and the European Community to reach a solution on the citrus problem by the agreed October 31 deadline, on November 1 the United States imposed duties of 40 percent ad valorem on European Community-origin pasta products not containing egg and 25 percent ad valorem on European Community pasta containing egg. We have, however, continued to discuss this case with the European Community and would prefer a negotiated solution which would enable us to put this case behind us.

On May 15, 1986, announced a specific response to new European Community restrictions on U.S. grain and oilseeds exports to Spain and Portugal as a part of the terms under which those countries joined the European Community in January 1986. In response to the European Community's quotas on U.S. agricultural exports to Portugal, the United States will impose quotas on certain agricultural products from the European Community: White wine valued over $4 per gallon, chocolate, candy, apple or pear juice, and beer.

These quotas will be adjusted to mirror the trade losses caused the United States by the European Community's restrictions. With respect to the variable levy imposed in Spain, announced that in 30 days the United States will withdraw tariff "bindings"—GATT agreements not to raise tariffs above a certain level—and increase those tariffs if the European Community does not provide adequate compensation by July 1.

On the bilateral/multilateral front, we have:

Welcomed Canada's initiative for a possible bilateral free trade arrangement and have begun discussions on Canadian softwood lumber imports.

Secured agreement of our GATT trading partners to establish a preparatory committee for a new round of multilateral trade negotiations. We expect the round to be launched at a meeting of trade ministers scheduled for September 1986.

Undertook market-oriented sector-specific [MOSS] discussions with the Japanese in four areas: Telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. Major problems related to implementation of Japan's new telecommunications laws as well as the radio wave law have been resolved. In the medical equipment and pharmaceuticals area, agreement has been reached in most of the contentious areas including acceptance of foreign clinical test data, faster approval procedures, and transparency in the insurance reimbursement system. Key achievements in the electronics sector are chip protection legislation, software copyrights, and computer parts duty elimination. In addition, an agreement has been reached on wood product tariff cuts as well as on a significant reduction in paper duties.

Initiated market-access fact-finding [MAFF] talks on telecommunications trade barriers in Europe. The first market access discussions were initiated with Germany last December. The discussions allowed us to gain useful information on procurement practices, standards, and regulations governing enhanced services. We will now assess the detailed, technical information which was provided and evaluate the "openness" of the German telecommunications market to U.S. suppliers. We held similar talks with the Italian Government in April and expect to begin consultations with other European countries in the near future.

Signed an agreement with Japan on the elimination of tariffs on computer equipment and parts with Canada on the elimination of tariffs on computer parts and semiconductors.

We are counting vigorous enforcement of AD/CVD laws. We have 47 investigations ongoing and there has been over a 200-percent increase in AD/CVD cases processed from 1980, 50, to 1985, 133.

Most significant AD/CVD cases since September 1985.

Completed cases with affirmative findings of dumping or goverment subsidization:

Japan—cellular mobile telephones on October 24, 1985;

Brazil—fuel ethanol on January 21, 1986; (nota bene the International Trade Commission found "no injury" so case was terminated;

Saudi Arabia—carbon steel wire rod on January 27, 1986;

Canada—groundfish on March 14, 1986;

Korea—offshore platform jackets and piles on March 31, 1986;

Japan—offshore platform jackets and piles on March 31, 1986;

Japan—64K semiconductors on April 23, 1986.

Pending cases of dumping or government subsidization:

Japan—EPROM semiconductors due July 30, 1986.

Japan—256K semiconductors due August 1, 1986.

We have also moved forcefully to deal with unfairly subsidized competition in our export markets:

Countered foreign subsidized agricultural exports by concluding sales under the Export Enhancement Program valued at over $465 million.

Countered foreign subsidized export financing. Pending congressional acceptance of the President's war chest proposal, the Export-Import Bank has offered grants to help American companies win sales worth about $328 million in 11 pending overseas contracts. By aggressively using mixed credits, we hope to persuade our trading competitors, particularly France, Italy, and Belgium, to support negotiations to eliminate predatory financing practices. In March 1986, to counter a Brazilian bid using noncompetitive financing in the United States market, Eximbank took the unprecedented step of extending concessionary financing to a United States company for a sale in the United States.

I cannot review a 450-page document and compare it to another 400-page document in 4 minutes, but let me just hit some of the highlights.

Mr. Chairman, under the Michel substitute, there are no mandatory retaliations forced on this country under section 301.

Those unrecognized worker rights attached to the committee bill by the gentleman from Ohio [Mr. PEASE] are removed, too. With the Pease language removed, the Michel substitute does not attempt to enforce U.S. cultural standards on other countries. The committee bill makes other countries' cultures an unfair trade practice.

The Michel version does not have the 10-percent Gephardt cut for countries who have a trade balance which is positive with our country. That Gephardt amendment, you remember, makes competitiveness illegal. Of all the objectionable features of the partisan committee bill, the Gephardt language is the most offensive, and the most egregious violation of our treaties. The Michel substitute spares us that embarrassment.

It also takes the Guarini amendment out of the committee bill. The Guarini amendment, you recall, is the lawyer's welfare bill which allows a separate course of action in our courts in addition to antidumping duties. Those court suits willl be aimed, of course, mainly against American importers, because court jurisdiction does not extend to most exporters.

In the case of most of the GATT-illegal language in the committee bill, but especially in the cases of the Pease, Gephardt, and Guarini provisions, the United States stands to be hurt worse by minor laws enacted by our trading partners, than they will be hurt by our laws.

The Michel amendment also removes the mean-spirited ITC amendment which tries to force on the President a double confirmation of certain ITC leaders.

With respect to negotiating authority, the Michel amendment gives real authority to the President, so he can actually get us a better deal at GATT. He can take the time to negotiate to make sure that we get the best possible determination.

The Michel amendment includes the change of antitrust laws that Secretary Baldridge and the American business community say is absolutely necessary if we are going to be competitive abroad. The committee bill does not.

The Michel amendment gets rid of the industrial policy committees and the industrial policy aspects contained in the committee bill. The Republican amendment conforms to the U.S. position of leaving these decisions to the marketplace rather than letting your friendly, neighborhood bureaucrat tell you which industries and which companies should succeed, and in what way.

The Michel amendment, in incorporating the Wylie amendment, weeds out all the Banking Committees' language on increased international loans, and Mr. Chairman, if one were to describe the Michel substitute compared to the committee bill, the best way is to say that the Democrat committee bill is based on despair. It is a vote of no confidence in America. It says America cannot compete anymore. It chooses to lock up our borders rather than to expand our exports.

The Republican Michel substitute is based on hope. It says let us believe that America is competitive, and can become more competitive. It is a vote of confidence in America. It chooses to expand trade and build a better America.

The majority leader has just said that he remembers back 6 years ago when America was not a debtor nation. He apparently liked those good old days. I can remember 6 years ago, too. I can especially remember the Jimmy Carter misery index of 1980, with unemployment and inflation running wild.

Now, if you vote for the Democrat substitute, I think you can return with the Democrats to those wonderful days of high inflation, of low economic activity, and low employment. Or perhaps you should return with the

Democrats to the glory days of 50 years ago. Smoot-Hawley was a Republican bill, but the Democrats are embracing it today.

Because the committee bill is going to restrict world trade, it is going to reduce the economic status of all Americans. It is going to be particularly destructive to Americans on the farm. And that is only its short-run effect.

But, on the other hand, if you believe in an economy which has gained 12 million jobs in the last 6 years; if you believe in an economy which has gained a greater percentage of jobs than any other in the world, industrialized or Third World; and if you believe in an expansive trade policy as this administration promotes and as the Michel substitute provides; then, you will want to vote for the Michel substitute, and you will be obliged to vote against the committee bill.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes—145, noes 265, not voting 23, as follows:

[Roll No. 140]

AYES—145

Archer
Armey
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Callahan
Campbell
Chandler
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
Fawell
Fiedler
Fields
Fish
Franklin
Frenzel
Gallo
Gekas
Gingrich
Goodling
Gradison
Green
Gregg
Hammerschmidt
Hartnett
Hendon
Hiler
Hillis
Hopkins
Hunter
Hyde
Ireland
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McEwen
McGrath
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Morrison (WA)
Myers
Nielson
Nowak
Oxley
Packard
Parris
Porter
Pursell
Quillen
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Siljander
Skeen
Slaughter
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Snyder
Solomon
Spence
Stangeland
Strang
Stump
Sundquist
Swindall
Tauke
Taylor
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Wylie
Young (FL)

NOES—265

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carper
Carr
Chapman
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Daniel
Darden
Daschle
Davis
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Henry
Hertel
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McKernan
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Price
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Roemer
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Seiberling
Sharp
Shelby
Shuster
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Yatron
Young (MO)

NOT VOTING—23

Alexander
Aspin
Badham
Boxer
Carney
Chappie
Crockett
de la Garza
Evans (IA)
Grotberg
Hansen
Heftel
Holt
Leath (TX)
Lujan
O'Brien
Rahall
Rodino
Rudd
Smith (IA)
Yates
Young (AK)
Zschau

□ 1235

The Clerk announced the following pairs:

On this vote:

Mr. Badham for, with Mr. Alexander against.

Mr. Hansen for, with Mrs. Boxer against.

Mr. Zschau for, with Mr. Rodino against.

Mrs. Holt for, with Mr. Rahall against.

Mr. Rudd for, with Mr. Leath of Texas against.

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

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NOWAK. Mr. Speaker, on rollcall No. 140, the vote on the Michel substitute to H.R. 4800 the omnibus trade bill, I inadvertently voted "aye." I am in fact strongly opposed to the Michel substitute and intended to vote "no."

Mr. GLICKMAN. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. In so doing, I want to pay special tribute to your commitment to this important issue and the skilled leadership of the distinguished majority leader, Mr. WRIGHT, in melding together the work of several different committees and seeing that this very important legislation was brought to the floor in a timely fashion. In addition, I want to applaud the efforts of all the committee chairmen who have compiled a truly comprehensive and strong bill.

Indeed, many opponents of this bill have complained that it is too strong, that it sends too strong a signal to the rest of the world that we intend to ensure that American workers and American businesses will be second to no one in the fiercely competitive world economy. Coming as it so often does from the same quarters which demand that the United States follow a defense and military policy second to none to ensure American preeminence in a fiercely competitive world, this reasoning that this bill is too potent, too forceful is contradictory; that argument is shortsighted and narrowminded. Mr. Chairman, to ensure that we are No. 1 in the world, that means keeping a topflight military, and it also means keeping a topflight industrial base; ensuring national security is more farreaching, more comprehensive than pumping billions into the Pentagon; it also means keeping American factories producing and competing aggressively, and on fair terms, in the world.

I do not pretend to know how many roses should be imported into the United States each year, nor how many telephones we should sell in Japan, nor how many airplanes from Brazil we should allow into this country, nor how much wheat we should sell in North Africa. I do know, however, that imports of roses should not be allowed to decimate our domestic floral industry, that the Japanese should permit fair and open competition for telecommunications equipment and service on the same basis as what we permit them, that the Brazilians should open their borders to American general aviation manufacturers, and that we should not permit unfair practices to displace American grain sales anywhere in the world. And yet, that is what has happened. The administration has at its disposal a broad array of trade policy tools, and this administration has left them out in the rain to rust. This bill is the new toolbox, it contains the shiny modern power tools to replace the rusty, antiquated hand set which has been left on the shelf too long.

I do not know the details, the ins and outs of import quota levels and tied aid requests, but I know that my constituents are frustrated by our trade policy and alarmed, as they should be, by the incredibly high trade deficit. They want a strong, tough stance, fitted to the real world, not some ideological niceities serving as grist for polite debate behind the ivy walls of academia. Some have called this bill a shin kicker; well maybe it is, and perhaps that is what is needed. Where has current policy, and its implementation by the administration brought us? We have factories idled, workers unemployed, millions of dollars flowing out of this country, and a trade deficit which is, quite frankly, an embarrassment.

This bill sends an unequivocal signal to our companies and our workers that our Government is not going to let them down, that we will be there with them when it means going head-to-head with unfair trade practices and with export promotion and market development efforts. And this bill sends that signal to the rest of the world, too. They will hear us when we approve it today, and I urge my colleagues to join with me and support this bill.

Mr. TRAFICANT. Mr. Chairman, today I rise in strong support of H.R. 4300, the Trade and International Economic Policy Reform Act. Major trade reform is necessary if the United States is to regain an even footing and a fair chance in international industrial competition. When that happens, U.S. employment will increase, our industrial base will start to recover, and our trade deficit will diminish. I believe H.R. 4800 is a positive step in that direction.

U.S. trade policy is of vital and immediate concern to all Americans. It has become a critical factor in our Nation's economic health and survival in the international market. The future success of our industrial and agricultural bases and the millions of workers dependent upon them, will depend on how well we conduct our international trade policy. While I believe we have fallen far short in the past, I believe H.R. 4800 represents a comprehensive package of trade revisions which can reverse the economic deterioration of our markets and help U.S. products become competitive once again.

Specifically, I would like to address section 159 of the legislation addressing the application of countervailing and antidumping duties to governmental importations. Contained within this section is a new provision which provides that any merchandise imported by, or for the use of, any agency of the U.S. Government is not exempt from the imposition of antidumping or countervailing duties. This section also contains a new provision that requires any person providing factual information to the Department of Commerce or the International Trade Commission in connection with an antidumping or countervailing duty investigation, on behalf of a petitioer or interested party, to certify that such information is accurate and complete to the best of that person's knowledge. This change is designed to ensure the accuracy and completeness of all submissions. Both of these provisions were contained in legislation I had introduced together with Congressman ECKART and later adopted by the Ways and Means Committee as part of the comprehensive trade package.

Since coming to the Congress, I have been active in fighting to get the U.S. Government to stop making purchases of illegally dumped titanium sponge for the national defense stockpile. This example is just one of many which demonstrate the need to reform our current trade laws to reflect the current needs of U.S. industries and their workers. These provisions are needed to ensure that our unfair trade laws are given full effect, and that illegally dumped and subsidized products are excluded from our markets.

H.R. 4800 is not protectionist legislation. However, it will give our Nation a more effective trade policy and will compel our President to address our mounting trade problems. It is clear that the administration's trade policy has not been successful as we see the international trade deficit continuing to grow and more and more American industries and workers are being lost to foreign intervention.

I urge my colleagues to oppose all weakening amendments, specifically the alternative posed by Mr. FRENZEL, which would seek to strike many of the provisions regarding antidumping and countervailing duties. If we are to make positive comprehensive changes in our current trade laws, then we must pass this package intact.

I would like to congratulate the various subcommittee and full committee chairmen of the six committees who helped craft this bill and urge my colleagues to support the passage of H.R. 4300.

Mr. SHUMWAY. Mr. Chairman, as we witness the ill-advised passage of H.R. 4800, I must advise my colleagues of the grave effects that this protectionist measure will have on many segments of our rural agricultural economic base which rarely receive the attention that is justly deserved. While I appreciate the restrictionist impetus coming from a number of ailing domestic industries, such as textiles, steel, and automobiles, I firmly believe that an open trade policy continues to best serve the needs of our Nation.

As I mentioned earlier in this debate, we recognize that there are changing dynamics in the international marketplace; we also recognize that there are some governments that have made deliberate efforts to restrain free and fair trade. But we must not succumb to the delusion that by adopting inflexible, protectionist, and retaliatory provisions contained in this poorly conceived legislation that our serious international trade problems will be alleviated. In fact, I am certain that this bill will have disasterous effects on areas of our economy that can least withstand it.

The provisions contained in H.R. 4800 will certainly bring retaliatory action against our agricultural exports, reduce our trading partners' ability to purchase U.S. products and endanger our chances for success in a new round of multilateral trade negotiations designed to solve these problems more appropriately through a stronger system of international trading rules.

History has shown time and again where U.S. protectionist or retaliatory actions have injured agriculture in my home State of California. During the last year, due to an unresolved dispute with the European Economic Community [EEC], the U.S. imposed a higher tariff structure on pasta imported from the EEC. The next day, the EEC retaliated and increased its tariffs on walnuts and lemons—specialty crops unrelated to the dispute which cannot afford such a penalty. In addition to tariffs maintenance of United States quotas on Japanese auto imports undercuts American efforts to remove Japanese import quotas on beef, citrus and other California specialty crops.

I support President Reagan's trade intiatives and will continue to encourage the administration to move forward on section 301 cases and its stated intent to achieve substantive improvements and reforms in the GATT through a comprehensive new round of negotiations which places export subsidies and other critical agricultural concerns at a high priority position.

Mr. DENNY SMITH. Mr. Chairman, today we are debating H.R. 4800, a bill to "enhance the competitiveness of American industry," otherwise known as the omnibus trade bill. According to the sponsors of this bill, it is necessary if we are to do something about the $150 billion trade deficit that we now face in this country. This is as untrue today as it was when we spent many days last summer debating H.R. 1562, the Textile and Apparel Trade Enforcement Act.

H.R. 4800 is nothing more than a political document. It does nothing more than cater to specific interest groups. The sponsors of this legislation are more concerned with the politics of trade rather than the reality. They are looking at how this bill and this issue will play in November 1986, while disregarding the consequences we will face in November of 1987 and 1988 and beyond. The sponsors of this legislation are not solving the problems of those industries, communities, and individuals who have been hurt over the past few years, they are exploiting them.

This is not saying that problems don't exist, they do. I represent the State of Oregon, a State in which one in five jobs is related to the import and export of a variety of products, especially timber, wheat, and high-tech items. I am aware of what the trade figures are, and how they affect my State.

But what the sponsors of this bill choose to ignore, as they did during the debate on H.R. 1562 last year, are the real causes of our trade imbalance. The imbalance is a direct result of the huge Federal budget deficits that many of the sponsors and supporters of H.R. 4800 are responsible for ringing up. The Federal deficit has lead to a weakening of the dollar on the world market. It has driven up real interest rates in this country and caused American businesses to become noncompetitive. As a result, these businesses have either closed shop or moved their operations overseas. This is the root cause of our trade deficit.

I wonder is many of the sponsors of this bill will fight as hard for making necessary budget cuts in a variety of programs to get the deficit down. How many of my colleagues will decide to support a measure that will reform our antitrust laws in order to allow the businesses they express a concern for to merge and form stronger companies that will be able to compete in the world markets?

More importantly, how many of the sponsors will be willing to go to their constituents in the farm community and willingly stand in front of farmers who's livelihood has been disrupted by the cancellation of export deals? How many of the sponsors will willingly go before the consumers of this country and say, "I'm sorry that your costs have risen, but that's necessary to save the jobs of workers in inefficient industries"? How many of the sponsors will go to the port communities around this country and say they're sorry for the loss of thousands of jobs due to decreased trading opportunities?

Writing and enacting legislation such as H.R. 4800 is the easiest thing to do, but that doesn't make it the best thing to do. This bill will handcuff, not ease, the trade process here in the United States. The sponsors claim that it will overhaul and modernize our trade practices here in the United States. What it will do is require action to be taken regardless of whether it is in the overall best interests of this country. It will require that action be taken before there is any proven injury to individuals, industries, or communities. It creates a combersome, bureaucratic system of assessing injury within a particular industry, which seems odd when one of the "purposes" of this bill is to streamline the process.

H.R. 4800 is not, in and of itself, an answer to the trade problems of this country. It is a shortsighted bill which will weaken our standing in the world markets, violate a number of multilateral trade agreements, disrupt the progress that has been made in stabilizing currency exchange rates as a result of the September Five Nation's agreement, open up American industry and agriculture to retaliation, diminish export opportunities, result in the loss of thousands of more jobs lost than saved, and cost the American taxpayer billions of dollars. It requires that we impose labor standards on our trading partners as a prerequisite for trade, even if we don't adhere to many of those standards ourselves.

I don't want my opposition to this particular bill to be misconstrued as a lack of desire to do something about the serious problems we face as a result of unfair trade practices by our trading partners and an inefficient trade bureaucracy here in the United States. I have supported the efforts of the President as we begin the new round of GATT talks, a new round of MFA talks, and a new bilateral agreement with the Canadian Government who's timber policies have devastated my State. I have encouraged the President to take action when it has been shown that unfair practices have caused damage to specific industries.

A bill that does not address the real causes of our trade difficulties, and puts politics ahead of common sense and good policy, will always do more harm than good. Free, fair, and open trade is the best policy for this country to follow. H.R. 4800 will not produce that result.

Mr. LEVINE of California. Mr. Chairman, I rise in support of H.R. 4800, the omnibus trade bill before us today.

Mr. Chairman, in recent months, trade has become a dominant issue on Capitol Hill and around the country as Members of Congress and their constituents have focused on the devastating economic and social impact of the $150 billion trade deficit, a deficit that has doubled in just the last 2 years. American industries which cannot compete successfully in the world market are being forced to close down, battered by foreign imports and unfair trading practices and burdened by budget deficits which create an overvalued dollar and reduce the competitiveness of U.S. exports. The traditionally strong U.S. export position areas like high-tech and agriculture has been significantly eroded. And the United States recently passed Brazil to become the world's largest debtor nation. As recently as 1981 we were the largest creditor.

This alarming situation has increased pressure to "do something" about the trade deficit. More than 300 bills have been introduced to reduce the spiriling trade deficit, ranging from imposing higher tariffs on imported roses and waterbeds to retaliation against Japan and other nations if they engaged in unfair trade practices restricting American products.

What we are considering today, Mr. Chairman, represents a major effort on trade by the House leadership. A number of committee and subcommittee chairmen were brought together to produce a bill, in their words, to "meet the challenge of trade deficits and global competition." H.R. 4800 consolidates legislation reported by the Ways and Means, Foreign Affairs, Banking, Energy and Commerce, Education and Labor, and Agriculture.

Action on trade by this body has become absolutely necessary, both because of the dimensions of the trade deficit and because of administration policy which, until recently, seemed to ignore the problem of declining American competitiveness. Clearly, refusal to take action to address this problem has significantly contributed to our unacceptable trade deficit. In particular, the huge budget deficits it has spawned have created a grossly overvalued dollar rendering American exports prohibitively expensive.

It is therefore inappropriate, as critics of this bill urge, to "leave well enough alone" and let the administration take whatever steps it believes necessary to reduce the trade imbalance. Certainly, recent administration actions regarding the dollar, Third World debt, and unfair trade practices are to be welcomed. However, a pattern has developed in which the administration seems to get tough with our trading partners only when Congress is poised to take action. Today, Mr. Chairman, we have taken action.

H.R. 4800 contains many important initiatives to give the United States the tools to reduce the trade deficit and lay the basis for long-term U.S. competitiveness in international markets. There are sections tightening up our trade laws which will make it easier to combat unfair trading practices abroad. The bill sets net guidelines regarding international trade negotiations. It contains excellent provisions, particularly in title III, dealing with export promotion. The section strengthening protection of intellectual property rights is extremely important. Estimates of the total losses to U.S. businesses from piracy and counterfeiting range from $8 billion to $20 billion. This bill puts piraters on notice that we will no longer tolerate our innovations and creative works being taken without any form of compensation.

There are important provisions which tackle the troublesome problem of Third World debt. Not only is a decrease in these countries' debt critical for their economic and political stability, but it is equally critical for the survival of a global trading system. Indeed, resources which could go for the purchase of foreign goods now must go to pay interest on the debt. The bill contains comprehensive language which tackles the vexing issue of monetary reform. Stabilizing currency fluctuations is an essential element toward developing a more stable trading system. There is extremely significant language regarding the protection of internationally-recognized workers rights. Finally, the bill provides for workers retraining and trade adjustment assistance. These provisions are absolutely essential for assisting those American workers to retrain for new jobs who are displaced by imports, and for educating these workers in a variety of fields to help American firms compete more effectively abroad.

With all this, Mr. Chairman, H.R. 4800 is not a perfect bill. In fact, my objections to one section of the bill led to my vote yesterday in favor of the Crane amendment. I would like to take a few moments to explain that vote.

The Crane amendment sought to strike the section of title I which requires mandatory negotiations with nations having an "excessive" trade surplus with the United States. If negotiations do not work, this goal could be achieved through the imposition by the United States of tariffs or quotas.

I am troubled by this provision because it will have the effect of limiting rather than expanding trade. For example, If Japan—one of the three countries affected, along with West Germany and Taiwan—wants to comply with the 10-percent target, it is likely they will simply take the easiest route and cut back on exports to the United States, rather than opening up their markets to American goods. If this were to happen, American consumers would be particularly hard hit. Yet there is no guarantee that a reduction in imports would lead to an increase in American jobs. Thus, the likely result of these trade restrictions will be that imports will be restricted into this

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country, without any expansion of American export opportunities. That will limit consumer choice and raise prices here, as happened after auto quotas were initiated. And it will shrink, not expand, world trade.

However, I cast this vote with great reluctance because the Crane amendment also eliminated the provisions regarding international labor rights, which I strongly support. The bill defines as an "unreasonable" trade practice the denial of internationally recognized workers' rights such as collective bargaining, child labor laws, and health and safety standards. It permits the President to take retaliatory action against countries which violate these standards.

I support this provision. I deeply regret that my vote against the protectionist restrictions contained in this bill could also have been interpreted as a vote against workers' rights. This is not the case, and I want to be very clear that I strongly support sanctions against countries which exploit their workers. That is one key reason why I support final passage of this bill.

The competitive advantages some countries derive from the denial to their workers of internationally recognized worker rights as already defined, for GSP and OPIC purposes, in title V of the Trade Act of 1974, are unacceptable. If a country can undersell American goods because it pays its workers slave wages in absolutely abominable working conditions, that is of grave concern. If a country can punish by death those agitating for better working conditions, that is of grave concern. And in general, if trade, which in theory should promote the well-being of all people in developed and developing nations, instead creates an underclass whose rights are systematically denied in the pursuit for a competitive worldwide advantage, that is of grave concern.

Mr. Chairman, critics argue that this section of the bill is merely another means of excluding imports. But this is a basic human rights issue for workers worldwide, and should be a factor in our overall trade policy. I find it ironic that many of my Republican colleagues who express so much concern about working conditions in the Soviet Union and other Communist nations care so little about working conditions in the non-Communist world. If the inclusion of this language in H.R. 4800 will force the administration to place international labor standards on the agenda in the next round of multilateral trade talks, it plays a constructive role.

In sum, Mr. Chairman, I strongly support actions to improve our ability to compete in the world market. I do not support arbitrary attempts to limit imports into this country. Such policies will hurt American consumers, damage our ability to compete in the world market, and eliminate jobs, not create them. While I do not agree with everything in H.R. 4800, it is an important attempt to address a serious problem facing our country. I urge my colleagues to support final passage of the bill.

Mr. BRUCE. Mr Chairman, I rise in support of H.R. 4800, the trade legislation before the House of Representatives. This bill lays the basis for a comprehensive, coherent trade policy in the United States. I think the events of the last few years—the continued escalation of the U.S. trade deficit, the U.S. transition for the first time from a creditor to a debtor nation, and the erosion of manufacturing and agricultural export markets—make it all too clear that we must take constructive action to strengthen our trade position. H.R. 4800 gives us a chance to make fair trade a global priority.

The State of Illinois will particularly benefit from this trade legislation. Illinois has consistently ranked in the top three exporting States in the Nation. In terms of employment, Illinois relies heavily on export-related activity. We have lost over 100,000 manufacturing jobs in the past 5 years. Many of these jobs have come from my congressional district. We have lost jobs in Coles County, where the unemployment rate is nearly 10 percent. We have lost jobs in Wayne County, where the unemployment rate is over 20 percent. And we are losing jobs in Lawrence County, where the unemployment rate is over 25 percent. We need to pass this legislation to make sure jobs do not become America's No. 1 export.

H.R. 4800 is the most comprehensive trade legislation ever considered by the House of Representatives. The bill's strength lies in the fact that it establishes a balanced approach to a complex problem. H.R. 4800 avoids the blunt instruments of mandated tariffs, quotas, or single-industry protection. Instead, it focuses on enforcing internationally recognized rules of fair trade, specifically directing that sanctions against nations which unfairly hamper trade shall be imposed only if the President is unable to negotiate agreements to reduce trade deficits with those nations. In broad terms, the trade bill:

Identifies and addresses forms of unfair trade practices such as diversionary dumping and export targeting, and requires negotiation and action to correct excessive trade deficits with nations which employ unfair trade practices;

Expedites the administrative process for U.S. industries and workers seeking relief from injurious imports;

Coordinates responsibility for trade policy in the office of the U.S. Trade Representative, streamlines export controls and strengthens our export promotion activities;

Grants the administration authority to conduct a new round of world trade negotiations.

These provisions are flexible, yet strong enough to alert the world trading community that the United States intends to take the steps needed to shore up our trade defenses. If this bill were currently in law, the south central Illinois shoe industry, the apparel industry, foundry production, and the farm economy in my district would all be in stronger condition today. For example, the metal castings industry, including the General Motors Central Foundry Division in Danville, IL, just had its petition to the International Trade Commission turned down. The broadened relief language of H.R. 4800 would have given the foundries a better chance for a successful petition.

I'd like to speak for a moment about farming. Because farmers in the 19th Congressional District of Illinois produce over 1 million bushels of corn, wheat, and soybeans, one-half of it for export, I am particularly pleased with the provisions in H.R. 4800 for American agricultural trade. The bill designates the U.S. Department of Agriculture as the lead agency in this area, and requires yearly reports on long-term agricultural trade strategy. It specifically provides that in such cases as importation of Canadian pork products, the effect on United States hog growers would have to be considered. It also includes an amendment I offered, to close a loophole which permitted the importation of duty-free ethanol from Spain and Brazil. This change will support local corn prices and raise several million dollars in payments from foreign nations.

I support H.R. 4800 as responsible legislation which addresses the unfortunate realities of the current international trade situation. As long as some countries seek to improve their trade positions by government subsidies, tax advantages, and low environmental and labor standards, the United States must have the tools it needs to provide for American jobs, communities, and a decent standard of living. H.R. 4800 will promote the growth of fair and constructive world trade.

Mr. DIXON. Mr. Chairman, today I rise in support of H.R. 4800, the comprehensive trade bill which seeks to enhance the competitiveness of American industry. This bill is critical if we are serious about addressing many long neglected problems of U.S. trade policy.

Clearly the Reagan administration's trade policies have failed to adequately address our critical trade problems and economists maintain that U.S. economic policies have resulted in overvaluation of the dollar, high-interest rates, and a $150 billion trade deficit. The crippling international debt crisis in the Third World has further exacerbated the U.S. trade deficit. Developing nations have dramatically reduced purchases of U.S. goods in order to use scare foreign exchange to make their interest payments.

The bill on the floor today strengthens America's export position, promotes free and fair trade, and world economic growth by giving the President new tools to open up markets overseas. American industries and workers are hurting because of imports and unfair trade practices abroad.

This legislation is an essential step in halting the growing trade deficit and strengthening the international competitiveness of U.S. goods and services.

H.R. 4800 attempts to deal in a comprehensive manner with the myriad of problems affecting U.S. trade policy. There is clearly a need to control unfair trade practices, pursue multilateral trade negotiations, open foreign markets and break down trade barriers to U.S. exports. The time to act is now.

The U.S. trade deficit has dramatic and adverse consequences for American industries and workers. I am particularly concerned about the problems confronting America's high-technology industries. It is critical to the future competitiveness of the high-technology industries that we act now to close loopholes in the tariff and customs laws.

This is not a protectionist bill. Instead, H.R. 4800 attempts to deal with the trade problem by addressing both U.S. trade and international competition. It aims at reducing imports by focusing on those countries with whom the United States has the largest trade deficits and at the same time seeks to encourage

American businesses to increase their exports and compete more aggressively in foreign markets.

The bill contains a series of new initiatives to promote industry and worker adjustment to the international market, and strengthen the competitiveness of the U.S. work force. It provides a vehicle for training to help improve the skills of American workers thereby improving their productivity, and provides the President with the tools to take retaliatory action against countries which violate international labor standards and use unfair trade barriers.

I strongly believe that H.R. 4800 requires the President to take action against specific cases of unfair trade which harm our industry, and sets out to stabilize international currency markets and align the dollar more competitively with other foreign currencies so that U.S. exporters can compete on more equal terms with foreign trading partners.

In an effort to promote a more competitive exchange rate for the dollar, the bill creates a strategic currency reserve—a pool of foreign currencies—to be used to intervene in foreign exchange markets when necessary. The bill also seeks to reduce excessive trade surpluses maintained by countries with closed home markets and highly aggressive export promotion programs.

H.R. 4800 deals with the need to develop a clear and coherent trade policy which arrests our escalating trade deficit and strengthens U.S. competitiveness in the world markets. It gives the United States the tools it needs to reduce the enormous trade deficit and provides a foundation for long-term U.S. competitiveness in international markets.

It is an attempt to formulate and promote a consistent trade policy which responds to the problems affecting those industries hit hard by imports. A new direction in U.S. trade policy is needed to meet the challenge of a competitive world market.

Although we have a long way to go to revitalize American industries and restore the balance in international trade, this bill will enhance the ability of American industries to compete effectively in the international marketplace. I urge my colleagues to support H.R. 4800.

Mr. PENNY. Mr. Chairman, the Omnibus Trade Act is intended to improve the U.S. position in international trade. There are many provisions in this bill that I support but I also have some reservations.

In particular, I support certain provisions that will help agricultural producers who have been hit especially hard by our current trade problems. I believe we need to be tougher in confronting unfair trade practices by our trading partners and we need to address monetary reform, Third World debt, and the long-term competitive position of our Nation.

The agricultural section of the trade bill does help farmers in a number of ways:

Dairy farmers benefit from a provision that designates casein as a food additive and will bring casein imports under existing import controls. They also benefit from restrictions on international corporations which set up large dairies in the United States.

Pork producers benefit from the requirement that processed imports be considered in the same way as raw or original food in assessing the impact on U.S. producers. This applies to problems United States pork producers have had with imports of frozen Canadian pork.

The bill includes a provision I offered in the Agriculture Committee that will work to improve the quality of U.S. grain exports. This will make U.S. grain more attractive to foreign buyers and help us gain new markets.

Though the bill helps farmers in these ways, I fear the section targeting countries with an "excessive surplus" in their trade balance with the United States may hurt farmers in the long run. We risk retaliation from the very countries that are some of our best markets for agricultural goods. We may also be setting standards for import restrictions which could be turned on us if other nations were to enact "mirror" legislation—once again agriculture could be a prime target. I intend to vote to remove these measures from the bill as a means of ensuring that this legislation does not cross the line toward protectionism.

Our Nation's trade situation demands action. We need to start the ball rolling before the trade deficit gets any worse and irreparable harm is done to our economy. To date, we have not seen sufficient action from the President. As I have stated earlier, this legislation is not perfect; I would like to see certain amendments enacted to improve it. If those amendments are unsuccessful, I am confident that action in the Senate and conference between the two bodies will result in my concerns being properly addressed. I intend to vote with a bipartisan group of Representatives to send a message both to the President and to our trading partners that we will act to defend the U.S. trade position in the world. I will support the bill on final passage.

Mr. HENRY. Mr. Chairman, earlier this week, the President announced that he will seek voluntary restraint agreements to limit the import of several classes of machine tools, in response to the industry's section 232 petition for relief. As one of the Members of this body who pushed for such relief, I applaud the administration's action.

Nonetheless, relief for the machine tool industry did not come until more than 3 years after the petition was filed. And the administration's action addresses only one of many trade problems affecting my district. For example:

First, several months ago, a small interior design company developed a new, space-saving product for displaying house plants, particularly useful for apartments and condominiums. After filing all of the requisite patents and trademark protections, he began marketing the product, only to discover that a company based in the Far East had stolen his designs and even copied his brochures and manuals, and was taking orders for the product in the United States. Having explored his legal channels, this small businessman now faces two choices: go out of business, or move his own production facilities overseas.

Second, a tool and die company entered into negotiations with another Far East firm for a joint venture to supply highly technical machines to a third party. After a lengthy period in which the Far East firm gained access to highly confidential designs, the Far East broke off negotiations and apparently has begun manufacturing the machinery by itself, using the confidential information it had gained in the United States. The efforts of my office to have either the Japanese or the American Government look into this matter have thus far been totally ignored.

Third, both the footwear and foundry industries, both important in my district, have recently filed for temporary import protection to enable them time to retool and improve their technology and productivity. Both have been totally denied relief. Combined with the staggering costs of bringing such a petition before the ITC, the failure of both of these industries to obtain any relief will have a very chilling impact on any other industry considering the wisdom of such a petition.

Fourth, the domestic apple industry is now awaiting the decision of the ITC on its own petition for import relief. Since 1980, imports of apple juice concentrate, the bread and butter of the industry, have increased by 393 percent! What is more, they have done so largely by exploiting loopholes in U.S. labeling laws which permit introduction of sugar in foreign-produced concentrate, but not in the domestically produced concentrate.

Mr. Chairman, these are reasons why we need a strong trade bill. I could go on with others. I'm sure the situation in my district is not much different than that in many others. H.R. 4800 is not certainly perfect, and I do not agree with everything in it. But I support it in order to move a strong trade bill to the other body, and give us an opportunity to address these very critical matters.

Mr. LIGHTFOOT. Mr. Chairman, we've worked for years in this country to reduce international trade barriers because we realized that increasing world interdependence makes trade a necessity. It took us years to recover from the disaster of Smoot-Hawley's trade restrictions, which many people feel was a major cause of the Great Depression.

Coming from a background of agricultural export promotion, I may have more expertise in this area than some of my colleagues, but I'm nonetheless amazed by my colleagues' willingness to undertake this same type of blatant trade restriction as Smoot-Hawley brought us.

What's wrong with this legislation? It forces the executive branch to take action in many cases whether or not it is wise, it sets up mandatory tariffs and quotas inviting certain retaliation, it violates the GATT and will launch us into a fullscale trade war.

What's wrong with that? Well, for starters, we export nearly one-third of the agricultural products we grow. Our chief agricultural export customers are the major targets of trade restrictions contained in this bill—making American farmers the chief scapegoat for our trade deficit—forgetting that agricultural exports offset close to $20 billion of that trade deficit annually.

Experts feel that there are five chief causes of our trade deficit: a strong dollar, LDC [lessor-developed countries] debt, poor ecomomic growth rates in countries we trade with, foreign barriers, and noncompetitive U.S. industries. Unfortunately, the bill we are debating today really only attempts to solve one of these problems: that of foreign barriers. By

the way, foreign barriers account for only about $10 to $15 billion of our trade deficit.

So even if this bill did solve every one of our foreign barriers problems, how much of our $20 billion in agricultural exports would be sacrificed—and how much more would that loss increase our trade deficit?

This bill is a disaster for the American farmer, and American farmers can't take any more. They've suffered enough in the last few years.

Mr. SCHULZE. Mr. Chairman, today we in Congress are taking a stand on a matter of vital importance to our Nation's well-being—omnibus legislation designed to reform our trade laws to meet the competitive challenges of today and tomorrow.

I voted in support of the Republican substitute because it provides a responsible and reasonable response to current trade problems confronted by our Nation. But the overwhelming consensus is that unreasonable trade conditions and irresponsible actions presently predominate.

The story is not new, but has been told for some time. A trade deficit of incredible proportions. A widely fluctuating dollar exchange rate. Lack of market access overseas to U.S. competitively produced goods and services. Multitudes of unjustifiable trade barriers with neither rhyme nor reason. And slow remedial action on the part of the administration.

We Americans have awakened over the past few years to the realities of our dynamic world economy. But, other countries must also awaken! They must realize that America can no longer and will no longer keep her doors open widely when other countries open their doors narrowly. They must recognize that imports cannot forever flood U.S. markets when U.S. exports of goods and services are prevented from flowing into theirs. While we must accept change, so must they.

Only last September did the administration finally begin to address the underlying causes of our enormous trade deficit by more fully implementing existing trade laws. This is highlighted by the fact that the administration self-initiated for the first time ever cases under section 301 of the Trade Act of 1974. I find it unbelievable that in a world of expanding patterns of unfair trade, a law which is designed to enforce U.S. trade rights and counter unfair trade practices, and which has been on the book for over 10 years, was implemented at the administration's own initiative just last fall.

While the administration's recent actions are encouraging, I am disappointed that such steps were not taken sooner, and I remain unassured that important strides in breaking down unfair trade barriers overseas will continue to be made. The administration must keep moving in the direction it turned last fall.

It is for these reasons that I support H.R. 4800. It's essential that we revise our trade laws to reflect existing economic circumstances. It's necessary to put other countries on notice that America intends to establish an equitable international trading order even if it must be done in a very forceful manner.

The provisions of H.R. 4800 will serve to open markets abroad and eliminate unfair trading practices. This will be achieved by ensuring stricter enforcement of U.S. trade remedy laws, by setting forth negotiating objectives for a new multilateral trade round, and by providing much stronger incentives for adhering to the rules of trade.

Just as our manufacturing and service industries must modernize to meet successfully the highest levels of competition, so must our trade laws adapt to changing economic conditions in order that fair competition thrives. H.R. 4800 aims to do just that.

My support for H.R. 4800 is not without some reservation. I do not agree completely with every provision. Certain provisions go beyond the realm of beneficial trade law reform and established trading principles, which may not provide the best solution to the problems we now face.

But this is not the final stage, it's the first step. I hope that those provisions which would cause more harm than good will not remain a part of the final product, and that the President will be ready to endorse it overall when the final stage arrives.

Above all, the time to act is now. Our international trading system is at a critical juncture. We as a nation are at an economic turning point.

Supporting this measure demonstrates that America will act decisively to bring about a future of prosperity and growth.

Mr. SHELBY. Mr. Chairman, today, we heed the call of millions of Americans who have lost their jobs due to unfair imports and of those Americans whose jobs are threatened by unfair imports.

From 1981 through 1985 the United States has accumulated a merchandise trade deficit of $423.6 billion—quadrupling since 1982. With an estimated trade deficit of $170 billion for 1986, there is no relief in sight.

During the past 4 years, we have heard promises from this administration of action to preserve American jobs from unfair imports and to open up closed foreign markets.

But the promises have not rung true. Tens of thousands of Alabamians in a vast array of industries have lost their jobs. Entire communities have been devastated. While the administration listened to the empty clink of champagne glasses at fancy trade banquets, we in Alabama heard the silencing bang of factory doors being slammed shut throughout our State.

With H.R. 4800, we are not throwing up a wall to imports—nor do we want to erect such a wall. My home State of Alabama is quickly becoming an integral part of the global economy. Thousands of jobs and businesses in Alabama are dependent upon exports. We must not threaten those jobs and industries.

H.R. 4800 is a coordinated, integrated policy designed to overcome our trade crisis, save jobs, and sharpen America's long-term competitive edge.

Last year, I came to the floor to outline a strategy for solving the trade crisis. This bill incorporates those initiatives to stabilize the dollar, expand exports and gain access to foreign markets, enforce our trade laws, and restore our competitive edge by investing in the education and training of our American workers.

Mr. Chairman, we must not succumb to the false labels attached to this legislation by those who have nonchalantly cast aside the trade crisis and the worsening plight of the American worker.

H.R. 4800 is a bill to put America back in business.

Mr. APPLEGATE. Mr. Chairman, I rise to offer my strong support of H.R. 4800, the omnibus trade bill.

I as well as many other Members of the House have come to realize that, after 5 years of rapidly increasing trade deficits; after 5 years of losing more than a million and a half manufacturing jobs in America; after 5 years of watching a half million farms go under because of lost export opportunities, after all of this and more, the time has come, and, if fact, is long overdue, to act on the problem of trade and, of greater importance, time has come to recognize the economic challenge that confronts America and to act swiftly to ensure that our children and our children's children will continue to live in a nation that represents the greatest economic power on Earth and the greatest hope for all mankind.

Mr. Chairman, after everything I've heard so far in the way of objections to this important measure and all of the arguments against the positive steps that we are taking this week, I can only say that the continued denial by some individuals, many of them within the administration, that there is even a problem that needs addressing represents one of the most blatant examples of indifference to a situation that affects millions of workers and their families and which continues to erode the economic foundations of thousands of enterprises throughout our Nation.

Mr. Chairman, the problem should not be all that hard to understand. Quite simply, the trade problem that faces our Nation is very much like the barn that has caught fire and is burning to the ground; the time has come to gather together and to put the fire out.

But there are those who refuse to even see the flames or the smoke rising over a crumbling economic structure that, at one time, employed millions of Americans and contributed billions of dollars to our economy. At a time in our history when we find ourselves extensively debating whether Federal programs budgeted for even a million dollars are worth saving. I find it rather ironic that this administration so willingly accepts the cost of our current trade problem and completely fails to recognize the human and monetary loss that has resulted because of the failure to either act or react.

The measure that is before us today, this bill that represents the culmination of several committees working together, is the proper course for us to take. I disagree with those who say that we are forcing the President to act, that we are offering an alternative that will only bring about retaliation by our trading partners with further economic loss and added unemployment. To accept such a philosophy would be tantamount to admitting that defeat is inevitable and that nothing can be or should be done.

Maybe there are those in this Chamber who believe this, who think that refusing to act will mean that, by some means, the problem will go away. Well, if you really feel this way, if you think that, as someone in the White House said about this bill, that it is, and I quote, "ab-

solutely the worst bill . . . that could be possibly concocted," then I would like to request that those who really feel this way come out to my district and explain to 1,000 unemployed pottery workers in Harrison County, OH, why you voted against this measure.

To these thousand I can add countless others who have become victims of this tragedy. Between 1970 and 1984, over 46,000 jobs have been eliminated throughout the steel industry in my State. Since 1979 and through last year, more than 176,000 people in Ohio filed claims for assistance under the Trade Readjustment Act. You can view these as simple statistics that document distant tragedies far removed from your own districts, out-of-sight and out-of-mind from this Chamber.

But the stake that any Member of this Chamber may have in this bill doesn't come anywhere close to equalling the stake that millions of workers and thousands of businesses have in our Nation's economy. This represents the real bottom line of our actions there today.

Passage of H.R. 4800 will mean that the administration will no longer have the excuse to ignore the trade problem. H.R. 4800 will provide to the President and his administration everything that is needed in order to act and to act swiftly in restoring the trade picture to what it really should be: fair as well as free.

What we are attempting to do here today is to get the President to recognize that the fire is still raging and that certain steps must be taken to quench the flames. Congress has given this administration the tools to deal effectively with problems of international trade. But, far too often, the President and those around him have failed to act.

With H.R. 4800, no longer will there be reasons to ignore the trade problem. Essentially, we are giving the administration everything it needs in order to put the fire out and save what remains of the barn. This bill represents the fire hose that can be used to deal with this situation. This administration, if it so chooses, can pick up the hose and quench the flames. But, the longer we wait, the longer we debate and discuss rather than act with affirmation, then the larger will be the flames and the greater will be the action necessary in the future to deal with this problem.

Will we decide to act today with a logical response, or will we have to resort to even stronger and more radical steps in the future if we continue to permit the trade problem to go on unchecked?

Let's work together to ensure a better future for all American workers and restore our economy to its fullest potential. If we are to fear the reactions that may come from those outside our borders, if we are so concerned with the responses of our trading partners to the actions we take today, then I seriously question whether we can truly represent our constituents and can address their concerns. The interests of the United States and all Americans should be thought of first and foremost.

Mr. HOPKINS. Mr. Chairman, I rise in opposition to H.R. 4800, the omnibus trade bill. I do so out of concern over the impact this bill could have on our Nation's farmers.

We have all heard stories of the plights of individuals who stand to lose family farms because of low commodity prices and inability to make loan payments. Time and time again the reason given for trouble in the farm economy is Government intervention.

We have witnessed the Soviet grain embargo of 1980 when President Carter sacrificed farm income in an ineffective battle against a distasteful foreign policy. Rather than stopping the Soviet invasion of Afghanistan, this policy created a new market for overseas grain farmers.

Increased interest rates caused by deficit spending made the repayment of farm loans difficult for all farmers and impossible for some. Interest rates soared to over 22 percent in the late 1970's. This was extremely costly to our Nation's farmers since each 1 percent increase in the prime interest rate costs American farmers almost $30 billion in net income. Again, farmers paid the price for spending decisions made in other sectors of the economy.

These lessons should have taught us how interdependent our economy is. You cannot make waves on one part of the pond without causing erosion on the other side. Therefore, any action which would cause retaliation against American farmers should be rejected.

I am concerned that imposing import restrictions on manufactured goods will cause the affected countries to bar U.S. agricultural products. Agricultural exports are too important to our country, and to the State of Kentucky, to put at risk.

In 1985, over 51 percent of our Nation's soybean crop was exported at a value of over $5 billion. Kentucky farmers exported $120 million worth of these soybeans.

About 24 percent of the Nation's corn crop was exported in 1985. The value of the exported corn was $4.8 billion. Kentucky exported $148 million worth of feed grains.

And most importantly, in 1985 the United States exported over 677.5 million pounds of tobacco—approximately 45 percent of the U.S. crop. About 153 million of this, or 27 percent of the U.S. crop, was burley tobacco. Kentucky producers exported 195.4 million dollars' worth of burley tobacco that year.

There are parts of the bill which I believe would benefit agriculture. It is a pity they are placed in a bill with other unacceptable provisions.

Specifically, the bill contains an amendment I offered in the House Agriculture Committee to clarify the factors which the International Trade Commission [ITC] must look at in deciding whether to impose import quotas in a section 22 investigation. As you know, tobacco operates at no net cost to taxpayers. This means that there cannot be large Government costs to prove that imports are "materially interfering with" the domestic tobacco program. My amendment would require the ITC to consider increased producer assessments as one factor indicating material interference.

The bill also contains a prohibition on milk price supports for foreign owned dairies financed through industrial development bonds [IDB's]. I strongly support this effort to block the introduction of dairies operated in Georgia by Masstock International, an Irish company. It is not fair for U.S. dairy farmers to compete with a company with access to subsidized loans at a time of surplus supplies and reduced prices.

I also support the bill's provisions which increase the role of the Agriculture Department in handling trade matters affecting agriculture. This section would provide farmers with a clearer forum and a stronger voice in expressing their trade concerns.

These provisions are also contained in the substitute offered by Congressman MICHEL which I support. The extreme protectionist approach of H.R. 4800 threatens thousands of American jobs in merchandising and manufacturing in addition to agriculture. The Michel substitute provides a method of getting tough with unfair trading practices without jeopardizing American jobs.

I would also note that the 1985 farm bill which passed last December contains a section allowing the Secretary to implement a marketing loan program. I supported that provision in the Committee and hope the Secretary of Agriculture will implement this program. This device will allow U.S. grain to be competitive abroad while still allowing a price support buffer for American farmers. This could be an important tool in expanding export markets for American grain.

Again, I must oppose this bill because of the threat it poses to American farmers. I have nicknamed this bill the "Foreign Farmer Employment Act" and I believe that is the result which will be achieved if it passes.

□ 1245

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 4800, to enhance the competitiveness of American industry; and for other purposes, pursuant to House Resolution 456, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The amendments printed in section 2 of House Resolution 456, agreed to by the House on May 15, 1986, are considered as having been adopted.

Is a separate vote demanded on any other amendment?

If not, the Chair will put them engros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FRENZEL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FRENZEL moves to recommit the bill, H.R. 4800, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

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

Mr. MICHEL. 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. A quorum is present.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 295, nays, 115, answered "present" 1. Not voting 22, as follows:

[Roll No. 141]

YEAS—295

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Bennett
Bentley
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Breaux
Brooks
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Campbell
Carper
Carr
Chapman
Chappell
Clay
Clinger
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crockett
Daniel
Darden
Daschle
Davis
Dellums
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes
Hefner
Hendon
Henry
Hertel
Hillis
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lantos
Latta
Lehman (CA)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lott
Luken
Lundine
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McKernan
McKinney
McMillan
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pashayan
Pease
Penny
Pepper
Perkins
Pickle
Price
Quillen
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sharp
Shelby
Shuster
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (NJ)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Yatron
Young (MO)

NAYS—115

Archer
Armey
Bartlett
Barton
Bateman
Beilenson
Bereuter
Biliraki
Bliley
Broomfield
Brown (CO)
Burton (IN)
Callahan
Chandler
Cheney
Coats
Courter
Crane
Dannemeyer
Daub
DeLay
DeWine
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Fawell
Fiedler
Fields
Fish
Frenzel
Gallo
Gekas
Gingrich
Gradison
Green
Gregg
Hartnett
Hiler
Hopkins
Hunter
Hyde
Ireland
Kemp
Kolbe
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lowery (CA)
Lowry (WA)
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCain
McCandless
McCollum
McGrath
McHugh
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Monson
Moorhead
Morrison (WA)
Mrazek
Myers
Nielson
Oxley
Packard
Parris
Petri
Porter
Pursell
Roberts
Roth
Saxton
Schaefer
Sensenbrenner
Shaw
Shumway
Siljander
Skeen
Slaughter
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snyder
Solomon
Stangeland
Strang
Stump
Swindall
Tauke
Thomas (CA)
Vander Jagt
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Wylie
Young (FL)

ANSWERED "PRESENT"—1

Lehman (FL)

NOT VOTING—22

Alexander
Aspin
Badham
Boxer
Carney
Chappie
de la Garza
Evans (IA)
Grotberg
Hansen
Heftel
Holt
Leath (TX)
Lujan
O'Brien
Rahall
Rodino
Rudd
Smith (IA)
Yates
Young (AK)
Zschau

□ 1255

The Clerk announced the following pairs:

On this vote:

Mr. Alexander for, with Mr. Badham against.

Mrs. Boxer for, with Mr. Hansen against.

Mr. Rodino for, with Mr. Zschau against.

Mr. Rahall for, with Mrs. Holt against.

Mr. Leath of Texas for, with Mr. Evans of Iowa against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

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

DIRECTING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4800, TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 460) to correct technical errors in the engrossment of H.R. 4800, and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 460

Resolved, That, in the engrossment of the bill (H.R. 4800) to enhance the competitiveness of American industry, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

Page 80, line 5, strike out "to" and insert "under".

Page 96, line 3, strike out "203(a)" and insert "204(a).

Page 96, line 25, strike out "203(a)(1)" and insert "204(a)".

Page 124, lines 21 and 22, strike out "a period of 3 years" and insert "the 3-year period before".

Page 145, line 4, strike out "(a)" and insert "(b)".

Page 168, line 4, after "(c)" insert "(1).".

Page 169, between lines 4 and 5 insert the following:

"(F) report directly to the President and the Congress regarding, and be responsible to the President and the Congress for the administration of, trade agreements programs;

"(G) advise the President and Congress with respect to nontariff barriers to international trade, international commodity agreements, and other matters which are related to the trade agreements programs;

"(H) be responsible for making reports to Congress with respect to matters referred to in subparagraphs (C) and (F);

Page 196, line 5, strike out "(F)" and insert "(I)".

Page 196, strike out line 9 and insert "functions; and".

Page 196, between lines 9 and 10 insert the following:

"(J) be responsible for such other functions as the President may direct.".

Page 213, line 10, insert "and" after the semicolon.

Page 213, strike lines 11 through 14.

Page 213, line 15, strike "(D)" and insert "(B)".

Page 219, line 9, insert a comma after "Secretary".

Page 220, line 25, insert "the" after "desirability,".

Page 227, line 10, strike "USDA" and insert "United States Department of Agriculture".

Page 227, line 13, insert "of Agriculture" after "Secretary".

Page 227, line 16, strike "USDA" and insert 'Department of Agriculture".

Page 227, line 17, insert "of Agriculture" before "shall".

Page 227, line 24, insert "of Agriculture" after "Secretary".

Page 232, line 25, strike "104" and insert "313".

Page 240, line 14, insert "the" after "section,".

Page 245, line 19, strike "study" and insert "evaluation".

Page 245, line 24, strike "study" and insert "evaluation".

Page 246, line 5, strike "study" and insert "evaluation".

Page 249, lines 19 and 20, strike "at least $200,000,000 in guaranties under section 234(b)" and insert "guaranties under section 234(b) having an aggregate contingent liability with respect to principal of not less than $200,000,000".

Page 250, line 4, strike "in amounts" and insert "under section 234(c) in an aggregate amount".

Page 250, line 5, strike "under section 234(c)".

Page 358, beginning in line 4, strike out "subtitle D of title I of this Act" and insert in lieu thereof "section 141(c)(1) of the Trade Act of 1974".

Page 359, line 16, after "Group" insert ", or any successor organization".

Page 359, line 18, after "Committee" insert ", or any successor organization".

Page 361, line 10, insert "and the Under Secretary of Agriculture for Commodity Programs" after "Trade".

Page 362, line 11, insert "agricultural" after "value-added".

Page Page 362, line 18, strike out "referred to in" and insert in lieu thereof "developed under".

Page 362, line 21, strike out "food" and insert in lieu thereof "value-added agricultural".

Page 362, line 22, insert "of such products" after "lines".

Page 363, line 14, insert "AN" after "OF".

Page 364, line 5, insert "such report" after "shall submit".

Page 364, line 6, strike out "any report received under subsection (b)(2)".

Page 364, line 12, strike out "reported" and insert in lieu thereof "submitted".

Page 364, line 19, strike out "ESTABLISHING" and insert in lieu thereof "ESTABLISHMENT OF".

Page 365, line 21, strike out "agency or"

Page 366, line 2, strike out "agency or".

Page 366, line 10, strike out "Advocate" and insert "Advocates Branch".

Page 366, line beginning in line 10, strike out "title I of this Act" and insert in lieu thereof "section 141(g) of the Trade Act of 1974'.

Page 366, line 21, insert "annually" after "prepare".

Page 367, line 1, strike out "the next" and insert "such" in lieu thereof.

Page 367, line 16, strike out "The" and insert in lieu thereof "As appropriate, the".

Page 367, line 16, strike out "every" and insert "each" in lieu thereof.

Page 368, beginning in line 7, strike out "domestic".

Page 369, line17, strike out "President's".

Page 370, line 8, insert "programs" after "food aid".

Page 371, line 13, insert "food aid" before "programs".

Page 373, line 6, insert "equal to or" before "greater".

Page 373, line 19, strike out "OF" the first place it appears.

Page 373, line 20, insert "OF 1985" after "ACT".

Page 373, line 21, strike out "Department" and insert "Secretary" in lieu thereof.

Page 374, line 2, strike out "Department" and insert "Secretary" in lieu thereof.

Page 375, line 15, insert ", reenacted with amendments by the Agricultural Marketing Agreement Act of 1937," before "is amended".

Page 376, line 5, insert "appropriate" after "other".

Page 376, line 10, insert "and report to the public" after "compile".

Page 376, beginning in line 13, strike out "data required" and all that follows through "issued" in line 14 and insert in lieu thereof "reports required by this section shall be made".

Page 376, line 18, strike out "this report" and insert "such reports" in lieu thereof.

Page 376, line 22, strike out "The".

Page 377, line 12, strike out "of the" and insert "of" in lieu thereof

Page 377, line 15, insert a comma after "exports".

Page 377, line 17, strike out "which" and insert "that" in lieu thereof.

Page 377, line 23, strike out "CLASS I AND II" and insert in lieu thereof "ALLOCATION OF CERTAIN".

Page 378, beginning in line 1, strike out "or entities".

Page 378, beginning in line 5, strike out "shall not be classified" and all that follows through "of" the first place it appears in line 6 and insert in lieu thereof "shall be treated as other-source milk, and shall be allocated as milk received from producer-handlers for the purposes of classifying producer milk, under".

Page 378, line 8, after the period insert "For the purposes of this section, the term 'foreign person' has the meaning given such term section 9(3) of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508(3)).".

Page 378, line 12, strike out "has begun" and insert "began" in lieu thereof.

Page 379, line 2, strike out "to reduce" and insert "reduce" in lieu thereof.

Page 379, line 3, strike out "Nothing in paragraph (1) shall be construed to" and insert in lieu thereof "Paragraph (1) does not".

Page 379, line 7, strike out "and".

Page 379, line 12, "or" after the semicolon.

Page 380, line 6, strike out "this year" and insert "1986" in lieu thereof.

Page 380, beginning in line 6, strike out "has imposed" and all that follows through the semicolon in line 10 and insert in lieu thereof the following:

has—

(A) imposed quotas on imports of oilseed products into Portugal, in violation of the General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT");

Page 380, line 11 through 21, redesignate paragraphs (2) and (3) as subparagraphs (B) and (C) and align their margins so as to the same as the margin of subparagraph (A).

Page 380, line 11, strike out "the European Community has".

Page 380, beginning in line 12, strike out "per centum" and insert in lieu thereof "percent".

Page 380, line 14, insert "and" after the semicolon.

Page 380, line 15, strike out "the European Community has".

Page 380, line 22, strike out "(4)" and insert "(2)" in lieu thereof.

Page 381, line 3, strike out "(5)" and insert "(3)" in lieu thereof.

Page 381, line 8, strike out "(6)" and insert "(4)" in lieu thereof.

Page 381, line 11, strike out "(7)" and insert "(5)" in lieu thereof.

Page 381, line 11, strike out "announced his" and insert in lieu thereof ", 1986, announced the".

Page 381, line 18, strike out "(8)" and insert "(6)" in lieu thereof.

Page 381, line 23, strike out "to firmly" and insert "firmly to" in lieu thereof.

Page 382, line 2, strike out "products in" and insert in lieu thereof "product imports into".

Page 382, line 11, strike out "the" and insert "such" in lieu thereof.

Page 402, line 5, strike out the period and insert a semicolon.

Page 402, strike out lines 6 through 14, inclusive.

Page 442, line 13, strike out "subtitles B and C" and insert "chapters 1 and 2".

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

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

Mr. MICHEL. Reserving the right to object, Mr. Speaker, and I do so to inquire of the distinguished majority leader, the assurance that these are strictly technical amendments, nothing of a substantive nature that would alter the course of events here.

Mr. WRIGHT. If the gentleman would yield, most assuredly these are technical amendments. That is all they are.

Mr. MICHEL. The gentleman can assure me that there are no telephone numbers or that kind of thing.

Mr. WRIGHT. The gentleman surely is correct.

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

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

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas for the immediate consideration of the resolution?

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.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1780

Mr. MADIGAN. Mr. Speaker, I ask unanimous consent that the name of Congressman BILL NELSON be removed as a cosponsor of H.R. 1780, the Vaccine Injury Compensation Act.

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

There was no objection.

□ 1305

EXTENSION OF DATE RELATIVE TO CERTAIN LIMITATIONS WITH RESPECT TO OBLIGATIONS FROM MILITARY PERSONNEL ACCOUNTS

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2460) to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mr. McDADE. Mr. Speaker, reserving the right to object, I have no intention of objecting, but I take the time in order that my distinguished colleague, the gentleman from Florida, may tell the House what is contained in this piece of legislation.

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

Mr. McDADE. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Speaker, this bill is needed to extend the deadline for legislative action on the Military Retirement Reform Act of 1986 to June 30, 1986. The bill is purely technical in nature but is required to allow the Department of Defense to continue paying retirement and other benefits at the current level until the military retirement reform bill is enacted.

Both Houses have passed military retirement reform legislation but it is not likely that a conference agreement will be reached until the middle part of June.

The Department of Defense Appropriations Act of 1986 contained a deadline of May 1, 1986 to continue retirement and other payments at current obligational levels. That May 1, 1986 deadline was extended to June 1, 1986 and now this extension is needed to extend the deadline to June 30, 1986.

If this bill is not enacted into law, on June 1, 1986 the Department of Defense would be required to reduce troop strengths, freeze promotions, and force early retirements, all of which would cause major disruptions to the current military operations.

I know of no opposition to the bill and I urge its adoption.

Mr. McDADE. Mr. Speaker, I think the gentleman for his very distinguished explanation.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 2460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso of section 8103 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190; 99 Stat. 1221), relating to obligations from Military Personnel accounts for fiscal year 1986, is amended by striking out "May 1, 1986" and inserting in lieu thereof "June 30, 1986".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 2460 the Senate bill just passed.

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

There was no objection.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF THE INTERPARLIAMENTARY UNION AT BONN, FEDERAL REPUBLIC OF GERMANY

The SPEAKER. pursuant to the provisions of 22 United States Code 276a-1, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union to be held in Bonn, Federal Republic of Germany, on May 26 through May 31, 1986. The following Members on the part of the House:

Mr. PEPPER of Florida, chairman;

Mr. HAMILTON of Indiana, vice chairman;

Mr. DICKS of Washington; and

Mr. HAMMERSCHMIDT of Arkansas.

CONFERENCE REPORT ON H.R. 2672, FEDERAL EMPLOYEE'S RETIREMENT SYSTEM ACT OF 1986

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 458

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of the former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", all points of order against the conference report and against its consideration are hereby waived, and the conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 458 provides for the consideration of the conference report on H.R. 2672, the Federal Employees' Retirement System Act of 1986. The rule waives all points of order against the conference report and against its consideration. The rule further provides that the reading of the conference report is dispensed with.

Mr. Speaker, it is imperative that the House move to consideration of this conference report. The interim retirement system for more than 400,000 Federal employees expired at midnight on April 30 and, since that time, these workers have been required to contribute 14 percent of their income into both the Social Security and Civil Service Retirement Systems.

Mr. Speaker, the committee's recommendation that necessary waivers of points of order be granted for this conference report is based on the emergency nature of the legislation. Since the other body chose a completely unrelated House bill as a vehicle for consideration of Federal pension reform, it was inevitable that the conference report would exceed House limitations against the inclusion of issues in con-

ference reports which go beyond the scope and germaneness of matters committed to conference. Because the conference report's enactment would lead to the establishment of a new pension system and result in additional Federal budget activity. Several provisions of the budget act and the prohibition on inclusion of appropriations in legislative bills would preclude the report's consideration if the rule before the House is not adopted.

The conference report we have before us today is the product of years of hard effort and recent months of intense negotiations with the Senate to devise a new retirement system for Federal employees, as mandated by the Social Security Act Amendments of 1983.

The conference report on H.R. 2672 would create a three-tier benefit plan which would include Social Security, a modified civil service pension and a tax-deferred thrift plan. Federal workers hired since January 1984, would be automatically covered by the new pension plan. The remaining 2.4 million employees hired before that date could choose either to remain under their current retirement coverage or decide during an open season next year to subscribe to the new plan.

The effects of this new retirement coverage would reduce the employer costs of the Government with the benefit of over $7 billion in deficit savings during the next 5 years. The results of this agreement would also repeal the double coverage that Federal employees have been subjected to since May 1 and would reimburse them for excess payroll deductions that have amounted to a 5.7 percent cut in pay.

Mr. Speaker, this rule has been designed to expedite action on legislation to provide a fair and comprehensive retirement system for Federal workers as they plan their careers and future retirement from Government service. We owe our gratitude to the members of the Post Office and Civil Service Committee, and particularly to Chairman FORD, Ms. OAKAR, and Mr. TAYLOR, who crafted this compromise in conference and who worked very hard to make this a bipartisan success.

This legislation has broad support, including a unanimous vote in committee on this rule, from both sides of the aisle, both Houses of Congress and the administration. I urge my colleagues to support this rule and passage of the conference report.

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

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

Mr. Speaker, I thank the gentlelady from California for yielding me this time, and I especially want to thank her for her kind remarks about by participation as a conferee on H.R. 2672, the Federal Employees' Retirement System Act.

Mr. Speaker, House Resolution 458 is the rule under which the House will consider the conference report creating a new supplemental retirement program for Federal employees who are covered by Social Security.

The rule waives all points of order against consideration of the report, and against the report itself. In addition, the rule provides that the conference report shall be considered as having been read when called up for consideration.

Mr. Speaker, the managers on the part of the House filed the conference report on Friday, May 16, but it was not printed in the daily edition of the RECORD until Monday, May 19.

Due to the delay in printing in the RECORD, the report was not eligible for consideration, under House Rule 28, until today. In addition, the report could not have been considered as read when called up for consideration until today.

When the Committee on Rules reported this resolution on Tuesday, there was a possibility that the conference report would be called up on Wednesday. In order to facilitate that possible floor situation, the rule was written in this fashion.

Mr. Speaker, I fully support this rule and the conference report. As the ranking Republican member of the Committee on Post Office and Civil Service, I joined our chairman, the gentleman from Michigan [Mr. FORD] in requesting this rule from the Committee on Rules.

Mr. Speaker, this rule will allow the House to complete action in a timely manner on one of the most vexing problems I have encountered during my 13 years in the Congress: fashioning a supplemental retirement program for those Federal civil service employees and Members of Congress who were brought under the Social Security System as a result of the Social Security Amendments of 1983.

Those of us who served on the conference committee were pretty much forced to cut the pattern to fit the cloth, since the 1983 legislation required us to establish a new pension system for Federal employees coordinated with Social Security.

The Committee on Rules recognized that we have a highly unusual parliamentary situation to deal with here, because the conference report contains matter not germane to the bill the House passed, H.R. 2672. That bill renamed a bulk mail facility in New Jersey and honored a postal employee who was fatally injured there.

Mr. Speaker, one of the Senate amendments added provisions establishing a new retirement system for Federal employees and Members who are covered by Social Security.

Because the House-passed bill did not include the retirement provisions, the scope of the conference was limited to the Senate provisions and current law. However, the Committee on Post Office and Civil Service did report a bill, H.R. 3660, prior to the conference.

Thus, while the committee's bill was not technically in conference, the managers of both Houses were aware of its provisions and we incorporated many of them in the conference agreement.

This rule recognizes that we necessarily exceeded the scope of matters committed to conference, and thereby avoids further delay that might arise because of the parlimentary situation.

Mr. Speaker, before I conclude, I want to congratulate the chairman of the committee, the gentleman from Michigan [Mr. FORD]; the gentlelady from Ohio [Ms. OAKAR], who chairs our subcommittee on Federal Employee Benefits; and the gentleman from Indiana [Mr. MYERS], our ranking Republican member of that subcommittee.

We have been in conference with the other body on this legislation for nearly 6 months, and we would not have been able to bring this report to the House without their tireless efforts. The conference report to be considered under this rule is a bipartisan agreement supported by the managers on the part of both Houses.

It is a sensible compromise that is supported by the administration. I am deeply grateful for the support we have received from President Reagan's administration, which I believe is due in large measure to the work of the Director of the Office of Personnel Management, Constance Horner.

Mr. Speaker, the conference agreement provides a defined benefit plan, and a tax-deferred thrift savings plan for those Federal employees who will receive Social Security benefits when they retire.

The new supplemental retirement program will cost the Government less, as a percentage of payroll, than our current system. The estimated budget savings of this agreement is approximately $7.25 billion over the next 5 years.

As the numbers of Federal employees covered by the new program increase in the future, our future budget savings will also increase since the overall cost to the Government of the new program is almost 10 percent less, as a percentage of payroll costs, than the existing system.

Mr. Speaker, the other body agreed to the conference report on Tuesday. House consideration of the conference agreement, and its enactment will bring our Federal retirement programs into the 20th century. I urge adoption of this rule.

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

Mrs. BURTON of California. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Maryland [Mr. BARNES].

Mr. BARNES. Mr. Speaker, I rise in support of the conference report on H.R. 2672, the Federal Employees Supplemental Retirement Program. I have a few brief comments:

I would like to express my deep appreciation to Chairman BILL FORD and to my good friend from Ohio, Representative MARY ROSE OAKAR and to all the Members and staff who have done such prodigious work over the past 3 years on this legislation.

This House made a commitment to Federal workers when we enacted the Social Security Reform Amendments of 1983—that we would provide a supplemental retirement plan to provide benefits on par with those provided by the existing Civil Service Retirement System. We also pledged that we would not damage the financial integrity of the Civil Service Retirement System.

My colleagues' diligence, their dedication to providing a program that is fair to both employees and taxpayers, enables us to keep those promises today. We owe them a debt of gratitude; so do Federal workers and retirees across the country.

I would also offer my colleagues a word of caution about what we have done in this conference agreement. It represents a true compromise. We did not achieve all of our goals and clearly, neither did the other body. The result is a complex program, one that provides important and attractive options to both new hires and employees covered by the current Civil Service Retirement System.

SHIFTING THE RISKS

We must understand that this program shifts a considerable burden of responsibility and economic risk onto the shoulders of individual employees. While the Social Security component and the base retirement plan provide a solid foundation for benefits, this program provides benefits on par with the current system only if the employee takes advantage of the Capital Accumulation Program or tax sheltered thrift plan and manages it wisely.

For lower income employees, this may often mean a choice between immediate needs and future security; because such an employee who does not make certain sacrifices to save will not reach retirement with a level of benefits currently available.

Therefore, our responsibilities for this new retirement plan do not end with passage of this conference agreement. More than ever, employees will need information and guidance about how to make this plan work effectively. I intend to do all that I can to encourage the Office of Personnel Management to provide the leadership that will be needed in this area.

Finally, there may be some alarm that this agreement does not provide full COLA, and in fact provides only COLA minus 1 for retirees after age 62. Anyone who reads those provisions as capitulation on the commitment we've maintained to Federal retirees to protect their benefits from inflation would be gravely mistaken.

This is not an invitation to erode future COLA's. In the context of the overall retirement plan, an indexed Social Security Program, coupled with interest earning, tax-sheltered savings, can provide annuity growth more than capable to keeping place with rising costs. But again, the risk and the burden of achieving the requisite level of savings falls to the employee.

Therefore, as I encourage my colleagues to support this agreement, and pay tribute to those who have made it possible, I also call on my colleagues to reaffirm our commitment to full inflation protection for all Federal retirees.

□ 1320

Mrs. BURTON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Speaker, I thank the gentlewoman from California for yielding time to me.

Mr. Speaker, I rise in strong support of the resolution.

Mr. Speaker, I rise in strong support of the conference report on H.R. 2672, a bill to provide for a supplemental retirement system for civil service employees hired after December 31, 1983. I want to commend the House conferees, particularly the chairman of the Subcommittee on Compensation and Employee Benefits, Ms. OAKAR, and the chairman of the Committee on Post Office and Civil Service, Mr. FORD, for their leadership and determination which allowed them to stand up to those who would have us weaken the civil service of the future by cutting retirement benefits.

Mr. Speaker, I cosponsored this legislation because I felt we must do what is right: Provide the incentive and protections for the men and women who serve America every day through hard work and determination in providing goods and services from the Federal Government. Civil servants are the backbone of the Republic. They are our defense and our compassion. From the customs inspector on the border, to the contract officer at Fort Bliss, TX, civil servants provide a necessary service—government.

The conference report on H.R. 2672 is a good report. The House stood firm in ensuring that those employees hired after December 31, 1983, would receive retirement benefits equal to their colleagues hired prior to that date. The Social Security Act Amendments of 1983 provided that Federal civil service employees hired after December 31, 1983, begin paying into the Social Security System. At that time, they only paid 1.3 percent to civil service retirement pending passage of a supplemental civil service retirement bill. However, after one extension, and continued balking by the administration, time ran out and those civil service employees began paying the full amount toward civil service retirement, thereby reducing take home pay by 6 percent. This would not have occurred had the administration not opposed the informal agreement achieved between the House and Senate conferees. There are some in the administration who believed we should use this supplemental retirement system to begin to erode the civil service system. Fortunately, the House conferees under the able leadershp of Mr. FORD and Ms. OAKAR were able to stave off that irresponsible attack on civil service employees.

The new law contained in the conference report on H.R. 2672 would provide a new and equitable retirement system for those Federal employees hired after December 31, 1983. The new retirement system has three tiers: Social Security; a defined benefit pension plan; and a tax-deferred thrift savings plan. Employees must contribute to the pension plan at a rate of 1.3 percent of pay in 1987, 0.94 percent in 1988-89, and 0.8 percent thereafter. Pension benefits would be paid after 30 years of service at the minimum retirement age of 55—gradually increasing to 57. After 20 years of service at age 60, and after 5 years of service at age 62. A benefit reduced by 5 percent for each year the retiree is under 62 would be available after 10 years of service and attaining the minimum retirement age. The pension formula is 1 percent times years of service times the highest 3 years of average pay. If an employee has at least 20 years of service and retires after age 62, the computation rate is 1.1 percent instead of 1 percent. Employees retiring before age 62 would receive a supplement to offset the lack of Social Security benefits prior to age 62. The supplement would end at 62 and would be reduced to reflect after retirement earnings, if any, in a manner consistent with a similar earnings test reduction under Social Security. The pension plan also provides survivor and disability benefits. Pension benefits would be indexed, generally, to reflect increases in the consumer price index less 1 percent. These adjustments would be made annually. Retirees—other than survivors and the disabled—who are under age 62 would not receive these adjustments until reaching age 62.

Under the thrift savings plan the Government would contribute 1 percent of pay to an account for each employee. In addition, the Government

would match employee contributions as follows: Contributions up to the first 3 percent of pay, dollar for dollar; and, more than 3 percent but not more than 5 percent of pay, 50 cents per dollar. An employee may contribute up to 10 percent of pay, but the maximum Government contribution would be 5 percent. A five-member, Presidentially appointed, Senate-confirmed board would manage the thrift plan. Moneys contributed can be directed by employees to three investment funds: a Government securities fund; a fixed-income fund; and a stock index fund—initially, all moneys must be held in the Government securities fund. An employees' contribution, the Government contribution, and earnings would not be taxed until withdrawn. Moneys may be withdrawn at retirement as a lump sum or as an annuity, or may be transferred to an IRA. In the case of an employee who leaves prior to retirement, moneys may be transferred to an IRA. Employees under the current civil service retirement system [CSRS] may contribute up to 5 percent to the thrift plan but are not entitled to any Government contribution.

The conference report provides for a 6-month open season beginning July 1, 1987, during which employees under the current CSRS may elect to join the new system. Those who so elect would be entitled to full thrift plan participation—including Government contributions—and to eventual benefits which take into account service under both systems. Employees covered by Social Security who have served continuously since December 31, 1983, and rehired employees covered by Social Security who previously served 5 years or more remain under the current retirement system subject to contribution and benefit offsets to take into account Social Security benefits earned during Federal service. These individuals may also transfer to the new plan.

The conference report also establishes parallel new systems for members of the Foreign Service and employees of the CIA who are covered by Social Security. These systems include provisions consistent with retirement policy for Foreign Service officers and CIA employees.

According to the Congressional Budget Office, the new system will cost 22.9 percent of payroll, while current law is costing the Government 31 percent of payroll, and it will result in a 5-year deficit savings of approximately $7.25 billion.

Mr. Speaker, not only is this an equitable retirement system, but it is also and affordable one. The conferees have been able to protect the integrity of the civil service retirement system, its members, and still achieve budgetary savings.

Mr. Speaker, this new system provides a fair retirement system for our Federal work force hired after December 31, 1983. It does not cut benefits, as some would have us do. We need a strong retirement system in order to attract and retain the qualified men and women we have today in the civil service. These are men and women who give up higher compensation in the private sector to provide for the needs and wants of the American people. This bill commends those men and women for job well done, as do I.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I thank the gentleman from Missouri for yielding this time to me.

Mr. Speaker, I rise in strong support of the conference report inasmuch as it represents a comprehensive, fiscally responsible, fair and equitable proposal for a supplemental civil service retirement system. In addition, it recognizes and deals with the unfair "double coverage" burden which had been placed on post-1983 Federal hires on May 1, and which took an additional 5.7 percent out of their pay because the Congress and the executive branch failed to settle this matter earlier. I cosponsored a resolution with Congressman WOLF which called for the refund of those additional withholdings, and am very pleased that the conference committee saw fit to include it.

While this bill may not be everything we wanted, it is reasonable and it's certainly better than what we've got right now. In addition, it affords the individual employee the latitude to participate in the program or programs that serve that individual best.

Again, Mr. Speaker, I commend the members of the conference committee for their work on this important legislation in behalf of our civil servants. I would, further, urge my colleagues in the House to vote in favor of this conference report.

Mrs. BURTON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule has been designed to expedite action on legislation to provide a fair and comprehensive retirement system for Federal workers as they plan their careers and future retirement from Government service.

We owe our gratitude to the members of the Post Office and Civil Service Committee, and particularly to Chairman FORD of Michigan, the gentlewoman from Ohio [Ms. OAKAR], and the gentleman from Missouri [Mr. TAYLOR]. They worked very hard and very diligently to craft a compromise in conference and have worked very hard to make this a bipartisan success.

This legislation has brought support, including a unanimous vote in committee on this rule from both sides of the aisle, both Houses of Congress and the administration.

I urge my colleagues to support this rule and passage of the conference report.

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

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question in the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FORD of Michigan. Mr. Speaker, pursuant to House Resolution 458, I call up the conference report on the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place."

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 16, 1986.)

The SPEAKER. The gentleman from Michigan [Mr. FORD] will be recognized for 30 minutes and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

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

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report accompanying H.R. 2672, the Federal Employees' Retirement System Act of 1986.

This conference report is the culmination of a very long and complicated process that began 3 years ago when newly hired Federal employees, Members of Congress, and certain political appointees were brought under the Social Security System, as a result of the Social Security Amendments of 1983.

That legislation mandated that we established a new pension system for Federal employees coordinated with Social Security.

The Committee on Post Office and Civil Service moved quickly and responsibly to develop such a plan, realizing that we had here a rare opportunity to create a new pension system with the best features found in the private sector.

With this in mind, the committee employed Hay Associates, one of the most prestigious consulting firms in the area of private pension plans. At the same time, the committee asked

the Congressional Research Service to conduct an exhaustive analysis of the key issues involved to help us put together this new system. We were also assisted by the General Accounting Office. During this process, we examined over 1,000 private sector and public sector pension plans.

After that the committee held several days of hearings and heard testimony from dozens of personnel managers, employee organization representatives, and private sector pension experts.

Moreover, we worked closely with other committees whose jurisdiction is touched by this legislation, including the House Intelligence Committee—the new pension plan covers CIA employees—the Foreign Affairs Committee—it also covers Foreign Service officers—and the Ways and Means Committee. I want to point out that we received invaluable assistance from Congresswoman MARY ROSE OAKER, Chair of the Subcommittee on Compensation and Employee Benefits, and Congressman GENE TAYLOR, ranking minority member of the committee.

I want to extend appreciation as well to Senator TED STEVENS of Alaska for his efforts to enlist White House support and his outstanding leadership in moving this legislation through the Senate.

For the past 5 months our committees have had discussions with the other body in an attempt to reconcile differences. The conference report before you is the result of that long and arduous effort. And I hasten to point out that the report has not only the approval of both the House and Senate committees, but the White House as well. The conference report was approved by the Senate Tuesday night by voice vote. At the outset let me assure you that this plan does not in any way affect the retirement benefits of Federal employees hired prior to January 1, 1984. Nor does it diminish the benefits of Members of Congress who began service before that date.

I also want to point out that there has been a good deal of hardship for those Federal employees hired since December 31, 1983—and Members as well—who have been forced into a double coverage situation since May 1. Because of the pay cycles of many agencies, a great many Federal employees are paying both into Social Security and the civil service retirement system and have taken what amounts to nearly a 6-percent pay cut. Others, however, may not yet have had such a deduction. The conference agreement remedies this unfair situation and provides for refunds to those affected employees.

This double coverage has resulted in a large cost increase for the Government. Where the cost of the civil service retirement system was 25 percent of payroll, that figure jumped to 31 percent with double coverage, which is now still in effect.

The new plan will result in substantial savings for the Government at a time when we need all the help we can get to bring the enormous deficits of the past 5 years into line. The employer cost of the new plan will be less than 23 percent of payroll. The conference report will reduce the Federal deficit by more than $8 billion over the next 5 years.

The new plan will cover all Federal civilian and postal employees first hired after December 31, 1983. They will pay Social Security payroll taxes and will draw Social Security benefits when they retire. The new system will supplement Social Security.

Federal employees hired before the end of 1983 can either continue under the civil service retirement system or transfer to the new plan.

The conference report extends a temporary plan, to which new employees contribute to Social Security with only a token contribution to civil service retirement, until January 1987, when the new plan takes effect.

For some time now there has been a great deal of misinformation generated about the supposed generosity of the present system for many Federal workers. It is a widely held belief that the current system is better under all circumstances for all Federal employees.

The fact is that a great many married Federal employees would be better off under Social Security alone.

All of those employees up to GS-7, step 5, would be better off just under Social Security. This includes 735,000 or 37 percent of the nonpostal Federal work force of 2 million employees.

What we have designed here is a new, very modern retirement system that combines the very best of both plans.

Attached is a chart which compares retirement benefits for a Federal employee covered by the current civil service retirement system with benefits that could have been received if the individual had been covered by the Social Security System during his/her career.

The chart shows that an employee retiring at a final salary of $20,000 could receive greater benefits from Social Security at the time of retirement than he/she would receive from the civil service system. This salary level would approximate the salary of a GS-7, step 5, under the General Schedule or a PS-2 under the Postal Service Schedule.

COMPARISON OF RETIREMENT BENEFITS

	Civil service retirement system	Social Security
Basic benefits [1] (includes spousal benefit)	$10,680	$9,705
Less survivor benefit reduction	798	
Total	9,882	9,705
Less Federal taxes [2]	486	
Net benefits	9,396	9,705

[1] Assumes married worker with nonworking spouse who retired at age 62 in 1985 with final salary of $20,000 and 5 percent pay increases each year during a 30-year career.
[2] Assumes no other income and standard deduction was elected.

The new retirement system has three tiers: Social Security, a defined benefit pension plan, and a tax-deferred thrift plan. Employees must contribute to the pension plan at the rate of 1.3 percent of pay in 1987, 0.94 percent in 1988–89, and 0.8 percent of pay thereafter. Pension benefits will be paid after 30 years of service at the "minimum retirement age"—55, gradually increasing to 57—after 20 years of service at age 60, and after 5 years of service at age 62. A benefit reduced by 5 percent for each year the retiree is under age 62 is available after 10 years of service and attaining the minimum retirement age. The pension formula is 1 percent times years of service times highest 3 years of average pay.

If an employee has at least 20 years of service and retires after age 62, the computation rate is 1.1 percent instead of 1 percent. Employees retiring before age 62 receive a supplement to offset the lack of Social Security benefits prior to age 62. The supplement ends when Social Security benefits start and is reduced to reflect after-retirement earnings, if any, in a manner consistent with a similar earnings test reduction under Social Security.

The pension plan also provides survivor and disability benefits. Pension benefits are indexed, generally, to reflect increases in the CPI less 1 percent. These adjustments are made annually to retires 62 and older. Retires—other than survivors and the disabled—who are under age 62 do not receive these adjustments.

Under the thrift savings plan the Government will contribute 1 percent of pay to an account for each employee. In addition, the Government will match employee contributions as follows: contributions up to the first 3 percent of pay, dollar for dollar; more than 3 percent but not more than 5 percent of pay, 50 cents per dollar. An employee may contribute up to 10 percent of pay, but the maximum Government contribution is 5 percent. A five-member presidentially appointed, Senate-confirmed board will manage the thrift plan. Moneys contributed can be directed by employees to three investment funds: a Government securities fund; a fixed-income fund; and a stock index fund—initially, all money must be held in the Government secu-

rities fund. An employee's contribution, the Government contribution, and earnings are not taxed until withdrawn.

Moneys may be withdrawn at retirement as a lump sum or as an annuity, or may be transferred to an individual retirement account. In the case of an employee who leaves prior to retirement, moneys may be transferred to an IRA. Employees under the current Civil Service Retirement System may contribute up to 5 percent to the thrift plan but are not entitled to any Government contribution.

The conference report provides a 6-month open season beginning July 1, 1987, during which employees under the current Civil Service Retirement System may elect to join the new system.

Those who so elect will be entitled to full thrift plan participation—including Government contributions—and to eventual benefits which take into account service under both systems.

Employees and members covered by Social Security who have served continuously since December 31, 1983, and rehired employees covered by Social Security who previously served 5 years or more remain under the current retirement system subject to contribution and benefit offsets to take into account Social Security benefits earned during Federal service. These individuals also may transfer into the new plan.

The conference report also establishes parallel new systems for members of the Foreign Service and employees of the CIA who are covered by Social Security. These systems include provisions consistent with retirement policy for Foreign Service officers and CIA employees under existing law.

I would like here to extend a special note of thanks to the committee general counsel, Robert Lockhart, and deputy general counsel, Pierce Myers, for their tireless dedication and invaluable expertise during a long and arduous process. I want to thank as well, the staff director, Tom DeYulia, and deputy staff director, Pat Rissler, for their outstanding contributions and professional advice.

Mr. Speaker, I include the CBO cost estimate on the conference report at this point in the RECORD:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 1986.

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

DEAR MR. CHAIRMAN: In accordance with Section 308(a) of the Balanced Budget and Emergency Deficit Control Act, the Congressional Budget Office has prepared projections of the Budgetary impact of H.R. 2672, the Federal Employees' Retirement System Act of 1986, as contained in the conference report of May 16, 1986.

The bill would establish, as a supplement to Social Security, a new defined-benefit plan and a tax-deferred thrift savings plan for federal civilian employees hired after December 1983, including employees of the U.S. Postal Service. Federal workers hired earlier could transfer to the new retirement program and to Social Security beginning in July 1987. For those transferring, H.R. 2672 would protect the retirement benefits already earned. Employees who do not transfer could contribute up to 5 percent of pay to the savings plan—but without any matching government contributions from employing agencies that employees in the new system would receive. Because the costs of the new system's benefits would be funded on an accrual basis, agency contributions to federal retirement and savings accounts would rise.

Enactment of H.R. 2672 would reduce the 1987-1991 budget deficit by some $8.3 billion. This would occur because $13.6 billion in offsetting collections (negative outlays) derives from voluntary employee contributions to savings plans and from anticipated higher postage rates, beginning in January 1989, to defray the retirement and thrift plan costs that would be borne by the U.S. Postal Service. These five-year budgetary savings, however, would be partly offset by a loss of $2.0 billion in federal revenue (lower payroll withholdings and reduced individual income taxes) and an increase of $3.3 billion in federal fund disbursements (outlays). In addition, appropriations to fund the costs of the new system's benefits could increase, in order to satisfy agency contributions to the thrift and defined-benefit plans, by $24.4 billion through 1991. The increase in appropriations affects intrabudgetary transactions but does not, in itself, affect outlays. (The bill would authorize the appropriation of such sums as necessary to pay expenses in 1986 and 1987 for administering the thrift savings plan.) Tables 1 and 2 summarize the budgetary impacts. Due to time and data limitations they do not include potential effects of Titles IV and V of the bill that address the Foreign Service and Central Intelligence Agency retirement systems. The impact of analogous changes to these systems would slightly increase the deficit reduction effects projected in this report.

TABLE 1. ESTIMATED BUDGET DEFICIT EFFECT OF H.R. 2672, BY FISCAL YEAR

[In billions of dollars]

	1987	1988	1989	1990	1991
Estimated rise in offsetting collections [1]	−$0.29	−$1.87	−$3.34	−$3.84	−$4.30
Estimated revenue loss [2]	0.05	0.35	0.45	0.52	0.62
Estimated rise in Federal fund disbursements	([3])	0.23	0.61	1.01	1.49
Estimated increase or decrease (−) in the deficit	[4] −0.24	−1.29	−2.27	−2.31	−2.18
Estimated increase in appropriations for agency operating expenses	1.17	4.47	5.57	6.24	6.94

[1] Higher offsetting collections represent negative outlays that reduce net budgetary costs.
[2] Revenue losses in this table are positive numbers because they increase the budget deficit.
[3] Estimated under $5 million.
[4] H.R. 2672 would not allow any federal employee contributions to the savings plan until July 1987. Technical amendments to the bill contained in Senate Current Resolution 142 would permit certain employees to contribute in January 1987. This would reduce the 1987 deficit by an additional $90 million. Thus, the 1987 deficit reduction would grow from $240 million to $330 million.

Note.—Details may not add to totals because of rounding.

TABLE 2. DETAIL OF ESTIMATED BUDGET REDUCTION EFFECTS OF H.R. 2672, BY FISCAL YEAR

[In billions of dollars]

	1987	1988	1989	1990	1991
Estimated Rise in offsetting collections (negative outlays):					
Employee thrift contributions	−$0.29	−$1.87	−$2.24	−$2.48	−$2.76
Higher postage rates to defray costs paid by the U.S. Postal Service	0	0	−1.10	−1.36	−1.54
Subtotal	−0.29	−1.87	−3.34	−3.84	−4.30
Estimated revenue losses [1]					
Decreased payroll taxes from changes in employee contributions	([2])	0.04	0.06	0.11	0.14
Decreased Federal income taxes from participation in the thrift plans	0.05	0.31	0.38	0.41	0.49
Subtotal	0.05	0.35	0.45	0.52	0.62
Estimated rise in Federal fund disbursements (positive outlays):					
Investment of employee thrift contributions in marketable securities	0	0.10	0.29	0.50	0.77
Net increase in disbursements from civil service, thrift, and social security trust funds to cover lump sum and monthly benefit payments	([2])	0.13	0.33	0.51	0.73
Subtotal	([2])	0.23	0.61	1.01	1.49

[1] Revenue losses in this table are positive numbers because they increase the budget deficit.
[2] Estimated under $5 million.

Note.—Details may not add to totals because of rounding.

The CBO baseline, against which the budgetary effects of H.R. 2672 are measured, differs from current law. The baseline assumes that federal employees hired after December 1983, and covered by Social Security, continue to contribute 1.3 percent of pay to federal retirement accounts. Under current law, however, these employees have been paying 7.0 percent of salary as of May 1, 1986. The bill would retroactively extend the 1.3 percent limit on payroll withholdings and would refund excess contributions received prior to the bill's enactment. Because the additional revenue from the interim 7.0 percent withholding rate is not reflected in the baseline projections, the $60 million outlay for 1986 refunds does not affect CBO deficit projections. (Measured against current law, H.R. 2672 would cause a revenue loss each year, beginning in 1986, that would accumulate to $7.3 billion through 1991.)

The estimates use current CBO economic assumptions and reflect a three-month delay in the effective dates for federal pay raises in 1987 and 1988. The estimates also assume that under current policy the total number of federal workers will remain constant over the five-year period. Thus, by January 1987, some 460,000 recent hires will come under the new system. This group is assumed to grow by the equivalent of 100,000 employees each year through 1991. In addition, about 2.2 million current workers would have the option of switching to the new system during the six months ending December 31, 1987. The CBO estimates assume that approximately 40 percent of the group of current workers will elect the new program.

The five-year projections prepared by CBO do not reflect the long-term impacts of H.R. 2672. But it appears that the government's cost for new federal employees' retirement would decrease slightly. The Con-

gressional Research Service estimates that the new system plus OASDI benefits would require an annual government investment for a group of new employees equal to about 23 percent of covered payroll. The analogous estimated cost for benefits under the CSR system is 25 percent.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

□ 1330

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we come here today with this very badly needed legislation, there are so many people who can be thanked who have put so many years, not days, not hours, but years, into the development of this conference report that we come to the floor with. Most assuredly, the members of the committee, the gentlewoman from Ohio [Ms. OAKAR], the chair of our subcommittee, the gentleman from Michigan [Mr. FORD], chairman of the committee, certainly our ranking Republican member, the gentleman from Missouri [Mr. TAYLOR], and every member of the Committee on Post Office and Civil Service, as well as the other body, and a great host of other people who should be thanked. I will get into that shortly.

But we are here today to put the finishing touches on a precendent-setting, actually, Federal civilian retirement plan. It is sound and it is sensible. To paraphrase a cigarette commercial, we have come a long way since 1983. We have come a long way, and a lot of people have been involved.

It was back 66 years ago when the first civil service retirement program came into being in 1920. It has been changed and modified through the years, but nothing substantive. It needed to be changed, notwithstanding the Social Security Amendments of 1983 that required, mandated, that Congress take action and incorporate, fold in, civil service retirement with Social Security that was necessary for the past 3 years for so many to work so hard.

I must say at this point that the staff—some of whom are here on the floor—have carried a major burden of this, they have worked back and forth from the membership, working back and saying that this is something we can live with, and working out both sides. So you have so many involved here. We had the White House, the administration, who were concerned about the cost of the program because the taxpayers, they felt, were paying too large a burden in the existing program. So we had to satisfy, at least have some compromise with, the White House and the administration. The employee organizations, the Federal unions, had one perspective. They had to represent their membership. They had to come a long way in the compromise, and they did come a long way. And then here in the Congress we had the other body which had a different view about what a retirement program should contain. They passed a bill, as the Members will remember, back in November of last year providing for not as generous a retirement, I must say, as this, but at least a retirement program. That necessitated then coming together, working on this conference. Then we had the private sector. We had some corporations who were fearful that the standards established in the Federal program would be those that could not be met by them and that there would be pressure on the private sector. So we did incorporate, fold in, into this conference report many of the concepts that a great many of the better private retirement programs have. And we will talk about that.

This is a solid retirement program. It meets the financial needs, as I said, from the administration, for the employees, it gives them some security, and it provides for the retirement and satisfactory retirement, a good retirement program for disability. It is a sound program for those who might have to come—and probably some will have to come—under disability. But it is also for the survivors, something that was a gray area before. This very definitely defines the eligibility and the benefits the survivors may share in the retirement of their loved ones. And for the first time, something that the private sector often has in their retirement programs, we do provide a tax-deferred thrift savings program that the employee may dedicate and set aside into a savings program part of their earnings, up to 10 percent, and be matched up to half of that by the Federal Government, and go into a private retirement program, which many companies now have for their employees.

This is a program I think all of us can support. It is a program for retirement that has long been due. Again I say that I think everyone gave a lot, and certainly we have to congratulate besides our own Members and our staff the employee organizations who probably had to give the most on this. They did not like it. They were reluctant to give as much as they have, such as retirement gradually moving up to 57, with early retirement benefits for existing employees at 55. There were a great many factors that they were concerned about, but everyone actually wins on this bill.

It is going to cost less to the taxpayers of the country. The benefactors, the employees, are going to benefit by more defined benefits that they are going to receive now, they can incorporate into Social Security, and will be protected under a better program than they had before, and certainly the taxpayers who had to pay for this will be paying less, as has already been defined.

It is a good program. It deserves our wholehearted support, and I am sure every Member here will vote for this conference report.

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

Mr. MYERS of Indiana. I yield to the gentleman from Ohio.

Mr. LATTA. I, too, want to compliment the gentleman from Indiana [Mr. MYERS], the chairman of the committee, the gentleman from Michigan [Mr. FORD], and the gentlewoman from Ohio [Ms. OAKAR] for their work on this legislation.

I rise also to ask one question: The way this bill is written, it affects employees hired after January 1, 1984; is that correct?

Mr. MYERS of Indiana. As of January 1, 1984, and those subsequent to that.

Mr. LATTA. And it is a mandatory program?

Mr. MYERS of Indiana. There is an option for those before. There are several options that will be considered, and we will get the information to the Members and to the staff here on the Hill. There are different categories. There are some who are at higher risk, the Federal law enforcement officers, air traffic controllers, to mention a few, Members of Congress and staff because our jobs are not definite, we will pay a higher percentage of retirement benefits into it, one-half percent more than anyone else, but because of the high risk factor on longevity here, we have a little different program than others have. Most employees know when they hire on with the Federal Government that they have a likelihood of staying 20 or 30 years, whatever they desire. But some of these law enforcement officers and Members of Congress and staff do not have that security, so we pay a higher percentage to get the same coverage.

Mr. LATTA. As I understand it, this in no way affects employees who were on the payroll prior to January 1, 1984, unless they so elect.

Mr. MYERS of Indiana. There is going to be an option, they can decide, they are going to have an election to make whether they go under the old program, the new program or variables in between. There will be options.

Mr. LATTA. If they decide not to opt in, so to speak, they would not be affected, their retirement programs will not be affected?

Mr. MYERS of Indiana. The retirement program will not be affected arbitrarily, mandatorily. There will be a window between now and the first of next year for them to understand what program would be best for them to go into. A great many already have

told us they probably will want to go into the new program. You freeze, in that case, what people have earned so far. For Members of Congress, staff, other Federal employees who have been around a number of years as some of us have been, it is frozen right there if we elect to go into the new program.

Mr. LATTA. I thank the gentleman.

Mr. MYERS of Indiana. Before I yield further, there is one other facet. We just have received a letter from the Congressional Budget Office which discusses the bill and they support the bill, but it also says that enactment of H.R. 2672 will reduce the 1987-91 budget deficit—this is the Gramm-Rudman deficit—by a total of $8.3 billion, reduce the deficit by $8.3 billion by this bill, by this compromise.

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

Mr. MYERS of Indiana. I yield to the gentleman from New York, a member of the Committee on Post Office and Civil Service for many, many years.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2672, the Federal Employees' Retirement System Act of 1986. The Post Office and Civil Service Committee has worked 3 long years in addition to 6 months of negotiations in conference on the product before you. Without a doubt, it provides employees hired by the Federal Government after December 31, 1983, with a fair and comprehensive retirement program.

I want to congratulate our distinguished chairman, the gentleman from Michigan [Mr. FORD], and our distinguished subcommittee chairperson, the gentlelady from Ohio [Ms. OAKAR], and the ranking minority member of our committee, the gentleman from Missouri [Mr. TAYLOR] and the ranking member of our subcommittee, the gentleman from Indiana [Mr. MYERS], for the long hours and hard work they unselfishly devoted toward achieving this conference report. As a member of the Committee on Post Office and Civil Service, I can truly say that this legislation is the product of a bipartisan effort. It is supported by our colleagues from both bodies and from both sides of the aisle, and has been warmly embraced by the administration.

Acordingly, I urge my colleagues to support H.R. 2672.

Mr. MYERS of Indiana. I thank the gentleman for his comments.

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

Mr. MYERS of Indiana. I yield to the gentleman from Missouri, our ranking Republican member on the Post Office and Civil Service Committee, who spent so many hours on this bill in conference.

Mr. TAYLOR. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to speak on behalf of H.R. 2672, the Federal Employees' Retirement System Act of 1986. As a conferee on the bill I found myself in excellent company as each of my colleagues at the conference table devoted considerable time and energy to the design of this bill.

For the past 2 years, the Committee on Post Office and Civil Service has been charged with the responsibility of developing a new pension system for Federal employees covered by Social Security. Together with members from the other body this conference has crafted a fair and fiscally sound pension system which retains the best aspects of the old system while featuring specific elements predominantly found in the better private sector pension plans.

Throughout our deliberations, our focus has been to ensure that Federal employees receive a fair and reasonable retirement plan. That this new system afford a fair and reasonable retirement in the eyes of the workers themselves, whose efforts are vital to the varied functions of our Federal Government. It should be fair and reasonable, as well, in the eyes of the taxpayers who correctly insist that their tax dollars be spent sensibly and wisely.

As is often the case, we have been obligated to examine a terrain cluttered with a number highly technical issues. From that clutter of issues, we have sought to extract a sensible retirement policy—a policy that must be clear enough for those who will depend upon it for their economic security, and flexible enough to address the various situations and needs that Federal workers may face during their careers.

The manner in which we ultimately address these concerns will recast the basic Federal retirement structure and its pattern of payments for decades. We are, therefore, in a unique position to influence the kind of Federal workforce this country should have.

This new system is analogous to a three-legged stool—relying upon Social Security, a defined benefit plan, and a tax-deferred thrift savings plan. This integration of pension benefits represents a historic shift in bringing an antiquated pension system in line with current retirement practices. This new system encourages employee savings while at the same time guaranteeing a minimum level of benefit on which our Federal employees can rely.

In the past, we have seen Federal pay and benefits come under increasing attack from various sectors for alleged waste and over generosity. H.R. 2672 presents us with the opportunity to refute such charges by providing a fair and equitable system for employees while providing taxpayers a savings of more than $8.3 billion over the next 5 years.

Mr. Speaker, the Federal pension system has always served as the model system for the private sector. It will continue to perform this role under H.R. 2672. The benefits under the new system will be more portable for employees to better allow transferability between the Federal and private sector. Employees will be able to take advantage of current market conditions through participation in the thrift plan whereby moneys can be directed by employees to a variety of investment funds.

H.R. 2672 represents a milestone in the technics of bipartisan cooperation. All parties to the plan had significant input and were able to reach full agreement on a very complex issue. As we debate the bill, double coverage by Social Security and the old system extends to all new Federal hires. The practical effect of double coverage means a pay cut for employees with no immediate increase in benefits. Mr. Chairman, it is time we end the uncertainty and implement a new retirement system for these employees. The Senate has passed this proposal and the administration strongly supports its passage. I urge all of my colleagues to support H.R. 2672.

Mr. MYERS of Indiana. Mr. Speaker, in closing, there are so many people who deserve credit, most importantly the members here today of the Committee on Post Office and Civil Service, Chairman FORD and Chairperson OAKAR, who worked so hard on this, as well as Mr. TAYLOR, and the staff who worked so hard. Again, it is a compromise that was worked out very delicately and over a long period of time with the White House and private sector. I have served in my 20 years here on a great many conferences. I think this has lasted longer and has required more hours than even some of the extensions on the appropriation bills where we have had continuing resolutions and have gone into night and day operations for several days. This has taken a good many months and a lot of hard work.

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

Mr. MYERS of Indiana. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I just wanted to make sure that this was not the same legislation which I have been getting a number of letters on for some sort of a mass retirement of members from the Civil Service.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield to me on that point?

Mr. MYERS of Indiana. I yield to the gentleman from Michigan, the chairman of the Committee on Civil Service.

Mr. FORD of Michigan. Mr. Speaker, the bill the gentleman is referring to, I do not know if it has been introduced yet by the chairman on the Senate side.

Mr. MYERS of Indiana. Early out, I guess they call it.

Mr. FORD of Michigan. An early retirement system.

Frankly, we had all we could pray over with this. We have not even looked at it yet. All I know is what I have read in the paper, but it is a scheme to reduce the Federal work force by providing incentives to people to retire early. That has not even been processed on the Senate side. I would guess it would get over to us next year, perhaps, and then we will have a look at it. We are not initiating anything of that kind on this side.

Mr. STRATTON. I am glad to hear that that is the case.

Is it not true that if we are going to have a mass retirement of this kind, we have got people who are no longer going to be contributing to the pension program, the retirement program, and we are going to have people who are going to be receiving their retirement benefits for a longer period of time than would normally be the case? It is my impression that this would be a very expensive kind of gift to give to the civil service employees.

Mr. FORD of Michigan. If the gentleman will yield further, that is the sort of thing we would have to look at. How are we going to pay for this? And we would be very conservative in doing anything that would jeopardize the other employees because of somebody's idea of some quick fix for some few employees.

Mr. MYERS of Indiana. I think the gentleman from New York has brought up an interesting question. There is nothing in this compromise that would encourage people to retire. Quite to the contrary. There are things here that would encourage those employees and loyal workers to stay on board and continue to pay into this. They are not going to be diminished. There is no loss to existing employees by this program. It is very carefully drawn this way.

Mr. FORD of Michigan. If the gentleman will yield further, let me point out that for the first time we have a couple of incentives to stay, even though you are eligible to retire. First, we have preserved the right to retire after 30 years of service at age 55. That was dictated by two things. First, that is a long-standing right that people have and, second, we have special populations that we require to get out of Government at age 55 because of the nature of their occupations. To be fair to them, we had to maintain it.

But if a person is not in an occupation that requires them to get out at 55, even though they qualify, if they stay until they are 62, they get a bonus on their retirement for having stayed. For the first time we are going to encourage our senior managers and our most experienced people to stay in their best years with us instead of going off with their retirement and going to work for somebody else. That is the first positive step that I am aware of ever since the beginning of the pension to encourage experienced people to stay in Government.

□ 1345

That was agreed to by everybody as something that has to be done.

Mr. MYERS of Indiana. This is called a three-tier program. First, you have the Social Security as the base, then you can augment that with the Civil Service retirement, a little different retirement program. Most importantly is the third component, this tax-deferred thrift savings plan that employees may contribute to and have it matched partially by their employer. A new program, something, again, to encourage people to stay on board.

I think the early out that the gentleman is concerned about, and we have all had that question asked a great many times, is quite different. This would, I believe, encourage people to stay longer instead of encouraging them to retire. That is the way I view it.

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

Mr. FORD of Michigan. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding me this time.

Mr. FAZIO. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from California.

Mr. FAZIO. I thank the gentlewoman for yielding to me.

I rise in strong support of the Federal Employees Retirement System Act of 1986, and I commend the efforts of Chairman WILLIAM FORD, Chairwoman MARY ROSE OAKAR, and Congressmen GENE TAYLOR and JOHN MYERS for formulating a very acceptable compromise with the Senate.

It has been a long and difficult struggle to come forth with a plan that provides an adequate retirement plan for those Federal employees who have joined the workforce since January 1984. I think they will be pleased with the three-tiered system that combines Social Security, a defined benefit plan and a tax-deferred thrift plan.

Our House conferees fought hard to retain the ability of Federal workers to retire after 30 years of service to the Government without being penalized. The 55 years of age will be moved to 57, but only for those born after 1969.

The House did acquiesce to one provision that the White House firmly insisted upon, and that was to change the COLA's that will be received by those hired after January 1984 to CPI minus 1 percent. However, given the fact that these retirees will receive a full Social Security COLA and interest from the thrift plan, the total retirement compensation will more than make up for the 1-percent COLA loss.

All in all we have a good product that took 3 years to formulate and over 6 months to negotiate with the Senate and the White House. Our House conferees approached this task with one crucial goal, and that was to protect the current system while ensuring a sound retirement plan to new hires. I feel they have succeeded and I urge my colleagues to vote in favor of this measure.

Mr. HOYER. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentlewoman for yielding to me.

Mr. Speaker, this legislation creates an efficient and competitive retirement system for our Federal civil service. Three years ago, the Congress began work on developing a new retirement system for Federal workers. This conference agreement represents an end to that process and a fair compromise between all involved parties.

The compromise creates a three-tier system, with the foundation of the program being the inclusion of Federal workers in the Social Security System. The basic annuity plan represents the second tier, and provides that employees will receive 1 percent of the average of their 3 highest years of service multiplied by their years of service. Employees who retire after age 62, with at least 20 years of service will be allowed 1.1 percent of their 3 highest years. Retirees over age 62 will be guaranteed a COLA which will never be less than the CPI minus 1 percentage point.

The third tier of the retirement system provides Federal employees a thrift savings plan similar to those available in the private sector. Under this plan, employees may contribute up to 10 percent of their pay into the savings account which the Government will match on a dollar for dollar basis for the first 3 percent of pay, and on a 50 cent for each dollar contributed for the next 2 percent of pay. The Government will automatically contribute 1 percent of pay into each employee's account.

This report also corrects a serious problem which has existed since the beginning of May, in that many Federal employees have had to pay an additional 5.6 percent of their pay toward their retirement system since the interim legislation had expired. This report provides that these employees will be reimbursed for the double pay-

ment that they have lost over this period of time.

Mr. Speaker, this conference report is a landmark for our Federal civil service and offers for the first time, a retirement system that is as diverse and responsive to the needs of our Federal employees as any system in the private sector. Again, I congratulate the chairman and everyone who worked so hard in achieving this landmark, and offer the gratitude of each and every eligible Federal employee.

Ms. OAKAR. Mr. Speaker, I rise in support of the conference report on H.R. 2672, the Federal Employees' Retirement System Act of 1986.

The conference report is the product of 3 years of work by the committee and 6 months of negotiations with the Senate. It is a very complex piece of legislation, drawing upon pension experience in both the public and private sectors. H.R. 2672 was crafted very carefully to provide employees hired by the Federal Government after December 31, 1983, with a fair and comprehensive retirement program.

I want to congratulate Chairman WILLIAM D. FORD and the ranking minority member of the committee, GENE TAYLOR, for their hard work and untiring determination in achieving the conference report. As a member of the conference committee, I can attest to the fact that this report is truly bipartisan. It is supported by Members from both sides of the aisle, and it has been endorsed by the administration.

Mr. speaker, I certainly want to also congratulate the ranking minority Member of my subcommittee, Mr. JOHN MYERS of Indiana.

I want to say about my chairman that he has the persistence to demand a fair plan, and he never caved in when the times were tough. I really, truly admire what he did to maintain what I believe is a fair system.

As a member of the conference committee, I can attest to the fact that the report is truly bipartisan. It is supported by Members from both sides of the aisle, and has been endorsed by the administration. The conference report creates a new retirement program for Federal workers which will meet their need for an adequate annuity. Basically, the new retirement system, which will become effective on January 1, 1987, provides a three-tier benefit structure: Social Security, a defined benefit program, and a thrift plan. The new retirement program will cost less, as a percentage of payroll, than the current civil service retirement system, and will result in a 5-year deficit savings of approximately $8.3 billion.

Through the three-tier system, we can offer Federal employees an opportunity to build an annuity that is specifically suited to them. By participating in the thrift plan, Federal workers will be able to have a portable retirement program and increase their basic annuity. Portability is extremely important to providing employees, especially women, who have interrupted career patterns an opportunity to earn an annuity for their retirement years.

I want to also emphasize that we either did better or maintained the treatment that we have in the retirement program toward spouses—something that Representative SCHROEDER and I and others have been very, very concerned about.

Mr. Speaker, I want to emphasize that this conference report does not affect the basic benefit structure of the current civil service retirement system. Employees who are covered by the civil service retirement system will have an opportunity to voluntarily transfer to the new retirement program during the 6-month period beginning on July 1, 1987. Employees hired before January 1, 1984, will have a full opportunity to evaluate both systems and make an informed judgment as to which one best suits their retirement needs.

It is essential, Mr. Speaker, that the House approve this conference report today. Since the interim retirement system expired at midnight on April 30, more than 400,000 Federal employees are now paying more than 14 percent of their income into the social security and civil service retirement systems. For these workers, "double coverage" has resulted in a 5.7-percent pay reduction. Such a loss in income is particularly difficult, because Federal workers did not receive a pay raise this year.

The conference report would restore the interim system for the remainder of this year and require a refund to those employees who have suffered the 5.7 percent wage loss over the past few weeks. By acting expeditiously, the House will also relieve the apprehension and anxiety among Federal workers as to the retirement program that will be available to them. It will also signal our determination to treat them fairly.

This debate today marks the conclusion of a journey that we began 3 years ago. Sometimes the path looked difficult and the obstacles insurmountable. Our committee and staff have devoted hundreds of hours to developing this legislation. We have receive invaluable assistance from the Congressional Research Service, Hay Associates, pension experts in the private and public sectors, Federal employee organizations, and administration officials. The conference report is a product of a great deal of discussion and compromise. It is a fair and reasonable piece of legislation.

In conclusion, Mr. Speaker, I want to reaffirm my support for the Federal Employees' Retirement System Act of 1986. I also want to offer my appreciation again to Chairman FORD and Congressman GENE TAYLOR, as well as the other committee conferees, Congressmen WILLIAM CLAY and JOHN MYERS, without whose support the conference report would not have been possible. Finally, I want to recognize the dedication of the committee staff and the countless hours of work that went into developing and drafting this legislation.

I urge my colleagues to support the conference report on H.R. 2672.

Mr. BOLAND. Mr. Speaker, I strongly support the supplemental Federal retirement plan contained in the conference report on H.R. 2672, and I urge its adoption by this House. When we decided, in 1983, that newly hired Federal employees should be covered by Social Security, we promised to devise a supplemental retirement system for them. Unfortunately, our inability to reach a timely agreement with the administration on the scope of that system has resulted, since May 1, in some Federal employees having to pay an incredible 14 percent of their salaries to two retirement plans. This conference report both redeems our pledge to our Federal work force, and removes, with a full refund, the excess contributions required under the "double coverage" system.

Under the new plan, Federal employees hired since January 1, 1984, would receive retirement benefits from three sources—Social Security, the Federal retirement system, and a tax deferred thrift plan. I believe that this last element, which is similar to plans available in the private sector and which will be in part available to workers hired before January 1, 1984, is one of the most exciting aspects of the new retirement system. In addition, Mr. Speaker, the new system, while continuing to assist Federal workers prepare for retirement will reduce future Federal retirement costs and also contribute to our deficit reduction efforts. That is a good combination under any circumstances and I therefore hope the conference report will be cleared expeditiously.

Mr. BURTON of Indiana. Mr. Speaker, I rise in support of H.R. 2672—the Federal Employees' Retirement System Act of 1986. Critics of Federal retirement have long charged that the taxpayers have had to shoulder the burdens of an overly generous retirement plan for Federal employees. The conference report under consideration presents this Congress with a historic opportunity to break with the past and implement a system for new Federal hires which is both cost effective for the taxpayer and fair to the employee.

Under the new system, Federal employees will be entitled to retirement benefits comparable to benefits featured in the better private sector plans. The bill provides strong incentives for employees to increase personal savings for retirement while enhancing portability of retirement assets between Federal and private sector jobs. Unlike the present retirement system, the new plan more closely aligns Federal retirement practices with those in the private sector.

This new retirement system also represents a savings for the taxpayer. Estimates show that during the next 5 years, we can expect to achieve savings of $7 billion. These savings

could prove particularly significant in preventing Federal layoffs in light of Gramm-Rudman budgetary reductions.

Mr. Speaker, some Federal employees have already experienced pay cuts due to the expiration of the interim retirement system. Double coverage is of no practical value to these employees and such coverage creates more of a budgetary strain than the present retirement system. While the bill may appear very complex to some, it basically comes down to two primary concerns—fairness and fiscal integrity. Mr. Chairman, I urge all of my colleagues to vote for in passage of H.R. 2672.

□ 1355

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

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 2672, FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT OF 1986

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 142) authorizing a technical correction to be made in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 142

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(a) At the end of section 8432(b) of title 5, United States Code (as added by section 101(a) of the bill) insert the following new paragraph (4):

"(4) Notwithstanding paragraph (2)(A), an employee or Member who is an employee or Member on January 1, 1987, and has creditable service described in section 8411(b)(2) of this title may make the first election for the purpose of subsection (a) during the election period prescribed for such purpose by the Executive Director. The Executive Director shall prescribe an election period for such purpose which shall commence on January 1, 1987. An election by such an employee or Member during that election period shall be effective on the first day of the employee's or Member's first pay period which begins after the last day of that election period.

(b) In section 702(b)(4) of the bill, strike "401" and insert in lieu thereof "701".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

JUDICIAL IMPROVEMENTS ACT OF 1985

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 14, strike out "Fund." and insert "Fund: *Provided,* That such amounts shall not exceed the equivalent of 9 percent of salary or retirement salary.".

Page 2, line 21, strike out all after "excess," down to and including "basis," in line 22 and insert "determined on an annual basis in accordance with the provisions of section 9503 of title 31, United States Code,".

Page 4, line 18, strike out "55" and insert "50".

Page 4, line 20, strike out "30" and insert "25".

Page 4, strike out all after line 24 over to and including line 5 on page 5.

Page 12, after line 2, insert:

(e) CREDITABLE SERVICE.—Section 376(k)(1) of title 28 is amended by deleting the phrase "subsection (b) of".

Page 12, line 3 strike out "(e)" and insert: (f)

Page 12, strike out all after line 17 over to and including line 11 on page 13.

Page 13, line 12, strike out "5." and insert "4.".

Page 15, line 15, strike out "6." and insert "5.".

Page 15, line 22, strike out "or" and insert "and".

Page 15, line 23, strike out "(46 U.S.C. App. 839);" and insert "(46 U.S.C. App. 802, 803, 808, 835, 839 and 841(a));".

Page 16, line 19, strike out "7." and insert "6.".

Page 18, after line 3, insert:

SEC. 7. FULL LIFE INSURANCE COVERAGE FOR RETIRED FEDERAL JUDGES.

The Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333) is amended as follows:

(1) Section 206 is revised to read as follows:

"SEC. 206. Sections 8706(a), 8714a(c)(1), 8714b(c)(1), and 8714c(c)(1) of title 5, United States Code, are amended to insert immediately after the first sentence in each of those sections a new sentence which reads as follows: 'Justices and judges of the United States described in section 8701(a)(5)(ii) and (iii) of ths chapter are deemed to continue in active employment for purposes of this chapter.'." and

(2) section 207 is revised to read as follows:

"SEC. 207. The amendments to chapter 87 of title 5, United States Code, made by section 206 of this Act shall apply in the case of any justice or judge who is retired under section 371(a) or 371(b) or 372(a) of title 28, United States Code. The amendments apply to those who retire on or after January 1, 1982.".

Mr. KASTENMEIER (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

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

There was no objection.

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

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, would the gentleman from Wisconsin provide us with a brief explanation of the Senate amendments to H.R. 3570?

Mr. KASTENMEIER. Mr. Speaker, if the gentleman would yield, I would be pleased to explain the Senate amendments to the House bill, H.R. 3570.

You will recall that H.R. 3570 was passed by the House by voice vote on December 16, 1985. As approved by the House, the bill was an omnibus judicial housekeeping measure amending current law in five substantive areas: judicial survivors' annuities, removal jurisdiction, travel expenses of justices and judges, judicial review of Federal Maritime Commission and Maritime Administration orders, and technical amendments to title 28, United States Code.

The Senate amendments—although large in number—are minor in terms of relative importance. The Senate changes are mostly of a conforming and technical nature. Where substantive modifications are made, they basically improve the bill passed by the House. The House-approved bill was a good bill, as evidenced by its unanimous House endorsement. In brief, H.R. 3570 basically is left intact by the Senate amendments.

Before I begin my explanation of the Senate amendments, let me take this opportunity to recognize the efforts of the ranking minority member

of my subcommittee, Mr. MOORHEAD, and to thank him for his contributions toward achieving enactment of this legislation. Further respect should be accorded to the entire membership of my subcommittee: Mr. BROOKS, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. FRANK, Mr. MORRISON, Mr. BERMAN, Mr. BOUCHER, Mr. MOORHEAD, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. SWINDALL, and Mr. COBLE for their contributions and support. Moreover, I would like to express appreciation to the Judicial Conference of the United States, the administration, the Federal Judges Association, and the American Bar Association for their substantial assistance. Also, honorable mention should be given to a former ranking minority member of my subcommittee, Mr. Railsback, who has given tirelessly and unselfishly of his time, both as a Member of Congress and now as a practicing lawyer, to improve employment conditions for Federal judges. Last, Senators THURMOND, HEFLIN, and EAGLETON should be commended for their efforts.

H.R. 3570, as amended by the Senate, includes five bills originally sponsored by House Members. Since three of these bills were crafted by respected colleagues, I would like to identify these Members and their respective bills for the historical record. First, my full committee chairman, Mr. RODINO, was the original sponsor of a bill that provided for judicial review of certain orders of the Federal Maritime Commission and Maritime Administration in the U.S. courts of appeals. Second, a member of my subcommittee, Mr. SYNAR, authored legislation that filled a serious legislative gap in removal law affecting the relationship between State and Federal-courts. Third, a member of the New York delegation, Mr. GREEN, sponsored a bill to provide that certain judicial annuities for surviving spouses shall not terminate by reason of remarriage of an annuitant after age 60. All of these bills have been left intact by the Senate.

I will now discuss the Senate amendments.

First, the Senate deleted section 4 of the House-passed bill, relating to travel expenses of justices and judges. That section is no longer necessary, as it was enacted into law as part of S. 1840, approved by the House on December 19, 1985, and ultimately signed by President Reagan on January 2, 1986. See Public Law 99-234. As the original sponsor of the proposal to make actual travel expenses available to Federal judges (H.R. 2561), I was very pleased by its enactment. I have not, until now, been able to express my appreciation to members of the Committee on Government Operations for their assistance in achieving final passage.

Second, the Senate made five modifications to section 2 of the House-passed bill, relating to judicial survivors annuities reform.

(a) The Senate deleted the express responsibilities of the Comptroller General to determine on an annual basis the "unfunded liability" of the fund. Instead, "unfunded liability" will be determined on an annual basis in accordance with section 9503 of title 31, United States Code. I would expect the Comptroller General to respond favorably to congressional requests to audit the financial health of the JSAS Fund, but only on a periodic basis.

(b) A Senate amendment clarified that the Government contribution to the JSAS Fund shall not exceed the equivalent of 9 percent of salary or retirement salary. The House report indicated that a 9-percent Government contribution would be unacceptably high. In this regard, the Senate amendment conforms statutory language to the House legislative history.

(c) The Senate amended the ceiling for judicial survivors annuities by striking out "55" percent and inserting in lieu thereof "50." The Senate further amended the floor by striking "30" percent and inserting "25." The Senate passed bill, as a consequence, is a bit less generous than the bill originally endorsed by the House.

(d) The Senate deleted a House provision that would have allowed the Deputy Director of the Administrative Office of the U.S. Courts to participate in the JSAS Program.

(e) The Senate clarified that retired Federal judges can continue to participate in the judicial survivors' annuities system.

Third, the Senate made a technical amendment to section 6 of the House-passed bill, relating to judicial review of Federal Maritime Commission and Maritime Administration orders. The Senate amendment merely listed the citations to the United States Code of rules, regulations or final orders of the Secretary of Transportation which are subject to review in the U.S. courts of appeals.

Fourth, the Senate added a new section to the House-passed bill to clarify that fully retired Federal judges would be able to continue carrying the full amount of their regular or optional life insurance without diminution beginning at age 65. This technical amendment would allow two retired judges to take advantage of an option which currently is available to all other retired Federal judges by virtue of an amendment that I authored to the Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333).

In conclusion, the Senate amendments all improve the House bill. These amendments are fiscally responsible and substantively sound. I am pleased to recommend to the House that we accept the Senate amendments, thereby sending the bill to the President for his signature.

Mr. MOORHEAD. Mr. Speaker, further reserving the right to object, I would like to indicate that I agree with the gentleman's explanation, and express my support for H.R. 3570, as amended. It is an important court reform measure, and I commend the gentleman from Wisconsin for his efforts on this legislation.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that I may extend my remark and that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just adopted.

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

There was no objection.

MAKING TECHNICAL CORRRECTIONS IN ENROLLMENT OF H.R. 3570, JUDICIAL IMPROVEMENTS ACT OF 1985

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the concurrent resolution (H. Con. Res. 340) to correct technical errors in the enrollment of the bill, H.R. 3570, to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes.

The Clerk read the title of the concurrent resolution.

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

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I have reviewed the technical changes made to H.R. 3570, just passed, by the concurrent resolution that we are now considering. It cures six clearly technical problems in the bill. All of these modifications, except the first one, are essentially self-explanatory in nature.

First, in section 2(a)(1) of the bill strike "January 1, 1985" and insert "October 1, 1986". This change dovetails the effective date of the judicial survivors annuities system amendments with the dates of the JSAS "opt-in" period.

Second, in section 2 redesignate misnumbered paragraphs.

Third, in section 2 (as redesignated) correct an erroneous reference.

Fourth, in section 2(e) insert a reference to the "United States Code" after "title 20".

Fifth, in section 6(a) strike out "841(a)" and insert the correct reference to "841a".

Six, strike "and 43" and insert in lieu thereof "or 43".

As you can see, these corrections are extremely technical in nature. Considered collectively, they do not warrant sending H.R. 3570 back to the Senate, where the entire text of the bill could be further amended.

Further, if the Senate passes this concurrent resolution—as I expect it will—the Congress will avoid having to enact a technical amendments bill later on this summer.

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

Mr. MOORHEAD. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I want to compliment the gentleman on his explanation. I concur completely with what he just said.

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

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 340

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, the Clerk of the House of Representatives shall make the following corrections:

(1) In section 2(a)(1), strike "January 1, 1986" and insert in lieu thereof "October 1, 1986".

(2) In section 2, redesignate the second paragraph (3) as paragraph (4), and redesignate paragraph (4) as paragraph (5).

(3) In paragraph (4) of section 2 (as redesignated), strike "(1)(1)" and insert in lieu thereof (1)(1).

(4) In section 2(e), insert ", United States Code," after "title 28".

(5) In section 6(a), strike out "841(a)" in the matter inserted as section 2342(3)(A) of title 28, United States Code, and insert in lieu thereof "841a".

(6) In section 6(a), strike out "and 43" in the matter inserted as section 2342(3)(A) of title 28, United States Code, and insert in lieu thereof "or 43".

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

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE SCHEDULE

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

Mr. FRENZEL. Mr. Speaker, I am asking for this time for the purpose of asking the majority whip to explain the program for the coming weeks.

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

Mr. FRENZEL. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the acting minority leader for yielding.

Mr. Speaker, I would inform the House that the business that we have just concluded, except for unanimous-consent requests, concludes the business for this week, and we will be in a district work period until the week of June 2.

On Monday, June 2, the House will not be in session.

On Tuesday, June 3, the House will meet at noon to consider the Private Calendar and the special Consent Calendar, and one bill under suspension of the rules, H.R. 4718, the Computer Fraud and Abuse Act of 1986.

If there is a recorded vote ordered, it will be postponed until Wednesday, June 4.

On Wednesday, June 4, the House will meet at noon, and it will meet at 10 a.m. on the balance of the week. On the 4th we will consider H.R. 1, the Housing Act of 1985, to complete consideration, and H.R. 4116, the Domestic Volunteer Service bill, VISTA, subject to a rule being granted.

These bills are undoubtedly going to require some Thursday consideration, but it is not anticipated that there will be a Friday session that week, if we conclude the schedule as I have just announced it.

Obviously the announcement is made subject to the reservation that conference reports may be brought up at any time, and further business may be announced later.

Mr. FRENZEL. I thank the gentleman.

Mr. Speaker, the first vote will be on Wednesday, June 4, and it is the hope of the majority leadership that there will not be business on Friday, June 6. That means that we intend to dispatch the Housing Act in 2 days; is that correct?

Mr. FOLEY. If the gentleman will yield further, that is the intention.

Mr. FRENZEL. I thank the distinguished leader.

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DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 4, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 4, 1986.

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

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, June 3, 1986, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

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

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JUNE 4, 1986

Mr. FOLEY. Mr Speaker, I ask unanimous consent that when the House adjourns on Tuesday, June 3, it adjourn to meet at noon on Wednesday, June 4, 1986.

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

There was no objection.

AUTHORIZING SPECIAL CONSENT CALENDAR DAY ON TUESDAY, JUNE 3, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that on Tuesday, June 3, 1986, there be a special Consent Calendar day.

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

There was no objection.

NATIONAL CHILDREN'S ACCIDENT PREVENTION WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 344) to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

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

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 344

Whereas the children of the United States are the most precious resource of the United States;

Whereas approximately 25 per centum of all children in the United States under the age of fourteen suffer accidental injuries each year;

Whereas accidental injury is the leading cause of death among children in the United States, resulting in more than ten thousand such deaths each year;

Whereas the incidence of such deaths can be greatly reduced by taking precautions to prevent such accidental injuries and seeking expert pediatric emergency care when such accidental injuries do occur;

Whereas the incidence of accidental injuries among children is greatest during the summer months of each year, when children are usually not in school and are outdoors much of the time; and

Whereas the adults of the United States should become aware of the significant incidence of accidental injuries to children, the increased incidence of such accidental injuries during the summer months, and the need to take precautions to prevent such accidental injuries; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 8, 1986, is designated "National Children's Accident Prevention Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

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

NATIONAL FIRE FIGHTERS DAY

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. 479) to designate October 8, 1986, as "National Fire Fighters Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

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

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. 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. 479

Whereas there are over 2,000,000 professional and volunteer fire fighters in the United States;

Whereas fire fighters responded to over 2,300,000 fires and over 8,700,000 non-fire emergencies in 1984;

Whereas fire fighters have given their lives and risked injury to preserve the lives of others and protect our Nation's property;

Whereas the contributions and sacrifices of our valiant fire fighters often go unreported and are inadequately recognized by the public; and

Whereas fire fighter's work deserves the attention and gratitude of all Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 8, 1986, is designated as "National Fire Fighters Day". The President is authorized and 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.

HONORING LESTER R. BROWN

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the concurrent resolution (H. Con. Res. 335) honoring Lester R. Brown for his many years of service to his country, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

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

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. BURTON of Indiana. Madam Speaker, some time ago a good friend of mine, Cy Laughter, introduced me to a great American, Les Brown, better known as Les Brown and His Band of Renown.

Les Brown for over 18 years went with Bob Hope to entertain our troops throughout the world during times of military conflict, and during those 18 years he took time away from his wife and family and dedicated himself to helping our American servicemen.

Today a resolution passed this body congratulating Les Brown and honoring him for all those years of service to our country and to the American servicemen who defend this great Nation.

So today we would like to congratulate Les Brown on all the service he has done for this Nation. I have been joined in this regard by Speaker "TIP" O'NEILL, Republican leader BOB MICHEL, and the rest of the leadership, as well as many Members of this House.

We need more Americans like Les Brown and I hope everybody salutes him on this, his day.

It was once said, "To play great music you must keep your eyes on a distant star." Through the music of Les Brown, millions of people have touched that star. For more than half a century Les has entertained the world with his unique and inspiring musical compositions.

Lester R. Brown was born on March 14, 1912, in Reinerton, PA. His strong interest in music led him to the Ithaca Conservatory of Music where he received his degree in music. Les then went on to graduate valedictorian from the New York Military Academy.

Les used his musical talents as the leader of Duke University's "Duke Blue Devils" dance band. For over a year he toured the east coast with the band and in September of 1937, when most of the musicians returned to Duke, Les went to New York City and did free lance arranging for Buby Newman, Isham Jones, Jimmy Dorsey, Larry Clinton, and Red Nichols. It was in 1938 that Les started what later became Les Brown and his "Band of Renown."

From there Les Brown went on to become one of the top band leaders in the country. He has performed as musical director for several television specials, including 18 overseas Chritmas shows with Bob Hope. Some of the shows Les worked with include: Steve Allen Show—1959-1960; Milton Berle Special—1961; Hollywood Palace TV Show—1963-1964; Dean Martin Show—1965-1974; Jackie Cooper Show featuring Les Brown and his Band of Renown; Marineland TV Specials; N.A.R.A.S. TV Special (Grammy Award winners); Mel Torme "The Christmas Songs"—1979-1984; "Happy New Year, American"—1980-1983; Disneyland, Disney Channel—1984.

The great respect for Les and his musical contributions have led to his performance as guest conductor of the Los Angeles Symphony, the Denver Symphony, the Burbank Symphony, the North Carolina Symphony, the Inglewood Symphony, the Duke University Concert Band and the U.S. Air Force Band. One of his many appearances with the U.S. Air Force Band was for the return of the American hostages from Iran.

Les has had 2 million record sellers—the instrumental, "I've Got My Love To Keep Me Warm" and his famous hit, "Sentimental Journey." which was recorded by Doris Day in 1945. His credits continue in the motion picture industry where he performed for Universal's "Will Cowan Shorts." "Seven Days Leave" with Lucille Ball and "The Nutty Professor" with Jerry Lewis.

Les' great talents and dedication to the musical world earned him an Honorary Doctor of Music from his alma mater, Ithaca Conservatory of Music, now known as Ithaca College. He has performed for heads of state, including President Richard Nixon, President Ronald Reagan, and Queen Elizabeth II.

I consider it an honor and privilege to count such a great musician and humanitarian as

Les Brown as one of my friends. Les has provided sentimental journeys for many of us. He is truly an American prize and institution.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 335

Whereas Lester R. (Les) Brown is recognized worldwide for his musical and humanitarian gifts to society;

Whereas Les Brown and his Band of Renown have become an American institution;

Whereas Les Brown has distinguished himself as a leading musical artist by appearing on such television programs as Bob Hope specials, the Steve Allen Show, the Milton Berle Special, the Hollywood Palace Show, the Dean Martin Show, the Jackie Cooper Show, and several other specials;

Whereas Les Brown has appeared as a guest conductor for the Los Angeles Symphony, the Denver Symphony, the Burbank Symphony, the North Carolina Symphony, the Inglewood Symphony, the Duke University Concert Band, and the United States Air Force Band;

Whereas Les Brown is known to millions of Americans through his million selling records "Sentimental Journey" and "I've Got My Love to Keep Me Warm";

Whereas Les Brown's life of music has earned him an Honorary Doctor of Music from his alma mater, Ithaca Conservatory of Music;

Whereas Les Brown has performed for such heads of state as Presidents Ronald Reagan and Richard Nixon and Queen Elizabeth II;

Whereas Les Brown's patriotism and devotion to the United States Armed Forces has led him to travel and perform with Bob Hope on eighteen overseas Christmas shows, taking him away from his home and family at that very special time of year; and

Whereas it is proper and fitting for this Nation to salute Les Brown for his personal and musical gifts to the United States and the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) salutes Lester R. Brown for his selfless support of the United States Armed Forces and the principles for which their members have fought and died, and

(2) recognizes his great contribution to the United States through his music and life.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CLARIFYING COMMITTEE POLICY ON COMMEMORATIVE LEGISLATION

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

Mr. GARCIA. Mr. Speaker, I would like to take this opportunity to clarify committee policy as it pertains to commemorative legislation.

With all due respect to the gentleman from Indiana [Mr. BURTON], who introduced House Concurrent Resolution 335, a resolution honoring band leader Lester R. Brown, and the reason why the gentleman from Indiana [Mr. BURTON] has done this is because Lester Brown for many years accompanied Bob Hope for 35 years on his trips overseas during the Christmas holidays; but committee policy specifically states that proposals concerning a living person will not be reported. In spite of this policy, House Concurrent Resolution 335 was brought to the House floor today because it is not considered to be a typical commemorative. Unlike most commemoratives, House Concurrent Resolution 335 does not designate a specific date. Consequently, committee policy does not necessarily apply to this resolution. Nevertheless, I would like to make it clear that this will be the last time that we will be considering a resolution which pays tribute to a living individual, and I will adhere to this policy.

Mr. Speaker, if I may, the reasons for this are that if we do not do this, we could go on forever and ever with commemoratives to living individuals. I think it is a policy that the full committee has always had, but we have deviated over the last 3 or 4 years.

I just want to make it clear that we did this for the gentleman from Indiana because he made it very clear to us that there were other persons living who have been honored; but as far as I am concerned as chairman of the subcommittee which has to bring these resolutions to the floor, we did it for the gentleman from Indiana [Mr. BURTON], but I will not do it again.

NATIONAL HOMELESSNESS AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 347) to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

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

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. MARKEY. Mr. Speaker, the problem of homelessness is a critical one. In order to increase public awareness about this issue, I have introduced House Joint Resolution 632, a "National Homelessness Awareness Week." One day later, Senator LEVIN introduced a companion bill in the Senate, Senate Joint Resolution 347, which passed the Senate on May 21. It is now time for the House to show the same resolve.

Homelessness is found in every region of our country. Daily, we see people pushing grocery carts full of their possessions or sleeping on park benches, and yet we continue to do virtually nothing. With the current shortage in low-income housing and the recent cutbacks in social service programs, this program can only grow worse. In 1985 alone, the demand for shelter rose 72 percent in over 20 major cities, according to a survey on homelessness by the U.S. Conference of Mayors.

What is so tragic is the fact that more and more of the homeless are battered women, children, elderly, and very often even entire families. These people have all been left behind in the wake of our country's economic recovery. While there has been some activity by the public and private sector, it has been wholly inadequate given the magnitude of this problem. It is time that we open our eyes and confront this long ignored crisis.

A National Homelessness Awareness Week will allow us to do just that. It will help the people of America become more aware of the problem of homelessness in this country, and it is my intention that this awareness will breed action. Originally, this resolution was to coincide with two other events that address homelessness—the airing of the Mitch Snyder Movie on CBS and Hands Across America. However, we have amended this resolution so that the week would occur June 22, 1986, in order to give both the public and private sector additional time to plan the appropriate activities.

I am proud to be the sponsor of a bill that could help raise the consciousness of people about the plight of millions of homeless Americans.

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

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 347

Whereas an estimated 3,000,000 individuals in the United States are homeless;

Whereas an increasing number of homeless individuals are women, children, families, minorities, mental patients, and elderly individuals;

Whereas the demand for emergency shelter increased by more than 20 percent in 22 cities in 1985;

Whereas many emergency shelters do not have sufficient space to provide shelter for everyone who seeks shelter;

Whereas many emergency shelters are in violation of numerous health and safety standards;

Whereas factors contributing to the problem of homelessness include shortages in housing for low-income individuals, deinstitutionalization of mentally ill individuals, drug and alcohol abuse, and unemployment;

Whereas homelessness is a complex problem that cannot be solved by providing only food and shelter;

Whereas organizations, such as the Community for Creative Non-Violence, Luther Place, the House of Ruth, the National Coa-

lition for the Homeless, Headquarters in New York, LIFE (Love Is Feeding Everyone) in East and South Los Angeles, and Saint Peter's Coalition on Temporary Shelter in Detroit are committed to helping homeless individuals in the United States by providing food, clothes, shelter, and medical treatment;

Whereas public awareness with respect to the problem of homelessness should be increased; and

Whereas efforts by the Federal Government and the governments of States to solve the problem of homelessness should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 19, 1986, through May 24, 1986, is designated as "National Homelessness Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARICA: In the text of the joint resolution, strike "of May 19, 1986, through May 24," and insert "beginning June 22,".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. GARCIA: In the eighth clause of the preamble, strike "organizations," and all that follows through "Detroit" and insert "many organizations".

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from New York [Mr. GARCIA].

The amendment to the preamble was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. GARCIA: amend the title so as to read: "Joint resolution to designate the week beginning June 22, 1986, as 'National Homelessness Awareness Week'.".

The title amendment was agreed to.

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 the various resolutions just considered.

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

There was no objection.

HONORING 50TH ANNIVERSARY OF CONSUMERS UNION OF UNITED STATES

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 95) to recognize and honor the contributions of Consumers Union, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. RINALDO. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Colorado to explain the resolution.

Mr. WIRTH. Mr. Speaker, if the gentleman will yield, Senate Concurrent Resolution 95 is identical to a resolution introduced in the House by the gentlewoman from California [Mrs. BURTON].

I would ask the gentleman to yield to the gentlewoman from California for the purpose of a further explanation of the resolution.

Mr. RINALDO. Further reserving the right to object, Mr. Speaker, I am pleased to yield to the gentlewoman from California.

Mrs. BURTON of California. Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 95, to recognize and honor the Consumers Union on the 50th anniversary of its founding.

I introduced identical legislation in the House, and so I am very pleased to see that the committee has agreed to act quickly to pass this resolution.

Since 1936, the Consumers Union has been providing American consumers with expert, impartial recommendations concerning the quality, safety, value, and usefulness of consumer products and services. Through the Consumers Union publication, Consumer Reports, we have been warned of goods that posed a threat to either health or pocketbook. Just the same, if some product or service deserved praise, Consumers let us know that, too.

Consumers Union has worked to educate and alert American consumers through various activities including product testing; service evaluation; publishing magazines, newsletters, and books; producing television shows; and legislative as well as legal efforts. With these tools, consumers in America and around the world have been strengthened in their fight against fraud and hazardous or poorly made products.

In an increasingly sophisticated market, where advertising executives try to lure consumers with seductive, exhilarating ad campaigns, Consumers play a vital role in delivering the unadorned facts. We owe a great deal to the work of the Consumers Union. As a result of the efforts of this valuable organization we have certainly saved money and we have undoubtedly saved lives.

I urge my colleagues to pass the Senate resolution and give recognition to this worthy organization.

Mr. WIRTH. Mr. Speaker, will the gentleman yield further?

Mr. RINALDO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Speaker, Senate Concurrent Resolution 95 is identical to a resolution introduced in the House by the gentlewoman from California [Mrs. BURTON] and is intended to honor Consumers Union for its years of service to all Americans. Consumers Union was formed in 1936 with its goal to "create and maintain decent living standards for ultimate consumers." Since that time CU has been a major force in providing consumers with much-needed information about the products we buy. Its magazine, Consumer Reports, has become an invaluable resource for anyone looking for a good buy and for safe products.

Consumers Union has spoken out on behalf of consumers for many years. The organization has been instrumental in the creation of important advocacy groups such as Consumer Federation of America, the Center for Auto Safety, the American Council of Consumer Interests, and others.

This year Consumers Union is celebrating its 50th anniversary. It is with great pleasure that I join many of my colleagues in wishing Consumers Union well, and thanking the organization for a half century of serving the public interest. Senate Concurrent Resolution 95 simply commemorates this great achievement.

I urge that we adopt this resolution.

Mr. RINALDO. Further reserving the right to object, I want to join in the commendations of my colleague and friend, the chairman of the Telecommunications Subcommittee and my colleague and friend, the gentlewoman from California, and offer my congratulations to the Consumers Union on its 50th anniversary.

This organization has been working tirelessly for the last half century to get information to the consumer so that he or she can make the best-informed purchase possible. They play an important role in our marketplace and they show exactly what private individuals can do when working together to help protect consumers from shoddy products and false claims. I

wish them continued success in their endeavors.

Mr. WAXMAN. Mr. Speaker, I am pleased to rise in support of a resolution honoring one of this Nation's most effective consumer advocacy organizations. For 50 years the Consumers Union has served the public as an independent and unimpeachable source of information about the value, effectiveness, and safety of consumer products. It has established an enviable reputation for integrity and conscientiousness. It has earned the respect of the consuming public as well as industry.

The founders of Consumers Union, its past and current staff, and the millions of its members are to be congratulated on the eve of this golden anniversary. Passage of Senate Concurrent Resolution 95 is a much deserved tribute.

I want to commend the gentlelady from California, Mrs. BURTON, and my good friend from Colorado, Mr. WIRTH, for bringing this resolution before us.

I urge support for the resolution.

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

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 95

Whereas for the past fifty years Consumers Union has provided consumers with necessary facts to participate in an increasingly complex marketplace, through the publication Consumer Reports;

Whereas Consumers Union has become a widely respected source of impartial information about consumer products and services, and legislation and regulations affecting consumers;

Whereas Consumers Union has crusaded for fifty years for improvements in product safety, and has played an important role in reducing hazards to consumers;

Whereas Consumers Union has pursued reforms to make the marketplace more fair for consumers, and has been a leader in helping advance the consumer interest in the United States and around the world; and

Whereas Consumers Union is celebrating its fiftieth anniversary in 1986, with plans that include providing increased services: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes and honors the Consumers Union for the continuing contributions made in informing, protecting, and aiding consumers in the Nation.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR REDUCTION IN TERM OF OFFICE OF MEMBERS OF FEDERAL COMMUNICATIONS COMMISSION

Mr. WIRTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2179) to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

Mr. RINALDO. Mr. Speaker, reserving the right to object, and I do not object, I yield to the gentleman from Colorado for a brief explanation of what the bill does and its relationship to the appointment of an FCC Commissioner presently pending in the other body.

Mr. WIRTH. Mr. Speaker, if the gentleman will yield on his reservation, this legislation which was introduced in the other body is simply a noncontroversial amendment to the Communications Act of 1934. In short, it reduces the terms of the members of the Federal Communications Commission from 7 to 5 years in order to bring their terms of office into sync with the size of the FCC, which was reduced 3 years ago from seven to five members.

As I stated this legislation originated in the Senate, and I cannot speak for that body which, of course, has the responsibility for confirming Presidential nominees to the FCC. However, from our point of view, this is simply a technical change to bring the terms of office of the FCC parallel with the number of Commissioners that agency now has and is consistant with the policy which we have discussed in the Commerce Committee.

My colleagues will recall that in 1982 we reduced the size of the Commission from seven to five members. However, at that time we did not adjust the staggered terms of office to reflect that reduction. What that means is that there are now 2 years out of every 7 in which no FCC term expires.

This is important for a couple of reasons. First, whomever is elected President in 1988 would not, under current law, have the opportunity to appoint an FCC Commissioner until 1991.

Second, is the fact that the opportunity for the legislative branch to monitor the general policies of the Commission would be greatly diminished by the 2-year gaps in Commission terms.

This legislation would remedy this by reducing the length of terms to 5 years. It also alters the length of two Commission terms—the one formerly held by Henry Rivera that ends in 1987, and the successor to the one currently held by Chairman Fowler that expires in 1986—in order to create a rotation that will ensure that a term expires in 1989 and 1990—2 years in which there are currently no terms set to expire.

This is a commonsense amendment to the Communications Act that has received bipartisan support in both Houses as well as in the communications industry itself. I urge my colleagues to support this measure that will help to maintain the orderly and efficient operation of the FCC and the communications industry.

Mr. RINALDO. Mr. Speaker, further reserving the right to object, the minority has no objection to the legislation, but would the gentleman confirm my understanding that the administration also supports this legislation?

Mr. WIRTH. Mr. Speaker, if the gentleman will yield, my understanding is that is the case.

Mr. RINALDO. Mr. Speaker, I thank the gentleman from Colorado.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(c) of the Communications Act of 1934 (47 U.S.C. 154(c)), is amended by striking "seven" and inserting in lieu thereof "five".

(b) The amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act, except that—

(1) upon the expiration of the term of office prescribed by law to occur on June 30, 1986, any person appointed as a member of the Federal Communications Commission to fill such office for the term following such date shall be eligible to serve until June 30, 1990, and any person appointed as a member of the Federal Communications Commission to the term of office prescribed by law to expire on June 30, 1987, shall be eligible to serve until June 30, 1989; and

(2) notwithstanding the provision of subsection (a) of this section, persons appointed as members of the Federal Communications Commission to terms of office prescribed by law to expire on June 30, 1988, June 30, 1991, and June 30, 1992, shall be eligible to serve until the expiration of the term of office on June 30, 1988, June 30, 1991, and June 30, 1992, whichever is applicable.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution and Senate bill just passed.

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

There was no objection.

WE MUST AMEND CIVIL "RICO"

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

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

Mr. SMITH of Florida Mr. Speaker, in recent years a dramatic number of lawsuits have been filed against legitimate businesses under the civil remedies provisions of RICO.

RICO was designed to combat organized crime, but Congress also provided civil remedies for victims of racketeering activities. Despite clear congressional intent to link civil remedies to violations of the underlying criminal statute, the law has, in the words of the Supreme Court, evolved "into something never contemplated by Congress." Indeed, since RICO is being used against legitimate businesses in ordinary commercial disputes, many defendants settle claims in order to avoid the stigma of being labeled a "racketeer."

Congress must remedy this inappropriate application of RICO. As one who worked extensively in the drafting and passage of Florida's "Little RICO" statute, I believe the solution is embodied in H.R. 2943, introduced by Representative RICK BOUCHER. That bill retains RICO's civil remedies but provides that a defendant could not be sued for civil damages unless first convicted of a RICO violation or one of the predicate acts. This is a fair and reasonable proposal. I support it, and so do more than half of the Judiciary Committee members.

I hope that the committee soon will have the opportunity to report this bill to the House. Then we will be able to use RICO's civil remedies as Congress originally intended.

MEMBERS' CLERK HIRE ALLOWANCE

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

Mr. FAZIO. Mr. Speaker, on behalf of the chairman of the Committee on House Administration, FRANK ANNUNZIO, the ranking minority member of the Subcommittee on Legislative Branch Appropriations, JERRY LEWIS, and myself as the chairman of the subcommittee, I want to inform the House that each Member will shortly receive notice from the Clerk of the House that the appropriations level for the clerk hire allowance is being revised to $273,748. This will set the level of funding in this account at 92.5 percent of authorization or 3.2 percent below the Gramm-Rudman target of 95.7 percent. We are able to take this action because of the fiscal responsibility that has been demonstrated by the Members of this body. This reprogramming has been approved by the Legislative Branch Subcommittee on Appropriations because it represents the exercise of sound management that is missing in the across-the-board sequestration action that was taken under the first round of Gramm-Rudman. This is possible as a direct result of the fact that Members have chosen to conserve on nonpersonnel items such as equipment in favor of retaining the more valuable asset, trained staff.

Mr. Speaker, I am including the text of the Clerk's notice at this point:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 23, 1986.

MEMORANDUM

To: Members, Resident Commissioner and Delegates.

From: Benjamin J. Guthrie, Clerk, U.S. House of Representatives.

Subject: Change in Clerk hire funds available.

In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman), I wrote to you on February 3, 1986 and advised you of the sums available for expenditure from your allowances. Since that time, at my direction, the Office of Finance has been tracking the financial performance of the House very closely.

The results of this monitoring make it readily apparent that the House has taken Gramm-Rudman seriously. Substantial economies are being effected through management actions in many areas.

However, it is also apparent that the across-the-board methodology directed by Gramm-Rudman has created serious hardship in a few areas. Therefore, after consultation with the Committee on House Administration and the approval of the reprogramming of available funds by the Committee on Appropriations, the amount available to each Member for expenditure from the Clerk Hire Allowance is hereby increased by $8,000. This makes the not-to-exceed amount for the period January 1, 1986 through September 30, 1986 a total of $273,748, and sets the funding level in this account at 92.5 percent of authorization.

Should you have any questions, please do not hesitate to contact the Chief of the Office of Finance, Mr. Robert S. McGuire, or your Financial Counselor on extension 56514.

CONGRESS TO VOTE ON TEST BAN ISSUE

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

Mrs. SCHROEDER. Madam Speaker, earlier this month, Soviet leader Mikhail Gorbachev renewed a moratorium on the testing of nuclear weapons until August 6, 1987.

The Reagan administration scoffed and outright rejected the proposal. In fact, Frank Gaffney, a Deputy Assistant Secretary, has claimed that there is no chance that Congress will take actions to withhold funds for nuclear testing.

Mr. Speaker, the American public is fed up with this administration's arrogance and apathy on arms control.

The Soviets have asked for a test ban. Leaders of our allied nations have asked for a test ban. Over 100 American communities have asked for a test ban.

President Reagan's response has been silence—290 days of silence.

Congress will not be silent. We will act. In June, when the Department of Energy Authorization Act is before the House, I will offer an amendment to cut funds for the testing of nuclear weapons. At the very least, we owe the American people a debate on this issue.

We cannot pass up a chance of a lifetime for a lifetime of chance. And chance has been the lesson of Chernobyl.

Today, the countdown begins. We have 75 days until August 6, the day the Soviet moratorium ends.

Mr. President, please seriously consider the Soviet challenge to a moratorium. However, we assure you, if you won't, Congress will.

AUTHORIZE THE SUPERFUND PROGRAM NOW

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

Mr. DARDEN. Madam Speaker, the stark reality of the problem of hazardous waste dumping was brought home to the people of northwest Georgia recently by the discovery of almost 2,000 barrels of chemical waste at the Naomi community, in Walker County, GA.

This site has been called the worst case of so-called "midnight dumping" in Georgia history. It is now being cleaned up through the combined efforts of the Federal Environmental Protection Agency and Georgia's Environmental Protection Division.

The reputation of the Superfund Program has suffered in recent years because of the controversies within the EPA, but Superfund continues to do an excellent job of cleaning up toxic waste sites all over the country. Instances such as this clearly demonstrate the necessity for a viable Superfund Program.

Madam Speaker, I urge my colleagues to move expeditiously on the authorization of the Superfund Program so that there will be no interruption of this vital effort to protect our environment and our people.

TRIBUTE TO RALPH LAVERNE MCAFEE

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

Mr. PEPPER. Madam Speaker, on March 7 of this year there was a memorial service at Trinity Church in New York City for one of the great lawyers, notable patriots, and one of the most memorable men I have known, Ralph LaVerne McAfee, senior partner of the New York law firm of Cravath, Swaine & Moore. On that occasion one of the senior members of Mr. McAfee's law firm, Mr. John R. Hupper, delivered a magnificent memorial address.

On the following day, March 8, there was another memorial service for Mr. McAfee at St. Mary's Church in Scarborough, NY, Mr. McAfee's church. On this occasion the memorial address was delivered by another senior member of Mr. McAfee's law firm, Mr. Thomas D. Barr, another magnificent address.

In both of these eulogies, Mr. Hupper and Mr. Barr, from their long association with their senior partner, portrayed the greatness, the charm, the skill and the courage of this exceptional man, Ralph McAfee. These orations eloquently tell the moving American story of how this son of a Texas minister rose to be the senior partner of one of the Nation's greatest law firms and became one of the most eminent members of the American Bar, and both of these speakers eloquently tell the story of how Mr. McAfee loved his country and the heroism with which he served it in World War II. They tell the story of a man of extraordinary charm and gentleness, yet a man also noted for his strength and persistence.

Beginning in 1955 it became my privilege as a lawyer to work with Mr. McAfee. We remained warm friends through all the intervening years and I had the privilege of attending both of these memorial services. I have known no greater American, no better friend, no more able lawyer than Ralph McAfee. I would say as Anthony observed over the body of the fallen Brutus on the field of Philippi: "His life was gentle and the elements so mixed in him that nature might stand up and say for all the world, 'this was a man' ".

Madam Speaker, I ask the memorial addresses of Mr. Hupper and Mr. Barr be printed in the record as follows:

RALPH LAVERNE MCAFEE, 1914-1986

MEMORIAL SERVICE AT TRINITY CHURCH IN NEW YORK CITY ON FRIDAY, MARCH 7, 1986

It is a rare event indeed which qualifies for recording in the archives both of the august firm of Cravath, Swaine & Moore and of the New York City Department of Police.

Nevertheless, such an event did occur in November, 1940. It was shortly after a serious-minded young Cravath associate had received Greetings from no less a personage than the President of the United States, advising that there had been conferred upon him the honor of being chosen as the first person from New York in the Selective Service Draft. Obviously, some sort of proper celebration was in order. What transpired thereafter was of sufficient notoriety to be given extensive attention in the New York press. One account, in the Daily News for November 25, 1940, reads in part essentially as follows:

"36 COPS CORRAL 1 COWBOY"

"Ralph LaVerne (don't let that LaVerne stuff fool you) McAfee, the Moody Maelstrom, fought 36 assorted policemen in view of 1,500 spectators on 14th Street near Second Avenue at 8:30 last night. . . . The controversy developed after McAfee and a lone patrolman had had a few words and the patrolman had suggested—but firmly—that McAfee mosey along and McAfee knocked the patrolman's hat off. And for 15 minutes the ensuing battle made the recent Bummy Davis-Fritzie Zivic affair at Madison Square Garden seem like a strawberry festival. The crowd grew by hundreds, springing up out of nowhere, and by the time a call went through to headquarters, there were 1,500 at the ringside. . . . And in the end, McAfee, a Texas cowboy, six feet one inch tall and 180 pounds on the hoof, was conquered. . . . To be sure, it took seven cops to get McAfee into a patrol wagon. . . . And at the Fifth Street Station, McAfee, still not wholly tamed, made a last pass at the desk sergeant."

News accounts for a subsequent day record how a penitent McAfee, ably represented by his older brother Horace, made his peace with the authorities and was sent off to the war with a suspended sentence.

In retrospect, it can be seen that this light-hearted little episode was not merely the product of youthful exuberance. Rather, it evidenced the utter fearlessness that throughout his life was a fundamental element of Ralph's character. He was always completely indifferent to the odds that might be arrayed against him. The odds did not shake him in China and Burma where he helped train Chiang Kai-shek's forces in hand-to-hand combat. They did not shake him in his later law practice, where for many years he took on far more than his share of the toughest and most taxing cases, and in which through the sheer force of his unflagging will be often achieved extraordinary results. And the odds never shook him when he was desperately ill after a very serious accident years ago which almost took his life. Quite to the contrary, he rebounded from that terrible time with renewed vigor and a firm resolve in which he persevered for the rest of his life.

As a trial lawyer, Ralph had few peers. He always mastered the principles of the law applicable to his case. But he brought much more to a case. He had a marvelous gut, an uncanny ability to sense—no matter how clear the law might be—that many other considerations, such as the vagaries of human nature, could greatly affect the final decision. If was for this reason that he was such a valued counsellor to his clients, to his colleagues at his firm, and indeed even to his adversaries and to the court. As one Judge who knew him well recently wrote: "McAfee embodied everything that a good lawyer should have—intelligence, good judgment, integrity and a willingness to see the other side of the problem". Yet, at the same time, he knew what was right, and when he was sure, he was absolutely indomitable in pursuing the right.

Ralph McAfee was also a great leader and teacher of young lawyers, often in a somewhat unorthodox way. As a great judge of human nature, he suspected that many of us would learn faster and perform better if he announced to us certain guidelines, and then left us to solve the problem and execute the solution—always under the watchful eye, to be sure. We who were on the receiving end of these challenges sometimes found them unsettling, but we learned by experience that they quickly led to much higher levels of competence and achievement. Very few others than Ralph could have succeeded with his unconventional teaching technique. But it worked marvellously well for him because of his wisdom, his shrewd judgment of people's capabilities, his treatment as an absolute equal of everybody who worked hard for him, and his knack of seeing humor and radiating confidence even in circumstances of great adversity. And, of course, these qualities in Ralph inspired in us enormous loyalty and a willingness to follow him almost anywhere.

But Ralph had certain truly unusual personal qualities which I think will be even longer remembered than his professional achievements. There were so many different sides of him! I would be less than frank if I did not note in passing that Ralph had, in the view of some, a number of eccentricities—and I am not referring to his habit of arriving at the office before 5:00 a.m. in the morning. For one thing, he certainly had an enormous, if not enviable, command of the most basic idiom, which he was known often to articulate in loud tones. He could also exhibit an absolutely monumental temper (although he seemed able to turn it on and off at will). And in his younger years he was physically extremely formidable, and when properly aroused he was not reluctant to intimate the possibility of committing a serious battery. Indeed, he was affectionately known by some of his intimates in those days as "the bull". And yet, these attributes could not, after you knew Ralph for more than just a little while, obscure the fact that he was one of the most courteous, kind and most generous of men.

Growing up as a minister's son in small towns on the dusty plains of Southwest Texas, Ralph early learned what life was all about. Although those years were far behind him as he achieved national renown at the pinnacle of his profession, he always retained his truly common touch.

He was one of the most approachable persons you could ever hope to meet. How could one resist liking someone with that marvellously mobile big face, which could alternate so quickly from a stern frown to the beginning of a grin to a broad smile? Or those bursts of laughter as he would throw back his head and clap his hands with delight? Or that often almost bizarre sense of humor? Even more importantly, he utterly lacked pretense, and you always knew where you stood with him. And you knew, once you became his friend, there was nothing he would not try to do in your behalf.

Ralph loved to join with his friends in good fellowship and conviviality. He loved perhaps most of all their companionship in the great game of golf, which he pursued from the heat of summer to the snows of winter at his beloved Sleepy Hollow, conspicuous with that woodchopper-like swing, which strangely often produced extremely impressive results.

To the very end, Ralph maintained a zestful and youthful outlook on life. His friends were of all ages and many found his chronological age hard to believe. We still do.

I talked with Ralph the day before he last left for the West Coast. He was the same old

McAfee, and it was clear to me his thoughts were all of the future. He was charting his master strategy for his big case in Seattle. He was expounding on his plans for a happy visit with his family in California. He was talking about soon building a new house there next to the golf club he had just joined. He had utterly no intention of leaving this world anytime soon. But I am confident that the way he departed—en route to meeting the next challenge in an important case—was surely the way he would prefer. For to the very end he was strong in will—striving, seeking, finding and never yielding.

I think it fitting that I conclude my happy thoughts of Ralph today with Shakespeare's immortal lines.

"This was a man, take him for all in all,
We shall not look upon his like again."

JOHN R. HUPPER.

MEMORIAL SERVICE AT ST. MARY'S CHURCH IN SCARBOROUGH, NEW YORK ON SATURDAY, MARCH 8, 1986

From the Fifteenth Psalm of David: "Lord, who shall abide in thy tabernacle? Who shall dwell in the holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart."

More than most, Ralph McAfee spoke the truth in his heart. We are gathered here today in this beautiful church in the wildwood to celebrate him and his truth.

Ralph, I am sure, is very much impressed with the fact that we are having two memorial services—yesterday's in New York with his friends and colleagues on Wall Street and here today with his friends and colleagues from his more important weekend occupations.

In many ways Ralph was not a contemporary man. We see him perhaps more clearly on the frontier—certainly, he was a man to go to the well with—or perhaps even at Armageddon, in the breach, battling for the Lord. He was a man of remarkable courage and great willpower. He was a warm, charming, caring man—a Beau Geste.

The son of a Methodist minister, he grew up in the small Texas towns of the 1920s and early 1930s and, as he often said, he was the typical minister's son, Led, as he was in many things, by his brother Horace, he came to New York and graduated from Columbia in 1936, from Columbia Law School in 1939, and came directly to the Cravath firm, but not for long. In November 1940 he was the very first person drafted in New York under the then new Selective Service Act. He served in the Army of the United States for almost five years. He served as part of a volunteer group behind enemy lines in China, Burma and India in what was a particularly difficult and dangerous war. He then trained Chinese troops in hand-to-hand combat and thereafter served in military intelligence in Washington, D.C. He left the Army in late 1945 as a Major.

There followed immediately a brilliant, romantic courtship of the lovely Carolyn and in due course they had three fine children, all of whom he deeply loved.

He returned to Cravath in 1946, became a partner in 1952 and was actively and hotly engaged as a litigator right up to the very last moment.

As young lawyers, many of us carried his bags, wrote his briefs, sat at his feet and learned. When we grew wiser in the law and able in our own right, we still sat at his feet and still learned. We learned because Ralph knew things that others did not. He knew people, judges, juries—what they thought and how they felt. He knew where the right was, what made sense and—however clearly proved and brilliantly argued—what did not make sense.

He had many victories and triumphs. Looking back, I see that just like the nasty piece of war for which he volunteered, he also had more than his share of difficult problems and cases—cases that seem to have no winning scenarios, cases for which there appeared no good solutions. Somehow with his great skill and stamina and his special pride, which made him take the most desperate cases and then hang on until he could find a way to solve them, he prevailed when others would have quit.

I will tell just one story to illustrate the man. As you all know, litigation is processed through our court system initially by a trial judge and perhaps a jury. That judge makes a number of preliminary rulings and decisions and ultimately enters a final judgment. That final judgment may then be appealed to a higher court—three or five or even more judges. An appeal may be done only with great formality. The appellant files a carefully written brief, his opponent responds, a particular limited period of time is set for oral argument and then one appears at the appointed time, and presents a well prepared argument. Well, Ralph was trying a case in a Federal District Court in Manhattan and towards the end of the morning the trial judge made a preliminary ruling which Ralph thought was plainly wrong and not in his client's interest. He, therefore, asked the trial judge for a brief adjournment, took his opponent out in the hall and said, "I am going up to the Court of Appeals right now". With that, he grabbed his opponent, got into an elevator and went to the Court of Appeals. The Court of Appeals courtroom is a very solemn, impressive place and Ralph entered just as the three judges sitting on the bench were about to depart for lunch. As they were rising, he came charging down the aisle, urgently stating, "My name is Ralph McAfee and I have an important matter I would like the court to hear". The presiding judge that day was the famous Learned Hand. Judge Hand, by any measure, was an extremely formidable personality. He said, "Mr. McAfee, I don't know how you got here; I certainly don't think you have any right to be here—indeed, I don't think you are even here." Undeterred, Ralph immediately responded, "But, Your Honor, this is terribly wrong and something must be done about it immediately". Judge Hand slowly sank back into his chair and sighed, "Well, go ahead". Ralph quickly outlined his problem. His opponent then sputtered a few things about the irregularity and even impropriety of the whole matter and Judge Hand then said, "Well, Mr. McAfee, I still don't think you are here, but why don't you go back and see the trial judge after lunch and see if he hasn't changed his mind". Ralph went back after lunch and the trial judge immediately said, "I have had the opportunity over the lunch recess to reflect and to consult with one of my wiser colleagues and I have decided to reverse myself." That was typical of Ralph. He never gave up. He never gave up as a lawyer and he never gave up as a friend.

He was a friend who was one-sided and belligerent in your behalf. He was always eager to celebrate your joys and triumphs and he was always ready and there when he was needed.

Yesterday, Trinity Church was filled with his friends. Today we join them in our affection for Ralph. His was truly a great heart.

He had many of the warrior virtues. He was straight, plain, blunt and open, but he was also a thinking, caring, feeling man.

That blend of skill and virtue recalls the courage and exuberance of Ulysses, and it is with a bit of that poem that I will close. These words capture Ralph for me.

You will remember that the Tennyson poem takes up after Ulysses has returned from the Trojan War to Ithaca and after all of the adventures that are described in the Odyssey. Tennyson writes:

I cannot rest from travel; I will drink
Life to the lees. All times I have enjoy'd
Greatly, have suffer'd greatly, both with those
That loved me, and alone; on shore, and when
Thro' scudding drifts the rainy Hyades
Vext the dim sea. I am become a name;
For always roaming with a hungry heart
Much have I seen and known—cities of men
And manners, climates, councils, governments,
Myself not least, but honor'd of them all—
And drunk delight of battle with my peers,
Far on the ringing plains of windy Troy.
I am a part of all that I have met;
Yet all experience is an arch where thro'
Gleams that untravell'd world whose margin fades
For ever and for ever when I move.

* * * * *

Tho' much is taken, much abides; and tho'
We are not now that strength which in old days
Moved earth and heaven, that which we are, we are—
One equal temper of heroic hearts,
Made weak by time and fate, but strong in will
To strive, to seek, to find, and not to yield.

THOMAS D. BARR.

SALUTE TO THE CREW MEMBERS OF THE "PRIDE OF BALTIMORE"

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

Mr. DYSON. Madam Speaker, I would like to take a few moments to reflect upon a very sad loss to the people of Maryland and to the people of this Nation. As I am sure you have read, we lost the precious lives of crew members aboard the *Pride of Baltimore*. And we lost the *Pride* itself.

It's very difficult to describe the sense of loss and sadness the people of Maryland feel at such a time. As that great ship made its way around the world it carried in its giant billowing sails the full breath of Maryland's pride and glory. It signified all that was bright and beautiful, steady and promising about the State of Maryland and all the people who live there.

Madam Speaker, the courage and bravery of the crew on the *Pride of Baltimore* should be noted by this body. Many of us read of human lives being lost and threatened, but few of us ever face a situation where our lives are measured by moments. Few of us are ever really placed in harm's way

and watch our fellows flounder in the seas of death and destruction. All of us believe that when the time comes, we will be brave and full of courage. At least that is what we hope we will find in our hearts and souls when we are in need of those qualities.

The survivors of the *Pride of Baltimore* were wrenched free from the safety of the *Pride's* broad beams and tall sails and thrown into an angry sea, left to their own abilities and the combined courage of their shipmates. Once in the water they learned the true meaning of human survival and friendship.

Mr. Speaker, on the morning the ship went down, Capt. Armin E. Elsaesser III, called all hands on deck at 11:30. The winds had increased to 35 knots, but the ship was still sailing smoothly. Captain Elsaesser directed the crew to lower two of the three sails. Then without warning, a wall of water and winds rose up before them and overcame the proud and mighty *Pride of Baltimore* and sent it to the bottom of the sea. All its days of sunny skies and happy following seas were over as the sea claimed the *Pride of Baltimore.*

One of the crew members, Mr. James Chesney, 25, was preparing soup for lunch and said, "It was not raining, but it was solid water everywhere, for 20 feet up it was a solid plume of water and waves."

Madam Speaker, I would like to express my sense of gratitude to the crew members of the *Pride of Baltimore.*

To Capt. Armin E. Elsaesser III, and his crewmates, Vinney Lazaro, John Flanagan, Daniel Krachuk, Robert Foster, Joseph McGready, Susan Huesman, Leslie McNish, James Chesney, Scott Jeffrey, Barry Duckworth, and Nina Schack of Baltimore, Maryland, tips its hat and I personally tip my heart to them, in the presence of the Members of this Chamber and the combined hearts of the people of this Nation.

BIENNIAL REPORT ON CARIBBEAN BASIN ECONOMIC RECOVERY ACT IMPLEMENTATION OF STABLE FOOD PRODUCTION PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mrs. LONG) 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 Ways and Means:

To the Congress of the United States:

Section 213(c) of the Caribbean Basin Economic Recovery Act (CBERA) requires that all beneficiary countries exporting beef or sugar to the United States under the duty-free provisions of the Act submit a stable food production plan. Food plans consist of measures and proposals to ensure that food production in and the nutritional level of the population of a beneficiary country are not adversely affected by changes in land and other resources use that could result from increased sugar and beef production undertaken in response to the duty-free treatment for these exports into the United States.

In accordance with section 213(c)(4) (19 U.S.C. 2703(c)(4)) of the Caribbean Basin Economic Recovery Act (CBERA), I am submitting to you my biennial report on the extent to which each CBERA beneficiary has implemented its stable food production plan and the results of such implementation. My report concludes that each beneficiary country has demonstrated a good faith effort to implement and monitor its stable food production plan, although there have been varying degrees of success in country efforts to improve nutritional levels and to increase agricultural productivity.

RONALD REAGAN.

THE WHITE HOUSE, *May 22, 1986.*

KAISA RANDPERE

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

Mr. LOWRY of Washington. Madam Speaker, I would like to take a moment to discuss a human rights case that concerns me very much. That is the case of Kaisa Randpere, a little 2-year-old Estonian girl. Kaisa's parents, Valdo Randpere and Leila Miller, were forced to leave her behind when they escaped from the Soviet Union in August 1984.

The Randperes have repeatedly tried to obtain an exit visa for Kaisa. They have faced bureaucratic delays and an outright denial on the grounds that they "no longer want their daughter." Soviet consular officials have gone so far as to tell them that they will never see Kaisa again.

I had the opportunity to meet Mr. and Mrs. Randpere during their recent visit to Washington, DC. As a father, I find it heartbreaking to think of the situation they are in, unable to be with their daughter as she grows up.

The U.S.S.R. is a party to the Helsinki Final Act and other international agreements that guarantee the right to emigrate. The Helsinki Final Act states that "participating states will deal in a positive and humanitarian spirit with applications of persons who wish to be reunited with members of their family," and calls for special attention to requests of an urgent nature. It is hard to imagine a more urgent case than this one.

Along with many other Members, I have worked to bring this case to the attention of General Secretary Gorbachev, President Reagan, and the U.S. delegation to the Berne Human Contacts meeting. I am very grateful for the support that so many Members of Congress have given to these efforts.

I would also like to express my deepest appreciation to the members of the Committee to Free Kaisa Randpere. Henno Parks, Mari-Ann Rikken, and Vello Karuks are especially deserving of mention for their dedicated work. Mr. Karuks, a resident of my own State of Washington, has been extraordinarily creative in his work on behalf of the Randperes. I have attached excerpts from an article on his efforts that appeared in the Seattle Post-Intelligencer in April.

KIDS WRITE TO GORBACHEV: LET KAISA GO

(By Don Fair)

"Dear Mr. Gorbachev:

"Will you please reales Kaisa Randpere. I would like you a bunch more."

"Dear Mr. and Mrs Mikhail Gorbachev:

"I saw a picture of you. I am kind of impressed. Why don't you let the little girl go? Everyone is quite angry at you! That isn't good. I hope you read this letter."

For more than 20 months, Kaisa Randpere has been a hostage of sorts, separated since August 1984 from her parents, who defected to Sweden.

Because she is only 3, Kaisa has been called the "world's youngest political prisoner."

Her plight—she lives with a maternal grandmother in Tallin, Estonia, because the Soviets have not permitted a reunion with her parents—has attracted the concern of members of Congress and hundreds of Seattle-area schoolchildren.

They write letters to Soviet leader Mikhail Gorbachev and to other high-ranking Soviet officials.

Kaisa was 14 months old, her mother was one of Estonia's leading pop music stars, and her father was deputy minister of justice in Estonia when the parents escaped during a cultural tour of Finland. The mother and father have lived in Sweden since defecting, but both are expected to move to the United States within the next six weeks.

Vello Karuks, 59, a Kirkland resident and an engineer with a Seattle fabricating company, is the reason Puget Sound-area children have taken up the cause to free the young girl.

Karuks has never met any of the family, but he also was born in Estonia, and he, his parents and a brother fled in 1944. He now is a U.S. citizen.

"I became involved in Kaisa's cause simply because I have been supporting dissidents living in Estonia, behind the Iron Curtain, since I left there," he said. "For the past eight years, I've been involved with an organization known as the Relief Center for Estonian Prisoners of Conscience in the U.S.S.R."

About a year ago, he was asked to help the Committee to Free Kaisa Randpere, located in Trexlertown, Pa., and he accepted.

Since then, he has been urging local schoolchildren and the state's politicians to write the Soviet requesting Kaisa's release.

"The girl's parents have already been rejected four times by Russian authorities in their formal request to get their daughter back as per the Helsinki accord to which Russia agreed," he said. "We have also heard that Soviet authorities threatened to take the girl from her grandmother and put her in an orphanage.

"The grandmother lost her job and has been threatened with imprisonment in a psychiatric hospital."

So that is the message Karuks spreads, and he has found receptive audiences among the schoolchildren as well as politicians.

Twenty-nine students at Sunrise Elementary in Woodinville were among the first to write. Some of their letters were mailed to the White House, others given to Karuks, who sent them by registered letter to Mikhail Gorbachev, The Kremlin, Staraya, Pl. 4, Moscow, USSR.

He knows they arrived in Moscow because he has a receipt showing that somebody signed for them.

This week, he was presented with another 139 letters, written by first- and fourth-graders.

Karuks says anybody, young or old, who wants to join in writing to free Kaisa can do so by contacting him at 14840 119th Place N.E., Kirkland, 98033.

□ 1430

GENERAL LEAVE

Mr. FRANK. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and to include extraneous matter, on H.R. 4800, which passed the House today.

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

There was no objection.

HANDS ACROSS AMERICA

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

Mr. GILMAN. Madam Speaker, on this Sunday, May 25, millions of our fellow Americans are going to be joining hands across America to raise money for our Nation's hungry and homeless.

Hands Across America is an extremely ambitious undertaking designed to join some 5 million Americans together from the Statue of Liberty to Long Beach, CA, to raise billions of dollars to try to help alleviate hunger and homelessness in this Nation.

The turnout for this unprecedented event is expected to be significant, as citizens make their commitment to alleviating hunger and malnutrition, which is all too prevalent in our Nation.

As we look forward to Sunday, I wanted to take this opportunity, Madam Speaker, to point out to my colleagues that spaces near some of the more rural and remote areas outside of our larger towns and cities along the route from Los Angeles to New York still await being filled.

I am hopeful that this nationwide human chain of Hands Across America can be completed, and I urge all who have not done so to register now for their place in line and I hope our colleagues will encourage a good turnout for this event.

It is my understanding that those unable to register prior to Sunday can sign up using pledge cards available along the line.

Madam Speaker, Congress recently adopted legislation commemorating the Hands Across America event. It will be, I am certain, an event long to be remembered as a watershed in our effort to mobilize our Nation to work to eradicate the suffering and misery caused by hunger.

Again, I invite my colleagues to join in this effort.

PERSONAL EXPLANATION

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

Mr. MACKAY. Madam Speaker, on Wednesday, May 21, I was delayed at a national conference on deficit reduction here in Washington and was unable to return to the Capitol in time to record my vote to suspend the rules and pass S. 2416, to increase the ceiling on VA Home Loan Guaranty Programs.

Had I been able to cast my vote, I would have voted "aye." This legislation is necessary because the estimates of loan demand were drastically underestimated given falling interest rates and increased home sales. This bill will actually save money in 1986, and increase costs only very slightly in 1987 and 1988.

I appreciate having this opportunity to state my support for this bill for the RECORD.

ALL-AMERICAN VFW DISTRICT COMMANDER AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Madam speaker, it was recently brought to my attention that the National Veterans of Foreign Wars of the United States will honor the 14th Veterans of Foreign Wars District of Maryland. The 14th VFW District is located in the Second Congressional District of Maryland.

During the second week of August of this year, the 87th national convention of Veterans of Foreign Wars of the United States will hold its annual meeting in Minneapolis, MN. At the national convention, VFW District Commander David Clark of the 14th VFW District, Maryland, will receive the "All-American District Commander Award." Because of his leadership of three VFW posts in his district he has been chosen to receive this prestigious award.

The Parkville Memorial VFW Post 9083, Commander Nick Bassetti; Charles Evering Memorial VFW Post 6505, Commander Elbert Ribdleberger; and Dundalk Memorial VFW Post 6694, Commander Albert Walsh are the three VFW posts of the honored 14th VFW District. The members of this district have demonstrated acts of charity, community service, and countless hours of volunteer service. As a result of the members' spirit, disabled and elderly veterans have received financial assistance and help in time of need. Countless hours of volunteer service in VA hospitals and donation of funds to make necessary medical operations possible were made by the members of the distinguished 14th VFW District.

It is a privilege to have within my congressional district VFW members such as these. For this reason, Mr. Speaker, I now commend the lives of all who are members of the 14th VFW District. Their contributions to our Nation in time of war have undoubtedly inspired them to works of mercy. As I stand in our Nation's Capitol, I am ever mindful of the contributions made by the men and women of the Veterans of Foreign Wars.

I wish the VFW membership a successful 87th national convention and anticipate even greater meritorious acts of community service.

TOURISM WORKS FOR AMERICA

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

Mr. NELSON of Florida. Madam Speaker, Americans seeking to avoid international tension are expected to take advantage of low fuel prices and travel the United States in record numbers this year. And, as the world becomes increasingly smaller, we also can expect more international visitors to the Sunshine State of Florida—and to my congressional district in east central Florida—than in past years.

This week of May 18-24 is National Tourism Week. Now is a good time to recognize the valuable contribution the tourism community makes to the economic welfare of our Nation.

Today it is also a pleasure to join my colleague, Representative BILL BONER, chairman of the U.S. Congressional Travel and Tourism Caucus—of which I am privileged to serve as secretary-treasurer—in introducing legislation to commemorate May 17-23, 1987, as National Tourism Week next year.

Florida is one of the top destinations in the United States for tourists. Almost one-half of a million Floridians are employed in tourism-related industries.

In addition to the attraction and excitement our beautiful country offers to its own citizens, the United States and especially Florida is becoming a prime destination for foreign visitors. In 1983, Florida received more visitors from the United Kingdom, Venezuela, Colombia, and Brazil than any other State. We have worked hard for that distinction. Florida spends the most money on promotion in foreign markets and it has paid off. Foreign tourists alone spend about $2.7 billion a year in the State—more than in any other.

Florida government receives $85 in taxes—or $2.1 million a day—from

tourists for each dollar it spends on advertising. Without the help of tourists' money, we would face paying higher taxes and would not enjoy the quality of life that makes central Florida so special.

While reviewing some facts about tourism and how important it is to my congressional district, which includes cruise ships, Disney World, Sea World, and miles of sandy beaches, I came across some fun and fascinating facts compiled by the Travel and Tourism Government Affairs Council. Here are some of the more unusual ones:

In 1983, foreign tourists in the United States consumed 57,000 chickens a day, 50,500 eggs an hour, 2,300 gallons of ice cream an hour, 2,400 acres of aluminum foil, and spent $13 billion—or $441 a second.

Florida, as the No. 2 destination for foreign visitors, reaped almost 10 percent of the business done by visitors from other countries in 1983. And east central Florida, as one of the top "hot spots" for visitors in the State, certainly enjoys many financial and cultural benefits by playing host to thousands of visitors a year.

I join my colleagues in applauding the commendable efforts of this important industry.

REFORMING THE DEFERRAL PROCESS

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

Mr. PANETTA. Madam Speaker, today Representative BILL GRADISON and I are introducing legislation designed to cure the problems Congress is experiencing with the budget deferral process. Dissatisfaction with this process has reached new heights based on the Chadha case, the volume of deferrals in the President's recent budget messages, and specific abuses of the process in individual programs, some of which are the subject of court cases. I think we would all agree that basic changes in the deferral process are overdue.

But in reforming the process we must not "throw the baby out with the bathwater." The House recently adopted a supplemental appropriation bill which would eliminate all deferral power under the Impoundment Control Act of 1974. While some argue that it leaves the President with power to impound under the Anti-Deficiency Act, this law, unlike the Impoundment Control Act, does not require the President to report deferrals to the Congress and provides no process for congressional response to deferral messages.

Nor are our deferral problems cured by the Federal district court decision in city of New Haven versus United States of America. In an opinion issued on May 16 the court struck down the entire deferral process under the Impoundment Control Act (section 1013) and ruled that funds deferred in a variety of Federal housing programs must be released. This decision leads us into the same dead-end as the language in the supplemental appropriations bill: No deferral process under the Impoundment Control Act.

Almost everyone agrees that the deferral process is an essential part of a well-managed, efficient Federal Government. In fact more than 90 percent of all deferrals have gone unchallenged by Congress since the inception of the impoundment control procedures in 1975. Federal managers need the deferral power to ensure that taxpayer dollars are sensibly spent and I, for one, am extremely uncomfortable facing a choice between no deferral process and continuing the existing mess.

My bill would put a stop to current abuses, restore the balance of power between the executive and legislative branches, and retain those elements of the deferral process which contribute to efficient government, while taking us away from the all-or-nothing approach proposed in the supplemental and mandated by the city of New Haven decision.

The legislation requires the following:

First, policy deferrals: Deferrals which are not based on improving the management or administration of a program would be prohibited. GAO would be required to establish standards for management and policy deferrals and any policy deferrals identified by GAO would be reclassified as rescissions. GAO would have 5 days after the deferral message is submitted to Congress to make this determination.

Second, management deferrals would be subject to new requirements:

Each management deferral must be accompanied by a specific date for release of the funds,

The release date for 1-year funds must be set before the end of the fiscal year,

For multiyear funds the deferral could last for a maximum of 365 days,

The release date must allow for "prudent obligation" of the funds (if the funds were for a summer school session the program could not be eliminated by deferring the money until September 20),

If the deferral does not contain a date certain then the proposal would be reclassified by GAO as a rescission,

If the date certain does not allow for a "prudent obligation" of funds, as determined by GAO, then the proposal would be classified as a rescission,

GAO would be required to make a reclassification determination within 5 days after the deferral message has been received by the Congress.

Third, redeferral of funds would be banned; that is, once OMB has deferred money and the release date has come and gone a subsequent deferral would be illegal.

Fourth, Congress would be able to overturn a deferral through a joint resolution.

BAN ON POLICY DEFERRALS

Policy deferrals typically occur when the executive branch proposes a deferral pending legislative transfer—a request that Congress eliminate the spending or transfer it to another program.

For example this year:

The administration has deferred $37 million for State unemployment office staff pending congressional approval of a request to cut these funds;

Forty million dollars has been deferred in the Economic Development Administration budget based on the administration's request that the program be terminated, despite the insistence of Congress on a funding level of $184 million in fiscal year 1986 appropriations, and

Sixty million dollars in university-related energy research and supply programs is deferred for the entire fiscal year. The administration has proposed to reprogram these funds in the fiscal year 1987 budget.

In reality policy deferrals are being used as a type of line-item veto—the executive branch is not proposing to defer the funds for reasons of management or efficiency, but because it does not agree with the purposes or goals of a specific program.

Yes, Congress can fight these policy deferrals, but the Chadha case probably takes away the ability of Congress to disapprove these deferrals through a one-House resolution—the court in the New Haven decision assumed that this power is void based on the Chahda case—and with so little legislation moving through the Congress these days opportunities for disapproving policy deferrals through joint action of the House and Senate are few, and may end up as a victim of a Presidential veto anyway.

My view, very simply, is that if OMB does not want the money spent, it should submit a rescission request to the Congress. We should not expose funding approved by Congress and signed into law by the President to double ieopardy by continuing the deferral process status quo. Under my bill, if the GAO determines that a deferral is not a delay in the expenditure of funds for good management purposes, it would reclassify the deferral as a rescission, and the funds would be released after 45 days unless Congress approves the impoundment.

MANAGEMENT DEFERRALS

The new restrictions proposed for management deferrals were suggested by Milton Socolar, special assistant to the Comptroller General, in his testimony before the House Rules Committee last April 9.

The following are examples of management deferrals from this year's February 5 Presidential message.

Wildlife conservation programs on military reservations collect hunting and fishing fees in the winter months but most of the program work is performed during the summer and fall. The President has requested that funds in this program be deferred until conservation projects can be started later in the fiscal year.

The President requested a deferral for Federal prison system funds of $30 million because of delays in various prison construction projects.

Because contracts for acquisition of high-powered transmitters and generators for new radio stations will not be awarded until fiscal year 1987 a deferral was requested for U.S. Information Agency funds.

Generally, when a management-type deferral is proposed OMB notes that the legal authority for the deferral is the Anti-Deficiency Act.

SUGGESTED REFORMS FOR MANAGEMENT DEFERRALS

Currently the President typically states in his message that a deferral is proposed for "part of a year" or, in the case of multiyear funds, for an "entire year." Requiring OMB to specify a date—as suggested by Mr. Socolar—would give Members of Congress and Federal program beneficiaries a clear indication of when funds will be released.

GAO has also proposed that we require the date for release of funds to be in time for "prudent obligation" of the budget authority. This would prevent the President from undermining a program by setting a release date after a day or month when the funds would logically be spent to achieve the goals of the program.

The ban on reimpoundment would solve the problem of funds being deferred year after year. Recent examples of this abuse have involved funds for the Strategic Petroleum Reserve and Urban Mass Transportation grants.

Finally, the requirement that Congress disapprove a management deferral by joint resolution reflects the practice of Congress in responding to deferral messages since the Chadha decision. Instead of one-House vetoes, as proposed in the Impoundment Control Act, we have been disapproving deferrals in appropriations bills signed by the President.

SUMMARY

The challenge in this area is clear: we must design a procedure which keeps the basic deferral process while eliminating abuses by the executive branch. I think many of us are uncomfortable with the option of taking away a tool that is essential to an efficiently managed Federal Government. Generally, the deferral process has worked well. What we need is a tune-up, not a new engine or no engine at all.

By prohibiting policy deferrals and tightening the restrictions on management deferrals we can move toward an impoundment process that is workable, that allows for good management and an efficient Federal Government, and that reestablishes the balance of power between the Congress and the executive branch.

H.R. 4888

A bill to amend the Impoundment Control Act of 1974 to reform the deferral procedures

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

SECTION 1. AMENDMENTS TO THE DEFERRAL PROCEDURES OF THE IMPOUNDMENT CONTROL ACT OF 1974.

(a) PERIOD OF DEFERRAL.—(1) Paragraph (3) of section 1013(a) of the Impoundment Control Act of 1974 is amended to read as follows:

"(3) a date certain on which the budget authority proposed for deferral shall be released for obligation;".

(2) Section 1013 of the Impoundment Control Act of 1974 is amended by inserting at the end thereof the following new subsections:

"(d) PERIOD OF DEFERRAL.—

"(1) With regard to budget authority which expires at the end of the fiscal year in which the deferral is proposed, such date shall be no later than the earlier of—

"(A) the end of such fiscal year; or

"(B) the date on which the budget authority must be released to assure prudent obligation before the budget authority expires.

"(2) With regard to budget authority available for more than one fiscal year, such date shall be no later than the earlier of—

"(A) 365 days after the date the special message proposing such deferral is transmitted to the House of Representatives and the Senate; or

"(B) the date on which the budget authority must be released to assure prudent obligation before the budget authority expires.

"(e) CERTAIN DEFERRALS DEEMED TO BE RESCISSIONS.—(1) Any budget authority proposed to be deferred under a special message which is not in compliance with—

"(A) the requirement of subsection (a)(3); or

"(B) the requirement of subsection (d);

as determined by the Comptroller General shall be subject to section 1012.

"(2) Not later than the fifth day beginning after the date upon which the House of Representatives and the Senate receive such message, the Comptroller General shall make the determination required by paragraph (1).

"(f) PROHIBITION UPON WITHHOLDING FROM OBLIGATION.—No amount of budget authority proposed to be deferred shall be withheld from obligation, for any reason, after the date certain as set forth in such special message. A deferral of budget authority available for more than one fiscal year may not be proposed for such budget authority more than one time.".

(3) Section 1013(a) of the Impoundment Control Act of 1974 is amended by striking out the last sentence thereof.

(b) OBLIGATION REQUIREMENTS.—(1) Paragraph (4) of section 1011 of the Impoundment Control Act of 1974 is amended to read as follows:

"(4) 'deferral resolution' means a joint resolution of the Congress which only expresses its disapproval of a proposed deferral or reservation of budget authority set forth in a special message transmitted by the President under section 1013 or section 1018; and".

(2) Subsection (b) of section 1013 of the Impoundment Control Act of 1974 is amended to read as follows:

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be deferred in any fiscal year (as set forth in a special message under subsection (a)) shall be made available for obligation if a deferral resolution is enacted disapproving such proposed deferral.".

(3) Section 1017 of the Impoundment Control Act of 1974 is amended by striking out "impoundment resolution" each place it appears and inserting in lieu thereof "deferral resolution".

(c) REPORTING AND RECLASSIFICATION OF RESERVATIONS.—(1) Part B of the Impoundment Control Act of 1974 is amended by adding at the end thereof the following new section:

"REPORTING AND RECLASSIFICATION OF RESERVATIONS

"SEC. 1018. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to establish a reservation of budget authority, the President shall transmit to the House of Representatives and the Senate a special message specifying, with respect to the budget authority proposed to be reserved, the same information as is required with respect to a deferral of budget authority under paragraphs (1) through (6) of section 1013(a).

"(b) REVIEW OF COMPTROLLER GENERAL.—

"(1) Not later than the fifth day beginning after the date upon which the House of Representatives and the Senate receive a special message transmitted under subsection (a), the Comptroller General shall review such message to determine whether the proposed reservation of budget authority complies with the standards prescribed under subsection (c) of this section.

"(2) If the Comptroller General determines that—

"(A) the proposed reservation does not comply with such standards—

"(i) the Comptroller General shall make a report to both Houses of Congress setting forth his reasons, and

"(ii) the special message transmitted under subsection (a) shall be treated as if transmitted under section 1012(a); or

(B) the proposed reservation does comply with such standards, then, for purposes of subsections (b), (d), (e), and (f) of section 1013, the proposed reservation shall be deemed to be a deferral of budget authority.

"(c) STANDARDS TO ENSURE USE OF RESERVATIONS FOR ROUTINE MANAGEMENT PURPOSES AND NOT FOR PROPOSAL OF POLICY CHANGES.—The Comptroller General shall prescribe standards for determining whether a special message transmitted under this section proposes to withhold or delay the obligation or expenditure of budget authority—

"(1) exclusively for a purpose authorized by section 1512(c)(1) of title 31, United States Code; and

"(2) in a manner which improves the management and administration of the budget authority without diverging from the policies, purposes, and objectives of the Congress in making such budget authority available.".

(2) Section 1011 of the Impoundment Control Act of 1974 is amended—

(A) In paragraph (1)—

(i) by striking out "includes—" and inserting in lieu thereof "does not include a reservation of budget authority but includes—"; and

(ii) by striking out "(whether by establishing reserves or otherwise)";

(B) by striking out "and" at the end of paragraph (4);

(C) by redesignating paragraph (5) as paragraph (6); and

(D) by inserting after paragraph (4) the following new paragraph:

"(5) 'reservation of budget authority' means withholding or delaying the obligation or expenditure of budget authority by the establishment of a reserve in accordance with section 1512(c) of title 31, United States Code, and with paragraphs (1) and (2) of section 1018(c) of this Act; and".

(3) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 1017 the following new item:

"Sec. 1018. Reporting and reclassification of reservations.".

SEC. 2. EFFECTIVE DATE.

(a) The amendments made by this section 1 shall be effective on the date of enactment of this Act, but shall not apply with respect to any deferral of budget authority—

(1) for which the special message was submitted by the President under section 1013(a) of the Impoundment Control Act of 1974 before such date, or

(2) for which a report was made by the Comptroller General under section 1015 of such Act before such date.

(b) The terms used in this section have the same meaning as such terms had under the Impoundment Control Act of 1974 as in effect prior to the enactment of this Act.

THE 40TH ANNIVERSARY OF THE ITALIAN REPUBLIC

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

Mr. ANNUNZIO. Madam Speaker, I am pleased to call to the attention of my colleagues in the House of Representatives that on June 2 the Republic of Italy will celebrate the 40th anniversary of its funding as a free democratic government.

It was June 2, 1946, that the Italian people, in a resounding vote of confidence for democracy, voted in a plebiscite to end their constitutional monarchy and establish a republic. By replacing the Italian monarchy with a republican form of government, Italy begin her return to the cultural and political prominence she had long enjoyed previously in history.

Eleven days after this referendum, King Umberto II left Italy, and with the aid of the Marshall Plan, along with the determination and enthusiasm of the people of Italy, Italians launched upon a great period of economic, political, and social progress and achievements, placing their country in the vanguard of European integration.

During the last four decades, the laying of the technological and economic foundation of Italian industry has been unprecedented, and the Italian Government's commitment to the social welfare and education of its people has been comprehensive and impressive. As a member of the North Atlantic Treaty Organization, Italy continues to be a stalwart and loyal Western ally.

The beautiful land of Italy, washed by the blue waves of the Mediterranean and cradled within the Alps, has boasted an advanced civilization for thousands upon thousands of years. It may be truly said that Italy constitutes a mosaic of human history. She is a major source of Western culture—her legal system is a model for the West, her language is the tongue of music, and her Renaissance stands as one of mankind's greatest achievements.

Mr. Speaker, on the 40th anniversary of the birth of the Republic of Italy, I take this opportunity to extend my warmest best wishes to the people of Italy, and to our many friends of Italian descent living in the 11th Congressional District of Illinois which I am honored to represent, and throughout the United States, who will join in this observance. May the people of Italy continue their important contributions to the culture and freedom of the West, to the vitality of domocracy, and to the precious ideals of freedom.

LEGISLATION TO BLOCK HOLIDAY FURLOUGHS

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

Mr. HOYER. Madam Speaker, I rise today to introduce legislation which amends title V of the United States Code to prevent Federal agencies from furloughing Federal employees on holidays alone. I am happy to be joined by the Chairman and the chairpersons of each subcommittee of the Post Office and Civil Service Committee, as well as nine other distinguished colleagues from both parties in introducing this legislation.

Last week, the General Accounting Office ruled that "agencies may not furlough employees solely on holidays and thereby deny them compensation for the holidays." Unfortunately, there remains some question in the mind of the Justice Department as to whether the General Accounting Office's decisions are binding on the executive branch. Two cases are currently challenging this authority. One, Gramm-Rudman could undermine GAO's authority in this area and two, the third circuit court is reviewing a challenge by the Justice Department against GAO in the implementation of the Competition and Contracting Act. If either case undermines GAO's authority, then agencies would be free to force Federal employees to suffer furloughs on Federal holidays alone, much as the Department of Agriculture sought to do, before being blocked by the Comptroller.

There is no question that such a furlough policy would have a disasterous effect on employee morale thereby dampening the productivity of our work force. But further, a furlough is defined as "the placing of an employee in a temporary status without duties and pay because of lack of work or funds or other nondisciplinary reasons." Federal holidays mean that employees are already in a nonduty status, because of the importance of recognizing public celebrations which have been designated by Congress. Furloughing Federal employees on a holiday merely denies them pay while requiring the same work duties.

My legislation amends title V to prohibit this policy and guarantees Federal employees that they do not have to fear salary reductions through denial of pay on Federal holidays.

I would urge all of my colleagues to join with me in cosponsoring this legislation and ensure fair and reasonable furlough policies for the Federal Government.

IRA DEDUCTION

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

Mr. SHELBY. Madam Speaker, next week will mark the 1-year anniversary of the unveiling by President Reagan of his tax reform proposal.

In the face of predictions of chaos and inaction, this body, and now the Senate Finance Committee, have produced separate versions of a tax overhaul plan.

The members of these panels are to be commended for their diligence and tenacity. Their task was one envied by few. As we all know, it is very difficult to please everyone, especially in a task such as tax reform which affects every single American.

Madam Speaker, notwithstanding these extraordinary accomplishments, I was disappointed that the Senate Finance Committee chose to repeal the deduction for individual retirement accounts for persons covered by a pension plan.

Since its inception in 1982, the amount contributed to IRA's has grown from $26 billion to over $250 billion. According to the Investment Company Institute, approximately 28.5 million households nationwide include at least one IRA owner.

Of that number, it is estimated that 70 to 75 percent, or approximately 21 million households, include IRA owners who are also covered by a pension plan.

In Alabama alone, a quarter million households include an IRA owner.

IRA's are not a tax shelter tool of the rich. IRA's are owned primarily by middle income, working American families.

According to the Internal Revenue Service, approximately 62 percent of all IRA-owning households have annual incomes under $40,000. This same IRS survey shows that 77 percent of all returns claiming an IRA were from households with incomes under $50,000.

Madam Speaker, there are several reasons to retain the IRA deduction.

First IRA's are a principal financial tool in the building of America. Yesterday, this body adopted a trade policy designed to foster economic growth and ensure America's competitive edge.

America's strongest competitive advantage today rests on a solid foundation of scientific and technological knowledge. To maintain this advantage, we must continue to invest in innovation and productivity. IRA's provide a stable resource of savings for long-term investments in these vital areas.

IRA's provide the incentive for savings needed to continue and enlarge this investment pool. The American savings rate is tragically low as compared to those of other industrialized nations who are competing with us for world markets. Recent reports indicate that the United States savings rate has declined to a 35-year low of 2.9 percent of disposable income, an average annualized volume 34 percent below that of last year.

Studies indicate that IRA's added $14 billion to new savings in 1983 and $18 billion in 1984. It is estimated that IRA's could contribute as much as $50 billion to new savings by 1990. Were it not for IRA's, the savings rate would be substantially lower.

Not only do IRA's help our country grow, but IRA's are also very important to the prosperity and future financial stability of individual families. This country was founded and built by people whose work ethic rest on the principle of self-reliance. The working class families of this Nation are abiding by that principle by providing for their own financial security upon retirement. IRA's fulfill the policy objectives of Congress by serving as a supplement to Social Security and pension funds—thus reducing possible Federal Government obligation later.

Madam Speaker, IRA's are working for America. IRA's enable American middle-income workers to provide for their own financial security. IRA's encourage people to save—all of which in turn contributes to capital formation and helps America grow.

I urge the Members of Congress in both Houses to support the retention of the deduction for IRA's.

TOO MANY LOOPHOLES IN VOLUNTARY TRADE AGREEMENTS ON STEEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Madam Speaker, just the other day, while the House was in the midst of its debate on H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, an announcement from the White House caught my eye.

It seems that there is some danger that import levels of machine tools are so high they might be posing a threat to our national security, but, rather than take forceful action, the President will ask the four largest foreign machine-tool manufacturing countries to voluntarily reduce their exports of machine tools to the United States.

One of the truly bothersome items in this story is that the President really doesn't want to establish a precedent of limiting imports on national security grounds. I can't understand that. If the President wants a strong national defense system, as he has said, then it is only right that the parts and materials for that defense system should be American-made.

What he and his advisers fear is that if they limit imports of machine tools on the grounds of national security, then they might have to limit the imports of carbon and specialty steel and a host of other products and materials on the same grounds.

I am glad the President has taken action to try to preserve what is left of America's machine-tool industry, especially since some of the biggest companies are no longer in the business, but voluntary programs don't appeal to me very much.

In this case, the President is going to ask Japan, which accounts for some 49 percent of all machine-tool shipments to the United States, to cut back to mid-1981 levels, a cut of some 20 percent.

West Germany, Switzerland, and Taiwan, the other countries involved, also will be asked to reduce machine-tool exports, though not to the same degree.

My real concern is that we again will be seeking voluntary compliance. I have serious doubts about the effectiveness of such voluntary programs over the long term.

In fact, the American steel industry, currently covered by a series of voluntary restraint agreements put in place under Presidential order, is a case in point.

Despite these so-called voluntary agreements, there are enough loopholes for steel imports to continue taking a sizable share of the American steel market.

And, despite the continuing praise issuing from the Department of Commerce and the Office of the U.S. Trade Representative, steel imports to the United States have not yet come near to achieving the goals announced by the President when the voluntary restraint program was effected.

When he announced his program in September 1984, the President said that the goal was to limit imports of finished steel products to 18.5 precent of the American market. Although it wasn't specifically stated, a quantitative limit on semifinished steel would bring the total level to about 20.5 percent.

I believed then, and still believe today, that that level is too high, but even I would cheer if we were closer to the goal some 20 months after the program began.

But, Mr. Speaker, we are not so close that we can relax our efforts. In March of this year, steel imports represented 24.4 percent of the Amercian market and for the first quarter—January through March—accounted for 24.1 percent.

Last year, steel imports took a 25.3-percent share of the American market. Thus, 1 out of every 4 tons of steel sold in the United States was from a foreign country.

As I just indicated, the figures so far for 1986 do not show substantial improvement. In March 1985, imported steel represented 24.5 percent of the American market, compared to the 24.4-percent penetration level for March 1986, the drop is only one-tenth of 1 percent, hardly anything to cheer about.

Why hasn't there been any real substantive change? Because those steel exporting nations around the world have decided to ship different kinds of steel products to the United States, steel products that are not covered by the voluntary export restraint agreements, steel products of higher value, such as specialty steels.

Shipments of specialty steels, and these include various kinds of stainless, electric, and tool steel, increased substantially in March 1986, as compared to March 1985. Last year, 17,000 tons of specialty steel came into the United States. For the first quarter of 1985, imported specialty steel totaled 54,000 tons.

Now, 1986 is showing us a far different picture. In March, 33,000 tons of specialty steel came into the United States, double last year's amount, an actual increase of 100.9 percent.

And, for the first quarter of 1986, the tonnage of imported specialty steel was 107,000 tons. That is almost double the tonnage—54,000 tons—shipped to this country in the first quarter of 1985, an increase of 98.9 percent.

We should remember that specialty steel, based on the recommendations of the U.S. International Trade Commission in 1983, is under a Presidential program of tariffs and quotas.

This latest problem is clear evidence that unless there is constant reinforcement of trade policies by the President and his closest trade advisers—the Secretary of Commerce and the U.S. Trade Representative—none of those policies has any chance of lasting success.

What has happened and is happening to the specialty steel industry is a case in point.

The 5-year program of quotas and tariffs put into place in 1983 worked for a very brief period, but, since, has fallen apart.

We are now into the third year of the program and, for all intents and purposes, it is a failure. With few exceptions in product lines, imports dropped sharply in 1983 and either have been inching or soaring upward since.

For example, in 1982, imports accounted for 13.5 percent of the stainless steel sheet and strip market. In 1983, with the President's quota and tariff program operational, imports dropped to 10 percent of the market. In 1984 and 1985, though, imports represented slightly over 14 percent in each year, almost a full percentage point higher than before the program went into effect.

The picture for 1986 is even bleaker. For the first 3 months of 1986, imported stainless steel sheet and strip took a 23.8-percent share of the American market, more than 10 percent higher than the 1982 level, before the President's program was effectuated.

A similar picture can be painted for stainless steel plate. In 1982, the imported steel in this category accounted for 12.5 percent of the American market and the highest level in the previous 5 years.

In 1983, after the President's program was in effect, imports dropped to 5 percent of the market, a drop of about 60 percent.

In 1984, however, the import level had inched upward to 6.3 percent of the market and to 8.1 percent for 1985. Modest increases, all of us would agree. But, then comes 1986, or at least the first quarter of 1986. Now the flow in out of hand. Imported stainless steel plate for the first 3 months of 1986 accounted for 19.4 percent of the American market, just under the record 20-percent level experience back in 1976.

The next questions are where is all of this specialty steel coming from and why is it coming here.

The answer to the second question is simple: Under the President's program

of voluntary restraint agreements, specialty steel is not specifically included, so many of those countries that have signed agreements are shifting from carbon steel products to specialty steel ones, especially since the values are higher, and that answers the other question.

In this category are Belgium, Great Britain, Italy, France, Spain, and West Germany in the European Common Market, and Mexico, Finland, South Africa, Austria, and South Korea—countries with whom we have signed agreements—and Canada and Sweden, with whom we have not reached agreement.

The increases by some of those countries are so large as to be almost obscene. Stainless steel sheet and strip imports from Belgium increased by 944.8 percent from the first quarter of 1985 as compared to the first quarter of 1986.

Some of the other numbers are just a little bit less outrageous—Great Britain, 269.5 percent; West Germany, 165.3 percent; Italy, 542.2 percent; Spain, 403.3 percent; South Korea, 272.1 percent; Mexico, 245.5 percent; and Finland, 219.2 percent.

For that same period, Austria shipments of stainless steel sheet and strip increased by 125 percent, from 4 tons to 9 tons.

Overall, shipments of stainless steel sheet and strip from all of the exporting nations jumped from 23,036 tons during the period of January, February, and March 1985 to 58,957 tons for the same 3 months of this year, an increase of 155.9 percent.

In addition to South Africa, Taiwan, Brazil, Switzerland, and Jordan shipped specialty steel to the United States for the first time in 1986.

Sweden, whose shipments of specialty steel increased by only 21.5 percent in comparison between the first quarter of 1985 and the first quarter in 1986, has rejected all efforts by this administration to sign a bilateral voluntary restraint agreement.

Is it any wonder that we have trouble believing the Secretary of Commerce and the U.S. Trade Representative when they appear before the Congressional Steel Caucus and tell us the President's program of voluntary restraints is working just fine and that we are on the verge of achieving the anticipated limits on steel imports that the President committed to in September 1984.

Already, we can see that we are far from achieving those goals—and we haven't even talked about semifinished steel yet.

The original goal was a limit of 1.7 million tons of semifinished steel annually during the 5-year period of restraints. An admirable goal, if we could have achieved it.

The point is that the agreements we already have with the 18 countries that haven't told us to leave them alone provides for imports of 1.75 million tons. What is more, the European Economic Community disputes the amount assigned to it—600,000 tons—and this administration is already preparing to give the EEC another 200,000 tons to Soothe those ruffled feathers.

Thus, the total amount of semifinished steel will be closer to 2 million tons a year rather than the 1.7 million agreed upon.

What all of this means is that the President's program leaves something to be desired insofar as the future of the American steel industry is concerned.

It is a good thing that the agreements being developed by the steelmakers and the United Steelworkers of America are going to help.

At least the Steelworkers seem willing and ready to make some concessions to help keep their jobs alive by increasing productivity and reducing labor costs.

In the two agreements reached between the Steelworkers and steelmakers, the union has reduced the company hourly labor costs substantially and has agreed to some modifications in work rules in at least one of the contracts.

It is likely that similar agreements will be reached as the Steelworkers negotiate separately with each of the major steel manufacturers, and believe me, the steel companies need the help.

Here is a quick picture of the state of five of the six major steelmakers. LTV, which has reached agreement with the union, has 30,500 workers under contract, shipped 10.6 million tons of steel in 1985 and suffered a loss of $227 million last year.

National Steel, which also has come to terms with the union, has 6,900 workers under contract, shipped 4.4 million tons last year and lost $88.4 million in 1985.

The other three companies in the midst of negotiations with the Steelworkers are Bethlehem Steel, Inland Steel, and Armco. Of the three, Armco, with 6,500 workers under contract, shipped 4.3 million tons in 1985 and showed a profit of $55 million.

On the other hand, Inland, with 15,000 workers under contract, shipped 4.7 million tons of steel in 1985 and took a loss of $178.4 million, and Bethlehem Steel, with 29,000 workers under contract, shipped almost 8.8 million tons last year, and took a loss of $196 million.

As much as we regard machine tools as an integral part of our national defense, so, too, is steel. We need a strong and healthy steel industry and the only way we can ensure that is by setting specific limits as to how much steel comes into this country.

Voluntary compliance programs don't work because you have no real means of punishing violators. If you have hard and fast rules in place, everyone knows where they stand and what is expected of them.

We need product specific legislation to limit the overwhelming glut of foreign goods into this country that are putting American workers out of jobs because the jobs no longer exist.

I am afraid that if we don't act soon, it will be far too late and another industry or two will cease to exist in this country.

It is clear from the negotiations going on right now in the steel industry that the workers understand that they have a part in the process of keeping the industry alive.

It is clear that the companies are prepared to make some long-term guarantees to the union in terms of job security and profitsharing, when there is some, as a tradeoff for changes in work rules and hourly costs.

And now it is clear that Government has to get into the act to bear a share of the responsibility for seeing that the steel industry survives.

If we aren't going to get the necessary quotas so as to truly limit the flow of imports, then the President and the others in his administration who have responsibilities for trade better make sure the voluntary restraint program he likes so much is really working.

I know the President likes to speak of the free market. Unfortunately, there is no such thing. Just like there is no such thing as a free lunch, there is no free international trade market. Someone has to pay and, unfortunately, with our open doors and unrestrictive trade system, we are the ones who are paying—paying in the form of lost companies, lost jobs, lost manufacturing capability.

I don't know how much more we can afford to give away to keep the rest of the world going.

ENERGY CONSERVATION SIMPLIFICATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MOORHEAD] is recognized for 30 minutes.

Mr. MOORHEAD. Madam Speaker, I am introducing today, by request of the Department of Energy, the Energy Conservation Simplification Act.

While energy conservation continues to be an important concern, several energy conservation programs administered by the Department of Energy are unnecessary or should be modified. These energy conservation programs were enacted at a time of projected energy shortages and energy price increases. Market incentives for energy conservation were relatively weak due to excessive Government regulation of energy markets. Today, many Government regulations affecting

energy prices have been eliminated, supplies of energy have increased, and oil prices have fallen. Thus, the underlying bases for these energy conservation programs have virtually disappeared. Further implementation of these programs at this time is unnecessary and costly. At a time when the Federal budget must be cut, statutory mandates that result in costly, unnecessary, and low-priority regulatory programs must be reformed. Enactment of this reform legislation would result in a decrease of $9.5 million in the budgetary requirements of the Department of Energy over the next 5 fiscal years.

To accomplish this reform, the legislation I am introducing today proposes elimination of the requirement to set energy efficiency standards for consumer appliances. The appliance-labeling program, administered by the Federal Trade Commission, already requires attachment of labels to appliances stating energy consumption and cost data. This labeling gives the consumer sufficient information to enable him to choose the optimum degree of energy cost efficiency.

Also proposed for elimination are industrial energy efficiency targets and reporting requirements. The targets are outdated and ineffective in reducing energy consumption. The reports could be replaced by a survey the Department will be conducting later this year that will gather more complete and more statistically reliable information concerning industries than that gathered and reported to Congress under the present law.

This legislation would also eliminate the requirement for setting building energy performance standards for new Federal and private buildings. Under current law, the standards would be purely voluntary for the private sector. In light of today's energy environment and in light of the need to reduce Federal spending, it is inappropriate to continue the costly development of a regulatory program that is purely voluntary. Moreover, the private sector is developing consensus standards for building energy performance standards.

A requirement for the Department of Energy to publish gas mileage guides for cars and light trucks would also be eliminated. Much of the information contained in these guides is already provided to consumers in other publications and on stickers affixed to each new vehicle.

Finally, one energy conservation requirement should be modified to eliminate a potentially wasteful expenditure of Federal funds. This is the requirement under the Federal Energy Management Program to use "marginal fuel costs" in calculating the energy cost savings of conservation investments in a building. The legislation does not propose to eliminate the requirement to make the calculation, but it does propose to modify the requirement to permit the use of average—market—energy costs rather than marginal fuel costs in the calculation. While average energy costs and marginal fuel costs are the same for a fuel type such as oil, they are different for a fuel type such as electricity. That difference is so large, due principally to the capital costs of adding new capacity, that use of marginal electricity costs in calculations of the energy cost savings of investments in electricity conservation projects results in cost-saving estimates which grossly overstate the savings the agencies will actually achieve in comparison to the estimated cost savings to be achieved by investing in projects to curtail consumption of a fuel type such as oil.

I ask that the text of the bill be included in the RECORD at this point:

H.R. 4906

A bill to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes

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 "Energy Conservation Simplification Act".

SEC. 2. REPEAL OF CERTAIN REQUIREMENTS RELATING TO ENERGY EFFICIENCY STANDARDS FOR APPLIANCES AND INDUSTRIAL ENERGY CONSERVATION.

(a) ENERGY EFFICIENCY STANDARDS FOR APPLIANCES.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is repealed.

(b) REPEAL OF CERTAIN INDUSTRIAL ENERGY CONSERVATION REQUIREMENTS.—Part E of title III of such Act (42 U.S.C. 6341-6346) is repealed.

(c) TECHNICAL AMENDMENTS.—The table of contents of such Act is amended—

(1) by striking out the item relating to section 325; and

(2) by striking out the items relating to part E of title III.

SEC. 3. REPEAL OF BUILDING ENERGY PERFORMANCE STANDARDS.

(a) IN GENERAL.—Title III of the Energy Conservation and Production Act (42 U.S.C. 6831-6840) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of such Act is amended by striking out all the items relating to title III.

SEC. 4. REPEAL OF REQUIREMENT FOR PUBLICATION AND DISTRIBUTION OF GAS MILEAGE BOOKLET.

Section 506 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006) is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

SEC. 5. ESTABLISHMENT AND USE OF LIFE CYCLE COST METHODS FOR FEDERAL BUILDINGS.

Section 545(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8255(a)(2)) is amended by striking out "marginal" and inserting in lieu thereof "average".

TREATMENT AFFORDED EMPLOYEES IN THE HOUSE OF REPRESENTATIVES' CAFETERIAS IS INTOLERABLE, UNFAIR, AND UNUSUAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. CLAY] is recognized for 60 minutes.

Mr. CLAY. Madam Speaker, I have requested this special order to discuss an intolerable system of unfair, unusual treatment afforded employees in the cafeterias managed, owned, and operated by the U.S. House of Representatives.

Madam Speaker, I am bewildered, somewhat mystified that it becomes necessary to debate whether or not employees of the House restaurant system should be extended the same rights as other American workers and should be allowed to organize and bargain collectively.

Yesterday we took this issue before the House Democratic Caucus.

What a pity the Democrats, who traditionally have led the way in the advancement of workers' rights have been so reluctant and so callous in extending those same rights to our own employees.

For over 2 years now, a majority of the employees in our cafeterias have petitioned for an election to vote on recognition and bargaining for a labor union.

For over 2 years, every dilatory tactic in the book has been used to deny them this simple, just, legal right. Threats by management of job loss through contracting out, phony polls purporting to be elections conducted by the Architect and cafeteria supervisors, arrest of union organizer, intimidation of those signing for the union. In the private sector these are all serious unfair labor practices and violations of law.

All sorts of legislative mumbo jumbo as to why their request should not be granted have been offered by the Architect of the Capitol and others. Those in opposition to extending this right to the cafeteria workers will tell you that House administration does not have the authority to direct the Architect to recognize these employees for this purpose. That simply is not true. In an opinion written by Kirk O'Donnell, general counsel to the Speaker and Steven Ross, general counsel to the Clerk, they state:

> The Architect * * * could adopt rules and regulations which would permit the formation of an employee association or union, and which would call for bargaining over the conditions of employment * * *.

You will hear arguments that permitting employees of the House to unionize would set a dangerous precedent and violate the constitutional provisions of separation of power because the Architect is a Presidential appointee. That is also not true. Workers at GPO, congressional employees, have had a union since 1924. The public printer is appointed by the President and confirmed by the Senate, the same as the Architect. No one has ever said that this is a violation of the Constitution protection of separation of power. Employees at the Library of Congress have been in a labor union for more than 10 years. Collective bargaining at the Library was originally implemented by a regulation issued by

the Librarian. No one has ever said that was a violation of the Constitution. And, Madam Speaker, the Architect or Speaker or the chairman of House Administration could issue the same regulation and it would not be unconstitutional.

In an opinion written by the Congressional Research Service for my Subcommittee on Labor Management Relations, it said:

First, The Architect has the authority under resolution 590 passed in 1940 to establish a policy of collective bargaining with employee representatives. Second, it is clear from statute, and House rules, and resolutions of the House that the Architect's discretion is subject to the overriding authority of the Committee on House Administration. Third, any policy of collective bargaining established by the Architect, as we are advocating, would only be a formulation of policy guidance, not a system of obligations binding on the committee.

It further states:

It is clear that the causes of action against members of the House in Davis versus Passman and Walker versus Jones were founded on alleged infringements of constitutional rights. A policy of collective baragining not only does not give rise to the type of potential liability but, by providing a system of arbitration and grievance resolution, collective bargaining would protect Members from these kinds of suits. Constitutional rights are infringed by a policy which completely prohibits employees from forming or joining a union and this institution seems to be walking a very fine line as to whether it has violated those rights.

The solution we are proposing does not advocate that employees of the cafteria join a union. It merely states, in everyday, plain English that if they want to choose such a course of action, the Members of the House of Representatives will not allow the Architect or anyone else to frustrate their efforts. Those who for over 2 years have sought to frustrate the efforts of the cafeteria workers will tell you that if they are permitted to join a union the courts will force us to allow our committee and personal staffs the same rights. Once again, this simply is not true. In the first instance the solution we have proposed retains for the House all rights pertaining to whether and with whom it will engage in collective bargaining. In the second place, the courts have time after time respected the difference between personnel directly involved with the legislative process and those who are not. But the courts have held that food services were outside the protection of the speech and debate clause of the Constitution. It has held that selecting, supervising, and discharging a food facilities manager is not reasonably described as work that significantly informs or influences the shaping of our Nation's laws.

I ask my colleagues to reject the arguments of doom and gloom by supporting a simply but progressive resolution providing for the Committee on House Administration to determine if restaurant workers desire to engage in collective bargaining and, if so, instructing the Architect to comply with that desire. It is high time we bring these workers into the 20th century and afford them the rights to which they are entitled.

Madam Speaker, I am submitting background information for the benefit of the Members:

Since June, 1984, the employees of the House Restaurant System have been seeking collective bargaining rights. As a direct result of these efforts the employees are now threatened with the loss of their jobs. If a majority of the employees seek to collectively bargain they should be afforded that opportunity. Steps should be taken to determine if a majority of the restaurant employees seek collective bargaining. In addition, steps should be taken to counteract the widespread impression amongst the employees that their efforts to unionize have jeopardized their jobs.

HISTORY OF THE CURRENT PROBLEMS

Employees of the House Restaurant System began efforts to form a union and engage in collective bargaining in July of 1984. Since that time restaurant employees have informed the House Administration Committee, the House leadership and the Capitol Architect that a substantial majority of the employees of the restaurant system had signed cards designating the Capitol Employees Organizing Group (CEOG) as their representative for the purpose of engaging in collective bargaining. (Originally an independent union, in late May, 1985, the members of CEOG voted to affiliate with the International Association of Machinists, AFL-CIO.) Since CEOG began organizing, the Hotel and Restaurant Employees Union (HERE) have also had organizers on the hill seeking to represent the cafeteria workers. To date, the efforts of the employees to engage in collective bargaining have been stonewalled.

In early December, 1984, it was decided to transfer direct supervision for the restaurant system from the House Administration Committee to the Architect of the Capitol, effective January 1, 1985. Since the Architect has assumed responsibility for the House Restaurant System, a concerted anti-union campaign has been directed against the employees of the restaurant system. The campaign has been characterized by promised rewards, strict surveillance of the union organizer, union supporters, and union activities, harassment of the union organizer including on one occasion her arrest, and selected discrimination against and harassment of union activists. In the private sector these actions would constitute violations of the National Labor Relations Act and are classic examples of an unlawful anti-union campaign. Documentation of many of these violations has been obtained by the staff of the Subcommittee on Labor-Management Relations and is available.

On several occassions, Members have met with the House leadership and the chairman of the House Administration Committee. We had hoped through these meetings to establish a fair and democratic means of allowing the employees to decide if they desired union representation and collective bargaining. There is no legal impediment to collective bargaining with the restaurant employees, as have been affirmed by numerous legal memoranda, including one prepared by the Speaker's Counsel and the Counsel to the Clerk of the House. On several occassions we felt progress had been made, only to discover with the passage of time that the situation was continuing to deteriorate.

A CHRONOLOGY OF EVENTS

1. During the summer of 1984, the employees of the House Restaurant System began their organizing drive. They called upon the Capitol Employees Organizing Group, an independent union, for help. Representation cards were circulated throughout the cafeterias, carryouts, and restaurants.

2. On July 30, 1984, CEOG notified the Speaker of the House that a substantial majority of the House Restaurant System employees had signed cards asking CEOG to be their exclusive representative for labor-management relations. The letter requested that the House take steps leading to collective bargaining.

3. On August 14, 1984, the Chairman of the Committee on House Administration replied to this request, ". . . the matter has been referred to Committee staff for review. The Committee will inform you of any findings or conclusions . . . ".

4. The Committee on House Administration subsequently ordered the Architect of the Capitol to assume the direct supervision of the House Restaurant employees effective January 1, 1985.

5. On December 7, 1984, CEOG wrote to the Architect of the Capitol requesting a meeting with his representatives. The Architect has not responded to this request until six months later when he was directed to by the Speaker.

6. On January 3, 1985, the Superintendent of House Office Buildings, an employee of the Architect of the Capitol, ordered the unlawful arrest of CEOG's organizer. She was charged with illegal entry into an employee break area in the Rayburn House Office Building. Charges were later dropped.

7. In late January, the Architect of the Capitol revised the House Restaurant System's wage scale. Some employees received as much as a 25-percent raise as a result of this revision. Managers reportedly told employees that these raises were associated with their organizing activity.

8. On March 9, 1985, CEOG filed a complaint with the Freedom of Association Branch of the International Labor Organization to protest the anti-union activities of the Architect and his subordinates.

9. From late January, 1985, until a week ago, several meetings took place involving House leadership, the chairman of the House Administration Committee, and Members concerned about the rights of the restaurant workers. Although at times it appeared that progress was being made, the meetings did not succeed in providing the employees a means of determining whether or not they desired collective bargaining.

10. In late May, employees voted to affiliate the CEOG with the International Association of Machinists and Aerospace Workers, AFL-CIO.

11. During the month of May, the Architect of the Capitol met with employees to introduce a new grievance policy for the restaurant system but declined to respond to employees' questions concerning collective bargaining.

12. On June 3, 1985, employees of the restaurant system were asked to vote for "employee representatives" to act as agents in

the handling of complaints under the Architect's grievance procedures. Union supporters urged fellow employees to boycott the election. Despite conducting the election on work-time and soliciting participation from employees on as many as four separate occasions, less than half of the eligible employees participated in the election.

13. On June 3, 1985, the Architect issued letters to 29 prospective contractors asking if they were interested in bidding to take over the House Restaurant System.

14. On June 13, 1985, the Architect met with managers of the restaurant system and advised them that bids from private contractors were being solicited. Managers were informed that, pending approval, the target date for turning the restaurant system over to a private contractor was January 1, 1986.

15. During the week of June 17, 1985, rumors were rampant among the restaurant employees that the restaurant system would be contracted out if they insisted upon having a union and they would lose their jobs. Many of these rumors have been traced directly to management personnel.

16. On June 20, 1985 a petition was circulated among the cafeteria workers stating that because organizing efforts were jeopardizing their jobs, the undersigned did not support efforts to engage in collective bargaining. The petition was both signed and circulated by supervisory and other managerial personnel as well as by people wholly unconnected with the restaurant system. Were a similar petition circulated under similar circumstances among employees in the private sector, the employer, on that basis alone, would be found to have engaged in unlawful activity.

17. Beginning in June, the Architect, as instructed by the Chairman of the Committee on House Administration, began a process of soliciting bids for the possible contracting out of the House Restaurant System. Throughout the late summer and fall of 1985, representatives of various private contractors toured the restaurant system during working hours for the purpose of developing bids. The Chairman of House Administration has been explicit that the purpose of soliciting bids was to develop information concerning the operation of the system, that there were no plans to contract out the system and would be no further action without further consultation with the full committee, and that he would oppose contracting out under any circumstances unless provisions were made to ensure that the restaurant workers were not disadvantaged. Nevertheless, restaurant workers have been told by managerial and other personnel that efforts to contract out the system were already underway, that they would lose their jobs, and that this was a direct result of their efforts to unionize. Additionally, a memo from the Architect that was made available to restaurant workers, dated June 19, 1985, set January 1, 1986 as the date for commencement of concessionaire operation of the House Restaurant System.

16. On June 25, 1985, a caucus of Democrats from the House Administration Committee was held. It was agreed that cafeteria employees should be notified that their jobs were not in danger either because of union activities or because of contracting out. The employees were also informed that arrangements were being made to determine if they desired to organize.

17. Five months later, on November 20, 1985, with one day of notice, a "voluntary, informal opinion poll" was conducted. The poll came 48 hours after all employees received a detail memo from the Architect outlining all he had done to improve wages and working conditions, the poll itself was conducted on one day's notice, despite repeated requests from the Machinists Union and from Congressional staff to discuss election procedures the Architect and his staff refused to do so, questions on the ballot were clearly slanted to obtain an anti-union result, and all levels of management were permitted to vote. The International Association of Machinists advised employees not to participate in the poll. While employees were provided the opportunity to participate in the poll on "company time" less than half of the potential bargaining unit employees participated.

18. In August, 1985, approximately, coincidentally with the reopening of the Rayburn cafeteria, organizers began contacting House cafeteria workers on behalf of Local 25, Hotel Employees and Restaurant Employees Union, AFL-CIO. That organizing campaign continues.

19. Since the beginning of December, despite numerous attempts, the Architect has continued to stonewall the efforts of the employees to engage in collective bargaining. During this period supporters of the cafeteria workers have twice picketed the Capitol, and a law suit has been filed against the Architect alleging abridgment of First Amendment rights.

STATEMENTS EXCERPTED FROM SIGNED AFFIDAVITS OF HOUSE EMPLOYEES INVOLVED IN ORGANIZING

"I asked Odessa (assistant manager of the Longworth Cafeteria) if the rumor about contracting out of the restaurant system was true. Odessa said, 'sure it is true—that's what your union got you.' She also said, 'What's more important—having a union or having your job?' "

"I was approached by a manager, Sally Crowe (Capitol Restaurant), who told me about the contracting out of the restaurant system. She said that this was being proposed because of the union effort and that if we stuck by the union we would lose our jobs."

"People are backing down from supporting the union because they want to keep their jobs."

"I've heard Joe Malone, general manager of the House Restaurant System, say that there is no union and will be no union . . ."

"I have been harassed (by management) for wearing a union button."

"Management act like this is Russia—with spies running around and intimidation and all kinds of things."

"If management sees us talking with a union member when we aren't on break they will penalize us, subtract time from our pay, and threaten us with firing. I can talk to anyone else while I'm working, but if it's a union person I can only talk to them on my break."

"Things in the Restaurant System are generally stricter and more antagonistic (between managers and employees since the organizing began)."

"There have been pressures from my supervisors to oppose the union. He has said that since we work for the Federal Government and have no right to strike or negotiate over wages, a union wouldn't do us any good.'"

"Management is trying to do everything it can to meet some of our demands by giving wage increases and promotions, because, you know, they think that if they do this we will forget about the union."

"It (the Architect's grievance committee) is about as effective as the so-called unions in Poland that are government sponsored."

"Nobody in the coffee shop voted (for the grievance representatives). We don't need that, we need help."

IN RESPONSE TO THE CONCERNS OF THE ARCHITECT

Architect's statement.—"On two occasions a majority of the employees have voted against a union."

Facts relevant to that statement.—The examples cited by the Architect reflect attempts to discredit employee organizing efforts, not their views. The petition referred to by the Architect was circulated by supervisory personnel and contained the explicit threat that, by seeking to organize, the restaurant employees were risking their jobs. The petition, itself, would be clear evidence of an unfair labor practice on the part of the Architect were he subject to the National Labor Relations Act.

The election the Architect refers to was conducted on less than 24 hours notice and came 48 hours after a memo from the Architect stating all he had done to alleviate the need for collective bargaining. Employees were told before the so-called election that it was only an opinion poll and would not mean a thing if they voted for a union, and supervisory and other nonunit personnel participated in the election. The poll itself consisted of four questions, two of which asked if the employees approved of all the Architect had done to make their lives better and a third asking if there was anything more the Architect could do for them. Finally, not only did a majority of employees not vote against union representation, but two-thirds of the cafeteria workers declined to even participate in the charade despite being provided the opportunity to do so on company time.

The resolution being offered provides for the independent determination of whether or not the employees of the House Restaurant System desire to engage in collective bargaining.

Architect's statement.—"The Architect of the Capitol lacks plenary authority to issue rules and regulations respecting personnel policies and practices and other conditions of employment of employees of the House Restaurant System."

Facts relevant to that statement.—The Architect's statement is facually and legally inaccurate. As the Architect points out on page five of his letter to Chairman Annunzio, he has already made substantial changes in the wages and working conditions of the House restaurant workers. Since January, 1985, the Architect has had the authority to hire, fire, and establish working conditions for House restaurant employees. Since that time, he has, among other things, altered wage rates and vacation policies for the workers (e.g. he has ended the policy of laying-off cafeteria employees every time the House goes in recess); he has established a length of service awards program, on his own authority; and again, on his own authority, he has implemented a grievance procedure "whereby employees may appeal to the Architect for reconsideration of an administrative decision to take an adverse action." The resolution being offered clearly provides that final authority remain vested with the House and its committee as is currently the case.

Architect's statement.—"The absence of any law prohibiting union recognition and collective bargaining by the Architect of the

Capitol does not in itself confer authority to do so."

Facts relevant to that statement.—Apparently, the only one who has any doubt as to the legal authority of the Architect to engage in collective bargaining with the cafeteria workers is the Architect himself. The absence of law means only that the employer, in this case the House, is not compelled to engage in collective bargaining, and in no way prevents or precludes collective bargaining from occurring. For example, collective bargaining at the Library of Congress was initially implemented by a regulation promulgated by the Librarian, not by statute. The issue has been examined by the counsel to the Subcommittee on Labor-Management Relations, the counsel to the Subcommittee on Employment and Housing, a counsel to the Committee on Post Office and Civil Service, a legislative attorney with the Congressional Research Service, the former counsel to the Speaker, and the counsel to the Clerk of the House. All are unanimous in the opinion that the Architect, under existing authority with no further action by anyone, may engage in collective bargaining with the cafeteria workers should he so choose. What is lacking is the will, not the legal authority.

Architect's statement.—The absence of a statutory scheme (as provided in Title VII) would render the conduct of labor-management relations extremely difficult and costly."

Facts relevant to that statement.—The absence of a statutory scheme simplifies rather than complicates labor-management relations. The House is free to devise for itself its own system for bargaining with the employees of the House Restaurant System and to alter that system where it so chooses. The Architect's cost estimates, while interesting, are also very clearly speculative. When the Librarian of Congress implemented collective bargaining for the entire Library of Congress, his system called for the addition of only one person, to serve as an umpire, not the three the Architect seems to feel are necessary. Given the expertise already available to the House, it is imminently possible to implement a system of collective bargaining that would utilize existing employees of the House and would pose no additional expense. Finally, it is the opinion, once again, of every attorney who has looked at the issue that a system of collective bargaining would serve to insulate the House and its members from suits filed by employees of the House.

Architect's statement.—"Potential adverse impact on pending litigation."

Facts relevant to that statement.—Implementation of collective barganing with the employees of the House Restaurant System would not only have no adverse impact on either the suit filed by the IAM or the proceedings of the ILO, but would render both issues moot. It is our failure to deal fairly with our employees that has prompted such actions in the first instance. The greatest adverse impact we can generate is to continue to do nothing.

Architect's statement.—"Adoption of the proposed resolution could have adverse impact on the interests of the Senate and other Legislative Branch entities."

Facts relevant to that statement.—It is the solution offered by the Architect, requiring a comprehensive, statutorily authorized system of collective bargaining, that would have an adverse impact on other legislative branch entities. By proceeding by regulation, as the resolution anticipates, the House retains for itself all rights pertaining as to whether and with whom it will engage in collective bargaining. No one beyond those employees covered by the regulation would in anyway be entitled to engage in collective bargaining and the regulation itself could be superseded either by another regulation, a House Resolution or a statute. There should be a law guaranteeing employees providing ancillary services to the House the right to engage in collective bargaining, but only after the House has had the opportunity to develop a system that is complimentary with our unique duties and responsibilities. Such a system can best be developed through practice. It is for this reason that we have purposely chosen the most cautious alternative available. Finally, while the Architect's concern may be treated for what is is worth, the decision of how we are to treat our employees is one for us to make, based upon our own views of what is right and what is wrong.

□ 1505

Madam speaker, I now yield to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Madam Speaker, I thank the gentleman for yielding to me.

Madam speaker, I would like to thank my colleagues, BILL CLAY and BARNEY FRANK, for taking this special order today to talk about the efforts of House restaurant employees to form a union and engage in collective bargaining.

I'm sure that all of my colleagues would agree that the employees of our House restaurant system do a fine job. They are hardworking and courteous. I know from talking to many of these employees that they are proud to work for the House of Representatives.

Yet despite their hard work and their loyalty to the institution, the conditions under which the restaurant employees work are difficult ones. They have no effective grievance procedure. Many are laid off for recess periods and are forced to apply for unemployment compensation which can take weeks or months to receive. They are subject to arbitrary and capricious treatment by the restaurant management. Promotion opportunities are rare, and promotions seem to be granted by a system of favoritism not merit.

As a result of this disgraceful treatment, the workers have been trying for some 2 years now to have an election held to designate an employees union and to engage in collective bargaining over working conditions.

For 2 years, those of us who support this employee effort have engaged in countless meetings and discussions to try and bring about this election. Despite assurances on a number of occasions that the employees wishes would be respected, to date, no valid election has been held.

It is because of this seeming impasse that along with the gentleman from Massachusetts, BARNEY FRANK, and the gentleman from Missouri, BILL CLAY, I have proposed that the Democratic Caucus adopt a resolution to resolve this situation. All we ask is that the House restaurant employees be allowed to vote on whether or not they want a union. Our resolution would bring about this election.

It is an embarrassment to the U.S. Congress that our restaurant workers have been unable to have recognized their decision to unionize. It is way past time that we act to correct this disgraceful situation.

When the Democratic caucus meets next week to vote on the resolution offered by Mr. FRANK, Mr. CLAY, and me, I urge all my colleagues who care about equity and about the rights of workers to vote for the resolution.

Mr. CLAY. Madam Speaker, I thank the gentleman from California for those remarks. I think that it helps to elucidate greatly what the problem is that has been endured by our employees in the House cafeterias.

Madam Speaker, I yield now to the gentleman from California [Mr. TORRES].

Mr. TORRES. Madam Speaker, I thank the gentleman from Missouri for this opportunity. I would like to echo the comments of my colleague, the gentleman from California [Mr. EDWARDS] in congratulating the gentleman and commending the gentleman for convening this very special order, which is so important to deal with a special issue here in this House and in this Chamber.

Madam Speaker, this House is replete with symbols of American tradition and values.

Just look about us: George Washington, the Marquis de Lafayette, State Seals, and Our Great Seal.

And yet there is an inequity in this House. That inequity prompts us to meet here today, and that inequity has troubled me since I first arrived here. I refer to the inability of workers in the House Restaurant to collectively bargain.

My colleagues, most of you know that I come from the ranks of labor. As a student of American history I've come to understand America best by her labor history and the role that working people have played in the development of our society.

The early quilds of cordwainers, carpenters, stone masons, blacksmiths, silver smiths—Paul Revere was one—raised their voices against the tyranny of King George. They protested unfair taxes and the abuses of English rule. And yes, they fought our first revolution.

As our Nation grew, the right of free association became synonomous with the Bill of Rights. And as waves of immigrants came to our shores to seek new economic opportunities as well as religious and political freedom they were to become part of a classic struggle between capital and labor.

Witness the Great Irish Potato Famine. The deplorable conditions that Irish peasants had to endure: the exploitation, the rank discrimination, and surely we can recall the famous folk ballad—"No Irish Need Apply".

And they continued to come. Germans, Poles, Slavs, European Jews, Italians—and always exploitation, always economic bondage.

We fought a civil war on the issue of human bondage. The war that freed the slaves transformed this Nation's industrial life. Soldiers returning from the battlefields, slaves emancipated from cotton fields became an army of volunteers ushering in a new revolution, the Industrial Revolution.

The right of free association gave rise to the Knights of Labor, the forerunners of the AFL. The industrial revolution created inequities, to be sure, but Congress did not sit idly by the wayside.

Congress acted: Child labor was abolished, working peoples organizations were formed and collective bargaining brought about labor-management tranquility.

Congress acted: Workers achieved their rights in their own Magna Carta—The Wagner Act. Beyond representation and right of free association the most significant achievement was dignity plain , simple dignity.

The issue today is whether this Congress will act to give dignity to it's House Restaurant Employees.

Congress must act. Legal obstacles can be surmounted. Congress must muster the will to grant representation.

Here again, I return to our symbols in this Chamber. Above us are the 23 reliefs of legislators from the past who's contributions to American law will endure for centuries to come: Moses, Mason, Napoleon, and Jefferson to name a few.

These lawgivers constitute our acknowledgement that the law upon which man's freedom is founded, and all we know of human justice, are derived from slow, sometimes revolutionary, processes.

Those reliefs are like witnesses to us. They tell us that the untold anguish suffered down through the centuries for the cause of justice can end in victory. They tell us that victory over inequity is worth the price.

I implore my colleagues to approve this resolution and provide for that victory.

□ 1515

Mr. CLAY. I thank the gentleman from California for so eloquently reciting and stating the basis of the constitutional rights of the employees of the cafeterias to organize for the purpose of collective bargaining.

I now recognize the gentleman from New York [Mr. OWENS].

Mr. OWENS. Madam Speaker, I would like to congratulate the gentleman from Missouri for sponsoring this special order which deals with the problem of giving the employees of the House restaurant system the right to engage in collective bargaining. This is a matter that is long overdue. Many of us who have relatively recently arrived in this Chamber, arrived to serve in this House, were shocked to find that the most basic elemental rights to organize and bargain collectively were being denied to employees of the House of Representatives' restaurant system, and some other employees.

I hope that we can soon put this nightmare quietly behind us. I hope that reason will prevail in all quarters and that there will be no resistance within the House, which is, after all, a Democratically controlled body, and whatever happens here certainly is an indication of the will of the Democratic Party. We are an expression of the will of the Democratic Party, and we are operating in conflict with all of the policies and traditions of the Democratic Party. We are the party of Roosevelt, we are the party of Hubert Humphrey, we are the party of John Kennedy. I think John Kennedy specifically sent over a message shortly after he was elected President, urging the congress that they take steps immediately to guarantee for all Federal employees the same rights of unionization and collective bargaining employed by other workers. It is a step that is long ovedue.

I come from a district where people in large numbers are unemployed. But where people are working, they are usually unionized. They are working at very low paying jobs. The largest body of workers in my district are health workers, they work in hospitals. They get paid very little, but they are unionized. I think next to that are the municipal, Federal and State workers, the secretarial and clerical level. They get paid very little, but they are unionized. They cannot even strike, but at least they have the right to collective bargaining. They are unionized. The garment workers are quite low paid, but they are unionized. And they would be shocked to find that at this late stage in the history of America, at the level of the House of Representatives, not only are we not allowing employees the right to collective bargaining and to be unionized, we are also debating the matter at great length, we are making all kinds of contradictory statements. We have a memo from the Architect of the Capitol which in essence, to summarize it—and I think I am summarizing it accurately—says that unionization or collective bargaining is a nuisance and therefore we should not allow it to happen here, it will be a problem. It says also that unionization and collective bargaining is a radical idea, and if it gets going there is no telling where it will stop here on the Hill, and we must stamp out this radical idea among the restaurant employees before it gains any momentum and escalates.

It is a sad document. I think it is sadder still that among Democrats in the Democratic Caucus that we have to debate the matter. There may be a question as to whether or not if legislation is introduced there is enough votes to pass legislation in both the House and the Senate, but there should be no question about the will of the Democratic Caucus. The Democratic Caucus is, after all, an extension of the Democratic Party, and our platforms year after year state support for the principles of collective bargaining and unionization. I do not see how we as a party can raise our heads in public circles. If we do not, now that this matter has been brought to our attention, it may be that it has been overlooked for all of these years, it is a massive sin of omission, it is a blind spot and we did not deal with it, but now that it is before us, it is clearly before the Democratic Caucus of the House of Representatives as a policy question, I think we have no choice but to move in the caucus to make a decision about where the caucus stands, and the caucus should direct the Architect of the Capitol to proceed to allow collective bargaining. If there is a problem with that legally, let the Architect of the Capitol answer to us that there is a problem, but I think we should be on record as rapidly as possible, before the public really finds out what we are doing, get on record as rapidly as possible expressing the will of the Democratic Party. Whatever legalisms the Architect of the Capitol, who is appointed by the President, prefers to throw in our way, let us deal with them one by one. If it does require legislation—and many of us do not believe it does—then we will proceed with legislation. Whatever has to be done, I think the initiative, the drive, the push should be exercised by the Democratic Caucus of the House. We should go forward immediately and make all of our colleagues realize the urgency of this matter. We must allow the House restaurant employees and any other employees under the jurisdiction of the House of Representatives to make the choice. They should have the choice of choosing to engage in collective bargaining and organize if they wish.

I urge that we get behind this and I urge immediate action by the House Democratic Caucus.

Mr. CLAY. I thank the gentleman from New York, and I would just like to reiterate and reemphasize that there is no legal problem with recognizing these people for the purpose of

collective bargaining. The problem is, as the gentleman cited, the attitude of the Architect of the Capitol, who thinks it would be a nuisance, it would be a problem to afford and extend these rights to our workers.

We, since December 1984, when it was decided by the chairman of House Administration to transfer supervision of our restaurant system from the House Administration Committee to the Architect, we have seen a series of unfair labor practices, antiunion measures incorporated by the Architect. The campaign has been characterized by promised rewards if they would not join the union or sign for a union, strict surveillance of union organizers, members who are union supporters and who have been engaged in union activities have been harassed by the Architect of this Capitol and by his supervisors. In the private sector, if they did this, that would be a very serious violation of law. We have got documentation of all of this, even the arrest of one of the union organizers, on the authority of the Capitol Architect.

Mr. OWENS. It is a nightmare that I know we would all like to put behind us, and again I congratulate the gentleman from Missouri for bringing this matter out into the open so that we can dispense with it quickly.

Mr. CLAY. I thank the gentleman from New York.

Madam Speaker, I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from Missouri for yielding, and I salute the leadership that he and our colleague from California have shown. I got into this into rather late, and I learned as I joined them, to my unpleasant surprise, that what I thought would have been obvious was being resisted.

I just want to take a couple of minutes to talk about some of these points. First, the reason we are here is that the efforts that many of us made to deal with this in a conciliatory informal way were rebuffed. As this issue came to our attention, several of us have spoken to people in positions of authority in the House, both in the committee and in the leadership, and said, "let's work this out."

Let me say from the beginning, obviously there are, in working out the relationships of collective bargaining in the context of the House of Representatives, some complications. The existence of complexity is never a valid reason for failing to try to carry something out. Straw men abound in this debate. One of them is that we are saying, "Let's just snap our fingers and it will all be done." No one has said that. Many of us have made an effort to begin to contribute to work out the institutional arrangements. The House of Representatives is different than a purely private entity. There are questions that are peculiar to us. That does not mean you should not allow people the fundamental right to vote to join unions. It means that you shape the right in that particular instance to take account of the peculiar institutional features. It can easily be done.

But we got to the caucus and we got here because people in positions of authority refused to do it, and we got from some of them typical antiunion arguments, and I was kind of surprised to hear them coming from some of my Democratic friends. One of them is, and we have just been told by the chairman of the House Administration Committee, how well paid people are here. That is not relevant to the question of the right of individuals who are working day in and day out to decide for themselves if they want to join unions. I am distressed and surprised to have my colleagues simultaneously profess their prounion sentiments and then portray a misunderstanding of the whole union movement, which is not simply about more dollars, although that is a relevant factor, it is about dignity in the workplace, it is about autonomy, it is about the right of individual working men and women to have some participation and not simply be ordered around.

This simply cannot continue to be a situation in which we mandate those rights for everybody in America except our own employees. And that is basically what we are talking about: Should a situation exist in which everybody in America who is suitable to join a union—not every employee can join a union. In certain circumstances there are people, because of confidentiality, supervisory responsibilities or for other reasons, are held not eligible for union membership. But we have employees here in the restaurant and the building and grounds and elsewhere who would unquestionably be eligible to join appropriate collective bargaining units anywhere in America except that they work for the U.S. House of Representatives. That simply is not a morally tolerable situation for us to put ourselves in.

So the first thing we had to overcome was the objection of people joining a union at all because they are already well paid or for other reasons. Those simply do not hold up.

Now I think we are being presented, frankly, with a somewhat diversionary tactic, because the chairman of the House Administration Committee has said he is filing a bill to say,

> Okay, they can join the union if both Houses pass a bill and the President signs it and it goes before the National Labor Relations Board.

In the first place, that would be conceding to the other body control over our employees, which is not wise. It would be conceding to the President control over our employees, which is unwise. Under the pretense of defending the autonomy of the House, people who propose that solution are inviting the President, the Senate and the National Labor Relations Board into the House's affairs. We are saying something different: Let us by House resolution say to the Architect, if that is what you need, conduct for those employees who are wholly under the jurisdiction of the House collective bargaining elections. Maybe they will vote "yes," maybe they will vote "no."

The most offensive argument we got was in a memo from the Architect which was distributed, in which he says: "We are not going to allow them to have an election about whether or not to have a union because they twice voted against it."

Well, if we had an election and they voted no, the issue would be over.

We are not here asking for people to be put into a union. We are asking for them to have the right to vote on it. When he says 55 percent joined in an unsolicited petition to say they did not want to join a union, any employer who went to the NLRB and said, Look, here is an open petition by 50 percent of my employees who say they do not want to join a union, and I have read the names and I know who signed and I know who did not sign, we do not need to have an election," even under this NLRB, which is not usually described as excessively prounion, that case would have been thrown out in a minute and a half. This is an embarrassment to suggest that.

Mr. CLAY. On that point, in addition to it being an open poll, the supervisors conducted that poll.

Mr. FRANK. It would have been an unfair labor practice under the NLRB. It is an embarrassment to be given this as an argument. The basic point that we have is this: We are told by the chairman of the House Administration Committee, "Well, we have to do it by a piece of legislation." Frankly, I think that route is designed to be frustrating to the effort to join a union, when you have to have both the House and the Senate pass the bill, the President agreeing to bring in the NLRB, and we are told legally that is the only way to do it.

Reference has already been made to a memorandum of March 20, 1985. It is a memorandum from L. Kirk O'Donnell, then general counsel to the Speaker, Steven G. Ross, then and now general counsel to the Clerk.

The memorandum follows:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 20, 1985.

MEMORANDUM

To: The Honorable Thomas P. O'Neill, Jr., Speaker.

From: L. Kirk O'Donnell, General Counsel to the Speaker; Steven R. Ross, General Counsel to the Clerk.

Subject: Architect's Authority with Respect to Union Recognition/Bargaining.

As you requested, we have reviewed the relevant statutes and other materials to determine whether the Architect of the Capitol currently possesses the authority to recognize a formal employee group and to bargain with such a group. For the reasons stated below, it is our opinion that while statutory enactment would be necessary to extend the jurisdiction of the National Labor Relations Board or the Federal Labor Relations Authority, see 29 U.S.C., to any such group of employees, the Architect does possess a limited authority to recognize an employee association and to engage in a modified collective bargaining process with respect to certain conditions of employment without the need for further statutory enactments.

The House Office Building Commission is given authority to approve and direct the Architect of the Capitol in the employment of all services necessary for the protection, care and occupancy of the House Office Buildings. 40 U.S.C. § 175. The Commission has statutory authority to prescribe rules and regulations to govern the Architect in employing people to perform the foregoing services. *Id.* To date, the Commission has not prescribed such regulations as to personnel; the authority, nevertheless, exists.

Under the general grant of regulatory authority contained in the statute, it seems clear that the Commission could prescribe rules that would require the Architect to recognize, and bargain with, representatives of employees on such matters as leave time, overtime, administrative fringe benefits such as parking, grievance procedures, and other conditions of employment. This could be done outside the framework of the federal labor statutes and would not in our opinion necessitate statutory changes.

Accordingly, should the House Office Building Commission so prescribe, the Architect would have authority to "recognize" and "bargain" with an employee, association or union.

With respect to the House Restaurant system which has recently been returned to the Architect's day-to-day supervision, the Architect's authority is somewhat different. 40 U.S.C. 174k contains the basic authority pursuant to which the Architect has again been asked to provide food services for the House.

The Committee on House Administration, in a series of recent communications to the Architect, has directed the Architect to provide such services as the Committee's agent. There has been established an agency relationship between the Committee, as principal, and the Architect, as agent. The statute incorporates, by specific reference, House Resolution 590, adopted by the House in 1940. That resolution permits the Architect to prescribe rules and regulations for the operation of the Restaurant and the employment of necessary assistance.

While the Architect's authority is presently limited by his role as an agent of the Committee, he could, nonetheless, adopt rules and regulations which would permit the formation of an employee association or union, and which would call for bargaining over the conditions of employment which are presently within the authority of the Architect to establish. The Architect could establish such rules and regulations either pursuant to the Committee's specific direction, or on his own initiative absent a contrary direction from the Committee.

It is important to realize that the Architect's authority to bargain with respect to conditions of employment can go no further than his current authority to unilaterally set such conditions. He can choose to share this decisionmaking with his employees, but he cannot, absent further action, bargain away the right of the House or its Committees.

□ 1530

The memorandum clearly says it was read in very small part as the caucus yesterday, and I was not allowed to respond because of the time situation. It says, "Yes, the Architect," in their judgment, "can authorize a collective bargaining election and deal with them." Overwhelmingly, if the Committee on House Administration and the House were to say that, there would be no question about the Architect's opinion.

I should point out that Mr. O'Donnell and Mr. Ross have been counsel to this House and their counsel has been successful and accepted on a whole range of subjects. Apparently, they are experts on our war powers; they are experts on Gramm-Rudman; they are experts on our subpoena power; they are experts on our contempt power, but they do not know enough about whether or not to join a union.

People who have accepted, deferred to and followed their advice in every other case are trying to disregard it here. This memorandum clearly says that there is a power, if a House resolution were passed by itself; let us take it at that. "If a House resolution were passed, not with the Senate and not with the President, there is no question but that the House, by resolution, could direct the Architect with regard to those employees who were solely under the House jurisdiction where we thought it appropriate," not staff members; not people who directly interact with Members in the performance of their legislative duties, but people who have jobs equivalent to those in the private sector, buildings and grounds and maintenance or restaurants, clearly they could be involved in a union.

The fact that there are two memorandums from the American Law Division of the Congressional Research Service, one dated January 22, signed by Mr. Treacy, the legislative attorney, another from the American Law Division signed by another legislative attorney, Jay R. Shampansky, all three memorandums make it very clear you might get into an argument about whether the Architect could do it alone.

The bulk of these opinions suggest he probably could. But clearly, inarguably, according to these three opinions, if the Architect is asked or instructed by the House Administration Committee and the House itself, and if the House itself does it it obviously supersedes the House Administration Committee, because the House committee is the agent of the House, there is no legal question whatsover, the House can do it.

So why, if the House can do it, are we being told, "No, it has to be a piece of legislation which would involve the NLRB," which does not deal with public employees and the Senate and the President, is to try and frustrate it.

Then we get this silly letter from the Architect. I hope the Architect is a better architect than he is an analyst of collective bargaining, because if we had architecture of the quality of this letter, we would all now be in imminent peril of a cave in. I think the building would be unsafe for human habitation.

First of all, he says they voted against the union because the supervisors conducted a poll. Then he says, "The Architect lacks plenary authority to issue rules and regulations respecting personnel policies." Of course he does; the Secretary of Labor lacks plenary power to govern personnel policies. Every Federal employee does. That does not mean you cannot have collective bargaining. We are not arguing that by allowing collective bargaining you are going to give employees rights they do not otherwise have over wages or hours or other things.

We have collective bargaining for Federal employees. The people with whom they bargain have power to say "yes" to some things and they cannot deal with others. That is another one of these straw men. And, of course, he also says, "The Architect cannot do it because the House controls some of these policies, and the House Administration Committee controls some of these policies." Once again, the argument is overwhelming that if the House itself were to direct the Architect to do this, there would be no legal question.

Then he says, "The absence of any law prohibiting union recognition does not confer authority to do so." That has been addressed. The notion here, apparently, is that collective bargaining is some rare and exotic privilege which only exists if there is an expressed statutory grant.

As a matter of fact, the Library of Congress employees were allowed to organize and did organize and this letter says, well, that is different because Congress has included them within the definition of an agency. Except I am informed by my staff director, Mr. Weisberg, who was an authority on labor law before he came to the subcommittee I chair, that this happened in 1978; the inclusion of the Government Printing Office and the Library of Congress as an agency, whereas they got collective-bargaining rights in 1975, before they were granted this agency status. So we have the precedent of the Library of Congress.

Then we are told, and this ought to gladen the heart of every antiunion employer everywhere, "It would be difficult and costly." Yes, sometimes it might be more expensive to recognize people's rights than to ignore them; that is a common factor.

To argue that because you do not have a preexisting NLRB, you cannot give people their rights, is simply wrong. The Library of Congress employees were given those rights. The GAO conducted the election. We could easily construct a structure. Only an antiunion mentality would try to say, "Please relieve me of the obligation to let these people have a collective bargaining election," because, after all, having a union is difficult and complex.

Two final ones. First, this is a real winner, it says, "We cannot allow them to have a union because it would have an adverse effect on pending litigation." Well, what is the pending litigation on which our allowing them to have a union would have an adverse effect? It is a suit for them to be able to have a union. That is stupefying.

What they are saying is, "We have sued to let them have a union, and if you let them have a union, that will be a mistake, because then we will lose our lawsuit that says they cannot have a union." Right. That is what we had in mind.

It will not have an adverse effect on the pending litigation, it will moot the litigation because some of us think the litigation is wrong. The suggestion would be that somehow this would cause us to lose rights elsewhere. It would not cause us to lose any other rights. When they say it would have an adverse effect on pending litigation, they meant we would abandon a suit which we are resisting in the minds of many of us, improperly, their right to have a union.

Finally, and this one tops them all, it was handed out by the chairman of the House Administration Committee, and it was sent to him by the Architect, if we adopted this, "It would have an adverse impact on the interests of the Senate and other legislative branch entities." I trust I can simply quote the Architect about the Senate; I am not commenting on the Senate, I want to assure the ever-watchful Parliamentarian. I am wholly respectful of the other body and would not think of impugning Thomas Jefferson's mandate that we not criticize them, at least until the rules are changed, as I hope they will be next year.

What this says, and this is simply the Architect; I hasten to point out: This is not any action of the other body. This is the thought process of the Architect, which, as I say, I hope is better than the architect process of the Architect, "It might result in a breach of rules. If the House," he says, "If the House said to the people who work for the House cooking and washing and doing physical labor of waiting on tables and cutting the grass and doing those other things," in other words, if we treated employees of the House of Representatives as if they were American citizens with the rights that American citizens have if they work for anybody but the House of Representatives, "* * * this would result in pressure to provide similar labor relation rights and procedures for the Senate employees, and that would be a lack of comity."

He says, "That if we were to allow people here to join a union that would be unfair to the Senate because they might be embarrassed that they could not join a union."

I lack words to cope with that argument, because anybody to whom it has any appeal seems to me to be beyond the power of logical debate, so I am not going to say very much.

Just to summarize, and I thank the gentleman for the time he has given me. We started out with a situation which those in authority really did not want there to be a union. It is difficult to deal with a union. We have problems, and let us not pretend. We have some intra-union problems here. The hotel workers were a little slow at organizing. They are not too happy because they are afraid they might not win the election.

We are not mandating that any one union have these employees. We are mandating a couple of months in which there is an election. In which every union can compete, and in which people who do not want a union can compete. We are asking again that they be treated like normal, American citizens.

We have moved some, because now we are being told, "OK, you can have a union; I have always been for a union," although that has not been evident from the actions that we have seen. But we are told the only way to do it is by a bill passed by both Houses, signed by the President and bring in the NLRB. That is simply nonsense.

We have the opinions of our current Clerk counsel, Mr. Ross, and Mr. O'Donnell, previous counsel to the Speaker, Two memoranda by two separate specialists at the Library of Congress. There is no doubt that a resolution by the House itself, instructing the Architect to deal with collective bargaining in appropriate units can be done legally. I do not know who would sue; I do not know who he thinks would cause him all kinds of problems. It clearly can be done, and I hope that the House will very promptly proceed to do that.

I hope that the caucus will instruct its committees to move on this, and that pursuant to what I hope will be a large vote in the caucus, will introduce a resolution on the floor.

I will look forward to getting some support from the other side of the aisle, because we have had some Members on the other side of the aisle who like to complain that we have been hypocritical because we have exempted ourselves from various statutes. I think there is a lot of point to that, and I look forward to some of our colleagues on the Republican side joining us in ending this one piece of hypocrisy.

I thank the gentleman from Missouri.

□ 1540

Mr. CLAY. Madam Speaker, I thank the gentleman also for giving us very clearly some of the hyprocrisy of the arguments that are being advanced by those who are opposed to extending these rights to our cafeteria workers.

I think that most of the arguments are very simple, very juvenile, very mischievous. Take for instance the argument that we need a bill passed by the House, passed by the Senate, and signed by the President, in order to instruct the Architect to extend to people working for this Congress the right to join unions.

Let us go back 18 months, when the Supreme Court—courts ruled—that the House Administration Committee could not discriminate against a cafeteria employee. It could not deprive this employee of his constitutional rights. Now to show you how juvenile their thinking is, they then transferred the authority of the operation of the cafeteria to the Architect of the Capitol, as if by some means he does not have to abide by the Constitution of the United States. They did that without passing a bill in the House, in the Senate, and being signed by the President.

If the stumbling block is that there is some confusion between separation of powers between the Congress and the President because the Architect is an appointee of the executive branch, why do we not just simply take the operations back from the Architect of the Capitol, and that resolves that. The courts have already said that these people have a right to organize and to join a union, because they are not important to the legislative process.

Mr. HAYES. Madam Speaker, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Illinois.

Mr. HAYES. I thank the gentleman.

Madam Speaker, I probably look at this whole issue from a little difference perspective than most Members of this House of Representatives, having been one who has gone through this same kind of procedure some 45 years ago trying to get a union. Some of the tactics that are being used here in denying the restau-

rant employees the right to even vote and decide whether or not they want a union certainly make me reminisce a little bit on my past.

It took 6 weeks of strike in order to get recognition for our union at the place I worked down in Cairo, IL. We had a racial difference between working people there, where the black workers were the ones who struck for the union. We wound up finally getting recogniton, and with a 2-cent-an-hour wage increase.

It is not always wages and costs that are the reasons why people want a union; it is to put to bed some of the antiquated conditions and systems under which they have to work. They cannot do it on an individual basis. The only way to discuss with an employer at that time a change in those conditions which we did not like was to try to do it on a collective basis, not on a one-on-one with an employer.

When I see the kind of situation that exists today between the House restaurant employees and the Architect, I just wonder, are we trying to do things here in this august body as they were done 45 years ago? It will never work.

I have talked to some of these restaurant employees. True, they admit that their wages may be better than some on the outside, but wages are not the only thing that they are concerned about. They are concerned about the right to be treated and promoted based on their years of service, and not be categorized in one position here and not be able to move into any higher positions.

It cannot be done dealing with an employer who still wants to be king, as I see the role of the Architect here, who wants to deal with employees on an individual basis.

The elections that were referred to in that communication which I received were a farce. People were coerced by the supervisors, by the manner in which the vote was taken. These people in this democracy of ours are entitled to decide whether or not they want a collective-bargaining representative on an unintimidated, unrestrainted basis. To deny them to have that right, I think, is an infringement upon what we say we are all about here, and our purveyors and our supporters of the democratic system under which we live.

I certainly rise in support of the gentleman's resolution, and I want to commend him for having taken the time on this getaway day, so to speak—when Congressmen are rushing to get to their homes, as well they should, including me—to focus attention on the importance of this situation.

The Congressional Research Service found that the Architect may engage in collective bargaining with representatives of the House restaurant, whether such bargaining could bind the House of Representatives, and whether individual Members would be subject to litigation because of the Architect's—that is what they say—Architect's activities. This, I think, is a smokescreen, to ever put it on this kind of basis. It is another way—as a union representative—this is a way to even destroy the people's right to have a union even before they have a right to vote on whether or not they want it. This is another way to do it. This is union busting in the crassest way, to deny people the right to even vote on whether or not to have a union.

The Congressional Research Service concluded that "the Architect has the apparent authority under resolution 590 to establish a policy of collective bargaining with employee representatives."

Now even before we talk about collective bargaining, we are talking about the right to vote, whether or not people may decide that they do not want a union. That is their right to do it. But let us not as Members of this House of Representatives not support their right to vote; and the procedure we are following, I think, now, unless we change it, certainly is a course in that direction.

The Architect has informed the chairman of the Committee on House Administration that he "does not believe that he has the legal authority to engage in collective bargaining."

We are not even talking about collective bargaining here. That is where people sit down and elect a committee after they have an election to represent them and discuss matters of a collective-bargaining nature with the employer. We cannot even get to that stage here. So why are they talking about whether or not it is legal to do it?

In addition, the Architect argues that if the Democratic caucus—and this was just the other day, I guess, that we talked about this—wants to unionize the House restaurant, then it only can be accomplished through legislation, not caucus deliberation.

Who does he think he is kidding? Who does he think he is kidding?

We support, sure, as Democrats, there is no question that the Democratic Party has been way out in front, I think, of the other party in its support for the right of workers to be treated with some human decency. I hope we never leave that kind of basic premise and that kind of philosophy. But we have not gotten to the point yet where we are ready, I hope, to take a position that it is illegal for people to have a union and we have to have a law before they can decide whether or not they want a union.

□ 1550

This I think is the argument and the basis of the position now being taken by the Architect.

The House restaurant system, I understand, was created by a caucus resolution. Historically, all changes in the House restaurant system have been accomplished by resolution.

Before the gentleman from Missouri [Mr. CLAY] introduced a resolution to assist the House restaurant workers, the procedure and appropriateness of the process was researched by the Congressional Research Service.

The May 20 "Dear Colleague" letter was no "maybe," it was misleading, since it was prepared by an interested party. That is just like a company representative sending out a letter deciding whether or not they should set out whether the employees should even have a right to have a union. That letter failed to demonstrate objectivity and it appears on its face to be wrong.

The letter of George M. White, Architect of the Capitol, is misleading. Labor history and current law does not require an act of Congress in order to bargain collectively with any group of employees, so an inference in that direction is certainly wrong.

The Architect has control over time, attendance and all other conditions of employment of the employees of the House restaurant system. The Architect may bargain with the House representatives of the employees whenever he wants to bargain in good faith. That is what I think he has to do.

I am not saying that this House of Representatives should decide what union should represent these people, maybe none. All I want to say is that I think the decision as to whether or not these people have a union or want a union is left with them and we have a right to protect them within that right.

I want to thank the gentleman from Missouri for having given me an opportunity to at least express some opinions in quest of this objective.

Mr. CLAY. Madam Speaker, I want to thank the gentleman from Illinois.

As I listen to the arguments that are being proposed and advanced by the opponents of this simple measure to extend these rights to cafeteria workers, I think that if we could get into a time machine and go back in time and close our eyes, we would understand and we would see that these were the same arguments that were proposed in the forties to prevent black people from going into these cafeterias to eat, including black Members of this Congress.

Mr. HAYES. Absolutely.

Mr. CLAY. So there has not been much progress in terms of some mentality that exists in this body.

I hope that this special order will cause some people to think twice and

not continue to support this kind of ridiculous activity.

Mr. GONZALEZ. Madam Speaker, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Texas for the closing minutes of this hour.

Mr. GONZALEZ. Madam Speaker, I thank my distinguished colleague for giving me this opportunity and also wish to acknowledge my gratitude and my admiration to him, as well as to my colleagues who spoke immediately preceding me.

I have the highest respect and the utmost confidence and thorough going admiration for their judgment, their knowledge and their preparation.

I certainly rise in support of the gentleman's efforts. I think I have made that patently clear for some time and certainly join the gentleman in his resolution.

I also wish to thank the gentleman for this unrewarding and rather difficult task in the environment that we face here in the Capitol.

In the first place, the record of relationships with respect to those who work for us in the daily opening and closing of the doors that made the legislative processes a proper and operative function has been less than sorry. We are the ones who have written into the law what is known as the Fair Labor Standards Act, but in the 25 years that I have had the honor to serve in this body from the very outset and up until this time, I have seen and witnessed the grossest violations of the minimal interpretation of the Fair Labor Standards Act. Just recently, the House under what is considered an inexorable mandate let go two of the most efficient workers who had between both of them total years of service of over 30 years, with no alternative, no kind of channel to air a proper grievance.

The question of the restaurant service employees has been one that I have been very knowledgeable with because I have had employees appealing to me since 1962. When I first came to this Congress, one of the first things was the march, the famous march in August 1962. Soon thereafter, I had occasion to visit with a policeman who seemed to be dead on his feet. He explained to me that he had to work 36 hours in a row and that he did not mind that, except that there was no overtime compensation, that this was true not only with respect to the Capitol Hill police force, but also the Metropolitan police force.

I thought that was heinously wrong and I went to the Speaker, Hon. John McCormack, who was a great man. He listened to my protest and he said, well, he did not know what could be done.

I said, "Well, I will be compelled to speak out on the floor, pointing out that this great body that passes on minimum wages, that passed on the Fair Labor Standards Act, is the worst violator of fair labor standards."

He said, "Now, you wouldn't do that."

And I said, "Yes, I will."

So after awhile he said, "Let's take it up with the committee."

To make a long story short, 2 weeks later, for the first time, the policemen on the Capitol Hill police force and the Metropolitan police force were given both through the committee members on the House and the District of Columbia Committee, recognition for overtime.

Ever since then, I have been very, very much concerned about the working conditions, the working relations, the demoralization of very faithful, hard-working Americans.

I want to pay tribute to my distinguished colleague.

Mr. CLAY. Madam Speaker, I thank the gentleman.

Mrs. BURTON of California. Madam Speaker, I commend my colleagues BILL CLAY, DON EDWARDS, and BARNEY FRANK for taking this time to discuss an issue that has not received enough attention in the House. The House restaurant workers deserve our attention and they deserve their right to organize.

I have been around the Capitol for more than 20 years and I know many of the workers involved in this controversy. These are people who work hard, who provide meals to thousands of Capitol Hill workers and tourists every day. But they have none of the workers' rights that we often speak of in speeches on this floor.

Madam Speaker, we should stand up for the right of the restaurant workers to organize and join millions of other Americans who have the right to join a union and bargain with their employers for their pay, benefits, and working conditions.

I urge my colleagues on both sides of the aisle join with us to allow these employees the right to organize. We must not let this injustice continue.

GENERAL LEAVE

Mr. CLAY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

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

There was no objection.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Madam Speaker, I yield to the very distinguished chairman of the Veterans' Affairs Committee and one of the most outstanding Members of this House, the gentleman from Mississippi [Mr. MONTGOMERY].

IN RECOGNITION OF MEMORIAL DAY

Mr. MONTGOMERY. Madam Speaker, I thank the gentleman very much for yielding and for giving me the opportunity to bring up several matters pertaining to this weekend and also Memorial Day this coming Monday.

I would like to point out to the Members that from our Veterans' Affairs Committee, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member, and myself, mailed to all Members of the House of Representatives a Memorial Day packet that points out the great service that our military personnel have given over the years. Over 1 million Americans have lost their lives since the Revolutionary War, through the Vietnam war and through these other conflicts that we have had since the Vietnam war.

Certainly I hope the Members will take a good hard look at this packet that we have sent each one of them. We think it is valuable information on the speeches and the activities that they have next Monday. This information will be helpful to them.

We are just thankful because of the great services that have been given by our military personnel and those who made the great sacrifice that we do have freedom and we do have the opportunity to have a Memorial Day.

I thank the gentleman very much for yielding. He is one of our most respected Members of the House. I thank the gentleman for this courtesy that he has shown me.

Mr. GONZALEZ. Well, I thank my colleague in turn. I am the one that owes the gentleman this debt of gratitude because it gives me a chance to associate myself with his work in behalf of recognizing the heroes of America. This is something the gentleman has done all through his career here in the House. He has been the stalwart one who has defended the pension rights and pension benefits of so many of our veterans, that were it not for his presence as a Member of this House would have been lost, and I am a witness to that.

Mr. MONTGOMERY. Madam Speaker, I thank the gentleman.

MY ADVICE TO THE PRIVILEGED ORDERS

Mr. GONZALEZ. Madam Speaker, I have requested this time to speak on another subject matter on which I had suspended discussion on the last occasion of my enjoying this privilege of addressing special orders, which last time was April 10 or thereabouts.

The reason I do so is that it has to do with what temporarily is escaping the headlines, but which I predict will soon be agitating those headlines in our country, as well as the minds and the hearts and souls of our people. It

is the President's insistence on a war course in Central America, as well as other places, but mostly on a very consistent sustained basis in Central America, where the President since 1981 has brought about a monstrous outpouring of treasure for 5½ years, billions and billions of dollars in the most massive military buildup in the history of this region of the world, both on the Pacific as well as the Caribbean side, and which policies since their inception I have protested, I have spoken against, I have time after time pointed out the mistaken policy and the bankruptcy in this series of actions, which I will not dignify with the name of policy, because there is not such thing as a policy.

In the first place, in the very beginning, and this was before President Reagan became President. It was, to be exact, April 1, 1980, during which time President Reagan was a candidate for the office. The incumbent President was Jimmy Carter.

In examining what I have said on many occasions, perhaps more than should have been necessary, that is that President Reagan from the outset opted to pursue a unilateral military interventionist policy, without ever giving diplomacy a chance or any attempt to seek a diplomatic solution to these churning, broiling, serious problems that have consistently confronted the great masses of people who now in the last 15 years exceed our population by over 80 million, for the first time in history, and which consequences we cannot escape because fate has decreed that from here on out our destiny is to share the future with this part of the world and with these neighbors, both to the immediate north and to the south, clear to the tip of the southern continent.

On April 1, 1980, President Carter was the President; but at that time the smallest republic in the American central area was beginning to reach the point of perception of some of our executive leaders, as well as some members of those committees in the Congress who had jurisdiction over foreign affairs.

□ 1605

At that time I was impelled to rise and speak because I saw—and incidentally, I had been in the Congress since 1961, when I rose and for the first time spoke about anything having to do with Latin America, because I never considered, and I do not now, any particular expertise on my part simply because my antecedents from a cultural standpoint have that affinity of association with the culture, the language, and even the religion that prevails south of our border.

We are talking about a very complex group of countries. Our trouble has been our perception in this country. When we use the words "Latin America," everybody wants to think of one big blob or mass, and this has been the most fundamental error continuing to this day which has given rise to a serious misperception that, considering the course this President has set, and will follow inexorably, nothing is going to change President Reagan. He wants war, he is getting war, and he is not going to settle for anything less. The clock is running against him, and he is not going to leave office without having war against Nicaragua and a direct invasion. There is no question of that.

But on April 1, 1980, after 6 months of trying to penetrate that barrier in the executive branch and trying to reach the judgment making level from the President over to the State Department, without success, after having received some very pertinent and very confidential and very truthful information not only as to El Salvador but as to Nicaragua, the year previous, in 1979, I will recall to my colleagues that is was in the summer of 1979 that the so-called revolutionary liberation movement, or the Sandinista movement, finally knocked over the Somoza regime and assumed power under on a junta basis involving a most interesting group or coterie of leaders, including three priests, one or two Marxist-Leninists, and one or two so-called moderates.

But in any event, I will recall that timeframe because it is important that we not forget, even though I am afraid that it is not going to do any good inasmuch as we are faced with an obdurate President whose judgment I would no more trust today than I would trust the judgment of a Hitler or a Mussolini or a Stalin. He proved that beyond any doubt to me, I am sorry to say, in the case of the Marines in Beirut who died because, and only because, the Commander in Chief, the President of the United States, obdurately, hardheadedly, willfully ignored for 14 months the advice of the highest professional military, the Joint Chiefs of Staffs, who advised against the deployment of the Marines under those circumstances to Beirut.

Nobody had to be a military expert to know that those marines would be doomed eventually. Nothing changed the President's mind, and not for 14 days or 14 hours, but for 14 months, until 241 of them were murdered.

And then what happened? In order to relieve himself from that judgment that was beginning to form in the minds of the American people, that was questioning that judgment, he invaded Grenada less than 27 hours after the murder of the marines, an invasion that had been planned months before, but which had been originally planned to take place during the height of the campaign the following year, in 1984, but which was moved up, just like dictators in authoritarian countries do who have to play like they do chess and they consider lives expendable, 241 marines. Obviously the President considered them expendable, like an Asian potentate, like an Oriental mind that for years and years and years we have labeled as being careless of the individual human life.

So I do not have any trust or confidence in President Reagan's judgment, but I certainly have expected the Congress of the United States, the national policymaking body, to at least insist that the President be a law abider. He has violated for the last 5½ years the statutes that we in the Congress have passed. I am not referring to the War Powers Limitation Act. That act, when it was passed in 1974, was dead at birth because of its rather confusion and complexity, either in interpretation or in oversight by the Congress, which history will show has not had any oversight.

I am talking about the title 18 of the United States Code sections that consider it a culpable offense for the Government or any official or any citizen to aid and abet and provide any help to those seeking to destroy a friendly government that we recognize and announce to the world we consider a friendly government because we have a duly accredited Ambassador in that nation's capital, in this case Nicaragua, and Managua, where we still have the American Ambassador, while the President has openly solicited private groups to contribute moneys, armaments ranging from recoilless rifles to cannons to helicopters. He has openly abetted those groups that are in penumbra of questionable activity in perpetrating acts of terrorism all up and down the Caribbean Isthmus.

We talk about terrorism, but we have no moral right to raise our fingers because we are responsible, through the actions of our Government, in this case directly so ordered by President Reagan, of the worst acts of terrorism in which we have advocated, we have helped, we have even voted for, on the insistence of President Reagan, arms, rifles, bayonets with which to strip open the bellies of 6- and 7-month-old infants on the Nicaraguan border with Honduras. We have killed old and young, men and woman, schoolteachers. If that is not an act of terrorism, I do not know what would be.

So here we are with nobody ever raising an issue about the President's constant, sustained violation of our own laws. I raised that issue 5 years ago when President Reagan's then Secretary of State, General Haig, drew the line in the smallest country where 5½ years later, over $4 billion less in our Treasury, we are no closer to a solution than we were 5½ years ago.

We talk about labor conditions here. The regime that we have imposed in El Salvador, Gen. Napoleon Duarte's regime, is protecting a system where the highest wages of the most skilled worker in El Salvador is no more than 37 cents a day. These are our freedom boys. In the case of the Contras in Nicaragua, where the President still insists that this Congress illegally, against its very own laws, give him moneys that he says he does not have for the poor and the homeless and the weak and the impoverished, the blind, the halt, the lame of our own homes and neighborhoods in our country.

I say that it is a shame and a blight. I say that we have become so corrupted, so perverted in our institutional integrity, that we have allowed ourselves to be the laughingstock of the world, with no respect for any kind of moral leadership.

□ 1615

The World Court has held us in violation of the basic laws of international jurisprudence. What did President Reagan do? He walked out of the World Court where there we were shown to be guilty of what? Acts of terrorism, mining the harbors and the shores of Nicaragua; attempting to assassinate their leaders through the CIA; attempting and blowing up some of the public buildings and facilities of that nation, while we have an Ambassador in that country telling the world that we accept that government; that we consider it legitimate enough for us to send, with credentials and portfolio, a duly appointed Ambassador from our Nation.

The world does not go along with this. There is not one country except the small eastern Caribbean vassal states that are wholly and completely dependent on us for their existence, but not one country from Canada to Argentina is in agreement with this policy or lack of policy or conduct on the part of the American Government. That means us.

We cannot separate ourselves from our Government, and I believe that it is an indication of how we had degraded when enough American citizens begin to look upon they, the Government, and us, or me, the citizen, because I would not be here if it were not for the freely expressed will of the majority of the citizens of the 20th Congressional District of Texas who, from the beginning, and at great odds facing them in every possible way, rose to the occasion and voted the way they felt was the right way for them to vote.

Certainly this is a privilege. Certainly this shows that the residual inherent healthy sap of our Democratic tree is still there. But what can the people do but applaud if a President appeals to the basic sort of instincts that all of us have?

I ought to know. On more than one occasion, I have been appealed to, I have been threatened on the basis of what my ethnic identity is. From the very beginning, I would never allow or contemplate allowing that kind of an approach. It looked, at the time, that politically it was a very, very foolish act; that is, if I was thinking of reelection.

But I had never envisioned seeking political office until much later in manhood and after the war, and after the perception, on my part, of the error in which we had been brought up at that time in that world, in that part of our country.

And it came after I had an experience, an exposure, eventually as chief juvenile probation officer for Bexar County where I saw for myself the inherent health, vitality, and integrity of just the plain, average American citizen, no matter what station in life, no matter what the color of his skin was.

It was so shockingly in contrast with everything I had been told, as I had been growing up, but that I had a chance to witness and learn for myself that I have never forgotten that. And I shall maintain that faith. I believe that it becomes more than ever impelling that I rise. I speak the same back home as I do here and, in fact, I speak there first before I do here. I do not have a double tongue. I never have been and hope never will be two faced.

We will live in an hour of freedom which is very much eroding because you cannot have going on in any society what we have allowed to go on in this country without eventually the corruption of free people.

There is an old saying that says: There is no greater slave than a corrupted free people. I believe this is very true and I am most apprehensive.

Lately, we have seen where the Justice Department is seeking ways to sue newspapers and other news disseminating agencies. The administration is not content, through its corporate coterie or plutocratic backing which it has had and has made capital use of its access to power in our Government; to, in effect, bring about a most satisfactory arrangement with those that would disseminate and supposedly charged in a free society with the duty of informing a free people.

I say, on examination on a very careful basis of what has happened in other countries, such as Germany, that we are in the midst of the same processes in America. Of course not the same way. We are a different people. A different historical evolutionary process has accumulated behind us, but all through history, what makes us think that we are more virtuous than the German people were in the 1920's and 1930's? Here you had a nation, a virile nation, considered at that time, and I ought to remember, I was growing up in that period of time, and I remembered when I studied engineering where the source of so much of that technological know-how, breakthrough was, and it was Germany. You had the highest cultural development in Germany. You had the highest and the most cultured people in the world.

How could they have ended up with a Hitler? Do we think that we are exempt from those foibles and weaknesses that the German people eventually fell victim to and saw their liberties extinguished totally? How did it start?

Did Hitler take power overnight? Of course not. I remember as if it were today. I still have copies of the journals, magazines and some books dated 1931, 1932, 1933, and I recall as if it were today the gradual, gradual accumulation of what turned out to be total power.

Three weeks ago, one of my colleagues circulated a dear colleague letter asking for a joinder in a bill he was introducing that would delegate to the President such a delegation of power that Hitler nor Mussolini ever got before they really took over total power. That is, abolish parliaments, abolish the free trade union movements because they have to do those two things whether it is in Germany, as the 20th century history shows us, or Italy or Russia. For these authoritarian governments, no matter how you label them, fascist, corporate, or a socialist, they are just one side of a coin and the other.

□ 1625

They are antidemocratic; they are vitally flawed from the standpoint of our traditional institutional life, and we do not have to argue about it, but we also have to recognize what is happening among us here, almost imperceptibly.

How many of my colleagues know that the President issued what he calls a National Security Directive in April 1984, 2 years ago? By virtue of which any of my constitutents who would want to create a sanctuary for some of these hovering masses that finally have left in desperation and gone all the way through Guatemala, Mexico, and ended up in Texas—and we have, I would say, in my city of San Antonio, just about as many illegal Salvadorans as we have illegal, so-called illegal Mexican workers.

What in the highest name can we say when I tell you that under that directive, the Federal Emergency Management Agency can, by calling in the National Guard or other defense mechanisms, have people arrested on the basis that they are suspected of giving aid and comfort to whom? Oh, terrorists, otherwise known as refugees to the people giving sanctuary.

Many Americans read the spate of spy stories that suddenly hit the newspapers. If one will remember, you had a period of about 3 months beginning early in October last year, and then on through the end of the year, in which suddenly you find all kinds of spies coming out.

One of them, Morrison—the grandson of one of the most noble New England families and the grandson of one of the outstanding historians. Not only arrested and indicted—and fortunately his conviction is on appeal because he was arrested and found guilty after the summer of 1985, for what he had been doing for 11 years without any question that he was violating any law whatsoever.

What law did he violate? Well, the President issued an Executive order this time. Not a national defense security advisory, as in 1984, but another one which in effect would invoke part of the Espionage Act of 1917 which, up until World War I—1917, no Congress had ever granted that massive delegation of constitutional authority.

We had a war, and the idea is, we had to win it, and a massive group of 535 people could not conduct it, so we delegated it to the Executive. We are living in a day in time in which the press, the overwhelming preponderant number of my colleagues, many of the citizens I speak with—I say many, not all—in which we accept a Presidential omnipotency, an absolutism that we would never consider if we called it a monarchical—that is, a king's absolute power.

We are living in 1986, considering a President of the United States absolute and infallible, and guilty of the most gross violations of the very statutes that have been set up through the years by this Congress, to prohibit not only Presidents but anybody else from doing the things that the President does, and continues to do, without question.

Well, I would say that we have become so inured to a decadence in our institutional integrity that we no longer question what I would say just a few decades ago would have brought a flurry of impeachment resolutions.

I will remind my colleagues and the American people, and particularly my colleagues, that all through history, whether it was Napoleon, whether it was Hitler, whether it was Mussolini, whether it was some of those lesser known characters who prevailed the same way south of the border but which Americans are blithefully ignorant of, but which some of us are sadly too much aware of.

They may not be impeached here, as a constitution would require, but they have already been impeached by a much, much higher infinite power. It is a sorry, sorry day that I, as a Member of this representative body, would find it compelling and impelling to rise and address my colleagues in this vein; but this is the way I think and feel, as regretfully as I may feel for doing so—and feel that I would be the grossest coward were I not to do so.

I think that any of my colleagues who examine what I have said and built up the specifics in the case through these years, in all fairness would recognize the fact that I have spoken out, and on the record; I am not saying now anything different. I am willing to stand scrutiny, for if I am wrong, I will be more than grateful and anxious and willing to appear before this same forum and admit to being wrong.

Short of that, nothing and no power and no threat of loss of political office, whether now or in the future, would compel me to show and feel within my heart of hearts, and in my soul, what would be an unmistakable act of cowardice, were I to remain silent.

I am too much indebted to American freedom and democracy to remain silent.

SOUTH AFRICA MUST NEGOTIATE FOR PEACE

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

Mr. CROCKETT. Madam Speaker, by its illegal raids into Zambia, Botswana, and Zimbabwe, the Government of South Africa shows again its determination to use violence to maintain its repressive system of apartheid.

The response of the United States must be equally forceful. Mere condemnation of the raids and the recall of our Ambassador for consultation is not enough. We should move now to impose stiffer economic sanctions unless South Africa begins immediate meaningful negotiations with black South African leaders and organizations for a representative political system.

Earlier this year, I introduced House Resolution 373, calling on President Reagan to publicly endorse Secretary Shultz' admonition to South Africa to enter such talks; to free Nelson Mandela; and to recognize the African National Congress as a legitimate representative of South Africa's black majority. Yesterday's New York Times' lead editorial echoed the demand for Mandela's release and talks with the ANC.

Madam Speaker, I urge my colleagues to cosponsor House Resolution 373 as the clear and unambiguous response of the House to this latest South African apartheid outrage.

PERSONAL EXPLANATION

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

Mr. RAHALL. Madam Speaker, I was unavoidably absent during the votes on the Michel substitute to H.R. 4800 and final passage of H.R. 4800. Had I been present, I would have opposed the Michel substitute and voted "yea" on final passage of the bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. WRIGHT), for today, on account of illness in the family.

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 Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. MOORHEAD, for 30 minutes, today.

Mr. GILMAN, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

(The following Members (at the request of Mr. FRANK) to revise and extend their remarks and include extraneous material:)

Mr. MACKAY, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. SHELBY, for 5 minutes, today.

Mr. WISE, for 60 minutes, on June 11.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. RAHALL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. APPLEGATE, prior to passage of H.R. 4800, in the Committee of the Whole, today.

Mr. BURTON of Indiana, on House Concurrent Resolution 335, in the House today.

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. SAXTON in two instances.

Mr. SENSENBRENNER.

Mr. GUNDERSON in two instances.

Mr. LENT.

Mr. BILIRAKIS.

Mr. GILMAN in five instances.

Mr. PURSELL in two instances.

Mr. HENRY.

Mr. COUGHLIN.

Mr. THOMAS of California.

Mr. RITTER in two instances.

Mr. LAGOMARSINO in two instances.

Mr. GEKAS in three instances.

Mr. BADHAM.

Mr. PETRI.
Mr. SCHUETTE.
Mr. JEFFORDS.
Mr. GREEN.
Mr. SOLOMON.
Mr. PORTER.
Mr. MOLINARI.
Mr. COURTER.
Mr. HYDE.
Mr. DENNY SMITH.
Mr. MCCAIN.
Mr. MCKINNEY.
Mr. YOUNG of Florida.
Mr. RINALDO.

(The following Members (at the request of Mr. FRANK) and to include extraneous matter:)

Mr. BOLAND.
Ms. MIKULSKI.
Mr. UDALL.
Mr. HOYER in three instances.
Mr. BARNARD.
Mr. LANTOS in two instances.
Ms. OAKAR.
Mr. MILLER of California.
Mr. TALLON.
Mr. MAVROULES.
Mr. EDWARDS of California.
Mr. STOKES in three instances.
Mr. BARNES.
Mrs. BURTON of California in two instances.
Mr. SOLARZ in two instances.
Mr. ROE.
Mr. KASTENMEIER.
Mr. WYDEN.
Mr. STUDDS in three instances.
Mr. LELAND.
Mr. DANIEL.
Mr. YATRON.
Mrs. SCHROEDER.
Mr. OBERSTAR.
Mr. MAZZOLI.
Mr. FORD of Michigan.

SENATE JOINT RESOLUTION AND CONCURRENT RESOLUTION REFERRED

A joint resolution and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; to the Committee on Post Office and Civil Service.

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2672. An act to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes;

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; and

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2416. An act to revise further the limitation applicable to Chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes.

ADJOURNMENT TO TUESDAY, JUNE 3, 1986

Mr. GONZALEZ. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 144 of the 99th Congress, the House stands adjourned until 12 o'clock noon, Tuesday, June 3, 1986.

Thereupon (at 4 o'clock and 34 minutes p.m.), pursuant to Senate Concurrent Resolution 144, the House adjourned until Tuesday, June 3, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3559. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during April 1986 to Communist countries, as a result of Presidential Determinations, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

3560. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

3561. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-162, "Council of the District of Columbia Compensation Limitation Amendment Act of 1986," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3562. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-163, "District of Columbia Compensatory Time Off Temporary Amendment Act of 1986," pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3563. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-164, "Metropolitan Police Department Pay and Benefit Conference Temporary Act of 1986," pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3564. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-165, "Corporation Franchise Tax Amendment Act of 1986," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3565. A letter from the Secretary of the Interior, transmitting the fiscal year 1985 annual report on the Youth Conservation Corps Program, pursuant ot 16 U.S.C. 1705; to the Committee on Education and Labor.

3566. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting additional information concerning proposed antiterrorism assistance to El Salvador, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

3567. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to approve a manufacturing licensing agreement for the production of night driving systems for various armored vehicles in Switzerland, pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3568. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 33-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3569. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for an Under Secretary of Commerce for Oceans and Atomsphere; an Assistant Secretary of Commerce for Oceans and Atmosphere; a chief scientist of the National Oceanic and Atomspheric Administration; and for other purposes; jointly, to the Committee on Merchant Marine and Fisheries, Science and Technology, and Post Office and Civil Service.

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. RODINO: Committee on the Judiciary. H.R. 4356. A bill to autorize appropriations to carry out the activities of the Department of Justice for fiscal year 1987, and for other purposes; with amendments (Rept. 99-611). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUGHES: Committee on the Judiciary. H.R. 4718. A bill to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; with an amendment (Rept. 99-612). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on DOD continues to subsidize foreign military sales (Rept. 99-

613). 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. BARNARD (for himself, Mr. WALGREN, Mr. ARMEY, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. CHANDLER, Mr. WILSON, Mr. DERRICK, Mr. ROWLAND of Georgia, Mr. MAVROULES, Mr. TORRICELLI, Mr. DARDEN, Mr. ROBERTS, Mr. FOWLER, Mr. DENNY SMITH, Mr. GLICKMAN, Mr. BOULTER, Mr. YOUNG of Alaska, Mr. CRAIG, Mr. SLATTERY, Mr. FLIPPO, Mr. ANTHONY, Mr. HATCHER, and Mr. WHITLEY):

H.R. 4884. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain air transportation; to the Committee on Ways and Means.

By Mr. HUGHES (for himself, Mr. MCCOLLUM, Mr. MAZZOLI, Mr. MORRISON of Connecticut, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. STAGGERS, Mr. LUNGREN, Mr. SHAW, Mr. GEKAS, and Mr. WYDEN):

H.R. 4885. A bill to amend chapter 44 of title 18, United States Code, to include serious drug offenses and violent felonies as offenses subject to enhanced penalties under the career criminal provisions of such title; to the Committee on the Judiciary.

By Mr. WYDEN (for himself, Mr. DINGELL, Mr. SIKORSKI, Mr. ECKART of Ohio, Mr. LUKEN, Mr. SLATTERY, and Mr. SHELBY):

H.R. 4886. A bill to amend the Securities Exchange Act of 1934 to require audits performed under the Federal securities laws to include reasonable procedures for financial fraud detection, and to require that auditors report fraudulent activities to appropriate enforcement and regulatory authorities; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself, Mr. ARMEY, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BOULTER, Mr. BROWN of Colorado, Mr. CUMBEST, Mr. CRANE, Mr. DANNEMEYER, Mr. DAUB, Mr. DELAY, Mr. DORNAN of California, Mr. DREIER of California, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. FIELDS, Mr. HUCKABY, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LUNGREN, Mr. MOORE, Mr. PACKARD, Mr. PICKLE, Mr. RICHARDSON, Mr. ROBERTS, Mr. ROEMER, Mr. SKEEN, Mr. SUNDQUIST, Mr. THOMAS of California, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WATKINS, Mr. WILSON, and Mr. WORTLEY):

H.R. 4887. A bill to repeal the windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. PANETTA (for himself and Mr. GRADISON):

H.R. 4888. A bill to amend the Impoundment Control Act of 1974 to reform the deferral procedures; jointly, to the Committees on Government Operations, and Rules.

By Mr. BIAGGI:

H.R. 4889. A bill to provide benefits to merchant seamen; to the Committee on Veterans' Affairs.

By Mr. BILIRAKIS:

H.R. 4890. A bill to reform the laws relating to former Presidents; jointly, to the Committees on Government Operations, House Administration, the Judiciary, and Post Office and Civil Service.

By Mr. BOULTER (for himself, Mr. MCCAIN, Mr. MONSON, and Mr. NIELSON of Utah):

H.R. 4891. A bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of copper; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FRANK:

H.R. 4892. A bill to amend titles 9 and 18 of the United State Code with respect to certain civil proceedings arising under chapter 96 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. FRANK (for himself, Mr. MOAKLEY, Mr. BERMAN, and Mr. CROCKETT):

H.R. 4893. A bill to provide for a General Accounting Office investigation and report on conditions of displaced Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Nicaraguans, and for other purposes; jointly, to the Committee on Foreign Affairs, the Judiciary, and Rules.

By Mr. GILMAN (for himself, Mr. LELAND, and Mr. FAZIO):

H.R. 4894. A bill to amend section 108 of the Agricultural Trade Development and Assistance Act of 1954 to encourage loans for microenterprises owned by the poor in developing countries; to the Committee on Foreign Affairs.

By Mr. GUNDERSON :

H.R. 4895. A bill to establish a requirement that no person may offer any high-level radioactive waste for transportation in interstate commerce unless licensed for such offering by the Nuclear Regulatory Commission, and for other purposes; jointly, to the Committee on Energy and Commerce, Interior and Insular Affairs, and Public Works and Transportation.

By Mr. HOYER (for himself, Mr. FORD of Michigan, Mr. ROYBAL, Mr. ACKERMAN, Mr. DYMALLY, Mr. GARCIA, Mr. LELAND, Ms. OAKAR, Mrs. SCHROEDER, Mr. SIKORSKI, Mr. AKAKA, Mr. BARNES, Mrs. BOXER, Mr. DICKS, Mr. FAZIO, Ms. MIKULSKI, Mr. PARRIS, and Mr. WOLF):

H.R. 4896. A bill to amend title 5, United States Code, to clarify existing provisions of law prohibiting the furloughing of Federal employees on legal public holidays; to the Committee on Post Office and Civil Service.

By Mr. JONES of North Carolina:

H.R. 4897. A bill requiring that foreign vessels engaging in fishing in the U.S. fishery conservation zone meet minimum health and safety standards for U.S. observers; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER (for himself, and Mr. DYMALLY):

H.R. 4898. A bill to extend the permissible pro bono representation by employees of the Federal Government and the District of Columbia government; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. FISH, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. COBLE, and Mr. SWINDALL):

H.R. 4899. A bill to amend title 35, United States Code, with respect to patented processes and the patent cooperation treaty; to the Committee on the Judiciary.

By Mr. MCCAIN:

H.R. 4900. A bill to provide for the proper administration of justice within the boundaries of the Salt River Pima-Maricopa Indian Community; to the Committee on Interior and Insular Affairs.

By Ms. MIKULSKI:

H.R. 4901. A bill to amend title XIX of the Social Security Act to require each State to provide a comprehensive assessment of each individual's needs before providing long-term skilled nursing facility or intermediate care facility services under its medicaid plan; to the Committee on Energy and Commerce.

H.R. 4902. A bill to amend title XIX of the Social Security Act to clarify that, in the case of an institutionalized spouse, income and resources required to be used for the support of a noninstitutionalized spouse (and children) are not considered to be available to the institutionalized spouse; to the Committee on Energy and Commerce.

H.R. 4903. A bill to amend title XIX of the Social Security Act to protect the welfare of spouses of institutionalized individuals under the medicaid program; to the Committee on Energy and Commerce.

H.R. 4904. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and limited deduction of contributions to long-term care savings accounts; to the Committee on Ways and Means.

By Mr. MILLER of California:

H.R. 4905. A bill to amend the act of June 3, 1960 authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD (by request):

H.R. 4906. A bill to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ST GERMAIN (for himself and Mr. WYLIE) (by request):

H.R. 4907. A bill to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SCHNEIDER (for herself and Mr. UDALL):

H.R. 4908. A bill entitled, the "Sub-Saharan Africa Natural Resource and Environmental Management Training and Education Act"; to the Committee on Foreign Affairs.

By Mr. SCHUETTE (for himself, Mr. MADIGAN, Mr. LIGHTFOOT, Mr. BOULTER, Mr. CRAIG, Mr. TAUKE, Mr. ROBERTS, Mr. WEBER, Mr. FRANKLIN, Mr. MARLENEE, Mr. BEREUTER, Mr. MCEWEN, Mr. SUNDQUIST, Mr. COMBEST, Mr. EVANS of Iowa, Mr. GUNDERSON, and Mr. COLEMAN of Missouri):

H.R. 4909. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture to make deficiency payments for the 1986 crops of wheat and feed grains not later than the end of the fifth month of the marketing years for such crops; to the Committee on Agriculture.

By Mr. SHUMWAY (for himself, Mr. HORTON, Mr. SMITH of New Jersey, Mr. KINDNESS, Mr. PURSELL, Mrs. JOHNSON, Mr. FRENZEL, Mr. WORT-

LEY, Mr. GEKAS, Mrs. BENTLEY, Mr. MONSON, Mr. HARTNETT, Mr. LATTA, and Mr. WHITEHURST):

H.R. 4910. A bill to provide a Federal product liability law, which addresses areas of critical concern, and for other purposes; jointly, to the Committees on the Judiciary, and Energy and Commerce.

By Mr. STALLINGS:

H.R. 4911. A bill to allow homeowners to deduct the full amount of prepaid interest paid in connection with the refinancing of their principal residence for the taxable year in which paid; to the Committee on Ways and Means.

By Mr. STANGELAND (for himself and Mrs. SMITH of Nebraska):

H.R. 4912. A bill to require the Secretary of Agriculture to make deficiency payments for the 1986 crop of wheat, feed grains, upland cotton and rice to producers who are prevented from planting acreage to a commodity because of flood, heavy rains, excessive moisture or drought; to the Committee on Agriculture.

By Mr. STANGELAND (for himself, Mr. LIGHTFOOT, Mr. DAUB, Mr. WEBER, Mr. FRANKLIN, Mr. SCHUETTE, Mr. MCEWEN, and Mr. COMBEST):

H.R. 4913. A bill to stimulate employment through the creation of rural enterprise zones designated by the Secretary of Agriculture, and for other purposes; jointly, to the Committees on Ways and Means, the Judiciary, and Banking, Finance and Urban Affairs.

By Mr. WAXMAN (for himself, Mr. BERMAN, Mrs. BOXER, Mrs. BURTON of California, Mr. DIXON, Mr. DYMALLY, Mr. FRANK, Mr. GREEN, Mr. LEVINE of California, Mr. ROYBAL, Mr. STUDDS, and Mr. WEISS):

H.R. 4914. A bill to amend the Public Health Service Act to authorize assistance for research and other activities respecting the acquired immune deficiency syndrome in foreign countries; to the Committee on Energy and Commerce.

H.R. 4915. A bill to amend title XIX of the Social Security Act to permit States the option of providing home and community-based services to low-income individuals with acquired immune deficiency syndrome [AIDS] or AIDS-related conditions [ARC]; to the Committee on Energy and Commerce.

By Mr. BONER of Tennessee (for himself, Mr. BADHAM, Mr. NELSON of Florida, Mr. AKAKA, Mr. ALEXANDER, Mr. FLORIO, Mr. HAMMERSCHMIDT, Mr. LELAND, Mr. LENT, Mr. REID, Mr. RITTER, Mr. ROTH, Mr. RUSSO, Mr. TALLON, Mrs. VUCANOVICH, and Mr. YOUNG of Missouri):

H.J. Res. 642. Joint resolution to designate the week beginning May 17, 1987, as "National Tourism Week" to the Committee on Post Office and Civil Service.

By Mr. CARPER (for himself, Mr. BROWN of Colorado, Mr. DASCHLE, Mr. FRENZEL, Mr. GIBBONS, Mr. JENKINS, Mrs. JOHNSON, Mr. MACKAY, Mr. MCCURDY, Mr. PENNY, Mr. PORTER, Mr. PURSELL, Mr. GUNDERSON, and Mr. REGULA):

H.J. Res. 643. Joint resolution proposing an amendment to the Constitution relating to Federal budget procedures; to the Committee on the Judiciary.

By Mr. HAWKINS (for himself and Mr. GOODLING):

H.J. Res. 644. Joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself, Mr. FRENZEL, Mr. HUGHES, Mr. VENTO, Mr. SABO, Mr. WEBER, and Mr. CARPER):

H.J. Res. 645. Joint resolution to designate 1988 as the "National Year of Friendship with Finland"; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER:

H. Con. Res. 340. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3570; considered and agreed to.

By Mr. PETRI:

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress that the member nations of the North Atlantic Treaty Organization should reassess armed forces deployments in Europe with a view toward withdrawing some units of the U.S. Armed Forces as a strategic reserve available to respond worldwide to threats against the security of the United States; to the Committee on Foreign Affairs.

By Mr. WEAVER (for himself, Mr. AUCOIN, and Mr. LOWRY of Washington):

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress regarding continued operation of the Department's N-Reactor at the Hanford Reservation in the State of Washington, producing power for the Bonneville Power Administration; to the Committee on Interior and Insular Affairs.

By Mr. WHITLEY:

H. Con. Res. 343. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day"; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT:

H. Res. 460. Resolution to correct technical errors in the engrossment of H.R. 4800; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

384. By the SPEAKER: Memorial of the Senate of the State of California, relative to the Dairy Herd Buy-Out Program; to the Committee on Agriculture.

385. Also, memorial of the Legislature of the State of Oklahoma, relative to methods of supporting the Meat Inspection Program; to the Committee on Agriculture.

386. Also, memorial of the Legislature of the State of New Hampshire, relative to Federal tax reform; to the Committee on Ways and Means.

387. Also, memorial of the Senate of the State of California, relative to the Federal Tax Reform Act of 1985; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 64: Mrs. VUCANOVICH.

H.R. 880: Mr. CLINGER.

H.R. 891: Mr. MOLLOHAN.

H.R. 893: Mr. PANETTA and Mr. CLINGER.

H.R. 979: Mr. CLINGER.

H.R. 1059: Mr. EVANS of Illinois.

H.R. 1398: Mr. BEDELL.

H.R. 1566: Mr. EVANS of Illinois.

H.R. 1626: Mr. TRAFICANT.

H.R. 1946: Mr. CARNEY.

H.R. 2371: Mr. SAXTON.

H.R. 2504: Mr. BARNARD, Mr. VANDER JAGT, and Mr. FISH.

H.R. 2943: Mr. BARTLETT, Mr. COMBEST, and Mr. MONTGOMERY.

H.R. 3006: Mr. SWINDALL.

H.R. 3041: Mr. ANDREWS, Mr. ATKINS, Mr. BARNARD, Mr. BEREUTER, Mr. BOLAND, Mr. BONKER, Mr. BUSTAMANTE, Mr. DONNELLY, Mr. FOLEY, Mr. GAYDOS, Mr. GLICKMAN, Mr. GONZALEZ, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. KANJORSKI, Mrs. KENNELLY, Mr. LEACH of Iowa, Mrs. LLOYD, Mr. LUNDINE, Mr. MICA, Mr. MURTHA, Mr. NOWAK, Mr. PEASE, Mr. ROBINSON, Mr. ROWLAND of Georgia, Mr. SLATTERY, Mr. WALGREN, Mr. WHITTEN, Mr. WYDEN, and Mr. SABO.

H.R. 3042: Mr. PENNY, Mr. GARCIA, and Mr. ANNUNZIO.

H.R. 3429: Mr. RUSSO, Mr. MOAKLEY, and Mr. WILLIAMS.

H.R. 3521: Mr. SENSENBRENNER, Mr. APPLEGATE, Mr. PARRIS, Mr. NELSON of Florida, Mr. TRAXLER, and Mr. RAY.

H.R. 3597: Mr. CRAIG, Mr. CHANDLER, Mr. MACK, Mr. PARRIS, Mr. BILIRAKIS, Mr. COURTER, Mr. REGULA, Mr. BOULTER, Mr. SCHAEFER, Mrs. VUCANOVICH, Mr. ROGERS, Mr. LEWIS of California, Mr. ROWLAND of Connecticut, Mr. MCCOLLUM, Mr. CRANE, Mr. WOLPE, Mr. ROEMER, Mr. LOTT, Mr. HYDE, Mr. LIVINGSTON, Mr. COBEY, Mr. MONSON, Mr. HARTNETT, Mr. CAMPBELL, Mr. BLILEY, Mr. COATS, Mr. MARTIN of New York, Mr. STANGELAND, Mr. HUNTER, Mr. RIDGE, Mr. BOEHLERT, Mr. HILER, Mr. BROWN of Colorado, Mr. DICKINSON, Mr. ROBERTS, Mr. SPENCE, Mr. THOMAS of California, Mr. FRENZEL, Mr. OXLEY, Mr. GREGG, Mr. CALLAHAN, Mr. PORTER, Mr. MCGRATH, Mr. SMITH of New Jersey, Mr. PACKARD, Mr. MORRISON of Washington, Mrs. MARTIN of Illinois, Mr. MCKERNAN, Ms. SNOWE, Mr. BROYHILL, Mr. WALKER, Mr. SHUMWAY, Mr. DREIER of California, Mrs. JOHNSON, Mr. GINGRICH, Mr. CHENEY, Mr. BROOMFIELD, Mr. SOLOMON, Mr. LIGHTFOOT, Mr. MCEWEN, Mr. BARTLETT, Mr. SUNDQUIST, Ms. FIEDLER, Mr. SKEEN, Mr. SCHUETTE, Mr. WOLF, Mr. BATEMAN, and Mr. MCMILLAN.

H.R. 3644: Mr. YOUNG of Florida.

H.R. 3647: Mr. HUTTO.

H.R. 3793: Mr. DARDEN, Mr. IRELAND, Mr. BLILEY, and LOEFFLER.

H.R. 3799: Mr. DIXON, Mr. DELLUMS, Mr. BENNETT, Mr. BUSTAMANTE, Mrs. BURTON of California, Mr. CROCKETT, Mr. SOLARZ, Mr. GRAY of Illinois, Mr. SCHEUER, Mr. TOWNS, and Mr. FLORIO.

H.R. 3897: Mr. LOTT, Mr. STENHOLM, and Mr. SYNAR.

H.R. 3980: Mr. FRENZEL.

H.R. 4060: Mr. BOULTER, Mr. BATEMAN, Mr. JONES of Oklahoma, Mr. HATCHER, Mr. SMITH of New Hampshire, Mr. GEPHARDT, Mr. LUJAN, Mr. JONES of Tennessee, Mr. DORGAN of North Dakota, Mr. DERRICK, Mr. COURTER, Mr. HUGHES, Mr. MCMILLAN, Mr. MOLLOHAN, and Mr. SHARP.

H.R. 4221: Mr. MILLER of Washington.

H.R. 4299: Mr. TORRICELLI, Mr. BOEHLERT, Mr. BATEMAN, and Mr. THOMAS of Georgia.

H.R. 4300: Mrs. COLLINS, Mr. CARPER, and Mr. BOEHLERT.

H.R. 4344: Mr. DEWINE and Mr. GARCIA.

H.R. 4364: Mr. MORRISON of Washington.

H.R. 4368: Mr. HAMILTON.

H.R. 4391: Mr. MANTON.

H.R. 4406: Mr. KINDNESS.

H.R. 4419: Mr. CLINGER.

H.R. 4465: Mr. CHANDLER.

H.R. 4476: Mr. KRAMER and Mr. KEMP.

H.R. 4556: Mr. BILIRAKIS, Mr. MCCURDY, Mr. MONTGOMERY, and Mr. WATKINS.

H.R. 4567: Mr. STRATTON.

H.R. 4650: Mr. ROE, Mr. WEISS, Ms. KAPTUR, Mr. SOLARZ, Mr. FAUNTROY, Mr. HALL of Ohio, Mr. GEJDENSON, Mr. SUNIA, Mr. MILLER of California, Mr. WILSON, Mr. HOWARD, Mr. LEVIN of Michigan, Mr. MINETA, and Mr. KOLTER.

H.R. 4693: Mr. LOEFFLER, Mr. ANDREWS, Mr. DELAY, Mr. LEATH of Texas, Mr. BOULTER, Mr. WILSON, Mr. ARCHER, Mr. COLEMAN of Texas, Mr. COMBEST, Mr. BROOKS, Mr. BUSTAMANTE, Mr. ARMEY, Mr. ORTIZ, Mr. CHAPMAN, Mr. FIELDS, Mr. DE LA GARZA, Mr. FROST, Mr. PICKLE, Mr. BRYANT, Mr. RALPH M. HALL, Mr. WRIGHT, Mr. BARTON of Texas, Mr. LELAND, Mr. BARTLETT, and Mr. SWEENEY.

H.R. 4713: Mr. ROBINSON, Mr. BATES, Mr. KANJORSKI, Mr. HENRY, Mr. BONIOR of Michigan, and Mr. OWENS.

H.R. 4738: Mr. COELHO, Mr. DICKS, Mr. SPRATT, Mr. RODINO, Mr. OWENS, Mr. MITCHELL, Mrs. COLLINS, Mr. HOWARD, Mrs. BYRON, and Mr. BIAGGI.

H.R. 4744: Mr. HUNTER.

H.R. 4766: Mr. FRENZEL and Mr. PORTER.

H.R. 4795: Mrs. COLLINS, Mr. WORTLEY, Mr. MANTON, Mr. DORNAN of California, Mr. DEWINE, Mr. LUNDINE, and Mr. JONES of North Carolina.

H.R. 4825: Mr. BIAGGI, Mr. DYMALLY, and Mr. KLECZKA.

H.R. 4876: Mr. FUQUA and Mr. KINDNESS.

H.J. Res. 7: Mr. KEMP, Mr. RIDGE, Mr. MCDADE, and Mr. ANNUNZIO.

H.J. Res. 127: Mr. BLAZ, Mr. DAUB, and Mrs. KENNELLY.

H.J. Res. 451: Mrs. MARTIN of Illinois, Mr. THOMAS of Georgia, Mr. ROSE, Mr. MACKAY, Mr. DENNY SMITH, Mr. COELHO, Mr. AKAKA, Mr. MANTON, Mr. WILSON, Mr. LOEFFLER, Mr. DERRICK, Mrs. JOHNSON, Mr. HEFTEL of Hawaii, Mrs. BURTON of California, Mr. STOKES, Mr. WOLF, Mr. LUNGREN, Mr. BEREUTER, Mr. FEIGHAN, Mr. RIDGE, Mr. ANDREWS, Mr. APPLEGATE, Mr. GEPHARDT, Mrs. BOXER, Mr. DELLUMS, Mr. BEVILL, Mrs. ROUKEMA, Mrs. HOLT, Mr. FOWLER, Mr. TAUZIN, Mr. GIBBONS, Mr. JENKINS, Mr. BROYHILL, Mr. COATS, Mr. STENHOLM, Mr. TRAFICANT, and Mr. CLINGER.

H.J. Res. 524: Mr. HOWARD, Mr. DWYER of New Jersey, and Mr. FLORIO.

H.J. Res. 531: Mr. SOLARZ, Mr. LUNDINE, Mr. CHAPPELL, Mr. REGULA, Mr. GILMAN, and Mr. LEHMAN of Florida.

H.J. Res. 535: Mr. KASICH, Mr. BLILEY, Mr. WHITTAKER, Mr. MURPHY, Mr. ROE, Mr. CALLAHAN, Mr. HEFNER, Mr. TOWNS, Mr. DEWINE, Mr. STRANG, Mr. SHELBY, and Mrs. BENTLEY.

H.J. Res. 580: Mr. KASTENMEIER, Mr. CONTE, Mr. SUNIA, Mr. CROCKETT, Mr. EDWARDS of California, Mr. JEFFORDS, Mr. FLIPPO, Mr. ROBINSON, Mr. ANTHONY, Mr. DIXON, Mr. NELSON of Florida, Mr. HUBBARD, Mr. LIVINGSTON, Mrs. BYRON, Mr. WHEAT, Mr. SCHEUER, Mr. VALENTINE, Mr. WHITLEY, Mr. DERRICK, Mr. RALPH M. HALL, and Mr. MORRISON of Washington.

H.J. Res. 590: Mr. DEWINE, Mr. COELHO, Mr. ANDERSON, Mr. TRAXLER, Mr. RUSSO, Mr. JACOBS, Mrs. MARTIN of Illinois, Mr. WEBER, Mrs. COLLINS, Mr. BIAGGI, Mr. MOODY, and Mrs. BURTON of California.

H.J. Res. 602: Mr. WILLIAMS, Mr. OWENS, Mr. DASCHLE, Mr. RINALDO, Mr. CLINGER, Mr. YOUNG of Alaska, Mr. RAHALL, Mr. DE LA GARZA, Mr. WHITTAKER, Mrs. LLOYD, Mr. FISH, Mr. BEDELL, Mr. DEWINE, Mrs. BOXER, Mr. CARPER, Mr. CONTE, Mr. BENNETT, Mr. JONES of Tennessee, Mr. LAFALCE, Mr. RANGEL, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. ROSE, Mr. WAXMAN, Mr. WEAVER, Mr. STALLINGS, Mr. WEISS, Mr. LOWRY of Washington, Mr. MONTGOMERY, Mr. SMITH of New Jersey, Mr. THOMAS of Georgia, Mr. SOLARZ, Mrs. COLLINS, Mr. AKAKA, Mr. FAZIO, Mr. OBERSTAR, Mr. EARLY, Mr. KASICH, and Mr. BONIOR of Michigan.

H.J. Res. 624: Mr. CLINGER.

H. Con. Res. 325: Mr. GARCIA.

H. Con. Res. 331: Mr. PURSELL, Mr. SCHUETTE, Mr. MONSON, Mr. MCKINNEY, and Mr. KLECZKA.

H. Con. Res. 333: Mr. PURSELL, Mr. HUCKABY, Mr. GLICKMAN, Mr. BROWN of Colorado, and Mr. COBEY.

H. Con. Res. 336: Mr. BOLAND, Mr. BROWN of California, Mr. ANDREWS, Mr. KOSTMAYER, Mr. BERMAN, Mr. STUDDS, Mr. LEVIN of Michigan, Mr. DOWNEY of New York, Mr. CARPER, Mr. MOAKLEY, Mr. BONKER, Mr. MINETA, Mr. KOLTER, Mr. LEHMAN of Florida, Mr. UDALL, Mr. WEISS, Mr. MCCLOSKEY, Mr. SCHUMER, and Mr. CONYERS.

H. Res. 451: Mr. BARNES, Mr. BLILEY, Mrs. BOXER, Mrs. BYRON, Mr. CLAY, Mr. DAUB, Mr. GEJDENSON, Mr. HATCHER, Mr. HAYES, Mrs. HOLT, Mrs. JOHNSON, Mr. JONES of North Carolina, Mr. WIRTH, and Mr. WOLPE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolution as follows:

H.R. 1780: Mr. NELSON of Florida.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

361. By the SPEAKER: Petition of the executive committee, National Association of Secretaries of State, Lexington, KY, relative to section 1324 of the Food Security Act of 1985; to the Committee on Agriculture.

362. Also, petition of the First Congressional Church, United Church of Christ, Amherst, MA, relative to the bombing of Libya; to the Committee on Foreign Affairs.

363. Also, petition of the North Carolina Student Legislature, Raleigh, NC, relative to the Grace Commission's findings; to the Committee on Government Operations.

364. Also, petition of the board of directors, Council of Smaller Enterprises, Cleveland, OH, relative to the Small Business Administration; to the Committee on Small Business.

365. Also, petition of the board of trustees, Town of Griffith, IN, relative to legislation limiting tax-exempt financing; to the Committee on Ways and Means.

366. Also, petition of the North Carolina Student Legislature, Raleigh, NC, relative to a special purchase of oil from Mexico to fill the strategic petroleum reserve; jointly, to the Committees on Foreign Affairs and Energy and Commerce.